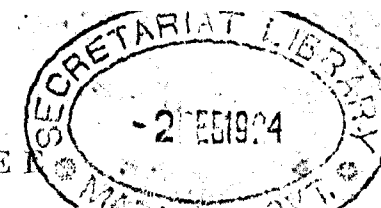


R E P O R T

FROM THE

SELECT COMMITTEE



ON

REPAYMENT OF LOANS BY LOCAL AUTHORITIES;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Government of Madras.

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1902

REPAYMENT OF LOANS BY LOCAL AUTHORITIES.

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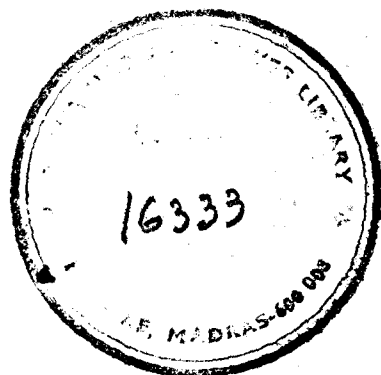
[5th March 1902]:—Ordered,—That a Select Committee be appointed to inquire and report as to the statutory and other conditions limiting the periods for Repayment of Loans raised by Local Authorities in England and Wales, whether any relaxation of such conditions is desirable, and whether uniformity of practice can be secured in this matter.

The Committee was accordingly nominated of,—Mr. Bill, Mr. Brigg, Captain Donelan, Mr. William Jones, Mr. John Hutton, Mr. Heywood Johnstone, Mr. Bonar Law, Mr. Grant Lawson, Mr. A. K. Loyd, Mr. McCrae, Mr. Charles Murray, Mr. Nannetti, Sir Albert Rollit, Mr. Runciman, and Mr. Wodehouse.

Ordered, That the Committee have power to send for Persons, Papers, and Records

Ordered, That Five be the Quorum—(Sir William Walbrond.)

[19th March 1902]:—Ordered,—That it be an Instruction to the Select Committee on Repayment of Loans by Local Authorities that they have power to extend the scope of their inquiry to all parts of the United Kingdom.—(Mr. Long.)



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REPORT.

THE SELECT COMMITTEE appointed to inquire and report as to the Statutory and other conditions limiting the periods for Repayment of Loans raised by Local Authorities in England and Wales; whether any relaxation of such conditions is desirable, and whether uniformity of practice can be secured in this matter; with an Instruction from the House that they have power to extend the scope of their enquiry to all parts of the United Kingdom;—HAVE agreed to the following REPORT:—

I.

The Statutory and other conditions limiting the period for repayment of Loans raised by Local Authorities.

GENERAL.

1. THE Committee commenced its proceedings by requesting all the Government Departments in the United Kingdom having powers and duties in connection with the subject under inquiry to prepare statements as to those powers and as to the principles which guide them in the execution of those duties, and received in response to this request the very full and lucid papers upon the present state of the law and practice governing the repayment of loans raised under general statutes which will be found in the Appendix to this Report.

The Committee were also greatly assisted in this branch of their inquiry by the attendance, as witnesses, of gentlemen representing the above mentioned Departments.

2. It appears from the evidence so collected, that it has been, with one unimportant exception, the policy of Parliament for many years to require that local loans should be repaid within a limited number of years, and to prevent the establishment by any local authority of a permanent debt.

To secure this object each general statute which confers borrowing powers upon local authorities specifies a maximum period for the repayment of loans raised under such powers. Within the limits thus established a discretion is, in English and Irish Acts, as a rule, left to the Government Department specially concerned with the matter for which the loan is required, to decide the exact term for the redemption of each particular loan. In the case however of most of the loans raised by metropolitan boroughs, this discretion is, in the first instance, exercised by the London County Council.

In Scotch law a different principle prevails, which will be dealt with in a separate section of this Report.

ENGLAND AND WALES.

3. The maximum periods specified in Acts applicable to England vary Statutory periods from 10 to 60 years. Many of these Acts deal with a considerable number of loans.

of subjects for loans. In such Acts no attempt is made to distinguish between these subjects, but a general maximum period for repayment of loans raised under each Act is specified in it; as an example of this the Public Health Act 1875 may be cited. Under that Act money may be borrowed for purposes so widely different in the permanence of their character as the provision of ambulances and cabmen's shelters on the one hand, and the purchase of land on the other; but the general maximum period laid down for the repayment of all money borrowed under the Act is 60 years.

Departmental discretion, how exercised.

4. This being the general character of the public statutes dealing with the subject, it is obvious that the discretion left to the Government Departments which fix the actual period for the repayment of each loan is a very wide one. Although some other departments have duties in respect of certain loans, by far the greater part of the work of controlling the borrowings of local authorities falls, in England and Wales, upon the Local Government Board. The Committee have therefore thought it their duty to specially consider the practice of that Department, which has been very fully explained to them by Mr. Kershaw, one of the assistant secretaries of the Board.

The Board has a staff of engineering and medical inspectors amongst whose duties is that of holding local inquiries, when directed to do so, into the circumstances under which it is sought to spread the expense of any work over a number of years by raising a loan for such work. Such an inquiry is in most cases obligatory under statute, if the new loan required will cause the indebtedness of the district to exceed one year's assessable value. At these inquiries the question of the probable durability and continuing utility of the work is gone into by the inspector, and it is his duty and that of the chief engineering inspector to advise the Board as to the period for which the loan should be sanctioned.

Severance and equation.
Kershaw, 11.
Jekyll, 390.

5. The Local Government Board and the Board of Trade hold that the maximum periods mentioned in general Acts refer to the most durable items of the work for which borrowing powers are sought. It is therefore their practice to examine each item of the estimates for such work, and to assign to each group of items an appropriate term for the repayment of the loan required for it. In order to avoid a multiplication of separate loans, the course usually adopted is to grant an equated period for the whole loan, which is arrived at by considering the sums required for each group of items, and the term assigned to that group. The result of this severance and equation is to reduce the periods allowed below the maximum periods mentioned in the Acts, but equation is not practised where the sums included in each group are large, and the local authority express a preference for separate loans.

Special function of Local Government Board.

Kershaw, 12.

6. The Local Government Board, being charged with the general supervision of local finance, takes into its consideration in fixing the period for redemption not only the probable useful life of each part of an undertaking for which a loan is desired, but also the probable future condition of localities with regard to debt, in order that the ratepayers of the future may not be unduly burdened, and so rendered less able to discharge efficiently the duties that are likely to come upon them.

Local Acts.

7. In addition to their borrowing powers under general Statutes, most of the more important municipal authorities have acquired the right to borrow for various purposes under local Acts, and have so borrowed large sums to be repaid within periods fixed by or under those Acts. The Committee have been unable to discover any general principles by which the periods allowed by local Acts are fixed.

Standing Order 173A.

8. In 1882 the attention of the House was called to the very long terms for repayment often obtained by local authorities by means of Private Bills. The result of an Inquiry by a Committee was the passing in that year of Standing Order 173A, which provides, *inter alia*, that no Committee shall in any case allow the term of 60 years to be exceeded, or grant any period disproportionate to the duration of the works to be executed, or other objects of the loan.

REPAYMENT OF LOANS BY LOCAL AUTHORITIES.

The limitation to a period of 60 years contained in the Standing Order can be set aside in the case of any Bill by a special instruction from the House, but the Committee have not been informed of any case in which such an instruction has been moved.

There have only been four cases since the passing of the Standing Order Leigh, 5189. in 1882 in which a Private Bill Committee has granted a period of more than 60 years. These cases were the Sheffield Water Bill of 1887, the Bury Water Bill of 1889, and the Derwent Valley Joint Water Board Bills of 1899 and 1901. On each occasion the attention of the House was called by the Chairman of Ways and Means to the breach of the Standing Order; and although under the exceptional circumstances of the case the Bill was allowed to proceed, the debate disclosed strong opinions in all quarters of the House that periods for repayment of loans should be strictly limited.

9. In 1882, and in every succeeding year down to 1900, the House appointed a Special Committee to consider every Bill containing police or sanitary clauses, whether opposed or unopposed. These Committees had before them each year most of the Bills by which borrowing powers were sought by local authorities, and extracts from their special reports to the House upon the subject of periods for repayment will be found in Appendix 9 to this Report. Police and Sanitary Committees.

10. In the case of every Private Bill, the Government Department specially concerned may prepare a report to assist any Committee to which the Bill is referred; and this is always done in regard to Bills of local authorities which contain loan clauses. By Standing Order 173A of the House of Commons, Private Bill Committees are required to specially report to the House whether any such departmental report has been laid before them, and, if so, in what manner the recommendations contained in it have been dealt with. Standing Order 150 directs that, if such recommendations are not adopted, the reason for dissenting from them shall be stated. Reports of Departments on Private Bills.

The Reports of the Local Government Board upon Private Bills very frequently call attention to the apparently excessive periods asked for for the repayment of loans, and recommend reductions of such periods. These recommendations, though founded upon any information already in the possession of the Board relating to the district concerned, are not the result of a special local inquiry, and when they are not adopted the reason for dissenting from them are seldom fully stated in the Reports of Committees to the House. In some cases the Parliamentary Agent of the Department attends the sittings of Committees to press the views expressed in the reports, but it is not possible for him to do so in every case.

11. Standing Order 172 of the House of Commons provides that "In the case of all Bills whereby any municipal corporation, district council, joint board, or joint committee, or other local authority, in England or Wales, are authorised to borrow money for any matter within the jurisdiction of the Board of Trade or the Local Government Board, estimates showing the proposed application of the money for permanent works shall (except so far as the exercise of the borrowing power is made subject to the sanction of the respective Board) be recited in the Bill as introduced into Parliament, and proved before the Select Committee to which the Bill is referred." Standing Order, 172—Estimates required.

There is no doubt that one of the objects of this Standing Order is to provide the Committee dealing with a Bill with materials upon which to found a judgment upon the question of the appropriate period to allow for the loans sought by the Bill. The Committee are of opinion that this Standing Order is not satisfactorily complied with in many cases. The estimates as set out in many Bills are too general, and the proof of them is usually merely formal. Lithby, 618.

If a Bill is unopposed the preamble is taken as proved, and as the estimates and other particulars are recited in the preamble, no further compliance with the Standing Order is called for. Lowther, 5503. 5474-5.

12. In addition to the statutory limitations upon the periods for repayment already mentioned, there is a further provision, acting as a check in the case of some loans, to which the Committee desire to call attention. Loans from Public Works Loan Commissioners.

If the borrowing authority obtains the loan from the Public Works Loan

Board, the period for repayment is determined by the Commissioners who are empowered by statute to make regulations governing all the conditions of these loans.

Section 11 of the Public Works Loans Act, 1875, directs the Commissioners in making such regulations to have regard to the durability of the work and to the expediency of the cost being paid by the generation of persons who will immediately benefit.

The general policy of the Commissioners is "to hold out inducements to accept short periods for repayment, instead of throwing as much of the burden as possible upon posterity." One of these inducements is the acceptance of a lower rate of interest for a short term than for a longer one. The rates at present in force were fixed by a Treasury Minute of 31st January 1900, as follows:—

Period of Repayment.	Rate of Interest.
Not exceeding 30 years	3½ per cent. per annum.
" " 40 "	3½ " "
" " 50 "	3½ " "

There is no doubt that this policy of the Commissioners has considerably influenced the periods asked for by local authorities desiring to borrow. The percentage which the amount of the longest loans, *i.e.*; those of from 40 to 50 years, granted by the Commissioners bears to the whole amount of such loans has been reduced from an average of 11·04 per cent. in the five years 1888 to 1892 to an average of 3·01 per cent. in the five years 1898 to 1902.

13. Loans raised under general Statutes or private Acts do not at any time make up the real total of local indebtedness.

Many corporations without any statutory authority obtain from time to time, by overdrafts and similar methods, considerable sums, both on current and capital account. The period for repayment, if any, of such unauthorised borrowings is entirely a matter for arrangement between the parties. This method of spreading the cost of a work over an indefinite period, or one selected by the borrowers, cannot be adopted by local authorities whose accounts are audited by the Local Government Board's auditors.

14. As the difference between the methods by which loans may be repaid is a matter with which the Committee will have presently to deal they have thought it right to set out here the terms of the sections by which the repayments of most of the loans raised under general statutes are controlled.

"The money may be borrowed for such time, not exceeding 60 years, as the local authority, with the sanction of the Local Government Board, determine in each case; and, subject as aforesaid, the local authority shall either pay off the moneys so borrowed by equal annual instalments of principal of principal and interest, or they shall in every year set apart as a sinking fund, and accumulate in the way of compound interest by investing the same in the purchase of Exchequer bills or other Government securities, such sum as will with accumulations in the way of compound interest be sufficient, after payment of all expenses, to pay off the moneys so borrowed within the period sanctioned:

"A local authority may at any time apply the whole or any part of a sinking fund set apart under this Act in or towards the discharge of the moneys for the repayment of which the fund has been established: Provided that they pay into the fund in each year and accumulate until the whole of the moneys borrowed are discharged, a sum equivalent to the interest which would have been produced by the sinking fund or the part of the sinking fund so applied:

"Where the Treasury* approve a mortgage or charge under this part they may, as a condition of their approval, require that the money borrowed on the security of the mortgage or charge be repaid, with all interest thereon,

*Now the Local Government Board.

in 30 years, or any less period, and either by instalments or by means of a sinking fund, or both.

"In that case the sums required for providing for the repayment of the principal and interest of the money borrowed shall be by virtue of this Act a charge on all or any of the following securities, namely, the land comprised in the mortgage (without prejudice to the security thereby created), or any other corporate land, or the borough fund, or the borough or other rates legally applicable to payment of the money borrowed, or of the expenses which the money is borrowed to defray, as the Treasury* direct.

Municipal Corporations Act, 1882, Sec. 112 (2).

SCOTLAND.

15. In Scotland most of the Public Acts specify a maximum period of repayment, and within that period the local body is entitled to proceed as it pleases in the matter of raising loans. Dodds, 1316.

As a general rule this maximum period is 30 years, the only important exceptions being that in the case of the Burial Grounds Act only 20 years is allowed; that School Boards, with the consent of the Scotch Education Department, may spread the repayment of their loans over 50 years; and that burghs may borrow for 50 years for roads and bridges.

The Housing of the Working Classes Act in its Scotch application applies in regard to loans the provisions of the Public Health Acts under which the period allowed is 30 years. Dodds, 1364.

The statement of the Scottish Office as to the General Acts regulating loans in Scotland (*see* Appendix 15) shows that the tendency of the most recent Scotch Acts is to give a uniform maximum period of 30 years for all new loans, *e.g.*, the Local Government (Scotland) Act, 1889, and the Public Health (Scotland) Act, 1897.

The independence allowed to the local authorities in Scotland enables them to spread what in England would be a short loan over the maximum period of 30 years, but from the character of the evidence given by the Scotch witnesses who have appeared before them, the Committee do not think it probable that this is often done. Dodds, 1375.

IRELAND.

16. The statutory and other conditions limiting the periods for repayment of loans in Ireland appear to the Committee to be the same in principle as those in force in England.

The only points of difference in practice to which the Committee desire to call attention in this part of their report are—

(1) That in Ireland local authorities obtain a greater proportion of their loans from the Public Works Loans Commissioners (Ireland) than is the case in England, and are consequently more affected by the regulations made by the Commissioners already referred to, which apply equally to the whole of the United Kingdom.

(2) That the comparatively small rateable value of most of the areas controlled by Irish Local Authorities, and the exceptional difficulties in which such authorities are in consequence placed when they desire to undertake sanitary and other improvement works have seemed to the Irish Local Government Board sufficient reason for adopting rather less stringent views on the question of periods for repayment than those which prevail in the corresponding English department. Robinson, 1152.

II.

Whether any Relaxation of such Conditions is Desirable.

17. The case for an extension of the statutory maximum periods and for suggesting to Government Departments a less cautious exercise of their discretion has been presented by witnesses appointed by the Municipal Course of proceedings under this head of reference.

* Now the Local Government Board.

Appendix 32.

Appendix 33.

Overdrafts.

Lithiby, 649, 651.
Ellis, 2088.
Lee, 2267.

Methods of repayment.
Terms of principal sections.

Public Health Act, 1875, Sec. 234 (4).

Public Health Act, 1875, Sec. 234 (5).

Municipal Corporations Act, 1882, Sec. 112 (1).

Corporations Association, the Urban District Councils Association, the Rural District Councils Association, and the Poor Law Unions Association, or selected by the Scotch and Irish Members of the Committee.

The witnesses who appeared on behalf of local authorities were undoubtedly mainly, though not exclusively, concerned in watching over the financial interests of present ratepayers. It was impossible to obtain the assistance of any witnesses concerned to a similar degree in considering the interests of posterity. The claims of posterity were fully stated by representatives of the Government Departments.

Considerations
other than
financial.

18. Although the Committee have thought it right to devote special attention to the financial aspects of the question submitted to them, they do not consider that the divergent interests of the present and the future ratepayers can be satisfactorily adjusted upon purely financial considerations. Posterity may derive advantages of a moral and physical character from some portion of the expenditure of the present day. It is not possible to set any accurate pecuniary value upon those advantages. On the other hand, the additional sums which the ratepayers of the future will have to pay in cash if the periods for repayment of loans are extended can be arrived at with mathematical certainty.

Methods of
repayment con-
sidered.

19. A matter of some importance in considering whether the period for repayment should be extended is the method of repayment adopted in the particular case.

The three principal modes of repayment prescribed by the general law and the majority of local Acts are as follows:—

- i. By equal annual instalments of principal together with interest on the sum remaining unpaid, *i.e.*, by what is called in this Report the Instalment System.
- ii By equal annual instalments of principal and interest combined, *i.e.*, by terminable annuity.
- iii. By setting apart and accumulating at compound interest a sinking fund.

The amount of the additional pressure upon posterity in the event of an extension of time for repayment would be materially varied by the adoption of one or other of these methods.

Welby, 4036,
4039.

Most of the municipal witnesses from England and Ireland have expressed a preference for either the second or third of these methods of repayment, but Lord Welby and the witnesses from Edinburgh and Glasgow differed from this view, and desired the more general adoption of the first method, which involves a much smaller total payment in respect of capital and interest than either of the others, though the burden imposed by it in the earlier years of repayment is heavier, as is shown in the following figures:—

Repayment of a Loan of 100*l.* in periods of 30, 40, and 50 years, by (A) the Instalment System, and (B) the Annuity System, at 3 per cent. interest.

		Payment in First Year.	Last Year.	Total Amount paid in Period.
		£. s. d.	£. s. d.	£. s. d.
30 years	A.	6 6 8	3 8 8	146 10 -
	B.	5 2 -	5 2 -	153 1 2
40 years	A.	5 10 -	2 11 6	161 10 -
	B.	4 6 6	4 6 6	173 1 -
50 years	A.	5 - -	2 1 3	176 10 -
	B.	3 17 9	3 17 9	194 6 7

20. The Committee have had tables placed before them, which show the amount of relief which would be given to existing ratepayers by various extensions of the periods for repayment by the annuity system. Special attention is called to the following statement, showing the annual sum required to repay with interest a loan of 10,000*l.* borrowed at 3 per cent. per annum for various periods not exceeding 60 years:—

Period for which Loan is Borrowed.	Annual Sum to be Paid.
Years.	£.
10	1,172
20	672
30	510
40	433
50	389
60	361

It will be observed that every decade of extension affords a decreasing amount of relief. For instance, taking the figures in the above statement, an extension from 10 to 20 years reduces the annual payment required by 500*l.*; an extension from 50 to 60 years affords relief only to the extent of 28*l.* On the other hand each decade of extension increases, in increasing proportion, the risk of posterity.

21. The following statement is also of much interest:—

Table showing Particulars as to Loan of 250,000*l.* at 3 per cent. repayable at periods of 30, 40, 50, 60, 80, or 100 years.

Period.	Annual Payment of Principal* and Interest.	Total Amount of Interest paid at end of period.
	£.	£.
30 years - - - - -	12,754	132,644
40 " - - - - -	10,815	182,623
50 " - - - - -	9,716	235,818
60 " - - - - -	9,033	291,994
80 " - - - - -	8,277	412,235
100 " - - - - -	7,911	541,166

* Omitting fractions of a pound.

It will be noted that if a period of 100 years had been granted for the repayment of the loan with which this statement deals, the ratepayers during that period would have paid in interest alone more than twice the amount of the sum borrowed; in other words, they would have been called upon to pay in respect of capital and interest more than three times the cost of the works for which the loan was raised.

If 60 years had been the period allowed it would have been found at the end of 34 years that the amount then remaining to be paid in respect of principal and interest equalled the whole original cost of the works.

22. The result of the above figures, if taken entirely by themselves, would no doubt go far to prove the case for comparatively short periods for repayment.

Your Committee, however, are not unmindful of the fact that it is neither wise nor just to place upon the shoulders of present ratepayers too large a portion of the burden of necessary or useful works from which succeeding generations will derive benefit. To do so would be to put a serious check upon the execution of such works. It has been stated by several witnesses

Amount of local debt (England and Wales).
Appendix I.
(Part II.)

that the present periods allowed for repayment have in some instances prevented such works from being undertaken. In view, however, of the fact that local indebtedness has risen from under 93,000,000*l.* in 1874-75 to over 293,000,000*l.* in 1899-1900 your Committee do not consider that local authorities in general can be fairly accused of any reluctance to undertake necessary or desirable works from an excessive fear of the burden which the payment of instalments under the present conditions casts upon their constituents.

Interesting figures, showing the recent increase of local debt as compared with that of population and rateable value, will be found in the charts prepared for the Committee by Mr. Henderson, M.P. (*see* Appendix 24).

Reproductive work.

23. Much of the recent growth of local indebtedness is due to the undertaking by local authorities of work which is sometimes called "Municipal Trading," but which the Committee prefer to call "Reproductive Work," using that term as meaning work from which some pecuniary return is expected. It has not been thought to be within the terms of reference to attempt to ascertain whether, in point of fact, such work generally produces a pecuniary profit.

When repayment should commence.

24. The Committee have considered the question of the proper date for the payment of the first instalment of the sinking fund.

Lithiby, 638.

As a general rule such instalment should be paid within a year of the borrowing. The Committee, however, think that that requirement need not be insisted upon in the case of a loan for new works from which a cash return may be reasonably expected when they are completed; and that in that case the payment of the first instalment may be properly deferred during some portion of the time allowed for the construction of the works. Such works, even if the return from them is not sufficient to make them profitable in the ordinary sense of the word, will be at any rate a lighter burden on the rates when completed than the instalments of repayment cause them to be during construction. Future ratepayers will have whatever return there may be from the works to assist them in the payment of instalments.

Interest out of Capital.
Appendix 2.

25. Some local authorities desire in the case of reproductive works not only to defer the payment of the first instalment in respect of capital, but also to pay interest during construction out of the money borrowed. This would relieve those whose representatives decide to borrow for such works from immediate liability to contribute anything in respect of the borrowing, and should not in the opinion of the Committee be ever permitted.

During the construction of works the district has in many cases the advantage of the expenditure within it of much of the money raised by the loan, and this may fairly be taken into consideration as some compensation for the fact that nothing is being earned by the works in the interval.

Question of Housing loans postponed.

26. The Committee will deal in another part of their report with loans under the Housing of the Working Classes Acts in their application to the whole of the United Kingdom. They now proceed to state for each of the three Kingdoms the alterations both in law and practice which appear to them to be desirable in relation to the repayment of loans raised for purposes other than housing or re-housing.

ENGLAND AND WALES.

STATUTORY CONDITIONS.

Municipal Corporations Act, 1882.

27. The principal anomaly in the law regulating the subject under inquiry is the difference between the maximum period (30 years) allowed for the repayment of loans raised under the Municipal Corporations Act, 1882, and the maximum period (60 years) prescribed for loans raised under the Public Health Act, 1875. The Committee are of opinion that there is no good reason for the difference between the loan provisions of these Acts.

The Town Halls erected by Town Councils under the Municipal Corporations Act cannot be considered to be less substantial and permanently useful buildings than the offices built by Urban District Councils under the Public Health Act, nor can it be said that the land acquired by a Town Council

acting as a municipal authority is necessarily of less permanent value than land acquired by the same council acting as a sanitary authority.

The Committee therefore recommend that the Municipal Corporations Act, 1882, should be amended by the substitution of 60 for 30 years as the maximum period for the repayment of loans raised under that Act.

28. The Committee make a similar recommendation with regard to section 69 (5) of the Local Government Act, 1888. In the course of the passage of that measure through the House the maximum period of 60 years proposed by the Government for all loans raised under it was reduced to 30 years after a debate in which few suggestions for a longer period than 40 years were made. This decision was apparently based on a suspicion that the new County Council would be far more lavish in their expenditure than Courts of Quarter Sessions had been. Although this suspicion has not been justified by experience, the provisions of section 69 (5) have been applied in most of the later Acts which have given borrowing powers to county councils. The result is that money borrowed by county councils for the purchase of sites for and the erection of county buildings, industrial schools, inebriate reformatories, isolation hospitals, technical institutes and lunatic asylums must be repaid within 30 years.

The substantiality of these buildings and the value of their sites vary greatly, but the Committee see no reason to suppose that county councils will, if the possible maximum period is extended, either seek, or receive from the sanctioning authority, terms for repayment inconsistent with the character of the buildings which they propose to erect.

29. With regard to technical institutes an examination of the various sub-heads of section 4 (1) of the Technical Instruction Act, 1889, reveals this anomaly that whereas an urban district council can obtain a maximum period of 60 years for the repayment of its loans raised under the Act, a county borough council or town council is limited to 30 years for that purpose. This anomaly will disappear if the above recommendations are adopted.

30. The Committee have also had their attention called by several witnesses to the maximum period of 30 years fixed by the Tramways Act of 1870 for the repayment of loans raised under that Act, and have been strongly appealed to to recommend the increase of that period. The fact that the Light Railway Commissioners are empowered to sanction—and do after full inquiry sanction—periods for repayment greatly in excess of 30 years was urged in support of this appeal. Several instances have, however, been laid before the Committee in which the money borrowed under the Act has been expended on subjects which have become worn out or obsolete before the loan in respect of those subjects has been completely repaid. Even with regard to permanent way, in respect of which a period of 30 years for repayment has always been allowed by the Board of Trade, the Committee have been informed (*see* Appendix 3) that in some instances where local authorities took over lines under their compulsory powers after 21 years, the lines were found to be partly obsolete and partly worn out, so that reconstruction with new materials was indispensable. In view of the very remarkable progress which has been recently made in methods of mechanical traction and the probability of still further developments in the near future, the Committee are not prepared to say that the periods which the Board of Trade are able under the present law to fix for the repayment of these loans for tramway lines and equipment are too short, and they do not recommend any alteration of that law.

ADMINISTRATIVE ACTION

31. The specific cases of alleged excessive restriction of redemption periods which have been laid before the Committee may be divided into three classes:

- Those which are the necessary result of the fact that the maximum period fixed by the Public Health Act, 1875, has not been adopted by Parliament in all subsequent general Acts.

- ii. Those which result from the decisions of Private Bill Committees.
- iii. Those which are entirely due to the administrative action of Government departments.

Complaints considered.

Robinson, 1271.
Pile, 4663-4667.

Baker, 2642-2645.
Lee, 2405.
Taylor, 3051.

Duty of Departments.

32. As regards Class I. the Committee have already made recommendations which if adopted will prevent similar cases arising in the future.

Class II. The Committee have had only one case placed before them in which the period for repayment granted by a Private Bill Committee appeared to them, upon the facts as stated, to be too short, *i.e.*, the case of the Dublin Main Drainage Works, in which only 45 years was allowed in respect of works apparently of exceptional substantiality and permanence. The Committee, however, have had no evidence to show upon what grounds that period was fixed.

Class III. The complaints against the administrative action of the departments were almost exclusively confined to charges of excessive caution.

33. It appears to the Committee that it is the duty of a department, in deciding the question of the period for repayment as apart from the question of whether any loan should be permitted, to consider more closely the durability than the desirability of the works or purposes for which the loan is required, and to use very considerable caution in fixing such period. In deciding upon the probable duration of the useful life of any work the officers of a department have to deal with many points which are purely matters of prophecy; they are not empowered to superintend the carrying out of the plans placed before them, and have no adequate means of ascertaining or controlling the amount of attention given to the maintenance of the works when completed. The shifting of population, the alteration of science and discovery, exceptionally violent storms and a variety of other causes may upset calculations based upon even the widest experience.

In answer to the instances which have been laid before the Committee in which the useful life of the subject for which money has been borrowed seems likely to exceed the period granted for repayment, the Local Government Board has supplied the Committee with particulars of 29 cases which came before that board between April 8th and May 13th of the present year in which works or some portions of them have failed to last for the period allowed for repayment.

In view of such cases as these it is not surprising to find that the department is inclined to reserve "a margin of safety" in its calculations.

34. It appears to the Committee impossible to suggest any more thorough method of arriving at the necessary calculations in the first place than the local inspections and inquiries now held by the Local Government Board and some other departments before they sanction a loan. Possibly by centralising all control both of construction and maintenance in the hands of a department something might be done to prevent such calculations being upset by unauthorised deviations from, or faulty execution of, sanctioned plans or by subsequent neglect of maintenance, but the Committee cannot recommend such centralization which would not only involve an immense increase in the cost of the staff of the departments, but would also be an unwarrantable interference with local self government.

35. Any tendency towards excess of caution which may exist in the departments is continually counteracted by the fact that they are exposed to pressure from representatives of present ratepayers whose interests in this matter are from a financial point of view entirely different from the interests of the ratepayers in future years.

36. A further consideration which appears to justify resistance to that pressure is that future ratepayers will have duties of their own to deal with for which they in their turn will have to borrow money, and to the extent to which the financial engagements now entered into at their expense prove to exceed the advantages received by them in respect of those engagements will be hampered in the discharge of their duties.

The Committee, in view of the increase of local debt, consider that the

Kershaw, 5718-5721.

Appendix 29.

Kershaw, 27.

Should further means of control be given.

Check on excessive caution.

Future needs of localities.

only sound financial system is that which makes each generation pay to a considerable extent its own way. Very long periods of repayment have a distinct tendency to lessen the care taken by those who raise money by loans to make the amount of the loans as small as possible.

37. The Committee do not consider that necessary works have been in any considerable number of instances delayed or neglected in consequence of the caution displayed by Government departments. Their reasons for this conclusion are not only the steady and very large increase of local indebtedness, but also the general improvement of the sanitary conditions of towns, and the fact brought to their notice by Mr. Kershaw that the Local Government Board has received comparatively few formal complaints of default by local authorities under the Public Health Act and, apart from the Housing Question, few representations in favour of longer terms. The Committee have been informed that the London County Council has no suggestions to offer as to any relaxation of the present conditions for the repayment of its loans, except as regards its housing loans. The loans of the London County Council are under the control of the Treasury, but the Committee have no reason to suppose that that department is less cautious in the fixing of terms for repayment of loans, other than housing loans, than the Local Government Board or the Board of Trade.

38. For these reasons the Committee are of opinion that the caution exercised by the Government departments under the present conditions attaching to repayment is seldom excessive.

39. It appears, however, to the Committee that this caution as to the length of term granted for repayment might well be relaxed if the other conditions of repayment were amended. Evidence has been produced that neither the departments nor Private Bills Committees consider, in fixing the periods for repayment, by which of the three systems described in paragraph 19, a loan is to be repaid. On the other hand the London County Council, in sanctioning the loans of Metropolitan Borough Councils, prescribes not only the term but also the method for repayment.

The Committee recommend that the sanctioning authority should be empowered and required in all cases to fix the manner in which repayment is to be made.

In cases in which the instalment system of repayment is enforced or adopted the term for repayment may well be longer than in cases of repayment by the annuity system. Under the former system the amount required to be found in respect of the debt grows smaller every year, and the difference is available to meet the increasing maintenance charges, or the interest on new debt.

40. Some of the witnesses who have given evidence on behalf of the larger corporations have assured the Committee that a Repairs or Depreciation Fund is provided by them in respect of most of their undertakings, but the return obtained by Sir H. Fowler in 1899 shows that over an average of five years the average annual contribution to such funds in respect of the debts which are called in that return Reproductive Debts only amounted to one-tenth of 1 per cent.

Payments to such funds are, in England and Ireland, very seldom obligatory, and while they remain optional their maintenance at a satisfactory figure is subject to such criticism as that which will be found in the letter addressed to the Committee by the Workmen's National Housing Council. (Appendix 34, paragraph 5.)

The Committee recommend that power should be given to the sanctioning authority to make it a condition of their sanction that provision should be made for the probable annual average cost of repairs during the currency of the loan. The amount of such necessary provision should be fixed by the authority and should depend upon the character of the purpose for which the loan is required, and the method by which it is to be repaid. Compliance with this condition should be in all cases enforced by Government audit.

Necessary works not prevented.

Kershaw, 65.

Haward, 3265.

Caution of departments not excessive.

Conditions under which caution might be relaxed.

Kershaw 245.

Jekyll, 393.

Lithiby, 715.

Lindsell, 496.

Repairs or Depreciation Fund.

xiv

REPORT FROM SELECT COMMITTEE ON

41. If the recommendations contained in the last two paragraphs are adopted, the Committee are of opinion that the caution at present exercised with regard to the periods for repayment might be to some extent relaxed.

Spear, 5080.
Poor Law
Buildings.

42. Speaking on behalf of the Poor Law Unions Association, Mr. Spear, M.P., urged upon the Committee that the exceptionally substantial character of Poor Law buildings would justify a longer term for the repayment of loans for their construction than that usually allowed by the Local Government Board.

Within the last 30 years there have been great changes in public opinion with regard to the treatment of paupers, and the accommodation to be provided for them especially in childhood-sickness and old age.

The Committee think that these changes and the probability of a still further advance of public opinion in the near future justify the action of the Local Government Board in allowing, in respect of these loans, periods considerably less than the statutory maximum of 60 years.

SCOTLAND.

Dodds, 1340,
1362, 1434.
Paton, 2983.

43. The Committee are satisfied from the evidence placed before them that there is no general demand in Scotland, apart from the question of housing, for any alteration of the statutory or other conditions limiting the period for the redemption of loans.

Dodds, 1348.
Chisholm, 2700.

Their attention has, however, been drawn to the Burial Grounds (Scotland) Act, 1855, and they consider that the maximum period fixed by that Act should be extended to 30 years.

Cranston, 2874.
Mathieson, 2919.

44. Scotch local authorities are content with the maximum period of 30 years allowed by nearly all the Scotch Acts, and the right which they possess to fix their own term within those limits; they desire to repay their debts with all reasonable speed; they provide amply depreciation funds, or make all additions and alterations out of current rates, and as a rule they adopt the instalment system of repayment. The Committee desire to call special attention to the evidence of the Scotch witnesses who have appeared before them.

Chisholm, 2723,
2745, 2824, 2856.
Cranston, 2878.
Paton, 2976.

IRELAND.

Statutory con-
ditions.

45. The Committee recommend that the maximum period of 30 years mentioned in Section 7 of the Municipal Corporations (Ireland) Act, 1843, should be extended to 60 years, both for reasons similar to those on which their recommendation in respect of the corresponding English Act is based, and also because the period of 60 years is the maximum fixed in respect of County Council loans by the Local Government (Ireland) Act, 1898.

Administrative
conditions.

Sir H. Robinson,
1057, 1115, 1299.

Stevenson, 861.

46. As has already been stated the Local Government Board for Ireland is inclined in the special circumstances of that country to give as long terms as are reasonably possible for the repayment of loans, but the action of the Board is hampered by the fact that nearly all the money borrowed by Irish local authorities is obtained from the Local Loans Fund of which the Commissioners for Public Works in Ireland are the Irish agents. The maximum period for which any money obtained for that fund may be lent is 50 years. In view of the fact that the maximum period which the Irish Local Government Board may fix under nearly all the Acts applicable to Ireland is 60 years, the Committee recommend that the Commissioners should be empowered to lend for that term.

Labourers
(Ireland) Acts.

47. Complaint has been made to the Committee of the periods fixed under the Labourers (Ireland) Acts under which rural district councils may provide cottages, with allotments of land not exceeding one acre in extent.

The statutory maximum period for the repayment of loans for this purpose is 60 years, but this maximum is practically reduced to 50 years by the above-mentioned limitation on the lending powers of the Public Works Loan Commissioners.

The policy of the Irish Local Government Board is to allow the full 50 years, and that Board seldom reduces the period suggested by the council which applies for the loan. More than one-half of the two millions of debt now outstanding under these Acts has been borrowed for 50 years.

Robinson, 1290
1026, 1171.

Stevenson, 862
867.

III.—Can Uniformity of Practice be Secured?

48. There exists at present a want of uniformity between the periods sanctioned in respect of loans for similar works by Government departments acting under general statutes on the one hand, and by the provisions of local Acts on the other.

Existing want of
uniformity.

The details of these provisions in local Acts are settled by the different Committees to which the Bills are referred, and decisions of such Committees frequently vary.

Lithiby, 607.
Baker, 2588.

49. The Committee fully appreciate the fact that the Private Bill Committees and the officers of both Houses devote much time and attention to the duties imposed upon them, but they desire to point out the difficulties and disadvantages under which these Committees are asked to settle redemption periods for loans required for purposes of the most varied character.

Private Bill
Committees.

50. The question of the term to be granted or the repayment of any particular loan is very seldom discussed by experts before these Committees. They have no professional advisers competent to assist them in the consideration of plans and estimates or in actuarial calculations; except on the occasions when the agent of one of the departments can be present, there is no one before them to call attention to the probable effect of their decisions upon the interests of posterity, and in most instances their only guides in settling the term to be granted are (a) the report of a Government department whose experts have not had, under the rules of Private Bill Procedure, any opportunity for examining the plans of the work for which the loan is desired, or holding a local inquiry; and (b) a table showing the periods granted in the case of Bills of previous years by the Police and Sanitary Committee under circumstances and upon evidence about which the table gives no information. The promoters of the Bills are, as a rule, anxious to get the longest term possible for replacement (see fifth columns of Appendices 4 and 8), and the statutory meeting of ratepayers and owners which is required by the Borough Funds Act as a preliminary to placing the costs of promotion upon the rates, and which has been represented to the Committee as a check upon the promoters in this matter, is not likely to place any restriction upon demands for the prolonged periods which relieve present ratepayers.

Their disadvantages in fixing
periods.
Leigh, 5225.
Lowther, 5461,
5495.
Gray, 5533.

51. In these private Bills loans are frequently asked for in a lump sum to cover a variety of objects of different degrees of durability; in some cases the purposes for which the loan is required is not stated in the Bill, and when the purpose stated is one which involves expenditure upon a number of different items varying in their durability the Committees are seldom informed how much of the loan is required for each of such items.

Purposes of loan
not sufficiently
defined.

52. These being the conditions under which Committees dealing with certain opposed or unopposed Private Bills are at present called upon to fix periods for debt redemption, it is not to be wondered at that local authorities desirous of spreading their expenditure over a prolonged series of years prefer to proceed by way of Private Bill, even when their margin of borrowing powers under general statutes is ample, rather than to apply to a Government department for sanction to borrow under those statutes for a period to be settled by the department after a thorough investigation of the circumstances.

Evasion of
proper control
of periods.
Lithiby, 614.
Leigh, 5228.
Lowther, 5494.
Gray, 5563,
5576.

53. The Committee are aware that in many cases, e.g., where general statutes are not applicable, or the limits of the borrowing powers given by those statutes have been exhausted or are not sufficient to cover the desired new

loan, local authorities must obtain permission to raise the loan by Private Bill; but they recommend that the Standing Orders of the House should be so altered as to prohibit this method of obtaining borrowing powers being used in any case where legal necessity for it does not exist.

Recommendation
as to Private Bill
Committees.
Report of Police
and Sanitary
Committee, 1882.
Lithiby, 612.
Gray, 5572, 5680.

54. In cases in which loan clauses must be inserted in Private Bills, the Committee recommend that the Committee dealing with such clauses should either require very detailed evidence as to the exact character of the purpose to which every part of the loan is to be applied, or—in the absence of such evidence and means of testing it—settle a maximum period for the repayment of each loan, and leave the exact term within that maximum to be decided by the appropriate Government department.

Work of Chairman
of Ways and
Means.

55. The Committee hope that if the above recommendations are generally adopted, the work in connection with unopposed Private Bills now thrown upon the Chairman of Ways and Means, which appears to the Committee to be at present excessive, may be somewhat lightened. The Committee wish to call special attention to the evidence of Mr. Lithiby, Sir Edward Chandos Leigh, and Mr. James William Lowther, that applications for loans pass through the Unopposed Bills Committee generally without detailed examination, and with the very heavy work the Chairman of Ways and Means has to do at certain periods of the Session, it is impossible for him to devote that amount of time to go through unopposed Bills which he would do if he had not to take the Chair in the House for eight or nine hours on end.

Scale of maximum
periods.

56. The Committee have been invited by several witnesses to suggest a scale of maximum periods for adoption in Local Acts, but they doubt whether such a scale, if constructed, could be properly used in any large number of cases. It is obvious that if the purpose of a loan is the acquisition of existing works, the condition of those works at the time of the loan must be a governing factor in the determination of the appropriate maximum period for repayment. On the other hand, if the borrowing powers are sought for new works, the plans and specifications, and the proportions in which the lump sum asked for is to be divided between permanent purposes, *e.g.*, the purchase of land, and less durable items, are matters which cannot be neglected in fixing even a maximum period for the continuance of the loan.

Loans for cost of
promoting Bills.

57. There is, however, one purpose for which sums of money amounting in the whole to a very large figure are borrowed every year, *i.e.*, the payment of costs involved in the promotion of Bills by local authorities, upon which the Committee desire to make some observations with regard to the appropriate maximum period for repayment, both because they have received much evidence in connection with it, and because the circumstances of each case of loan for this purpose are practically the same.

It has been for some years past the invariable practice of the Police and Sanitary Committee, and for two years past the general practice of other Committees to grant a period not exceeding five years for the repayment of the costs of promotion. Many town clerks and other municipal witnesses have suggested an extension of this period to the full term granted in respect of the permanent works provided for in the Bill in the promotion of which the costs are incurred.

Opinion of
Committee on
such loans.

58. The Committee think that there may very occasionally be exceptional circumstances in respect of certain Bills, *e.g.*, Bills which involve alteration of boundaries, with consequent temporary differential rating, which would justify an extension of the period assigned for the repayment of the costs of promotion. In this connection they desire to call particular attention to the evidence which they have received with regard to the Bills of the Dublin Corporation.

Pile, 4694.
Leigh, 5306, 5307.

It has, however, been already pointed out that there is a growing tendency on the part of local authorities to proceed, when loans are required, by Private Bill rather than to use the powers they already possess under general or adoptive statutes; and the Committee regard as a useful check upon that tendency the existing strict limitation upon the period for payment of costs which compels present councillors who promote, and present ratepayers

who sanction, Private Bills to provide themselves a great part of the costs of promotion.

The Committee recommend that the period of five years should continue to be the ordinary maximum in the case of these loans, subject to the consideration of such exceptional circumstances as those above referred to.

IV.—Loans under the Housing of the Working Classes Acts.

59. In regard to these loans there is a widespread feeling amongst municipal authorities that the periods allowed for their repayment should be extended. Importance of question.

The Committee recognise that there are certain considerations which differentiate the case of housing from that even of public water supply or sewage works, without which the population even of towns have contrived—and in some cases still contrive—to exist.

If it is true that the supply of houses for the working classes by private enterprise has failed, generally or in certain places or in regard to certain classes of workman, to keep pace with the demand for such houses, caused either by increase of population or by demolition of dwellings, the matter appears to be one of exceptional gravity.

60. It has not appeared to the Committee to be within the terms of their reference to express an opinion upon the question whether the supply of such houses by private enterprise or benevolence has been checked in any case by municipal competition, either actual or anticipated. They consider that the sole question with which they are called upon to deal is whether local authorities are unduly hampered by the periods allowed for repayment of loans for the construction of dwelling houses in cases in which such construction is forced upon them either by the legal necessity for re-housing persons displaced by their demolition works, or by the proved inadequacy of the supply of houses for the working classes in their district. Limits of reference to Committee. Henderson, 4523. Spear, 5100.

61. The reluctance of ratepayers to allow any part of the cost of works to be thrown upon the rates appears to be particularly strong in the case of housing works which, if open market rents are not enforced, confer special advantages on certain individuals. This feeling, so far as it exists with regard to the re-housing of displaced persons, is probably founded upon a misapprehension both as to the moral and sanitary benefits which all existing ratepayers derive from the demolition of unhealthy dwellings, and as to the real annual cost which is thrown upon the rates by the actual re-housing part of municipal schemes. Views of ratepayers. Haward, 3267. Ellis, 2057. Bell, 4954.

62. Under the general head of "Housing" the Committee recognise that a distinction must be drawn in this part of their report between housing, *i.e.*, building operations under Part III. of the Act of 1890, and rehousing, *i.e.*, similar operations under Parts I. and II. Local authorities—other than rural district councils—have in all cases a discretion left to them as to whether they will, or will not, undertake housing operations, but demolition schemes involving a statutory obligation to re-house can be forced by legal compulsion upon any urban sanitary authority. When the law practically compels the raising of a loan it is not unreasonable to ask that the legal conditions of repayment should be less rigorous than in the case of debt voluntarily incurred. Distinction between housing and rehousing.

63. It must also be remembered (1) that it is principally in re-housing schemes that the local authority is at any rate supposed to be dealing with the poorest class of the community, the former inhabitants of demolished slums, who cannot pay high rents or afford the means of transit to sites on the outskirts of the town in which they work, and for whom the private builder for profit seldom seeks to provide; and (2) that it is in the case of re-housing schemes that the sanitary and moral advantages to the general community are most obvious and immediate. Further distinctions.

The Committee therefore feel that it is with regard to loans for re-housing purposes that the strongest claim for a revision of redemption periods can be established, and they proceed to examine what is the strength of that claim

RE-HOUSING UNDER PARTS I. AND II.

Position of local authorities with regard to re-housing.

64. The contention of local authorities is that they must, for reasons already referred to, re-house a large proportion of those whom they displace upon sites in the very part of their district in which land is most valuable; that if they are to re-house the actual people whom they dispossess they cannot charge them rents higher than those which they have been accustomed to pay for their slum dwellings; that they have reduced to the lowest figure, consistent with substantial and sanitary construction, the cost of building; that they are working at a loss, and that they are consequently confronted with the alternative of either making good that loss annually out of the rates or reducing their sinking fund payments by obtaining an extension of the periods for replacement; that, in other words, they are compelled to ask for a contribution in aid of their re-housing schemes, either from the present ratepayers, or from more remote future generations. The witnesses who have appeared on behalf of municipal authorities have expressed a preference for the latter alternative, and they have urged in justification of that preference that future generations will receive from their schemes both a valuable tangible asset and incalculable intangible benefits in the improved health and morals of the people.

Method of presenting profit and loss account. Capital charges.

65. The Committee do not wish to express any opinion as to the economical character of municipal building operations, but they think that the manner in which the profit and loss account of re-housing schemes is in many places presented is calculated to convey a wrong impression as to the annual charge upon the rates arising from these schemes. Interest and sinking fund payments on the whole amount given for the insanitary area or buildings, or expended upon demolition, are often charged against the re-housing scheme. It appears to the Committee that the capital charges against the re-housing part of a scheme under Parts I. or II. of the Act should be only interest and sinking fund charges in respect of that part of the total loan raised which is rightly attributable to the cost of building the houses and to the housing value of their sites, i.e., the price which such sites would fetch in the market if sold, subject to a covenant to build upon them workmen's dwellings. The rest of the loan should be regarded as expended on a sanitary improvement and repaid in a period not exceeding 60 years.

Profit and loss account. Scale of rents.

66. Another point, in the profit and loss account, which is very material in the consideration of the question whether relief should be given in respect of sinking fund charges is the scale of rents charged for the new tenements. It is obvious that if the rents charged are unreasonably low there will be a loss upon the scheme, even if repayment of loans is altogether dispensed with. Assuming it to be necessary to charge less than a commercial rent for their new accommodation in the case of those who have actually been compulsorily displaced, and have not received compensation under the provisions for that purpose, the Committee consider that in all other cases the rent should be such as is commanded by similar accommodation in the district. To adopt any other scale must lead to great difficulty in selecting the tenants of these exceptionally low-rented tenements, and to a serious reduction of the supply of houses by private enterprise.

Profit and loss account. Repairs Fund.

67. The Committee further suggest that the amount allowed in these accounts for repairs and renewals should not be based upon the probable cost of repairs during the earlier years of the currency of the loan when the houses are new; but upon the probable average annual cost during the whole period.

Period for repayment of loan rightly attributable to re-housing.

68. A period for repayment which would, in the opinion of the Committee, be just both to the present and the future, could be arrived at in the case of that portion of each loan which is required strictly for re-housing, if the points dealt with in paragraphs 65-66, and 67, were attended to in submitting to the sanctioning authority estimates as to the probable financial results of the scheme. They recommend that estimates so framed should

in every case be required and examined, and that the period assigned for the repayment of that portion of the loan should be subject to an absolute maximum of 80 years.

Housing under Part III.

69. It has been represented to the Committee that local authorities are placed at a disadvantage as compared with their private competitors in housing undertakings by the fact that they are compelled to repay their housing loans within the periods at present allowed. Private competition.

70. The statutory maximum periods are 60 years in England and Ireland, and 30 years in Scotland. The Committee see no reason for the exceptional treatment of Scotland in this matter. It should also be observed that under the Housing of the Working Classes Act, 1890, the money advanced by the Public Works Loans Commissioners to building societies or individuals for housing purposes must be repaid in a period not exceeding 50 years. Statutory maximum periods.

In the metropolis, if the county council borrows for housing purposes, or if the metropolitan boroughs obtain their housing loans from that council, the full maximum term for repayment of the whole loan is obtained. This is apparently the result of the fact that 60 years is the period assigned for redemption by the London County Council (Money) Acts which have been passed with the assent of the Treasury.

If the metropolitan boroughs were to borrow for housing from any other source than the county council they would be subject to the more stringent limitations placed on the repayment of loans formerly raised by vestries.

71. In England outside the metropolis, and in Ireland, the English and Irish Local Government Boards respectively fix within the limit of 60 years the period for the repayment of each loan raised under the general Acts dealing with the matter. Administrative action.

In practice these boards usually allow 60 years in the case of loans for land, and 40 years for buildings.

In allowing 40 years for buildings the boards apply that term not merely to bricks and mortar and other material of long life, but also to a variety of items many of which are from the outset, or may by ordinary wear and tear speedily become, short-lived; the amount of these items not infrequently equals a considerable proportion of the cost of the outer shell.

72. Under the annuity system the amounts required to be paid each year to extinguish a 3 per cent. loan in 40 and 60 years are equal to an annual payment of 4.33 per cent. and 3.61 per cent. respectively upon the amount of the loan. Private enterprise would hardly enter into building operations which did not show a margin of receipts over working expenses amounting to larger percentages than these upon the money invested. It appears therefore to the Committee that municipal builders are not hampered in their competition with other builders by the present conditions of repayment under which their capital is raised. Present periods do not check municipal competition.

73. It has however been urged upon the Committee, on behalf of the local authorities, that the capital required in the case of their houses is greater than in the case of houses erected by private enterprise, because of the high standard of excellence which is enforced in regard to their building operations by public opinion and by the requirements of the public departments. Several instances in which it is alleged that such requirements were unreasonable have been brought to the notice of the Committee, but it has not been proved in any case that those requirements exceeded the standard which ought to be enforced by building bye-laws upon all builders, public or private. Building requirements of departments.

74. The municipal witnesses have suggested to the Committee various periods as being, in the opinion of the local authorities which they represented, or of housing conferences, appropriate for the repayment of loans raised for housing undertakings. Periods suggested by witnesses.

0.12.

0.2

Hoy, 1494.
Ellis, 2173.
Cranston, 2896.
Robinson, 5397.
Welby, 3390.

Land for housing.
Chisholm, 2703.
Welby, 3359.

Ellis, 2067.
Lee, 2234.
Taylor 3174.

Amount of relief
to present rate-
payers of
suggested exten-
sion as to land.

Risk to future
ratepayers of
extension.

How that risk
may be lessened.

Special position
of land acquired
for housing.

Recommendation
as to loans for
land for housing
purposes.

75. Some of these witnesses expressed the opinion that loans for the purchase of sites for houses should not be required to be repaid at all, but that such sites should be regarded as liquid assets against the debt, because it would always be possible to re-sell them for the sum, or more than the sum, given for them by the local authority.

The opinion more generally expressed was that sums borrowed for such sites should be repaid within 100 years. In view of the fact already referred to that the policy of Parliament has always been to prevent the creation under general Acts of a permanent debt by local authorities, the Committee think that the latter opinion is the more reasonable one, and proceed to discuss it.

76. It must be remarked in the first place that the extension from 60 to 100 years of the period for site loans is not one which is of very great financial importance to present ratepayers. Such sites in the case of housing, as distinct from re-housing, can be, and generally are, selected upon the outskirts of the town, and the price paid for them does not usually represent a very large proportion of the total cost of the scheme. If a 3 per cent. basis and the annuity system of repayment are adopted, it will be found that the suggested extension would only mean to present ratepayers an annual saving of 9s. upon every 100% of the sum given for the site.

77. On the other hand the extension would mean to future generations a very considerable increase of the risk they are called upon to undertake, *i.e.*, the risk of finding themselves, owing to migration of population or other causes, possessed of land for which, if they wish to sell it, they cannot obtain a price equal to the amount of the charges in respect of its acquisition still remaining upon it, and for which, if they retain it, they are compelled, if the annuity system of repayment has been adopted, to make precisely the same annual sinking fund payments as those which were made by their predecessors whose representatives undertook the enterprise for which the land was required and selected the site.

78. The Committee, however, realise that this risk may be very greatly diminished by the adoption of the instalment system of repayment. Under that system a far larger portion of the capital borrowed is repaid in the earlier years of the loan period than under the annuity system; and the Committee think it improbable that, even if the period for repayment of loans raised for the purchase of sites for dwelling houses was somewhat extended, such land, if judiciously purchased, would often become during the currency of the loan worth less than the amount of the debt upon it, which, under that system, was still unpaid.

79. Some witnesses have represented to the Committee that a distinction may be drawn between the land acquired by local authorities for the erection of dwelling houses and that purchased for other purposes. The Committee think that there is some substance in this representation. Suitable land for dwelling houses is more likely, on account of its position, to retain its value than sites of sewage works, or lands for water supply; it can more easily be resold than land on which a public building has been erected, or which has been thrown into a street; its resale would not provoke the same opposition as that of a public park or recreation ground; in other words, it forms a more liquid asset to meet debt than any other land purchased by local authorities.

80. After full consideration of all the financial and other arguments on the subject which have been placed before them the Committee are prepared to recommend that, subject to the acceptance of the instalment system of repayment, the maximum period allowed in the case of loans, under Part III. of the Act of 1890, for sites for dwelling houses should be extended to 80 years, provided that the fixing of the exact period, within that maximum, for each of such loans is left to be decided by the sanctioning authority after consideration of the situation of the land, the price given for it, and all the circumstances of the locality.

81. It appears from the evidence that the statutory maximum of 60 years for the repayment of loans for building operations under part III. would, if made applicable to the whole of the United Kingdom, meet the views of most of the witnesses who have appeared before the Committee to represent the councils of extra-metropolitan cities and boroughs, but Lord Welby, speaking on behalf of the London County Council, expressed the opinion that this maximum term should be increased in the case of such loans—if raised by that council—to 100 years.

The Committee recognise that there are certain considerations with regard to the Metropolis which may justify the preferential position in which the London County Council is placed by being able to obtain in all cases 60 years for the repayment of money borrowed for housing purposes, but they consider that even in the metropolitan area, and with regard to the building operations of the London County Council, a period of 60 years, which is generally considered as equivalent to the lives of two generations, is the longest term which can properly be allowed for the repayment of loans raised for the erection of artisans' dwellings, under Part III. of the Act.

82. The Committee have next to consider whether there should be any modification of the present practice of the departments in fixing, when it is their duty to do so, the actual term for the repayment of a building loan.

The department charged with this duty should in each case take into consideration not only the question of how long the buildings which are to be erected will remain in existence as dwellings, but also the question of how long the effective demand for dwellings of the proposed type in the proposed position will continue.

It is obvious that an answer to the first question can only be arrived at after a careful consideration of plans and specifications, and may then be rendered wholly incorrect by matters over which the department has no control, *e.g.*, bad workmanship or insufficient attention to periodical repair.

The answer to the second question must be an effort of prophecy, based on a knowledge of the particular locality, and a study of the migrations of population which have taken place and their causes. The steady advance in the type of accommodation required by the working classes, and the probable effect of improved facilities for locomotion upon the distribution of population must also be borne in mind.

83. Every witness who appeared before the Committee to represent a particular locality was not unnaturally inclined to the opinion that the population of that locality must in the future rather increase than decrease. On the other hand the Committee have received evidence of considerable decreases of population in other localities which may have arisen either from temporary or permanent causes.

84. In view of the infinite variety in the manner in which the questions mentioned above must be answered, in considering the application of different authorities for sanction to borrow money for different building schemes, the Committee do not think that any one period for repayment can be decided upon which would be universally appropriate.

85. The Committee are not prepared to say that the period of 40 years usually allowed by the departments concerned is either too long or too short in all cases.

If the departments had the power either to insist upon the adoption of the instalment system for repayment, or to secure by audit the maintenance of adequate provision for repair, the Committee would consider, in the case of these loans, that the periods usually granted are too short, but they cannot adopt that general view in the present state of the law upon the subject.

86. If, as the Committee believe to be the case, all the circumstances of the locality are considered in deciding upon each application, and the scale of periods allowed in respect of each of the groups of items which make up the total cost of a building is periodically reviewed with due regard to the improvements introduced into building operations, the Committee consider that the departments may be relied upon to do substantial justice in fixing the periods for repayment.

Loans for build-
ing dwelling-
houses, under
Part III. Statu-
tory maximum
period sufficient.

Welby, 3390.

Discretion of
Departments.
How it should be
exercised.

Changes of
population.

Kershaw, 166
Appendix, 30
(Part II.)

No one period
universally
appropriate.

Present period
not generally
insufficient in
present state of
law.

Each loan must
be separately
considered.

87. SUMMARY OF RECOMMENDATIONS.

(1.) That the maximum periods for repayment of loans, under the following Acts, should be extended to 60 years :—

Paragraph 27. Municipal Corporations Act, 1882.
Paragraph 28. Local Government Act, 1888.
Paragraph 45. Municipal Corporations (Ireland) Act, 1843.

Paragraph 43. (2.) That the maximum period in the Burial Grounds (Scotland) Act, 1855, should be extended to 30 years.

Paragraph 24. (3.) That some postponement of the payment of the first instalment should be allowed in the case of certain works.

Paragraph 39. (4.) That the sanctioning authority should be empowered to fix the method of repayment in all cases; and to provide for the establishment of a repairs fund where necessary.
Paragraph 40.

Paragraph 46. (5.) That the Commissioners for Public Works for Ireland should be empowered to lend for a maximum period of 60 years.

Paragraph 53. (6.) That Standing Order 173 should be amended as suggested in Paragraph 53.

Paragraph 54. (7.) That Private Bill Committees should, except where they undertake detailed enquiry, leave the fixing of the exact periods for repayment to a Government Department.

Paragraph 58. (8.) That five years should be the ordinary maximum period for repayment of loans for the cost of promotion of Private Bills.

Paragraph 68. (9.) That the maximum period for the repayment of loans for actual re-housing operations under Parts I. and II. of the Housing of the Working Classes Act, 1890, should be 80 years.

Paragraph 80. (10.) That—subject to the adoption of the instalment system of repayment—the maximum period for the repayment of loans for land under Part III. of the Housing of the Working Classes Act, 1890, should be extended to 80 years.

24th June 1902.

PROCEEDINGS OF THE COMMITTEE.

Monday, 10th March 1902.

MEMBERS PRESENT :

Mr. Grant Lawson.
Captain Donelan.
Sir Arthur Rollit.
Mr. Nannetti.
Mr. Charles Murray.

Mr. A. K. Loyd.
Mr. Runciman.
Mr. Wodehouse.
Mr. Bonar Law.
Mr. William Jones.

Mr. GRANT LAWSON was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday, 8th April, at Twelve o'clock.

Tuesday, 8th April 1902.

MEMBERS PRESENT :

Mr. GRANT LAWSON in the Chair.

Mr. Brigg.
Mr. Runciman.
Mr. Wodehouse.
Mr. John Hutton.
Sir Albert Rollit.

Mr. McCrae.
Mr. Heywood Johnstone.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Nannetti.

Mr. Noel Thomas Kershaw, was examined.

[Adjourned till Friday next, at a quarter to Twelve o'clock.

Friday, 11th April 1902.

MEMBERS PRESENT :

Mr. GRANT LAWSON in the Chair.

Mr. Bill.
Mr. John Hutton.
Mr. Bonar Law.
Sir Albert Rollit.
Mr. McCrae.

Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Nannetti.
Captain Donelan.

Sir Herbert Jekyll, K.C.M.G., Mr. H. M. Lindsell, and Mr. John Lithiby, were examined.

[Adjourned till Tuesday next, at a quarter to Twelve o'clock.

Tuesday, 15th April 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. Nannetti.	Sir Albert Rollit.
Mr. Brigg.	Mr. M'Crae.
Mr. William Jones.	Mr. Heywood Johnstone.
Mr. Bill.	Mr. A. K. Loyd.
Mr. John Hutton.	Mr. Charles Murray.
Captain Donelan.	Mr. Wodehouse.

Mr. George A. Stevenson, Sir Henry A. Robinson, K.C.B., and Mr. James M. Dodds, were examined.

[Adjourned till Friday next, at a quarter to Twelve o'clock.]

Friday, 18th April 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. Brigg.	Sir Albert Rollit.
Mr. Bonar Law.	Mr. A. K. Loyd.
Mr. Runciman.	Mr. Charles Murray.
Mr. William Jones.	Mr. Wodehouse.
Mr. John Hutton.	Mr. Nannetti.

The Right Honourable James Hoy, Mr. John P. Smith, and Mr. John H. Ellis, were examined.

[Adjourned till Tuesday next, at a quarter to Twelve o'clock.]

Tuesday, 22nd April 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. Bonar Law.	Sir Albert Rollit.
Mr. Runciman.	Mr. A. K. Loyd.
Mr. Brigg.	Mr. Charles Murray.
Mr. William Jones.	Captain Donelan.
Mr. John Hutton.	Mr. Nannetti.

Mr. George Trevelyan Lee, Mr. R. N. Smethurst Butterworth, Mr. Charles E. Baker, and Mr. James Wilson, were examined.

[Adjourned till Friday next, at a quarter to Twelve o'clock.]

Friday, 25th April 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. John Hutton.	Mr. Wodehouse.
Mr. A. K. Loyd.	Mr. Bonar Law.
Mr. Charles Murray.	Mr. William Jones.

The Honourable Samuel Chisholm, Mr. Robert Cranston, Mr. John Mathieson, Mr. Alexander Murray, and Mr. Robert Paton, were examined.

[Adjourned till Thursday next, at a quarter to Twelve o'clock.]

Tuesday, 29th April 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. Runciman.	Mr. Bonar Law.
Mr. William Jones.	Captain Donelan.
Mr. John Hutton.	Mr. A. K. Loyd.
Sir Albert Rollit.	Mr. Wodehouse.
Mr. Charles Murray.	

Mr. Austin Taylor and Mr. Harry E. Howard were examined.

[Adjourned to Friday next, at a quarter to Twelve o'clock.]

Friday, 2nd May 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Sir Albert Rollit.	Mr. Nannetti.
Mr. A. K. Loyd.	Mr. Runciman.
Mr. Charles Murray.	Captain Donelan.

The Lord Welby, G.C.B., Mr. Alexander Henderson (a Member of the House), and Mr. David W. Stabile, were examined.

[Adjourned to Tuesday next, at a quarter to Twelve o'clock.]

Tuesday, 6th May 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. John Hutton.	Mr. Brigg.
Mr. A. K. Loyd.	Sir Albert Rollit.
Mr. Runciman.	Mr. Bonar Law.
Mr. Nannetti.	Mr. Charles Murray.
Captain Donelan.	Mr. Wodehouse.

Sir Thomas Pile, Bart., Mr. James Long, and Mr. James Bell, were examined.

[Adjourned till Friday next, at a quarter to Twelve o'clock.]

Friday, 9th May 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. Brigg.	Mr. John Hutton.
Mr. A. K. Loyd.	Mr. Wodehouse.
Sir Albert Rollit.	Mr. Bonar Law.
Mr. Charles Murray.	Mr. Nannetti.

Mr. John W. Spear (a Member of the House), the Honourable Sir E. Chandos Leigh, K.C.B., K.C., and Dr. Mansfield Robinson, were examined.

[Adjourned till Tuesday next, at a quarter to Twelve o'clock.]

Tuesday, 17th May 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair.

Mr. John Hutton.
Mr. Brigg.
Mr. Runciman.
Mr. Nannetti.

Mr. Charles Murray.
Mr. Wodehouse.
Mr. A. K. Loyd.
Mr. Bonar Law.

Mr. J. R. FitzGerald was examined; the Honourable Sir E. Chandos Leigh was re-called and further examined; Mr. J. W. Lowther (a Member of the House), Mr. Albert Gray, Mr. and W. J. Jeeves, were examined; Mr. Noel T. Kershaw was re-called, and further examined

[Adjourned till Wednesday, 18th June, at a quarter to Twelve o'clock.

Wednesday, 18th June 1902.

MEMBERS PRESENT:

Mr. GRANT LAWSON in the Chair

Sir Albert Rollit.
Mr. John Hutton.
Mr. Charles Murray.
Mr. Bonar Law.
Mr. Heywood Johnstone.
Mr. William Jones.

Mr. Bill.
Captain Donelan.
Mr. Wodehouse.
Mr. Nannetti.
Mr. Runciman.
Mr. Loyd.

DRAFT REPORT, proposed by the Chairman, brought up and read the first time, as follows:—

"I.

"The Statutory and other conditions limiting the period for repayment of Loans raised by Local Authorities.

"GENERAL.

Course of Proceedings under this head of reference.

"1. THE Committee commenced its proceedings by requesting all the Government Departments in the United Kingdom having powers and duties in connection with the subject under inquiry to prepare statements as to those powers and as to the principles which guide them in the execution of those duties, and received in response to this request the very full and lucid papers upon the present state of the law and practice governing the repayment of loans raised under general statutes which will be found in the Appendix to this Report.

"The Committee were also greatly assisted in this branch of their inquiry by the attendance, as witnesses, of gentlemen representing the above-mentioned Departments.

Policy of Parliament.

"2. It appears from the evidence so collected that it has been, with one unimportant exception, the policy of Parliament for many years, to require that local loans should be repaid within a limited number of years and to prevent the establishment by any local authority of a permanent debt.

"To secure this object each general statute which confers borrowing powers upon local authorities specifies a maximum period for the repayment of loans raised under such powers. Within the limits thus established a discretion is, in English and Irish Acts, as a rule, left to the Government Department specially concerned with the matter for which the loan is required, to decide the exact term for the redemption of each particular loan. In the case, however, of most of the loans raised by metropolitan boroughs, this discretion is, in the first instance, exercised by the London County Council.

"In Scotch law a different principle prevails, which will be dealt with in a separate section of this Report.

ENGLAND AND WALES.

Statutory periods. Kershaw, 5.

"3. The maximum periods specified in Acts applicable to England vary from 10 to 60 years. Many of these Acts deal with a considerable number of subjects for loans. In such Acts no attempt is made to distinguish between these subjects, but a general maximum period for repayment of loans raised under each Act is specified in it; as an example of this the Public Health Act, 1875 may be cited. Under that Act money may be borrowed for purposes so widely different in

in the permanence of their character, as the provision of ambulances and cabmen's shelters on the one hand, and the purchase of land on the other; but the general maximum period laid down for the repayment of all money borrowed under the Act is 60 years.

"4. This being the general character of the public statutes dealing with the subject, it is obvious that the discretion left to the Government Departments which fix the actual period for the repayment of each loan is a very wide one. Although some other departments have duties in respect of certain loans, by far the greater part of the work of controlling the borrowings of local authorities falls, in England and Wales, upon the Local Government Board. The Committee have therefore thought it their duty to specially consider the practice of that Department, which has been very fully explained to them by Mr. Kershaw, one of the assistant secretaries of the Board.

"The Board has a staff of engineering and medical inspectors amongst whose duties is that of holding local inquiries, when directed to do so, into the circumstances under which it is sought to spread the expense of any work over a number of years by raising a loan for such work. Such an inquiry is in most cases obligatory under statute, if the new loan required will cause the indebtedness of the district to exceed one year's assessable value. At these inquiries the question of the probable durability and continuing utility of the work is gone into by the inspector, and it is his duty and that of the chief engineering inspector to advise the Board as to the period for which the loan should be sanctioned.

"5. The Local Government Board and the Board of Trade hold that the maximum periods mentioned in general Acts refer to the most durable items of the work for which borrowing powers are sought. It is therefore their practice to examine each item of the estimates for such work, and to assign to each group of items an appropriate term for the repayment of the loan required for it. In order to avoid a multiplication of separate loans, the course usually adopted is to grant an equated period for the whole loan, which is arrived at by considering the sums required for each group of items and the term assigned to that group. The result of this severance and equation is to reduce the periods allowed below the maximum periods mentioned in the Acts, but equation is not practised where the sums included in each group are large, and the local authority express a preference for separate loans.

"6. The Local Government Board, being charged with the general supervision of local finance, takes into its consideration in fixing the period for redemption not only the probable useful life of each part of an undertaking for which a loan is desired, but also the probable future condition of localities with regard to debt, in order that the ratepayers of the future may not be unduly burdened, and so rendered less able to discharge efficiently the duties that are likely to come upon them.

"7. In addition to their borrowing powers under general Statutes, most of the more important municipal authorities have acquired the right to borrow for various purposes under local Acts, and have so borrowed large sums to be repaid within periods fixed by or under those Acts. The Committee have been unable to discover any general principles by which the periods allowed by local Acts are fixed.

"8. In 1882 the attention of the House was called to the very long terms for repayment often obtained by local authorities by means of Private Bills. The result of an Inquiry by a Committee was the passing in that year of Standing Order 173A, which provides, *inter alia*, that no Committee shall in any case allow the term of 60 years to be exceeded, or grant any period disproportionate to the duration of the works to be executed, or other objects of the loan.

"The limitation to a period of 60 years contained in the Standing Order can be set aside in the case of any Bill by a special instruction from the House, but the Committee have not been informed of any case in which such an instruction has been moved.

"There have only been four cases since the passing of the Standing Order in 1882 in which a Private Bill Committee has granted a period of more than 60 years. These cases were the Sheffield Water Bill of 1887, the Bury Water Bill of 1889, and the Derwent Valley Joint Water Board Bills of 1899 and 1901. On each occasion the attention of the House was called by the Chairman of Ways and Means to the breach of the Standing Order; and although under the exceptional circumstances of the case the Bill was allowed to proceed, the debate disclosed strong opinions in all quarters of the House that periods for repayment of loans should be strictly limited.

"9. In 1882, and in every succeeding year down to 1900, the House appointed a Special Committee to consider every Bill containing police or sanitary clauses, whether opposed or unopposed. These Committees had before them each year most of the Bills by which borrowing powers were sought by local authorities, and extracts from their special reports to the House upon the subject of periods for repayment will be found in Appendix 9 to this Report.

"10. In the case of every Private Bill, the Government Department specially concerned may prepare a report to assist any Committee to which the Bill is referred; and this is always done in regard to Bills of local authorities which contain loan clauses. By Standing Order 173A of the House of Commons, Private Bill Committees are required to specially report to the House, whether any such departmental report has been laid before them, and, if so, in what manner the recommendations contained in it have been dealt with. Standing Order 150 directs that, if such recommendations are not adopted, the reason for dissenting from them shall be stated.

"The Reports of the Local Government Board upon Private Bills very frequently call attention to the apparently excessive periods asked for the repayment of loans, and recommend reductions of such periods. These recommendations, though founded upon any information already in the possession

possession of the Board relating to the district concerned, are not the result of a special local inquiry, and when they are not adopted the reason for dissenting from them is seldom fully stated in the Reports of Committees to the House. In some cases the Parliamentary Agent of the Department attends the sittings of Committees to press the views expressed in the reports, but it is not possible for him to do so in every case.

Standing Order, 172—
Estimates required.

"11. Standing Order 172 of the House of Commons provides that 'In the case of all Bills whereby any municipal corporation, district council, joint board, or joint committee, or other local authority, in England or Wales, are authorised to borrow money for any matter within the jurisdiction of the Board of Trade or the Local Government Board, estimates showing the proposed application of the money for permanent works shall (except so far as the exercise of the borrowing power is made subject to the sanction of the respective Board) be recited in the Bill as introduced into Parliament, and proved before the Select Committee to which the Bill is referred.'

Lithiby, 618.

"There is no doubt that one of the objects of this Standing Order is to provide the Committee dealing with a Bill with materials upon which to found a judgment upon the question of the appropriate period to allow for the loans sought by the Bill. The Committee are of opinion that this Standing Order is not satisfactorily complied with in many cases. The estimates as set out in many Bills are too general, and the proof of them is usually merely formal.

Lowther, 5503. 5474-5.

"If a Bill is unopposed the preamble is taken as proved, and as the estimates and other particulars are recited in the preamble, no further compliance with the Standing Order is called for.

Loans from Public Works Loan Commissioners.

"12. In addition to the statutory limitations upon the periods for repayment already mentioned, there is a further provision, acting as a check in the case of some loans, to which the Committee desire to call attention.

"If the borrowing authority obtains the loan from the Public Works Loan Board, the period for repayment is determined by the Commissioners who are empowered by statute to make regulations governing all the conditions of these loans.

"Section 11 of the Public Works Loans Act, 1875, directs the Commissioners in making such regulations to have regard to the durability of the work and to the expediency of the cost being paid by the generation of persons who will immediately benefit.

Appendix 32.

"The general policy of the Commissioners is 'to hold out inducements to accept short periods for repayment, instead of throwing as much of the burden as possible upon posterity.' One of these inducements is the acceptance of a lower rate of interest for a short term than for a longer one. The rates at present in force were fixed by a Treasury Minute of 31st January 1900, as follows:—

Period of Repayment.				Rate of Interest.	
"Not exceeding 30 years	-	-	-	3½	per cent. per annum.
" " 40 "	-	-	-	3½	" "
" " 50 "	-	-	-	3½	" "

Appendix 33.

"There is no doubt that this policy of the Commissioners has considerably influenced the periods asked for by local authorities desiring to borrow. The percentage which the amount of the longest loans, i.e., those of from 40 to 50 years, granted by the Commissioners bears to the whole amount of such loans has been reduced from an average of 11·04 per cent. in the five years 1888 to 1892 to an average of 3·01 per cent. in the five years 1898 to 1902.

Overdrafts.

"13. Loans raised under general Statutes or private Acts do not at any time make up the real total of local indebtedness.

Lithiby, 649, 651.
Ellis, 2088.
Lee, 2267.

"Many corporations without any statutory authority obtain from time to time, by overdrafts and similar methods, considerable sums, both on current and capital account. The period for repayment, if any, of such unauthorised borrowings is entirely a matter for arrangement between the parties. This method of spreading the cost of a work over an indefinite period, or one selected by the borrowers, cannot be adopted by local authorities whose accounts are audited by the Local Government Board's auditors.

Methods of repayment. Terms of principal sections.

"14. As the difference between the methods by which loans may be repaid is a matter with which the Committee will have presently to deal they have thought it right to set out here the terms of the sections by which the repayments of most of the loans raised under general statutes are controlled.

Public Health Act, 1875, Sec 234 (4).

"The money may be borrowed for such time, not exceeding 60 years, as the local authority, with the sanction of the Local Government Board, determine in each case; and, subject as aforesaid, the local authority shall either pay off the moneys so borrowed by equal annual instalments of principal or of principal and interest, or they shall in every year set apart as a sinking fund, and accumulate in the way of compound interest by investing the same in the purchase of Exchequer bills or other Government securities, such sum as will with accumulations in the way of compound interest be sufficient, after payment of all expenses, to pay off the moneys so borrowed within the period sanctioned:

Public Health Act, 1885, Sec. 234 (5).

"A local authority may at any time apply the whole or any part of a sinking fund set apart under this Act in or towards the discharge of the moneys for the repayment of which the fund has been established: Provided that they pay into the fund in each year and accumulate until the whole of the moneys borrowed are discharged, a sum equivalent to the interest which would have been produced by the sinking fund or the part of the sinking fund so applied:

"Where

"Where the Treasury* approve a mortgage or charge under this part they may, as a condition of their approval, require that the money borrowed on the security of the mortgage or charge be repaid, with all interest thereon, in 30 years, or any less period, and either by instalments or by means of a sinking fund, or both.

"In that case the sums required for providing for the repayment of the principal and interest of the money borrowed shall be by virtue of this Act a charge on all or any of the following securities, namely, the land comprised in the mortgage (without prejudice to the security thereby created), or any other corporate land, or the borough fund, or the borough or other rates, legally applicable to payment of the money borrowed, or of the expenses which the money is borrowed to defray, as the Treasury* direct.

"SCOTLAND.

"15. In Scotland most of the Public Acts specify a maximum period of repayment, and within that period the local body is entitled to proceed as it pleases in the matter of raising loans.

"As a general rule this maximum period is 30 years, the only important exceptions being that in the case of the Burial Grounds Act only 20 years is allowed; that School Boards, with the consent of the Scotch Education Department, may spread the repayment of their loans over 50 years; and that burghs may borrow for 50 years for roads and bridges.

"The Housing of the Working Classes Act in its Scotch application applies in regard to loans the provisions of the Public Health Acts, under which the period allowed is 30 years.

"The statement of the Scottish Office as to the General Acts regulating loans in Scotland (see Appendix 9) shows that the tendency of the most recent Scotch Acts is to give a uniform maximum period of 30 years for all new loans, e.g., the Local Government (Scotland) Act, 1889, and the Public Health (Scotland) Act, 1897.

"The independence allowed to the local authorities in Scotland enables them to spread what in England would be a short loan over the maximum period of 30 years, but from the character of the evidence given by the Scotch witnesses who have appeared before them, the Committee do not think it probable that this is often done.

"IRELAND.

"16. The statutory and other conditions limiting the periods for repayment of loans in Ireland appear to the Committee to be the same in principle as those in force in England.

"The only points of difference in practice to which the Committee desire to call attention in this part of their report are—

"(1) That in Ireland local authorities obtain a greater proportion of their loans from the Public Works Loans Commissioners (Ireland) than is the case in England, and are consequently more affected by the regulations made by the Commissioners already referred to, which apply equally to the whole of the United Kingdom.

"(2.) That the comparatively small rateable value of most of the areas controlled by Irish Local Authorities, and the exceptional difficulties in which such authorities are in consequence placed when they desire to undertake sanitary and other improvement works have seemed to the Irish Local Government Board sufficient reason for adopting rather less stringent views on the question of periods for repayment than those which prevail in the corresponding English department.

"II.

"Whether any Relaxation of such Conditions is Desirable.

"17. The case for an extension of the statutory maximum periods and for suggesting to Government Departments a less cautious exercise of their discretion has been presented by witnesses appointed by the Municipal Corporations Association, the Urban District Councils Association, the Rural District Councils Association, and the Poor Law Association, or selected by the Scotch and Irish Members of the Committee.

"The whole matter appears to be a contest between the interests of the present ratepayers and of the ratepayers of the future.

"The witnesses who appeared on behalf of local authorities were undoubtedly mainly, though not exclusively, concerned in watching over the financial interests of present ratepayers. It was impossible to obtain the assistance of any witnesses concerned in a similar degree in considering the interests of posterity. The claims of posterity were, however, very ably and fully stated by representatives of the Government Departments.

"18. Although the Committee have thought it right to devote special attention to the financial aspects of the question submitted to them, they do not consider that the divergent interests of the present and the future ratepayers can be satisfactorily adjusted upon purely financial considerations. Posterity may derive advantages of a moral and physical character from some portion of the expenditure of the present day. It is not possible to set any accurate pecuniary value upon those advantages. On the other hand, the additional sums which the ratepayers of the future will have to pay in cash if the periods for repayment of loans are extended can be arrived at with mathematical certainty.

"19. A

* Now the Local Government Board.

Methods of
repayment
considered.

"19. A matter of some importance in considering whether the period for repayment should be extended is the method of repayment adopted in the particular case.

"The three principal modes of repayment prescribed by the general law and the majority of local Acts are as follows:—

"i. By equal annual instalments of principal together with interest on the sum remaining unpaid, i.e., by what is called in this Report the Instalment System.

"ii. By equal annual instalments of principal and interest combined, i.e., by terminable annuity.

"iii. By setting apart and accumulating at compound interest a sinking fund.

"The amount of the additional pressure upon posterity in the event of an extension of time for repayment would be materially varied by the adoption of one or other of these methods.

Welby, 4046
4039. "Most of the municipal witnesses from England and Ireland have expressed a preference for either the second or third of these methods of repayment, but Lord Welby and the witnesses from Edinburgh and Glasgow differed from this view, and desired the more general adoption of the first method, which involves a much smaller total payment in respect of capital and interest than either of the others, though the burden imposed by it in the earlier years of repayment is heavier, as is shown in the following figures:—

Repayment of a Loan of 100*l.* in periods of 30, 40, and 50 years, by (A) the Instalment System, and (B), the Annuity System, at 3 per cent. interest.

		Payment in First Year.	Last Year..	Total Amount paid in Period.
		£. s. d.	£. s. d.	£. s. d.
30 years	A.	6 6 8	3 8 8	146 10 -
	B.	5 2 -	5 2 -	153 1 2
40 years	A.	5 10 -	2 11 6	161 10 -
	B.	4 6 6	4 6 6	173 1 -
50 years	A.	5 - -	2 1 3	176 10 -
	B.	3 17 9	3 17 9	194 6 7

Amount of
relief by
extension of
period.

"20. The Committee have had tables placed before them, which show the amount of relief which would be given to existing ratepayers by various extensions of the periods for repayment by the annuity system. Special attention is called to the following statement, showing the annual sum required to repay with interest a loan of 10,000*l.* borrowed at 3 per cent. per annum for various periods not exceeding 60 years:—

Period for which Loan is Borrowed.	Annual Sum to be Paid.
Years.	£.
10	1,172
20	672
30	510
40	433
50	389
60	361

"It will be observed that every decade of extension affords a decreasing amount of relief. For instance, taking the figures in the above statement, an extension from 10 to 20 years reduces the annual payment required by 500*l.*; an extension from 50 to 60 years affords relief only to the extent of 28*l.*

"21. The

21. "The following statement is also of much interest:—

Table showing Particulars as to Loan of 250,000*l.* at 3 per cent. repayable at periods of 30, 40, 50, 60, 80, or 100 years.

Financial
result of
extension.

Period.	Annual Payment of Principal* and Interest.	Total Amount of Interest paid at end of period.*
	£.	£.
30 years - - - -	12,754	132,644
40 " - - - -	10,815	182,623
50 " - - - -	9,716	235,818
60 " - - - -	9,033	291,994
80 " - - - -	8,277	412,235
100 " - - - -	7,911	541,166

* Omitting fractions of a pound.

"It will be noted that if a period of 100 years had been granted for the repayment of the loan with which this statement deals, the ratepayers during that period would have paid in interest alone more than twice the amount of the sum borrowed; in other words, they would have been called upon to pay in respect of capital and interest more than three times the cost of the works for which the loan was raised.

"If 60 years had been the period allowed it would have been found at the end of 34 years that the amount then remaining to be paid in respect of principal and interest equalled the whole original cost of the works.

"22. The result of the above figures, if taken entirely by themselves, would no doubt go far to prove the case for comparatively short periods for repayment.

"Your Committee, however, are not unmindful of the fact that it is neither wise nor just to place upon the shoulders of present ratepayers too large a portion of the burden of necessary or useful works from which succeeding generations will derive benefit. To do so would be to put a serious check upon the execution of such works. It has been stated by several witnesses that the present periods allowed for repayment have in some instances prevented such works from being undertaken. In view, however, of the fact that local indebtedness has risen from under 93,000,000*l.* in 1874-75 to over 233,000,000*l.* in 1899-1900, your Committee do not consider that local authorities in general can be fairly accused of any reluctance to undertake necessary or desirable works from an excessive fear of the burden which the payment of instalments under the present conditions casts upon their constituents.

"Interesting figures, showing the recent increase of local debt as compared with that of population and rateable value, will be found in the charts prepared for the Committee by Mr. Henderson, M.P. (see Appendix 24).

"23. Much of the recent growth of local indebtedness is due to the undertaking by local authorities of work which is sometimes called "Municipal Trading," but which the Committee prefer to call "Reproductive Work," using that term as meaning work from which some pecuniary return is expected. It has not been thought to be within the terms of reference to attempt to ascertain whether, in point of fact such work generally produces a pecuniary profit.

"24. The Committee have considered the question of the proper date for the payment of the first instalment of the sinking fund.

"As a general rule such instalment should be paid within a year of the borrowing. The Committee, however, think that that requirement need not be insisted upon in the case of a loan for new works from which a cash return may be reasonably expected when they are completed; and that in that case the payment of the first instalment may be properly deferred during some portion of the time allowed for the construction of the works. Such works, even if the return from them is not sufficient to make them profitable in the ordinary sense of the word, will be at any rate a lighter burden on the rates when completed than the instalments of repayment cause them to be during construction. Future ratepayers will have whatever return there may be from the works to assist them in the payment of instalments.

"25. Some local authorities desire in the case of reproductive works not only to defer the payment of the first instalment in respect of capital, but also to pay interest during construction out of the money borrowed. This would relieve those whose representatives decide to borrow for such works from immediate liability to contribute anything in respect of the borrowing, and should not in the opinion of the Committee be ever permitted.

"During the construction of works the district has in many cases the advantage of the expenditure within it of much of the money raised by the loan, and this may fairly be taken into consideration as some compensation for the fact that nothing is being earned by the works in the interval.

"26. The

Question of
Housing
loans
postponed.

"26. The Committee will deal in another part of their Report with loans under the Housing of the Working Classes Acts in their application to the whole of the United Kingdom. They now proceed to state for each of the three Kingdoms the alterations both in law and practice which appear to them to be desirable in relation to the repayment of loans raised for purposes other than housing or re-housing.

"ENGLAND AND WALES.

"STATUTORY CONDITIONS.

Municipal
Corporations
Act, 1882.

"27. The principal anomaly in the law regulating the subject under inquiry is the difference between the maximum period (30 years) allowed for the repayment of loans raised under the Municipal Corporations Act, 1882, and the maximum period (60 years) prescribed for loans raised under the Public Health Act, 1875. The Committee are of opinion that there is no good reason for the difference between the loan provisions of these Acts.

"The Town Halls erected by Town Councils under the Municipal Corporations Act cannot be considered to be less substantial and permanently useful buildings than the offices built by Urban District Councils under the Public Health Act, nor can it be said that the land acquired by a Town Council acting as a municipal authority is necessarily of less permanent value than land acquired by the same council acting as a sanitary authority.

"The Committee therefore recommend that the Municipal Corporations Act, 1882, should be amended by the substitution of 60 for 30 years as the maximum period for the repayment of loans raised under that Act.

Local
Government
Act, 1888.

"28. The Committee make a similar recommendation with regard to section 69 (5) of the Local Government Act, 1888. In the course of the passage of that measure through the House the maximum period of 60 years proposed by the Government for all loans raised under it was reduced to 30 years after a debate in which few suggestions for a longer period than 40 years were made. This decision was apparently based on a suspicion that the new County Council would be far more lavish in their expenditure than Courts of Quarter Sessions had been. Although this suspicion has not been justified by experience, the provisions of section 69 (5) have been applied in most of the later Acts which have given borrowing powers to county councils. The result is that money borrowed by county councils for the purchase of sites for and the erection of county buildings, industrial schools, inebriate reformatories, isolation hospitals, technical institutes, and lunatic asylums must be repaid within 30 years.

Appendix 27.

"The substantiality of these buildings and the value of their sites vary greatly, but the Committee see no reason to suppose that county councils will, if the possible maximum period is extended, either seek, or receive from the sanctioning authority, terms for repayment inconsistent with the character of the buildings which they propose to erect.

Technical
Instruction
Act, 1889.

"29. With regard to technical institutes an examination of the various sub-heads of section 4 (1) of the Technical Instruction Act, 1899, reveals this anomaly, that whereas an urban district council can obtain a maximum period of 60 years for the repayment of its loans raised under the Act, a county borough council or town council is limited to 30 years for that purpose. This anomaly will disappear if the above recommendations are adopted.

Tramways
Act, 1870.

"30. The Committee have also had their attention called by several witnesses to the maximum period of 30 years fixed by the Tramways Act of 1870 for the repayment of loans raised under that Act, and have been strongly appealed to to recommend the increase of that period. The fact that the Light Railway Commissioners are empowered to sanction—and do after full inquiry sanction—periods for repayment greatly in excess of 30 years was urged in support of this appeal. Several instances have, however, been laid before the Committee in which the money borrowed under the Act has been expended on subjects which have become worn out or obsolete before the loan in respect of those subjects has been completely repaid. Even with regard to permanent way, in respect of which a period of 30 years for repayment has always been allowed by the Board of Trade, the Committee have been informed (*see* Appendix 3) that in some instances where local authorities took over lines under their compulsory powers after 21 years, the lines were found to be partly obsolete and partly worn out, so that reconstruction with new materials was indispensable. In view of the very remarkable progress which has been recently made in methods of mechanical traction and the probability of still further developments in the near future, the Committee are not prepared to say that the periods which the Board of Trade are able under the present law to fix for the repayment of these loans for tramway lines and equipment are too short, and they do not recommend any alteration of that law.

ADMINISTRATIVE ACTION.

Classification
of com-
plaints.

"31. The specific cases of alleged excessive restriction of redemption periods which have been laid before the Committee may be divided into three classes:

"i. Those which are the necessary result of the fact that the maximum period fixed by the Public Health Act, 1875, has not been adopted by Parliament in all subsequent general Acts.

"ii. Those which result from the decisions of Private Bill Committees.

"iii. Those which are entirely due to the administrative action of Government departments.

"32. As

"32. As regards Class I. the Committee have already made recommendations which if adopted will prevent similar cases arising in the future. Complaints considered.

"Class II. The Committee have had only one case placed before them in which the period for repayment granted by a Private Bill Committee appeared to them, upon the facts as stated, to be too short, *i.e.*, the case of the Dublin Main Drainage Works, in which only 45 years was allowed in respect of works apparently of exceptional substantiality and permanence. The Committee, however, have had no evidence to show upon what grounds that period was fixed. Robinson, 1271. Pile, 4663-4667.

"Class III. The complaints against the administrative action of the departments were almost exclusively confined to charges of excessive caution. Baker, 2642-2645. Lee, 2405. Taylor, 3051.

"33. It appears to the Committee that it is the duty of a department, in deciding the question of the period for repayment as apart from the question of whether any loan should be permitted, to consider more closely the durability than the desirability of the works or purposes for which the loan is required, and to use very considerable caution in fixing such period. In deciding upon the probable duration of the useful life of any work the officers of a department have to deal with many points which are purely matters of prophecy; they are not empowered to superintend the carrying out of the plans placed before them, and have no adequate means of ascertaining or controlling the amount of attention given to, the maintenance of the works when completed. The shifting of population, the alteration of accepted standards of efficiency, the variation of boundaries, the progress of science and discovery, exceptionally violent storms and a variety of other causes may upset calculations based upon even the widest experience. Duty of Departments.

"In answer to the instances which have been laid before the Committee in which the useful life of the subject for which money has been borrowed seems likely to exceed the period granted for repayment, the Local Government Board has supplied the Committee with particulars of cases which came before that board between April 8th and May 13th of the present year in which works or some portions of them have failed to last for the period allowed for repayment. Kershaw, 5718-5721. Appendix 29.

"In view of such cases as these it is not surprising to find that the department is inclined to reserve 'a margin of safety' in its calculations. Kershaw, 27.

"34. It appears to the Committee impossible to suggest any more thorough method of arriving at the necessary calculations in the first place than the local inspections and inquiries now held by the Local Government Board and some other departments before they sanction a loan. Possibly by centralising all control both of construction and maintenance in the hands of a department something might be done to prevent such calculations being upset by unauthorised deviations from, or faulty execution of, sanctioned plans or by subsequent neglect of maintenance, but the Committee cannot recommend such centralization which would not only involve an immense increase in the cost of the staff of the departments, but would also be an unwarrantable interference with local self government. Should further means of control be given.

"35. Any tendency towards excess of caution which may exist in the departments is continually counteracted by the fact that they are exposed to pressure from representatives of ratepayers whose interests in this matter are from a financial point of view entirely different from the interests of the ratepayers in future years. Check on excessive caution.

"36. A further consideration which appears to justify resistance to that pressure is that future ratepayers will have duties of their own to deal with for which they in their turn will have to borrow money, and to the extent to which the financial engagements now entered into at their expense prove to exceed the advantages received by them in respect of those engagements will be hampered in the discharge of their duties. Future needs of localities.

"The Committee, in view of the increase of local debt, consider that the only sound financial system is that which makes each generation pay to a considerable extent its own way. Very long periods of repayment have a distinct tendency to lessen the care taken by those who raise money by loans to make the amount of the loans as small as possible.

"37. The Committee do not consider that necessary works have been in any considerable number of instances delayed or neglected in consequence of the caution displayed by Government departments. Their reasons for this conclusion are not only the steady and very large increase of local indebtedness, but also the general improvement of the sanitary conditions of towns, and the fact brought to their notice by Mr. Kershaw that the Local Government Board has received comparatively few formal complaints of default by local authorities under the Public Health Act, and, apart from the Housing Question, few representations in favour of longer terms. The Committee have been informed that the London County Council has no suggestions to offer as to any relaxation of the present conditions for the repayment of its loans, except as regards its housing loans. The loans of the London County Council are under the control of the Treasury, but the Committee have no reason to suppose that that department is less cautious in the fixing of terms for repayment of loans, other than housing loans, than the Local Government Board or the Board of Trade. Necessary works not prevented. Kershaw, 65.

"38. For these reasons the Committee are of opinion that the caution exercised by the Government departments under the present conditions attaching to repayment is seldom excessive. Caution of departments not excessive.

0.12.

"39. It

Conditions under which caution might be relaxed.

Kershaw, 245.
Jekyll, 393.
Lithiby, 715.
Linwell, 496.

"39. It appears, however, to the Committee that this caution as to the length of term granted for repayment might well be relaxed if the other conditions of repayment were amended. Evidence has been produced that neither the departments nor Private Bills Committees consider, in fixing the periods for repayment, by which of the three systems described in paragraph 19, a loan is to be repaid. On the other hand the London County Council, in sanctioning the loans of Metropolitan Borough Councils prescribes not only the term but also the method for repayment.

"The Committee recommend that the sanctioning authority should be empowered and required in all cases to fix the manner in which repayment is to be made.

"In cases in which the instalment system of repayment is enforced or adopted the term for repayment may well be longer than in cases of repayment by the annuity system. Under the former system the amount required to be found in respect of the debt grows smaller every year, and the difference is available to meet the increasing maintenance charges, or the interest on new debt.

Repairs or Depreciation Fund.

"40. Some of the witnesses who have given evidence on behalf of the larger corporations have assured the Committee that a Repairs or Depreciation Fund is provided by them in respect of most of their undertakings, but the return obtained by Sir H. Fowler in 1899 shows that over an average of five years the average annual contribution to such funds in respect of the debts which are called in that return Reproductive Debts only amounted to one-tenth of 1 per cent.

"Payments to such funds are, in England and Ireland, very seldom obligatory, and while they remain optional their maintenance at a satisfactory figure is subject to such criticism as that which will be found in the letter addressed to the Committee by the Workmen's National Housing Council. (Appendix 34, paragraph 5.)

"The Committee recommend that power should be given to the sanctioning authority to make it a condition of their sanction that provision should be made for the probable annual average cost of repairs during the currency of the loan. The amount of such necessary provision should be fixed by the authority and should depend upon the character of the purpose for which the loan is required, and the method by which it is to be repaid. Compliance with this condition should be in all cases enforced by Government audit.

"41. If the recommendations contained in the last two paragraphs are adopted, the Committee are of opinion that the caution at present exercised with regard to the periods for repayment might be to some extent relaxed.

Spear, 508C.
Poor Law buildings.

"42. Speaking on behalf of the Poor Law Association, Mr. Spear, M.P., urged upon the Committee that the exceptionally substantial character of Poor Law buildings would justify a longer term for the repayment of loans for their construction than that usually allowed by the Local Government Board.

"Within the last 30 years there have been great changes in public opinion with regard to the treatment of paupers, and the accommodation to be provided for them especially in childhood-sickness and old age.

"The Committee think that these changes and the probability of a still further advance of public opinion in the near future justify the action of the Local Government Board in allowing, in respect of these loans, periods considerably less than the statutory maximum of 60 years.

"SCOTLAND.

Dodds, 1340.
1362, 1434.
Paton, 2983.

"43. The Committee are satisfied from the evidence placed before them that there is no general demand in Scotland, apart from the question of housing, for any alteration of the statutory or other conditions limiting the period for the redemption of loans.

"Their attention has, however, been drawn to the Burial Grounds (Scotland) Act, 1855, and they consider that the maximum period fixed by that Act should be extended to 30 years.

Dodds, 1348.
Chisholm, 2700.
Cranston, 2874.
Mathieson, 2919.
Chisholm, 2723, 2745, 2824, 2856.
Cranston, 2878.
Paton, 2976.

"44. Scotch local authorities are content with the maximum period of 30 years allowed by nearly all the Scotch Acts, and the right which they possess to fix their own term within those limits; they desire to repay their debts with all reasonable speed; they provide amply depreciation funds, or make all additions and alterations out of current rates, and as a rule they adopt the instalment system of repayment. The Committee desire to call special attention to the evidence of the Scotch witnesses who have appeared before them.

"IRELAND.

Statutory conditions.

"45. The Committee recommend that the maximum period of 30 years mentioned in Section 7, of the Municipal Corporations (Ireland) Act, 1843, should be extended to 60 years, both for reasons similar to those on which their recommendation in respect of the corresponding English Act is based, and also because the period of 60 years is the maximum fixed in respect of County Council loans by the Local Government (Ireland) Act, 1898.

Administrative conditions.
Sir H. Robinson, 1057, 1115, 1299.
Stevenson, 861.

"46. As has already been stated the Local Government Board for Ireland is inclined in the special circumstances of that country to give as long terms as are reasonably possible for the repayment of loans, but the action of the Board is hampered by the fact that nearly all the money borrowed by Irish local authorities is obtained from the Local Loans Fund of which the Commissioners for Public Works in Ireland are the Irish agents. The maximum period for which any money obtained for that fund may be lent is 50 years. In view of the fact that the maximum period which the Irish Local Government Board may fix under nearly all the Acts

Acts applicable to Ireland is 60 years, the Committee see no reason why the Commissioners should not be empowered to lend for that term in cases where they think it right to do so.

"47. Complaint has been made to the Committee of the periods fixed under the Labourers (Ireland) Acts under which rural district councils may provide cottages, with allotments of land not exceeding one acre in extent.

"The statutory maximum period for the repayment of loans for this purpose is 60 years, but this maximum is practically reduced to 50 years by the above-mentioned limitation on the lending powers of the Public Works Loan Commissioners.

"The policy of the Irish Local Government Board is to allow the full 50 years, and that Board seldom reduces the period suggested by the council which applies for the loan. More than one-half of the two millions of debt now outstanding under these Acts has been borrowed for 50 years.

"In view of the fact that these cottages are built in the rural parts of Ireland from which the exodus of population has been most marked, and that the sanctioning authority has no adequate means of supervising their construction or periodical repair, the Committee do not consider that 50 years is an inadequate period to allow for the repayment of the loans out of which they are built.

III.—Can Uniformity of Practice be Secured?

"48. There exists at present a want of uniformity between the periods sanctioned in respect of Existing loans for similar works by Government departments acting under general statutes on the one hand, and by the provisions of local Acts on the other.

"The details of these provisions in local Acts are settled by the different Committees to which the Bills are referred, and decisions of such Committees naturally vary with their constitution.

"49. The Committee fully appreciate the fact that the Private Bill Committees and the officers of both Houses devote much time and attention to the duties imposed upon them, but they desire to point out the difficulties and disadvantages under which these Committees are asked to settle redemption periods for loans required for purposes of the most varied character.

"50. The question of the term to be granted or the repayment of any particular loan is very seldom discussed by experts before these Committees. They have no professional advisers competent to assist them in the consideration of plans and estimates or in actuarial calculations; except on the occasions when the agent of one of the departments can be present, there is no one before them to call attention to the probable effect of their decisions upon the interests of posterity, and in most instances their only guides in settling the terms to be granted are (a) the report of a Government department whose experts have not had, under the rules of Private Bill Procedure, any opportunity for examining the plans of the work for which the loan is desired, or holding a local inquiry; and (b) a table showing the periods granted in the case of Bills of previous years by the Police and Sanitary Committee under circumstances and upon evidence about which the table gives no information. The promoters of the Bills are, as a rule, anxious to get the longest term possible for replacement (see fifth columns of Appendices 4 and 8), and the statutory meeting of ratepayers and owners which is required by the Borough Funds Act as a preliminary to placing the costs of promotion upon the rates, and which has been represented to the Committee as a check upon the promoters in this matter, is not likely to place any restriction upon demands for the prolonged periods which relieve present ratepayers.

"51. In these Private Bills loans are frequently asked for in a lump sum to cover a variety of objects of different degrees of durability; in some cases the purposes for which the loan is required is not stated in the Bill, and when the purpose stated is one which involves expenditure upon a number of different items varying in their durability the Committees are seldom informed how much of the loan is required for each of such items.

"52. These being the conditions under which Committees dealing with certain opposed or unopposed Private Bills are at present called upon to fix periods for debt redemption, it is not to be wondered at that local authorities desirous of spreading their expenditure over a prolonged series of years prefer to proceed by way of Private Bill, even when their margin of borrowing powers under general statutes is ample, rather than to apply to a Government department for sanction to borrow under those statutes for a period to be settled by the department after a thorough investigation of the circumstances.

"53. Committees are aware that in many cases, e.g., where general statutes are not applicable or the limits of the borrowing powers given by those statutes have been exhausted or are not sufficient to cover the desired new loan, local authorities must obtain permission to raise the loan by Private Bill; but they recommend that the Standing Orders of the House should be so altered as to prohibit this method of obtaining borrowing powers being used in any case where legal necessity for it does not exist.

"54. In cases in which loan clauses must be inserted in Private Bills, the Committee recommend that the Committee dealing with such clauses should either require very detailed evidence as to the exact character of the purpose to which every part of the loan is to be applied, or in the absence of such evidence and means of testing it, settle a maximum period for the repayment of each loan, and leave the exact term within that maximum to be decided by the appropriate Government department.

Work of
Chairman of
Ways and
Means.

" 55. The Committee hope that if the above recommendations are generally adopted, the work in connection with unopposed Private Bills now thrown upon the Chairman of Ways and Means, which appears to the Committee to be at present excessive, may be somewhat lightened.

Scale of
maximum
periods.

" 56. The Committee have been invited by several witnesses to suggest a scale of maximum periods for adoption in Local Acts, but they doubt whether such a scale, if constructed, could be properly used in any large number of cases. It is obvious that if the purpose of a loan is the acquisition of existing works, the condition of those works at the time of the loan must be a governing factor in the determination of the appropriate maximum period for repayment. On the other hand, if the borrowing powers are sought for new works, the plans and specifications, and the proportions in which the lump sum asked for is to be divided between permanent purposes, *e.g.*, the purchase of land, and less durable items, are matters which cannot be neglected in fixing even a maximum period for the continuance of the loan.

Loans for
cost of pro-
moting Bills

" 57. There is, however, one purpose for which sums of moneys amounting in the whole to a very large figure are borrowed every year, *i.e.*, the payment of costs involved in the promotion of Bills by local authorities, upon which the Committee desire to make some observations with regard to the appropriate maximum period for repayment, both because they have received much evidence in connection with it, and because the circumstances of each case of loan for this purpose are practically the same.

" It has been for some years past the almost invariable practice of Private Bill Committees to grant a period not exceeding five years for the repayment of the costs of promotion. Many town clerks and other municipal witnesses have suggested an extension of this period to the full term granted in respect of the permanent works provided for in the Bill in the promotion of which the costs are incurred.

Opinion of
Committee
on such
loans.
Pile, 4694.
Leigh, 5306,
5307.

" 58. The Committee think that there may very occasionally be exceptional circumstances in respect of certain Bills, *e.g.*, Bills which involve alteration of boundaries, with consequent temporary differential rating, which would justify an extension of the period assigned for the repayment of the costs of promotion. In this connection they desire to call particular attention to the evidence which they have received with regard to the Bills of the Dublin Corporation.

" It has, however, been already pointed out that there is a growing tendency on the part of local authorities to proceed, when loans are required, by Private Bill rather than to use the powers they already possess under general or adoptive statutes; and the Committee regard as a useful check upon that tendency the existing strict limitation upon the period for payment of costs which compels present councillors who promote, and present ratepayers who sanction, Private Bills to provide themselves a great part of the costs of promotion.

" The Committee recommend that the period of five years should continue to be the ordinary maximum in the case of these loans.

" IV.—Loans under the Housing of the Working Classes Acts.

Importance
of question.

" 59. In regard to these loans there is a widespread feeling amongst municipal authorities that the periods allowed for their repayment should be extended.

" The Committee recognise that there are certain considerations which differentiate the case of housing from that even of public water supply or sewage works, without which the population even of towns have contrived—and in some cases still contrive—to exist.

" If it is true that the supply of houses for the working classes by private enterprise has failed, generally or in certain places or in regard to certain classes of workmen, to keep pace with the demand for such houses, caused either by increase of population or by demolition of cottages, the matter appears to be one of exceptional gravity.

Limits of
reference to
Committee.
Henderson,
4523.
Spear, 5100.

" 60. It has not appeared to the Committee to be within the terms of their reference to express an opinion upon the question whether the supply of such houses by private enterprise or benevolence has been checked in any case by municipal competition, either actual or anticipated. They consider that the sole question with which they are called upon to deal is whether local authorities are unduly hampered by the periods allowed for repayment of loans for the construction of dwelling houses in cases in which such construction is forced upon them either by legal necessity for re-housing persons displaced by their demolition works, or by the proved inadequacy of the supply of houses for the working classes in their district.

Views of
ratepayers.
Howard,
3267.
Ellis, 2057.
Bell, 4954.

" 61. The reluctance of ratepayers to allow any part of the cost of works to be thrown upon the rates appears to be particularly strong in the case of housing works which, if open market rents are not enforced, confer special advantages on certain individuals. This feeling, so far as it exists with regard to the re-housing of displaced persons, is probably founded upon a misapprehension both as to the moral and sanitary benefits which all existing ratepayers derive from the demolition of unhealthy dwellings, and as to the real annual cost which is thrown upon the rates by the actual re-housing part of municipal schemes.

Distinction
between
housing and
re-housing.

" 62. Under the general head of 'Housing' the Committee recognise that a distinction must be drawn in this part of their Report between housing, *i.e.*, building operations under Part III. of the Act of 1890, and re-housing, *i.e.*, similar operations under Parts I. and II. Local authorities—other than rural district councils—have in all cases a discretion left to them as to whether they will, or will not, undertake housing operations, but demolition schemes involving a statutory obligation to re-house

re-house can be forced by legal compulsion upon any urban sanitary authority. When the law practically compels the raising of a loan it is not unreasonable to ask that the legal conditions of repayment should be less rigorous than in the case of debt voluntarily incurred.

" 63. It must also be remembered (1) that it is principally in re-housing schemes that the local authority is at any rate supposed to be dealing with the poorest class of the community, the former inhabitants of demolished slums, who cannot pay high rents or afford the means of transit to sites on the outskirts of the town in which they work, and for whom the private builder for profit seldom seeks to provide; and (2) that it is in the case of re-housing schemes that the sanitary and moral advantages to the general community are most obvious and immediate.

" The Committee therefore feel that it is with regard to loans for re-housing purposes that the strongest claim for a revision of redemption periods can be established, and they proceed to examine what is the strength of that claim.

" RE-HOUSING UNDER PARTS I. AND II.

" 64. The contention of local authorities is that they must, for reasons already referred to, re-house a large proportion of those whom they displace upon sites in the very part of their district in which land is most valuable; that if they are to re-house the actual people whom they dispossess they cannot charge them rents higher than those which they have been accustomed to pay for their slum dwellings; that they have reduced to the lowest figure, consistent with substantial and sanitary construction, the cost of building; that they are working at a loss, and that they are consequently confronted with the alternative of either making good that loss annually out of the rates or reducing their sinking fund payments by obtaining an extension of the periods for replacement; that, in other words, they are compelled to ask for a contribution in aid of their re-housing schemes, either from the present ratepayers, or from more remote future generations. The witnesses who have appeared on behalf of municipal authorities have expressed a preference for the latter alternative, and they have urged in justification of that preference that future generations will receive from their schemes both a valuable tangible asset and incalculable intangible benefits in the improved health and morals of the people.

" 65. The Committee do not wish to express any opinion as to the economical character of municipal building operations, but they think that the manner in which the profit and loss account of re-housing schemes is in many places presented is calculated to convey a wrong impression as to the annual charge upon the rates arising from these schemes. Interest and sinking fund payments on the whole amount given for the insanitary area or buildings, or expended upon demolition, are often charged against the re-housing scheme. It appears to the Committee that the capital charges against the re-housing part of a scheme under Parts I. or II. of the Act should be only interest and sinking fund charges in respect of that part of the total loan raised which is rightly attributable to the cost of building the houses and to the housing value of their sites, *i.e.*, the price which such sites would fetch in the market if sold, subject to a covenant to build upon them workmen's dwellings. The rest of the loan should be regarded as expended on a sanitary improvement and repaid in a period not exceeding 60 years.

" 66. Another point, in the profit and loss account, which is very material in the consideration of the question whether relief should be given in respect of sinking fund charges is the scale of rents charged for the new tenements. It is obvious that if the rents charged are unreasonably low there will be a loss upon the scheme, even if repayment of loans is altogether dispensed with. Assuming it to be necessary to charge less than a commercial rent for their new accommodation in the case of those who have actually been compulsorily displaced, and have not received compensation under the provisions for that purpose, the Committee consider that in all other cases the rent should be such as is commanded by similar accommodation in the district. To adopt any other scale must lead to great difficulty in selecting the tenants of these exceptionally low-rented tenements, and to a serious reduction of the supply of houses by private enterprise.

" 67. The Committee further suggest that the amount allowed in these accounts for repairs and renewals should not be based upon the probable cost of repairs during the earlier years of the currency of the loan when the houses are new, but upon the probable average annual cost during the whole period.

" 68. A period for repayment which would, in the opinion of the Committee, be just both to the present and the future, could be arrived at in the case of that portion of each loan which is required strictly for re-housing, if the points dealt with in paragraphs 65–66, and 67, were attended to in submitting to the sanctioning authority estimates as to the probable financial results of the scheme. They recommend that estimates so framed should in every case be required and examined, and that the period assigned for the repayment of that portion of the loan should—subject to an absolute maximum of 80 years—be the number of years in which it would be repaid by the annual payment into a sinking fund of a sum equal to the amount by which the estimated annual receipts from rents of the tenements exceed the estimated annual outgoings, including interest on money borrowed in respect of them. The period so arrived at should be fixed at the time when the loan is sanctioned, and should not be extended if the actual net profits are reduced by remission of rents or similar methods.

" HOUSING UNDER PART III.

" 69. It has been represented to the Committee that local authorities are placed at a disadvantage as compared with their private competitors in housing undertakings by the fact that they are compelled to repay their housing loans within the periods at present allowed.

" 70. Th

Statutory
maximum
periods.

"70. The statutory maximum periods are 60 years in England and Ireland, and 30 years in Scotland. The Committee see no reason for the exceptional treatment of Scotland in this matter. It should also be observed that under the Housing of the Working Classes Act, 1890, the money advanced by the Public Works Loans Commissioners to building societies or individuals for housing purposes must be repaid in a period not exceeding 50 years.

"In the metropolis, if the county council borrows for housing purposes, or if the metropolitan boroughs obtain their housing loans from that council, the full maximum term for repayment of the whole loan is obtained. This is apparently the result of the fact that 60 years is the period assigned for the redemption of all London County Council Stock by the London County Council (Money) Acts which have been passed with the assent of the Treasury.

"If the metropolitan boroughs were to borrow for housing from any other source than the county council they would be subject to the more stringent limitations placed on the repayment of loans formerly raised by vestries.

Administra-
tion action.

"71. In England outside the metropolis, and in Ireland, the English and Irish Local Government Boards respectively fix within the limit of 60 years the period for the repayment of each loan raised under the general Acts dealing with the matter.

"In practice these boards usually allow 60 years in the case of loans for land, and 40 years for buildings.

"In allowing 40 years for buildings the boards apply that term not merely to bricks and mortar and other material of long life, but also to a variety of items many of which are from the outset, or may by ordinary wear and tear speedily become, short-lived; the amount of these items not infrequently equals a considerable proportion of the cost of the outer shell.

Present
periods do
not check
municipal
competition.

"72. Under the annuity system the amounts required to be paid each year to extinguish a 3 per cent. loan in 40 and 60 years are equal to an annual payment of 4.33 per cent. and 3.61 per cent. respectively upon the amount of the loan. Private enterprise would hardly enter into building operations which did not show a margin of receipts over working expenses amounting to larger percentages than these upon the money invested. It appears therefore to the Committee that municipal builders are not hampered in their competition with other builders by the present conditions of repayment under which their capital is raised.

Building re-
quirements
of depart-
ments.

"73. It has however been urged upon the Committee, on behalf of the local authorities, that the capital required in the case of their houses erected by private enterprise, because of the high standard of excellence which is enforced in regard to their building operations by public opinion and by the requirements of the public departments. Several instances in which it is alleged that such requirements were unreasonable have been brought to the notice of the Committee, but it has not been proved in any case that those requirements exceeded the standard which ought to be enforced by building bye-laws upon all builders, public or private.

Periods
suggested by
witnesses.
Hoy, 1494.
Ellis, 2173.
Cranston,
2896.
Robinson,
5397.
Welby, 3390.

"74. The municipal witnesses have suggested to the Committee various periods as being, in the opinion of the local authorities which they represented, or of housing conferences, appropriate for the repayment of loans raised for housing undertakings.

Land for
housing.
Chisholm,
2703.
Welby, 3359.
Ellis, 2067.
Lee, 2234.
Taylor, 3174.

"75. Some of these witnesses expressed the opinion that loans for the purchase of sites for houses should not be required to be repaid at all, but that such sites should be regarded as liquid assets against the debt, because it would always be possible to re-sell them for the sum, or more than the sum, given for them by the local authority.

"The opinion more generally expressed was that sums borrowed for such sites should be repaid within 100 years. In view of the fact already referred to that the policy of Parliament has always been to prevent the creation under general Acts of a permanent debt by local authorities, the Committee think that the latter opinion is the more reasonable one, and proceed to discuss it.

Amount of
relief to
present rate-
payers of
suggested
extension as
to land.

"76. It must be remarked in the first place that the extension from 60 to 100 years of the period for site loans is not one which is of a very great financial importance to present ratepayers. Such sites in the case of housing, as distinct from re-housing, can be, and generally are, selected upon the outskirts of the town, and the price paid for them does not usually represent a very large proportion of the total cost of the scheme. If a 3 per cent. basis and the annuity system of repayment are adopted, it will be found that the suggested extension would only mean to present ratepayers an annual saving of 9s. upon every 100l. of the sum given for the site.

Risk to
future rate-
payers of
extension.

"77. On the other hand the extension would mean to future generations a very considerable increase of the risk they are called upon to undertake, i.e., the risk of finding themselves, owing to migration of population or other causes, possessed of land for which, if they wish to sell it, they cannot obtain a price equal to the amount of the charges in respect of its acquisition still remaining upon it, and for which, if they retain it, they are compelled, if the annuity system of repayment has been adopted, to make precisely the same annual sinking fund payments as those which were made by their predecessors whose representatives undertook the enterprise for which the land was required and selected the site.

"78. The Committee, however, realise that this risk may be very greatly diminished by the adoption of the instalment system of repayment. Under that system a far larger portion of the capital borrowed is repaid in the earlier years of the loan period than under the annuity system; and the Committee think it improbable that, even if the period for repayment of loans raised for the

the purchase of sites for dwelling houses was somewhat extended, such land, if judiciously purchased, which often become during the currency of the loan worth less than the amount of the debt upon it, which, under that system, was still unpaid.

"79. Some witnesses have represented to the Committee that a distinction may be drawn between the land acquired by local authorities for the erection of dwelling houses and that purchased for other purposes. The Committee think that there is some substance in this representation. Suitable land for dwelling houses is more likely, on account of its position, to retain its value than sites of sewage works, or lands for water supply; it can more easily be resold than land on which a public building has been erected, or which has been thrown into a street; its resale would not provoke the same opposition as that of a public park or recreation ground; in other words, it forms a more liquid asset to meet debt than any other land purchased by local authorities.

"80. After full consideration of all the financial and other arguments on the subject which have been placed before them, the Committee are prepared to recommend that, subject to the acceptance of the instalment system of repayment, the maximum period allowed in the case of loans, under Part III. of the Act of 1890, for sites for dwelling houses should be extended to 80 years, provided that the fixing of the exact period, within that maximum, for each of such loans is left to be decided by the sanctioning authority after consideration of the situation of the land, the price given for it, and all the circumstances of the locality.

"81. It appears from the evidence that the statutory maximum of 60 years for the repayment of loans for building operations under Part III. would, if made applicable to the whole of the United Kingdom, meet the views of most of the witnesses who have appeared before the Committee to represent the councils of extra-metropolitan cities and boroughs, but Lord Welby, speaking on behalf of the London County Council, expressed the opinion that this maximum term should be increased in the case of such loans—if raised by that Council—to 100 years.

"The Committee recognise that there are certain considerations with regard to the Metropolis which may justify the preferential position in which the London County Council is placed by being able to obtain in all cases 60 years for the repayment of money borrowed for housing purposes, but they consider that even in the metropolitan area, and with regard to the building operations of the London County Council, a period of 60 years, which is generally considered as equivalent to the lives of two generations, is the longest term which can properly be allowed for the repayment of loans raised for the erection of artisans' dwellings, under Part III. of the Act.

"82. The Committee have next to consider whether there should be any modification of the present practice of the departments in fixing, when it is their duty to do so, the actual term for the repayment of a building loan.

"The department charged with this duty should in each case take into consideration not only the question of how long the buildings which are to be erected will remain in existence as dwellings, but also the question of how long the effective demand for dwellings of the proposed type in the proposed position will continue.

"It is obvious that an answer to the first question can only be arrived at after a careful consideration of plans and specifications, and may then be rendered wholly incorrect by matters over which the department has no control, e.g., bad workmanship, or insufficient attention to periodical repair.

"The answer to the second question must be an effort of prophecy, based on a knowledge of the particular locality, and a study of the migrations of population which have taken place and their causes. The steady advance in the type of accommodation required by the working classes, and the probable effect of improved facilities for locomotion upon the distribution of population must also be borne in mind.

"83. Every witness who appeared before the Committee to represent a particular locality was not unnaturally inclined to the opinion that the population of that locality must in the future rather increase than decrease. On the other hand the Committee have received evidence of considerable decreases of population in other localities which may have arisen either from temporary or permanent causes.

"In view of the infinite variety in the manner in which the questions mentioned above must be answered, in considering the application of different authorities for sanction to borrow money for different building schemes, the Committee do not think that any one period for repayment can be decided upon which would be universally appropriate.

"85. The Committee are not prepared to say that the period of 40 years usually allowed by the departments concerned is either too long or too short in all cases.

"If the department had the power either to insist upon the adoption of the instalment system for repayment, or to secure by audit the maintenance of adequate provision for repair, the Committee would consider, in the case of these loans, that the periods usually granted are too short, but they cannot adopt that general view in the present state of the law upon the subject.

"86. If, as the Committee believe to be the case, all the circumstances of the locality are considered in deciding upon each application, and the scale of periods allowed in respect of each of the groups of items which make up the total cost of a building is periodically reviewed with due regard to the improvements introduced into building operations, the Committee consider that the departments may be relied upon to do substantial justice in fixing the periods for repayment.

87.

SUMMARY OF RECOMMENDATIONS.

"That the maximum periods for repayment of loans, under the following Acts, should be extended to 60 years:—

- Paragraph 27. "Municipal Corporations Act, 1882.
Paragraph 28. "Local Government Act, 1888.
Paragraph 45. "Municipal Corporations (Ireland) Act, 1843.
Paragraph 43. "That the maximum period in the Burial Grounds (Scotland) Act, 1855, should be extended to 30 years.
Paragraph 24. "That some postponement of the payment of the first instalment should be allowed in the case of certain works.
Paragraph 39. "That the sanctioning authority should be empowered to fix the method of repayment in all cases; and to provide for the establishment of a repairs fund where necessary.
Paragraph 40. "That the Commissioners for Public Works for Ireland should be empowered to lend for a maximum period of 60 years.
Paragraph 46. "That the Standing Order 173 should be amended so as to absolutely prohibit the granting by Private Bill Committees of borrowing powers which can be obtained under general Acts.
Paragraph 53. "That Private Bill Committees should more often leave the fixing of the exact periods for repayment to a Government Department.
Paragraph 54. "That five years should be the ordinary maximum period for repayment of loans for cost of promotion of Private Bills.
Paragraph 58. "That—subject to a maximum of 80 years—the period for the repayment of loans for actual re-housing operations under Parts I. and II. of the Housing of the Working Classes Act, 1890, should be fixed in the manner described in paragraph 68.
Paragraph 68. "That—subject to the adoption of the instalment system of repayment—the maximum period for the repayment of loans for land under Part III. of the Housing of the Working Classes Act, 1890, should be extended to 80 years."

Question, That the Draft Report be read a second time, paragraph by paragraph,—put, and agreed to.

Paragraphs 1 to 10, agreed to.

Paragraph 11, postponed.

Paragraphs 12 to 16, agreed to.

Paragraph 17:

Amendment proposed, in line 6, to leave out from the words "The whole" to the word "future," in line 5, both inclusive—(Mr. Grant Lawson).—Question, 'That the words proposed to be left out stand part of the paragraph,'—put, and negatived.

Another Amendment proposed, in line 8, to leave out from the words "The witnesses" to the word "posterity," in line 11, both inclusive—(Sir Albert Rollit).—Question put, 'That the words proposed to be left out stand part of the paragraph,'—The Committee divided:

Ayes, 7.

Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 5.

Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Another Amendment proposed, in line 11, to leave out from the words "The claims" to the word "were," both inclusive—(Sir Albert Rollit).—Question put, 'That the words proposed to be left out stand part of the paragraph,'—The Committee divided:

Ayes, 9.

Mr. Bill.
Mr. William Jones.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 3.

Captain Donelan.
Mr. Nannetti.
Sir Albert Rollit.

Another Amendment proposed, in line 11, to leave out the words "however very ably and"—(Mr. William Jones).—Question, 'That the words proposed to be left out stand part of the paragraph,'—put, and negatived.

Another Amendment proposed, at the end of the paragraph, to add the words "and by other witnesses"—(Mr. Runciman).—Question put, 'That the words be there added,'—The Committee divided:

Ayes, 6.

Mr. Bill.
Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Noes, 6.

Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Whereupon the Chairman declared himself with the Noes.

Question put, 'That the paragraph, as amended, stand part of the Report,'—The Committee divided:

Ayes, 8.

Mr. Bill.
Mr. William Jones.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 4.

Captain Donelan.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Paragraphs 18 and 19, agreed to.

Paragraph 20:

Amendment proposed, at the end of the paragraph, to add the words "On the other hand each decade of extension increases, in increasing proportion, the risk of posterity"—(Mr. Loyd).—Question, 'That those words be here added,'—put, and agreed to.

Paragraph, as amended, agreed to.

Paragraph 21:

Question put, 'That the paragraph stand part of the Report,'—The Committee divided:

Ayes, 7.

Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 5.

Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Paragraphs 22 to 26, agreed to.

Paragraph 27:

Amendment proposed, line 12, to leave out the word "60" in order to insert the word "80" instead thereof—(Sir A. Rollit).—Question put, 'That the word "60" stand part of the paragraph,'—The Committee divided:

Ayes, 8.

Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 4.

Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.

Paragraph agreed to.

Paragraphs 28 and 29, agreed to.

Paragraph 30 :

Amendment proposed, in line 12, to leave out from the words "in view" to the end of the paragraph, inclusive—(Sir A. Rollit).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided :

Ayes, 8.
Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 4.
Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.

Paragraph agreed to.

Paragraphs 31 and 32, *agreed to*.

Paragraph 33 :

Amendment proposed, in line 12, to leave out from the words "in answer" to the words "for repayment," in line 16, both inclusive—(Mr. Runciman).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided :

Ayes, 7.
Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 5.
Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Paragraph *agreed to*.

Paragraphs 34—39, *agreed to*.

Paragraph 40 :

Amendment proposed, in line 14, to leave out from the word "Compliance" to the end of the paragraph, inclusive—(Sir A. Rollit).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided :

Ayes, 9.
Mr. Bill.
Mr. William Jones.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 3.
Captain Donelan.
Mr. Nannetti.
Sir Albert Rollit.

Paragraph *agreed to*.

Paragraphs 41—44, *agreed to*.

[Adjourned till Tuesday, 24th June, at a Quarter to Twelve o'clock.

Tuesday, 24th June 1902.

MEMBERS PRESENT :

Mr. GRANT LAWSON in the Chair.

Mr. John Hutton.
Mr. Bill.
Mr. Brigg.
Captain Donelan.
Sir Albert Rollit.
Mr. A. K. Loyd.
Mr. Heywood Johnstone.

Mr. M'Crae.
Mr. Wodehouse.
Mr. Nannetti.
Mr. Bonar Law.
Mr. Runciman.
Mr. Charles Murray.
Mr. William Jones.

Chairman's

Chairman's Draft Report further considered.

Paragraph 45, *agreed to*.

Paragraph 46, amended, and *agreed to*.

Paragraph 47 :

Amendment proposed, to leave out from "the policy," line 7, to the word "years" in line 10, both inclusive, in order to insert instead thereof: "The policy of the Irish Local Government Board has varied as to the period for which these loans have been granted; more than one-half, however, of the two millions of debt, now outstanding under these Acts, has been borrowed for 50 years. In view of the fact that the extension of the operation of the Labourers' Acts, in the rural parts of Ireland, is calculated to benefit the community by stemming the tide of emigration, the Committee consider that the full period of 60 years should be granted for the repayment of loans out of which these cottages are built"—(Captain Donelan).—Question, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided :

Ayes, 7.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 6.
Mr. Bill.
Mr. Brigg.
Captain Donelan.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.

Another Amendment proposed, to leave out from the words "in view," in line 11 to the end of the paragraph, inclusive—(Captain Donelan).—Question, 'That the words proposed to be left out stand part of the paragraph.'—put, and *negatived*.

Paragraph, as amended, *agreed to*.

Paragraph 48, amended, and *agreed to*.

Paragraphs 49—52, *agreed to*.

Paragraph 53, amended, and *agreed to*.

Paragraph 54 :

Amendment proposed, in line 3, to leave out from the word "or" to the end of the paragraph, inclusive—(Sir Albert Rollit).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided :

Ayes, 7.
Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 7.
Mr. Brigg.
Captain Donelan.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Whereupon the Chairman declared himself with the Ayes.

Paragraph, *agreed to*.

Paragraph 55 :

Amendment proposed, after the word "lightened," at the end of the paragraph, to add the words, "The Committee wish to call special attention to the evidence of Mr. Lithiby, Sir Edward Chandos Leigh, and Mr. James William Lowther, that applications for loans pass through the Unopposed Bills Committee generally without any detailed examination, and that with the very heavy work the Chairman of Ways and Means has to do at certain periods of the Session it is impossible for him to devote that amount of time to go through the Unopposed Bills which he would do if he had not to take the Chair in the House for eight or nine hours on end"—(Mr. John Hutton).—Question, 'That those words be there added,'—put, and *agreed to*.

Paragraph, as amended, *agreed to*.

Paragraph 56:

Question put, 'That the paragraph stand part of the Report.'—The Committee divided:

Ayes, 10.

Mr. Bill.
Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. M'Crae.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 4.

Captain Donelan.
Mr. William Jones.
Mr. Nannetti.
Sir Albert Rollit.

Paragraph 57 amended, and agreed to.

Paragraph 58:

Amendment proposed, after the word "loans" at the end of the paragraph, to add the words "subject to the consideration of such exceptional circumstances as those above referred to"—(Mr. Nannetti).—Question, 'That those words be there added,'—put, and agreed to.

Paragraph, as amended, agreed to.

Paragraph 59, amended, and agreed to.

Paragraph 60, agreed to.

Paragraph 61, amended, and agreed to.

Paragraphs 62—64, agreed to.

Paragraph 65:

Amendment proposed, to leave out from the words "The Committee," in line 1, to the word "sold," in line 10, both inclusive—(Sir Albert Rollit).—Question put, 'That the word proposed to be left out stand part of the paragraph.'—The Committee divided:

Ayes, 9

Mr. Bill.
Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 5.

Captain Donelan.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.

Another Amendment proposed, to leave out all the words after the word "sold," in line 10, to the end of the paragraph—(Mr. Runciman).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided:

Ayes, 8.

Mr. Bill.
Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 6

Captain Donelan.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Paragraph agreed to.

Paragraphs 66 and 67, agreed to.

Paragraph

Paragraph 68:

Amendment proposed, in line 7, to leave out the word "80" in order to insert instead thereof the word "100"—(Sir Albert Rollit).—Question, 'That the word "80" stand part of the paragraph.'—The Committee divided:

Ayes, 8.

Mr. Bill.
Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 6.

Captain Donelan.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Another Amendment proposed, to leave out from the words "be the," in line 7, to the end of the paragraph inclusive—(Mr. Runciman).—Question put, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided:

Ayes, 6.

Mr. Bill.
Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. A. K. Loyd.
Mr. Wodehouse.

Noes, 8.

Captain Donelan.
Mr. William Jones.
Mr. Bonar Law.
Mr. M'Crae.
Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Another Amendment made.

Paragraph, as amended, agreed to.

Paragraph 69, agreed to.

Paragraph 70, amended, and agreed to.

Paragraph 71, agreed to.

Paragraph 72:

Amendment proposed, to omit from the words "private enterprise," in line 3, to the end of the paragraph inclusive—(Mr. M'Crae).—Question, 'That the words proposed to be left out stand part of the paragraph.'—The Committee divided:

Ayes, 7.

Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 7.

Mr. Brigg.
Captain Donelan.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Whereupon the Chairman declared himself with the Ayes.

Paragraph agreed to.

Paragraphs 75 to 79, agreed to.

Paragraph 80:

Amendment proposed, in line 4, to leave out the word "80" and insert instead thereof the word "100" (Sir Albert Rollit).—Question, 'That the word proposed to be left out stand part of the paragraph.'—The Committee divided:

Ayes, 7.

Mr. Bill.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

Noes, 6.

Mr. Brigg.
Mr. William Jones.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

Paragraph agreed to.

Paragraphs 81—86, agreed to.

Paragraph 87, amended, and agreed to.

Postponed paragraph 11, agreed to.

Question

Question put, 'That this Report, as amended, be the Report of the Committee to the House.'—
The Committee divided:

Ayes, 10.
Mr. Bill.
Mr. Brigg.
Mr. William Jones.
Mr. John Hutcon.
Mr. Heywood Johnstone.
Mr. Bonar Law.
Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Runciman.
Mr. Wodehouse.

Noes, 3.
Mr. M'Crae.
Mr. Nannetti.
Sir Albert Rollit.

Ordered,—To Report; together with the Minutes of Evidence and an Appendix.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	Profession or Condition.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expense allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
James Long	Chairman of the Cork Harbour Commis- sioners.	Queenstown, Ireland	4	4 4 -	5 19 -	10 3 -

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MINUTES OF EVIDENCE.

Tuesday, 8th April 1902.

MEMBERS PRESENT:

Mr. Brigg.
Mr. John Hutton.
Mr. Heywood Johnston.
Mr. Grant Lawson.
Mr. A. K. Loyd.
Mr. McCrae.

Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.
Mr. Wodehouse.

MR. GRANT LAWSON IN THE CHAIR.

Mr. NOEL T. KERSHAW, called in; and Examined.

Chairman.

1A. You are an Assistant Secretary of the Local Government Board?—Yes.

1. You have to deal with most of the applications to the Local Government Board for sanction to loans for other than Poor Law purposes, have you not?—Yes, that is so.

2. And that includes loans for housing?—Yes, except loans in London, of course, to which our sanction is not required—loans to Borough Councils and Councils in London for housing purposes.

3. You do not deal with loans for Poor Law purposes, but I suppose the principles upon which they are dealt with are the same as other loans?—Yes, practically the same.

4. In connection with the loans you deal with, the question of the period to be allowed for the repayment of the loans comes constantly under your notice, I suppose?—It does.

5. Parliament has fixed certain limits in most of the Acts with which you deal, beyond which the period for repayment may not be extended; is not that so?—Yes; in most cases the maximum period is 60 years, in some cases 30, and in one case I know (and one only) it is 10. That one case is under a very old Act.

6. Which Act is that?—The Vestry Act; it is not much used now. Since the 1894 Act came into operation the Vestry Act has gone very much out of use.

7. Is that the shortest maximum period that Parliament has prescribed?—There are shorter periods in local Acts for the expenses of obtaining the Act.

8. I mean in any general Act?—So far as I am aware.

9. Are there any periods longer than 60 years?—I am not aware of any in general Statutes.

10. You have laid before this Committee a list of the terms usually granted by the Board for various works and purposes, have you not?—I have it here. Perhaps I might give a copy to

0.12.

Chairman—continued.

each member of the Committee. (Copies of the documents were handed in. See Appendix 1, Part I.)

11. Have you anything to say as to the general principles which the Board have had in view in arriving at these terms?—Yes. One of the first principles they had in view was that the longest term—the maximum term—should be granted only in respect of land purchase—that is to say, they thought Parliament had, in fixing a maximum period, an eye to the most durable item.

12. The Board regard land as a commodity which will always have a marketable value, I suppose?—Yes, that is so. Of course, the value may fluctuate, but the Board consider that it is never likely to be less than the outstanding balance of the loan sanctioned in respect of the purchase of the land—at all events, after the first ten years.

12* And as regards loans for other purposes than the purchase of land, what have been the general principles which the Board have had in view in arriving at the fixed terms?—There have been two main guiding principles—the first, that the period of the loan should not exceed the period during which the works are likely to endure and be of use for the purpose which they are designed to serve; the second principle is that the ratepayers of the future should not be unduly burdened with local debt, and so rendered less able to discharge efficiently the larger duties that are likely to come upon them in the future.

13. Why do you speak of the larger duties (taking your second point first) which are likely to come upon them in the future?—I said “larger” because, looking back over the last half century, it will be seen that matters, which in the earlier years were regarded as luxuries, have now come to be regarded as almost in the light of necessities in every well-equipped town. I would instance public baths, public libraries, schools supported out of the rates (whether for elementary or technical instruction) allotments, infectious diseases

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Mr. KERSHAW.

[Continued.]

Chairman—continued.

hospitals, works of water supply, sewerage and sewage disposal, parks and open spaces, and the various matters to which the enormous mass of local legislation relates.

14. Do not you think we have nearly come to the time when these duties will not be further seriously enlarged?—I must say I fail to see any sign that we are approaching a period when all the requirements of life which a local authority may provide, or may in future be called upon to provide, will have been supplied. If we look at the Acts of the last few years, such as the Museums and Gymnasiums Act, the Telegraph Act, 1899 (which enabled local authorities to provide a telephone system), the Military Lands Act, the Small Dwellings Acquisition Act, the Light Railways Act, the Inebriates Act, the Isolation Hospitals Acts, and the Local Government Act, 1894—all these have largely increased the field of activity of local authorities, and also, to a certain extent, the number of local authorities; and with this increase, of course, there comes the probability of further borrowing and increased rates. To go a little further—looking at the matters before Parliament and the public at the present time, such as the tuberculosis question, involving the erection of sanatoria by local authorities, and, in certain cases, the payment of compensation, the question of the improvement of communication rendered necessary by new means of traction, the widening and reconstruction of roads and bridges, old age pensions, and—one of the most important things—the constant demand for increased inspection by officers of local authorities for various purposes—looking at these things, I think there is a probability that for the maintenance of existing works, their extension to keep pace with the growth of the population, and the additional duties likely to fall upon local authorities in the future, we shall see further borrowing and higher rates.

15. In what way do the Board apply the principle to limit the burdens which are to be cast upon future generations?—The Board have considered that a generation (using the term very roughly) is from 30 to 40 years, and is about as far as we can look ahead, and that it is probable that by the end of 30 to 40 years the demands on the local authority will be seriously enlarged and altered, and that it is therefore desirable that loans should be repaid within that period.

16. Now, to go back to the other principle—the principle that the period of the loan should be regulated by the probable useful life of the work—what has guided the Board in arriving at the probable life of works of a particular nature?—As regards most works we have had to deal with, we have had our own experience, extending over very many years.

17. And where the Board has not had experience of a particular purpose, what then?—Then we have consulted outside experts, and asked them what they considered would be the probable life of the works, and what were their reasons for supposing that that would be the probable life.

18. Have you come across cases where the works have not endured for what was regarded as their probable life?—Yes; that not infrequently happens.

Chairman—continued.

18*. What is the reason of that?—The reason varies. Sometimes it is due to bad work, sometimes to mere accident, which could not be foreseen, such as subsidence of land (I think, Mr. Chairman, you had a case before you the other day of that nature), and unusually heavy storms; and it is to be observed that where works are particularly exposed to the action of the elements—take the case of a sea wall or other works of sea defence, for instance, or groynes—it is really exceedingly difficult to say what should be regarded as the real life of the work.

19. You have inspectors constantly travelling about the country inspecting the works executed at the cost of these loans, have you not?—Yes; and the information which they obtain is used, and is very valuable, for revising from time to time the terms granted for the repayment of the loans.

20. Then you spoke not only of the life of the work, but the useful life of the work—as I understood you—the time it is likely to be of use?—Yes.

21. I gather from that that there are cases in which the works cease to be of use before they are worn out or decayed?—Yes.

22. Will you explain that a little more fully?—This is a very important factor in determining the period which should be allowed for the repayment of loans. Of course, “life” in its ordinary sense is “existence”—“life” in the sense in which we are using it is something more than “existence.” Cases are frequently occurring in which the works cease to be of use before they are worn out. This will be readily understood in the case of works such as electric lighting and gasworks, and other works, of course, in which machinery is largely used. It will be noticed, by reference to the Board of Trade returns for the gas undertakings, that between 1897 and 1901 (the last issue) the expenses of production have gone up, while the profits have not increased in proportion. The profits at the present time, after deducting sinking fund and interest, amount only to about 1·5 per cent. of the outstanding capital, whereas in 1897 they were much nearer 2 per cent. Then the progress of invention, of course, is often rendering works obsolete at a comparatively early stage of their life. But it is not only in such obvious things as these that “life” and “existence” differ. There is a very good instance in the case of the large Poor Law schools, which are often referred to as Parochial schools; those, of course, ceased to be of use for the purpose for which they were erected very much before they were worn out—in fact, they are as good, probably, or nearly as good, as they were in the days when they were erected, some 25 or 30 years ago.

23. Do you happen to know whether all the money borrowed for those has been repaid?—It has not; but, of course, as regards the largest of them—the South Metropolitan Schools at Sutton—fortunately the managers are in this position, that they have got the Metropolitan Asylums Board to take over the schools for the purpose of their children, so that there will not be, I think, any loss there.

24. Would you say that this ceasing to be of use before the work is actually worn out applies to such apparently permanent purposes as sewerage,

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Mr. KERSHAW.

[Continued.]

Chairman—continued.

age, and works of water supply, and works of sewage disposal?—Yes, I think the consideration must be borne in mind, even in those cases. If you take, first, works of sewerage, there is the constant alteration of population, either its growth or its removal from the neighbourhood which it previously occupied; then there are alterations of boundaries, of which we had a case the other day—which, I think, you saw—in which two districts which had fought each other tooth and nail, and had separate works in consequence, became amalgamated; and then the natural thing happened that it was found very much more convenient to have single sewerage works and a single superintendent. The consequence was, the two works were given up, and a new sewage farm is being provided, and new sewers to get to it.

25. And as regards a large part of the money which has been borrowed for these particular sewerage works, I suppose the loan has not been yet paid off?—Yes. Then, of course, to a certain extent, these works, too—especially sewerage works—are liable to become obsolete from fresh discoveries.

26. For instance, there is an enquiry going on now, is there not, as to the proper disposal of sewage?—Yes. That arose, I think, out of the new bacterial systems that have come to the front recently. It was not, however, only those new methods I had in mind, but the recent Report—the Interim Report—of the Royal Commission on Sewage Disposal opens up an entirely new vista as regards the processes of sewage disposal. They state that the methods at present in use do not usually destroy the disease organisms in sewage, and that, in consequence, the sewage effluent must be regarded as potentially dangerous. They indicate that it may be necessary to require the adoption of some means for the destruction of these germs. That might mean the entire reconstruction of existing systems, or many of them. Then, as regards water supply, it sometimes happens that the source of supply fails; it also happens that the quality of the water becomes so changed that the source has to be abandoned. There are two very recent cases of that—one is a large seaside resort; another is a place in the neighbourhood of salt water, where, in consequence of increased demand, they had to pump so hard that they pumped salt water.

27. Then, speaking generally, you would say there ought to be a margin of safety allowed in cases where works may cease to be of use before they are worn out?—Yes, I think so; there are so many exceptional circumstances. They seem exceptional at first, but after you have seen so many of these exceptions you begin to treat them as rather the rule.

28. Are there any other reasons which make the Board favour restricted periods for the repayment of local debt?—Yes. One reason is the enormous growth of local debt in recent years—and the fact, that restricted terms for repayment tend to ensure careful consideration by local authorities before they incur debt, the greater part of which will fall upon themselves.

29. Can you hand in a paper showing the increase in local debt of recent years?—Yes. (Copies of the paper were handed in. See Appendix 1, Part II.)

0.12.

Chairman—continued.

30. What percentage of increase does this show in the 36 years dealt with?—This statement shows the years 1874-5 (the first year for which the figures are available) to 1899-1900 only; they are not brought up to date; that is as far as we can get. The year expires in March, therefore we have scarcely had time to get the figures out beyond that. The figures for the latter year are 293,839,738*l.*, showing a growth of 216·56 per cent. in that period—between 1874 and 1900.

31. How does this growth compare with the National Debt during the same period?—In the same period the National Debt diminished. In 1874-5 it was 768,945,757*l.*, and the local debt of England and Wales was 12 per cent. of this—strictly 12·07 per cent. In 1899-1900 the National Debt was 628,978,783*l.*, and the percentage of local debt of England and Wales was 46·7 of this; that is to say, it has grown from 12·07 to 46·7 in that period.

32. That is the percentage in comparison with the National Debt?—Yes.

33. The rateable value of England and Wales has largely gone up, too, has it not?—Yes, that is so. The figures are 119,079,589*l.* in 1875 and 180,406,420*l.* in 1900—that is practically from 119,000,000*l.* to 180,000,000*l.*—an increase of 51·5 per cent., comparing with the increase of 216·56 per cent. in the local debt.

34. Can you give us the average amount of local debt per head in England and Wales, excluding London, in those two years?—The figures are 3*l.* 10*s.* 9*d.* in 1874-5, and 8*l.* 15*s.* 8*d.* in 1899-1900, a growth of 5*l.* 4*s.* 11*d.* per head of the population, or 148·29 per cent. It is, moreover, to be observed that the increase of this sum has been steady throughout the period.

35. Then the amount of money raised in rates per head has gone up, too, I suppose?—Yes, the figures are 14*s.* 8*d.* per head in 1874-5, and 1*l.* 1*s.* 7*d.* in 1899-1900, an increase of 6*s.* 11*d.* per head, or 47·15 per cent.

36. In those figures London is excluded, is it not?—Yes, it was impossible to get the figures to compare all through; some of the figures we have not for London that we have for the rest of the country.

37. Would you also take into your calculation the sums that have been granted in aid of local rates from the Imperial Exchequer in those years and tell me, if the public rates and the sum paid out of Imperial taxes to the local authorities are added together, what is the increase between 1874-5 and 1899-1900?—The grants in aid from Imperial sources to local authorities in England and Wales, excluding the Metropolis, were 1,177,343*l.* in the first year, and 10,121,760*l.* in the last year, so that for England and Wales, excluding London, there has been a large increase in the amount of these grants. If the rates and the sums paid out of Imperial taxes to local authorities were added together the rates would have been in 1874-5, 16,104,384*l.*, and in 1899-1900, 39,726,037*l.*

38. That is the local expenditure of those two years?—That is practically the local expenditure of those two years. The corresponding amounts

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Mr. KERSHAW.

[Continued.]

Chairman—continued.

amounts per head of the population would be for 1874-5, 15s. 10d., instead of 14s. 8d., and for 1899-1900, 1l. 9s., instead of 1l. 1s. 7d.; that makes, of course, an increase of 83·15 per cent.

39. But no doubt a large proportion of this local debt to which you have referred is in the nature of reproductive debt?—Yes, that is so. The proportion of debt in respect of undertakings which may be reproductive was in 1899-1900 represented by 35·5 of the whole.

40. Why do you say "may be reproductive"?—Before explaining this, perhaps I may give you the comparative figures?

41. Yes?—We have not, unfortunately, the figures of 1874-5; the earliest year for which we have correct figures is 1884-5. At that time the figures in respect of reproductive undertakings are 32·8 per cent., so that the growth in those years—1884-5 to 1899-1900—are from 32·8 to 35·5 per cent.

42. Why do you say "may be"—"may be reproductive" you said?—I have included as reproductive undertakings nearly all those undertakings which were included in the Return which Sir Henry Fowler obtained. I do not know whether you remember that Return; I can state shortly the nature of it.

43. Thank you; I think we most of us know of that Report?—I was not certain whether you would recollect precisely what was included in it.

44. Yes?—I have included all those, except piers, quays, and the small undertakings classed as "Miscellaneous," for which we have not complete figures. It will be seen on reference to that Return that many undertakings there included show a loss, but that on the average at that date income and expenditure (including sinking fund and depreciation fund) just about balanced one another. The precise figures are 8,898,376l. income and 8,528,035l. expenditure.

45. This reproductive debt is mainly of recent growth, is it not?—Yes; the objects in the nature of commercial undertakings for which a local authority can borrow money have increased in recent years.

46. Then, may we look forward to a prospect of their becoming more remunerative as time goes on?—Possibly; but there are the usual trade and other risks to be considered. In many cases the sales, for instance, of such things as gas and water cannot be expected to increase much, while the cost of production has in recent years shown a marked tendency to increase. Those gas returns, which are the only returns we have which are really comparable, because, in the Board of Trade Returns for Tramways, they do not distinguish between the undertakings of local authorities and companies, and you cannot very easily extract the figures; but it is clear, from looking at those gas undertakings, that there is a decided tendency to reduction in the rate of net profit.

47. Do you see any risk from new inventions likely to fall upon these undertakings?—The case that I mentioned before of electric light coming into competition with gas is, of course, in point as regards that; so again are undertakings where machinery is very much used. There we are always particularly liable to supersession of good existing works by new inventions.

48. I suppose a Depreciation Fund is provided

Chairman—continued.

in the matter of these undertakings?—In certain cases; but there is very seldom any statutory requirement of a Depreciation Fund; and, looking again at Sir Henry Fowler's return, it will be noticed that the average annual amount set apart for a Depreciation Fund (on a term of five years, I may say) represents only one-tenth of a pound per cent. of the outstanding balance of loans in respect of these undertakings.

49. One-tenth of one per cent.?—One-tenth of one per cent.

Mr. Brigg.

50. Just before you leave that, may I draw your attention to a point which you have not made very much of; that is, locomotion—the profits of electric traction?—I have got here the Board of Trade statement with regard to electric lighting; but, unfortunately, as I say, it is only for one year.

51. I am speaking more in reference to tramways?—With regard to tramways, I say we cannot readily get the figures, because the local authorities and the companies are all mixed up in one return; I can give the two together, if you like.

52. They are making big profits, anyhow?—Possibly; but it is not quite clear from the returns.

Sir Albert Rollit.

53. Could not you get the profits made locally by communication with the local authorities?—They keep their accounts?—No doubt, you could if you communicated with all the local authorities—if the committee considered it worth while to write to every local authority.

54. I want to clear that point up?—No doubt the information could be obtained.

Chairman.

55. This risk of depreciation of these undertakings, I suppose, is met, to a certain extent, and the risk minimised by the Board's system of limiting the period of loan?—Yes, that is so; but, of course, it is to be borne in mind that only in the case of about half of the loans which are raised is the Board's sanction required. Many of them are raised without any sanction on the part of the Board.

56. About what proportion would you say that the Local Government Board sanctions?—About one-half the amounts raised.

57. Can you give the Committee the figures of some year—say 20 years ago—take the year 1880, say, and show what would be the financial position now if the Board in those days had allowed longer periods for repayments?—Yes. If you take loans sanctioned by the Board in 1880, the amount of which was 2,617,467l., and assume, for the sake of argument, that they were all raised in that year, and further assume that for every loan for which a period of thirty years and upwards was granted, a period of sixty years had been granted, the amount which would now have been outstanding in respect of the loans amounting to 2,617,000l. would have been 1,814,000l., instead of 798,000l., as it actually is—a difference of more than a million pounds in respect of loans sanctioned by the Board in a single year. (See Appendix 1, Part III.)

58. The effect of prolonged terms is, of course, to increase the amount paid in respect of interest?—Yes, that is so. I have a statement here

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Mr. KERSHAW.

[Continued.]

Chairman—continued.

here showing the effect. (Copies of the statement were handed in. See Appendix 1, Part IV.) This statement shows the amounts which would be paid in respect of interest at 3 per cent. on a loan of 250,000l. if periods of 30, 40, 50, 60, 80, and 100 years were allowed. It will be noticed that the amount paid in respect of interest if 100 years is allowed is twice the amount of the original loan. Thus, the ratepayers will have paid three times the cost of the works. A more striking way of putting it, perhaps, is that if 60 years is allowed for the repayment of the loan in respect of the cost of a work, the amount outstanding—the amount remaining to be repaid in respect of principal and interest—at the end of 34 years equals the whole original cost of the work.

59. So that at the end of thirty-four years they have got just as much to pay as they had when they started?—If they had paid it out of the rates to start with.

60. Then is there any other point in regard to the financial effect of the extension of periods for loans to which you wish to call our attention?—Yes. I should like to point out that as the term allowed for repayment of a loan is increased, the burden of its liquidation decreases more slowly.

61. The burden of the liquidation?—Yes. That is to say, if you extend the period from 20 to 30 years, the relief is considerable; if you extend it from 30 to 40 years the relief is less, and so on. For instance, take a loan of 10,000l. To repay that in ten years at 3 per cent., requires annually about 1,172l.; to repay it in 20 years it only requires 672l.—a difference of 500l. per annum; if the period for repayment were 30 years the payment would be 510l.—a difference of 162l., as compared with 20 years; if 40 years, 433l., a difference of 77l., as compared with the payment for 30 years; if the period were 60 years, the payment would be 361l.—a difference of 72l. between that and 40 years. I have figures to show that. It is somewhat difficult to follow a string of figures read out.

62. Yes, if you have those figures, we will have them distributed. (Copies of the document were handed in. See Appendix 1, Part V.)

63. Then have you worked out a concrete case of this sort? What would be the effect on a ratepayer whose property is rated at, say, £50, in a town having a rateable value of, say, £100,000—what would be the effect on his pocket of extending the period of payment from 40 to 60 years—how much would he save?—He would save 8½d. annually.

64. It has been suggested that the restricted terms allowed by the Board for repayment have had the effect of preventing the execution of desirable works. What do you say to that?—I have heard that suggestion, but I doubt whether there is any considerable number of cases in which it is true.

65. Why do you doubt that?—I think there are four reasons: In the first place, the steady increase of local debt already referred to; secondly, the small number of cases in which complaints of default under the Public Health Act have had to be dealt with by the Board; thirdly, the general improvement in the sanitary condition of towns; and, fourthly, the fact that

Chairman—continued.

it is quite the exception, if housing loans are excluded, for the Board to receive representations in favour of longer terms than those granted—I say it is quite the exception.

66. Then your contention is that the terms allowed by the Board for loans other than housing loans are generally acquiesced in by local authorities?—Yes, I think that is so—in fact, local authorities not infrequently ask for shorter periods than the Board would have ordinarily granted if no period had been mentioned by the local authority as that which they desired.

67. Why do you think there is a distinction in the case of housing loans?—As regards the contentment of local authorities with the terms? Because there has been very considerable agitation in favour of longer terms for loans for housing purposes.

68. Has the Board endeavoured to ascertain the facts with regard to that agitation from the local authorities themselves?—Well, the Board addressed some queries a little more than a year ago to certain local authorities—266 in number. Ninety-one of those who replied suggested an extension of terms for housing loans.

69. You say there were 266 letters sent out?—Yes.

70. To certain authorities? What authorities were they?—They were sent to all authorities having a population of 20,000 or over, and also to all authorities not included in that category who had adopted Part III. of the Act or done something under one of the other parts of the Act. This was taken from the Return obtained by Mr. Hazell, a member for Leicester.

71. Adopted the Housing of the Working Classes Act?—Yes, Part III. of it, or done something under Part I. or II.

72. Then how many replies were there?—Altogether about 240.

73. And of those ninety-one, you say, made the suggestion that the period for repayment of loans should be increased?—Yes.

74. Did any of them suggest that the restricted periods allowed had prevented them from taking action under the Housing of the Working Classes Act?—Yes, seven of them.

75. Have the amounts sanctioned by the Board in respect of loans for housing increased in recent years?—Yes, they have. In 1881 they were 12,374l.; in 1882, 100,000l.; in 1883, 80,000l.; in 1884 nothing was sanctioned; in 1885, 160,000l.; in 1886, nothing again; in 1887 100,000l.; nothing in 1888 or 1889; only 4,000l. in 1890—the year in which the Act was passed; 117,375l. in 1891; 211,360l. in 1892; 103,450l. in 1893; then there is a drop in 1894 to 24,389l.; 133,273l. in 1895; a drop to 50,150l. in 1896; then a rise again in 1897 to 145,182l.; 1898, 111,740l.; 1899 (since this question has been very much before the public), 364,347l.; 1900, 608,512l.

76. London is not included?—London is excluded. These are loans sanctioned by the Board, so that no London loans for housing would be included.

77. You state that the main pressure for increased terms is in respect of housing loans. Do you think that is any good ground for increasing

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Mr. KERSHAW.

[Continued.]

Chairman—continued.

creasing the terms allowed for those loans, apart from the general question?—I doubt very much whether that distinction could be preserved. One ground upon which it has been suggested that the distinction should be made is the desirability of encouraging local authorities to proceed under the Housing Acts; but, of course, if the encouragement took this particular shape, we should soon find need for similar encouragement in other directions. As regard the houses, too, I think the arguments that I have used as regards other works have great application to them—that you are never quite certain, for example, that the houses will be required say forty or fifty years hence—precisely in the position in which they are now being built.

78. Why should you regard that as so very doubtful?—I think it is very difficult for anybody to say with confidence that what is called the rural exodus will go on in spite of all the efforts which will no doubt be made to stop it, and that factories will continue to be carried on and built in towns, even though the cost of land in those towns and the rates in those towns go higher and higher, while the facilities for locomotion and getting to and from the country districts increase. There are certain signs of movement in that direction already with Messrs. Waterlow, Messrs. Cadbury, and Messrs. Lever, and, I believe, two or three other large firms—printing firms; and, of course, the idea of the Garden City all tends more in the same direction.

79. But would you go so far as to say that this applies to our larger cities—that the change of position of population would be so large in respect to that as to make it unlikely that the houses would be wanted in forty years' time?—I think it has a certain application even in the case of the larger towns; but what I would impress upon the Committee as regards that is that it is impossible for a Government Department to make a distinction between a large town and a small town.

80. You mean that you could not maintain that distinction if it were once started?—No, it would be perfectly impossible. The question would be raised in Parliament, and it would be very difficult to say why you should prophesy in one case that the houses were likely to be required in a certain position 50 years hence, and not in another.

81. I want to ask you a few more general questions. You say that in some Acts of Parliament the period for repayment is limited to 30 years?—Yes, the Local Government Act of 1888, which deals with loans to county councils and county boroughs for certain purposes, and the Municipal Corporations Act of 1882 are instances of that; there are others, of course, but these are important, because a good many Acts make the borrowing and repayment provisions of those two Acts applicable. They say: For the purpose of borrowing the provisions of this Act shall apply. The Technical Instruction Act, for instance, is a case in point that makes the provisions of the Municipal Corporations Act applicable, so that a corporation borrowing for the purpose of technical instruction can only get 30 years for repayment of a loan for land. It is the same case, of course,

Chairman—continued.

as regards a county council or a county borough, or a borough maintaining its own lunatic asylum, under the Municipal Corporations Act or the Local Government Act they can only get 30 years for land.

82. Do you see any reason why the maximum period under those Acts should not be increased?—None whatever; I think that all loans to local authorities should be treated in the same way.

83. Would you see any objection to land being treated absolutely as an asset?—I think there is this objection, that the value of land is not constant; it may go up; on the other hand it may go down; and if it goes down, and if at any time the land ceases to be required for the purposes for which it was acquired, the local authority must sell it for what they can get for it, and the ratepayers of that day will have to bear the loss, whatever it is. I mean, you could not sanction a loan at that time to pay off the deficit on the land, and it must be paid for out of current rates.

84. Just one other general question. If you left out of consideration altogether the interests of future generations—the first principle by which your Board is guided—do you think that the period now usually granted could be extended without a breach of the other principle by which the Board is guided—the principle that the loan should be repaid before the useful life of the works is finished?—I think even that is open to some doubt.

Sir Albert Rollit.

85. Would you say that in the case of the Housing Acts the life of the work is limited to such periods as we have been mentioning, generally speaking?—I think that for the reasons I have mentioned I should not be inclined to give a much longer period than 40 years' life—meaning by "life" not merely "existence." I distinguish between "existence" and "life."

86. But assuming that renewals and repairs in the ordinary course are made, would you say that the life—I am now speaking of the life of the work only?—You mean "existence"?

87. Yes, "existence." You say you think 30 or 40 years would be the proper limit?—For existence, no; I think the houses will be there to a certain extent in 40 years' time, and more; but I should qualify that, if I may be allowed to continue, by saying that I do not think the houses at the end of the 40 years in the first place will probably be up to the standard of those days; I mean, judging merely from the past. I should say that if you look at houses built 40 years ago of the same class (houses for the working classes), you would find a very small percentage of those houses which would comply with the bye-laws and other standards of the present day; and I do not see any reason for assuming that houses which comply with the bye-laws of the present day will comply with the bye-laws of the future.

88. But assuming renewals and repairs to be made, in that case would not the structure be a more lasting one than you have mentioned?—Certainly; as regards existence, I say certainly. I think you would probably find these houses in existence—or a great part of them in existence—in 60 years.

89. Probably

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Sir Albert Rollit—continued.

89. Probably, as to the brickwork, the mortar, and so on, as good as originally, or perhaps even better, by consolidation?—Well, I should have thought that was open to doubt.

90. And if the woodwork—taking that as the most salient point—were regularly repaired, I take it the structure in 30 or 40 years would be quite as good as it was originally?—No, I do not think it would.

91. Except as to alteration of type?—No, I do not think it would; I certainly think there would be an enormously increased amount of repairs to be done in later years.

92. I am saying, assuming the renewals and repairs to be kept up to date?—Yes; but I think the renewals and repairs would be very much larger in later years in consequence of the deterioration of the structure.

93. Do not you think in the case of housing there is a distinction, owing to the very paramount importance and necessity of it?—I am afraid it is rather like answering it with another question, but I should see very great difficulty in saying that housing was more important, for instance, than water supply or sewerage, or even open spaces.

94. Has not Parliament itself made the distinction in the case of housing by granting a somewhat longer maximum term?—No, I do not think so.

95. I thought that London had a period of sixty years as compared with the provinces' fifty years?—London is treated exceptionally throughout. I think London gets sixty years for very many other things besides houses.

96. I wanted just to put that point to you. Apart from the particular case, London is exceptionally treated as to the length of term?—Certainly.

97. Have you had experience which leads you to say that that differentiation of London is disadvantageous to the State in relation to payment?—I am afraid I have not had sufficient experience of London. You see, we deal very little with London.

98. I suppose you have a general knowledge of the subject? You have obviously a general knowledge of the experience of the Department?—Yes.

99. Have you any knowledge to the effect that the exceptional treatment of London with regard to length of term has actually proved disadvantageous to the State by failure to repay?—I am afraid I must answer that by my previous reply, that I have not had experience of London. You see, I do not live in London; I do not see much of London; I go simply to the office every day—that is all I see of London.

100. Then all you can tell me is that there is a differentiation in regard to London?—Yes.

101. Do you know there is also a differentiation as between housing and other purposes in, for instance, Prussia-Germany?—I know that until recently the Prussian Government did allow a period of fifty years for advances, but I rather fancy that is for advances on land and houses.

102. I may have been misinformed, but can you tell me whether I am right or whether I am wrong in saying that the term for housing in Prussia is a hundred years?—I think you are

Sir Albert Rollit—continued.

wrong, sir; I am not sure. I should not like to say for certain, but I had a gentleman over from Prussia only the other day, and the information he gave me that fifty years was their term.

103. Including land?—Yes. Of course, that is mere hearsay. He was a gentleman who came over to study municipal undertakings here. I took advantage of his presence to ask him a few questions about this.

104. Now, with regard to land being an asset, I quite see that in certain works it could hardly be taken into account; but I think you will agree that the site of a house, assuming it to be prudently selected, is really a permanent asset?—Distinctly a permanent asset.

105. Do not you think that that differentiates housing works from works of an admittedly less life?—As regards the land?

106. Yes?—I should not have thought so; I should have thought land was always a permanent asset.

107. Take the case, for instance, of a sewage farm which is at a distance from the centre of operations, and the site of houses which—at any rate, at the moment—apart from the question of locomotion, is generally in the midst of a populous district. Obviously the house site would be of more value than the land site—I mean the sewage farm?—Yes.

108. And would most likely remain an asset of permanent value?—Well, that would depend upon whether the population remained there. In the case of the sewage farm less money would be paid for the land.

109. Yes, that is true, and equally less money might be advanced in proportion?—Yes.

110. But speaking generally, and allowing for possible migration, am I not right in saying as a general proposition that the site for houses would presumably be more stable in value and more permanent—of more stability—than that of outlying districts, as being in the centre of population?—Omitting all accidental circumstances, such as shifting of population, and so on?

111. Yes?—I doubt that.

112. Now I want to put this to you generally. I think I am right in saying that there is an exception in favour even of such land in the Public Health Act, 1875?—You refer to Section 235 of the Public Health Act, 1875, which is a relic from an older Act.

113. There is at any rate no limit put upon that whatever?—None as regards period of repayment of loans borrowed on the security of such land.

114. It is treated exceptionally?—They are treated exceptionally.

115. Therefore, if the argument be well founded, the case of housing is one that is *a fortiori*?—If you argue upon the existence of that section, which was simply transferred from an older Act, and is, in fact, very seldom acted upon.

116. I must put this to you as you rely upon that: If it was transferred from an older Act, may not it be that Parliament adopted the experience gained under the older Act and retained it?—It might be so. As a matter of fact, the experience was so small that I should think that was doubtful.

117. However

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Sir Albert Rollit—continued.

117. However that may be, Parliament did retain it as the result of prior experience?—Possibly as “the result of prior experience.”

118. And treated the land as under the Public Health Act, 1875, for such purposes—without limit?—Possibly, “as the result of previous experience”; but, I do not know that that was so. The loans raised under this Section are not necessarily spent on the sewage land.

119. Parliament in relation to housing and other matters has fixed a maximum term?—Yes.

120. Does the practice of the department conform to that maximum term, or, is it averaged in relation to the length of the work, or how do you deal with it—Parliament says, for instance, that 60 years shall be the maximum?—Yes.

121. Not exceeding 60 years?—Yes.

122. In respect of work like housing, do you make the loan for 60 years or average, the period according to the building of the houses?—No; we should allow 60 years for the repayment of the loan in respect of the land and 40 years in respect of the loan for the cost of the houses.

123. In other words there is a complete severance?—Yes.

124. But there is no indication in the Acts, so far as I remember that that separation or severance shall take place?—There is no precise indication, certainly; it has always been done, and always, I think, been recognised by Parliament; in fact, I think, Parliament go so far in their Standing Orders as to recognise that the meaning of borrowing for permanent works should be—(I have not the standing order by me, but I think the words are) a period not exceeding the life of the works.

125. Yes—that is an accepted principle?—Yes.

126. But, as you refer to Parliament, am I not right in saying that the Standing Orders of the House of Commons provide for 60 years?—As a maximum.

127. As a maximum?—Yes.

128. And without one word as to severance—I do not remember any?—Does not the Standing Orders, I have just attempted to quote provide for severance? It certainly in practice is done in private bills. There, certainly, is severance there—you will see various terms.

129. In the Acts of Parliament, at any rate, to which you have referred there is no reference to severance; it speaks of the work, and the maximum term of 60, or whatever may be the term of years?—This is the Public Health Act (which is the most important Act for our purpose): “The money may be borrowed for such time, not exceeding 60 years, as the local authority, with the sanction of the Local Government Board, determine in each case.”

130. In other words, the wording of the Act, is that the Local Authority shall determine the term?—Certainly.

131. And ask the Local Government Board for their sanction: They have to obtain the sanction of the Local Government Board for the period you see; that is really what happens when an application is made to the Local Government Board for sanction to a loan. A form is sent down to the Local Authority, and one of the questions on it is: What is the period proposed for the repayment of the loan?

Sir Albert Rollit—continued.

132. Yes, but it is rather suggested that the Act of Parliament, says the Local Authority, shall determine the period subject to the sanction of the central authority?—Yes.

133. Now does not that indicate that Parliament rely largely upon local experience and judgment as the first factor?—I am not sure that I could say that necessarily.

134. It says: The Local Authority shall determine?—Yes, with the sanction of the Local Government Board.

135. Yes?—Surely, the last authority is the one to decide ultimately. The ultimate decision is that of the Court of Appeal, is it not?

136. The word “determine” is the word used in the one case and “sanction” in the other, at any rate?—“Sanction” in the other—yes.

137. I understood you to say that the effect of the restriction of the period of the loan had not been to prevent the execution of public works. Is it not notorious that the municipalities generally through deputations—both to Mr. Chaplin and to the present President of the Board, by very large and representative deputations, have impressed that fact, that their work was impeded and prevented upon those grounds?—It is quite true that various deputations have attended, and said it is very desirable that they should have longer terms for repayment of housing loans—that is perfectly true.

138. I will not trouble you to answer their arguments, because those will be on record; but take such a case as Plymouth—have you heard of Plymouth?—Certainly.

139. Have not very strong representations been made by Plymouth, that they cannot carry out the Housing Act, owing to the restriction of the term of the loan—rightly or wrongly?—Yes, that has been stated, certainly.

140. I understood you to say many representations had not been made?—I said excluding housing loans, if you will pardon me; I remarked that there had been considerable agitation with regard to that.

141. Then I may take it that in the case of housing loans, that representations have been both strong and numerous?—Yes, that is exactly, I think, what I said.

142. Therefore, in relation to housing and improvements of that sort, in fact, the execution of the intentions of Parliament has been impeded, according to the representations of the local authorities?—According to the representations, certainly, of those particular deputations.

143. With reference to the repayment of these loans, could you give the Committee any approximate idea of the number of failures to repay and the amounts?—I do not quite follow.

144. Can you give the Committee any idea of the number of cases in which, owing to the failure of the security as I understand you—in other words the work—failure to repay (because that after all is the main point), has taken place; are there such cases?—Failure to repay loans?

145. Yes, loans?—During the term?

146. Or ultimately; there are cases of that sort you know, and I want to know?—I am not aware of any recent cases in which there has been failure ultimately to repay.

147. All you say then is that the security of the loan may be depreciated?—No, what I say is.

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is that the result of giving terms which are longer than the life of the work (meaning by the “life” what I have said before) is to put an unfair burden on the people to come; that is to say, they go on paying for a work which is no longer in useful existence.

148. I understood one of your arguments to be that the length of term of repayment rendered it more probable that the life of the work would cease; is that so?—Certainly.

149. And that proportionately, therefore, the security for the loan would cease?—Oh, no; I do not touch the question of security at all.

150. You do not?—No, not in the least; I have not touched that side of the question.

151. Then I may take it, at any rate, that you know of no cases in which loans to local authorities have not been ultimately repaid?—Where there was the liability to repay that is so; of course, there are certain loans that there is no liability to repay.

152. I am of course taking the other cases?—Yes.

153. So that the only evil which you point out is, not the possible loss to the State, but only the additional burden upon posterity?—I am not concerned with the loss to the State in any way; I have not referred to that in any way.

154. I should like to clear that up; you know of no loss to the State?—None at the present time.

Mr. Brigg.

155. Do you include the local loans to Ireland?—No, sir.

Sir Albert Rollit.

156. We were speaking of England and Wales, as I understood. Speaking of England and Wales, in England and Wales you know of no case of failure to repay?—I am not aware of any; but I have not looked at the question from that point of view (the creditor's point of view) at all.

Mr. Brigg.

157. You do not actually make bad debts, but when the time comes for repayment and the people cannot pay, you extend the time for payment?—No; my point is this, sir: Suppose you allow 60 years for the repayment of a loan for certain work, if at the end of 30 years that work falls into the sea, there is still 30 years of payment to go on; the ratepayers in those next 30 years have got to go on paying for that thing which no longer exists; that is the point.

Sir Albert Rollit.

158. But you know of no case of loss to the State, such as my honourable friend suggests, have occurred in Ireland?—I should not like to say there are no cases; I am not aware of any. In earlier days I believe there were some in connection with the Public Works Loan Commissioners, but I am not aware of any recent case.

159. Now, I want to ask you about cases of the failure of the security. The cases you suggested were cases of accident, *force majeure* (“the act of God,” as it is called), and so on?—Yes, a good many of those.

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Sir Albert Rollit—continued.

160. Could you tell the Committee of any case of material depreciation of the security in the way you have indicated as possible in actual fact?—Material depreciation, say, for instance, of waterworks?

161. Migration?—I take it you mean by “security,” the work?

162. The subject of the loan?—That is what I took you to mean.

163. I will put the question in this way: You suggested many possible cases?—Yes.

164. Now, do you know of any actual case?—Yes.

165. A proportionate number, or are they very exceptional?—Cases of migration merely?

166. I will take migration first?—I should say, as far as my knowledge goes, they are rather exceptional. I have one case in my mind at the present moment, where some years ago in consequence of certain ironworks being closed down for a period, 1,800 houses became vacant in a fortnight; of course, that has a serious effect on the rates of those remaining behind; and there is another place near London where not so very long ago the rates became so high that the houses became unlet; that, again, is a case in point, because the result, of course, of the houses becoming unlet is that the rates fall as an increasing burden upon those who have to remain.

167. I take it the percentage of actualities is very small indeed?—That, of course, is really impossible to answer.

168. Except in this way: Do you know any actual case except these you have mentioned—two?—I have mentioned those two; I could mention others; I could mention a port, for instance, down in the south of England, the population of which has gone down by one-half since the census of 1871.

169. It is perhaps not right to draw merely upon your memory for these cases?—No.

170. But the records of the office enable you to give us them?—The records of the office are very large; to give anything like an idea of this thing would require an enormous staff.

171. I will put the question to you, because it is very material: Will you, or can you, prepare for the use of the Committee a list of the actual cases indicated in the possibilities which you have mentioned to the Committee in your evidence?—If I am provided with sufficient staff to do it, certainly. It would be practically impossible to do it—I do not know whether you are aware, Sir Albert, that we have in the course of every year about 200,000 letters received, and there would be the necessity of going through all these things for many years.

172. I am quite aware of the pressure upon a public Department; but when you suggest these possibilities I only ask you to tell me how far the actualities correspond with them. I must take it you cannot do more than you have mentioned?—I certainly cannot give a list of cases, unless the staff is provided to enable me to do it.

173. By the bye, I should just like to ask you about the length of the term—the maximum of sixty years. What is your general term? Is the length of the term worked out by so much for the land—a less number of years for the buildings,

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ings, and I take it sometimes a less number of years, too, for street improvements?—No, we include that in the buildings in the case of housing loans.

174. Then the maximum being sixty years, what is your general term in fact?—Forty for buildings, etc.

175. Forty. Do you often grant the sixty years?—For land always.

176. For land and buildings?—No.

177. So that the practical effect of the Act of Parliament—namely, not exceeding sixty years for the work—is that the local authority gets the term of forty years?—They get the term of sixty years for land and forty years for buildings.

178. For the purpose of a sinking fund do you average that?—No, we should not, unless it was a very small amount for land not worth getting a separate mortgage for. Of course, a separate mortgage costs money, and the local authority would sometimes say: "We prefer to have an equated period; but, as a rule, you may take it absolutely, I think, as regards housing loans that the period in respect of the land is sixty and the buildings forty.

179. And the sinking fund, or repayment of principal and interest by instalments, is upon those separate bases?—Yes.

180. On the average?—Yes.

Mr. Heywood Johnstone.

181. An equated period?—No, not an equated period—at least, not equated as regards land and buildings.

Sir Albert Rollit.

182. Do you think that your principle of protecting posterity in the way you have suggested is quite fair to the present generation of ratepayers by making the term so short? Of course, it increases the payment by the present generation?—Yes.

183. Does not posterity after all get the benefit of the better health and greater strength as the result of better conditions of life?—No doubt they do get that benefit.

184. Would not those be elements to be looked at?—Yes, I think it would if it could be estimated.

185. And I suppose it could be approximately estimated just as we take generations—in a rough sort of way?—Yes, I think it would be more difficult to estimate the advantage to posterity in the matter of health and strength.

186. But the death rate and other conditions may be some guide?—But it is with regard to the death rate of the future, is it not?

187. Yes, but we have to exercise an intelligent appreciation as regards the future. I should like to ask you one question upon what you have said on corporate works. A very large proportion of that expenditure which you have spoken of has been under the Public Health Acts?—Yes, a large proportion of it.

188. And that, of course, is not reproductive—not directly reproductive?—Water supply is.

189. I looked upon that more as a commodity of purchase and sale—it is not a water rate even—it is a rent; but the largest portion of the corporation expenditure you have mentioned has been on works in relation to the Public Health

Sir Albert Rollit—continued.

Act, which are in the ordinary sense not reproductive works. I do not mean water; I except water?—Yes.

190. I suppose that you will agree with me that the condition of the people as indicated by the death rate and by the decrease of zymotic disease and the power to arrest such things as the plague, and fighting even the small-pox, all of those things are infinitely beneficial to the community?—Certainly.

191. In that sense the expenditure, although not immediately reproductive, is, from the State's point of view, highly remunerative both to the State and to the locality?—No doubt.

192. And all these works that have been the subject of the indebtedness have been sanctioned either by Parliament or the Department?—Yes, most of them.

193. In most cases after local inquiries?—No, I should not say that.

194. In some cases?—In some cases after local inquiries.

195. In some cases after local inquiries, and in other cases local inquiries were not deemed to be necessary?—Again, you see, you are taking the whole local loans, and it is only in cases of loans sanctioned by the Local Government Board that there would be any inquiry.

196. Do not the Education Department hold inquiries?—They do not hold inquiries, I believe.

197. We will not trouble about that?—No.

198. At any rate, in a very large proportion of the cases of these public works either there has been a public inquiry—a local inquiry—or the Department (the Local Government Board) has not deemed an inquiry necessary?—In those cases in which they have had to deal with it—yes.

199. Therefore it may be taken that the ultimate responsibility for these works and for the local debt incurred is shared by the Department and the local authority?—No, I should not admit for one moment that the responsibility for the works is shared by the Local Government Board. All that the Local Government Board are required to do is to satisfy themselves that the position is such that the local authority may borrow.

200. But would the Local Government Board lend upon an imprudent?—But they do not lend—the Local Government Board do not lend the money.

201. No, quite so, but they authorise the loan?—Yes.

202. But would they authorise the loan in any case? Would not they enter into the question whether the work was prudent or not?—Most decidedly.

203. They would?—Certainly; but on the other hand, they would not go into the engineering details of the work, they would merely satisfy themselves it was stable and good, and would probably last for so many years, and so forth.

204. Taking the expenditure which has passed in the shape of loans authorised by the Local Government Board, and assuming that the work was carried out in the locality properly, the responsibility for the works themselves is shared by the Department and the local authority?—I do not think I can go even so far as that. I do not

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not think the responsibility for the works is shared by the Local Government Board.

205. At any rate, the Department has to be so satisfied of the prudence of the works and the propriety of the works, as to induce them to allow the money to be lent in respect of them?—There again, we are not concerned with the lenders; we are concerned merely with the borrowers.

206. Quite so, but you authorise the borrowing authority to incur the loan presumably for a proper purpose?—Yes, but not in the interests of the lenders in any way; we are not concerned with them.

207. At any rate, I may carry it thus far—that the large amount that you have spoken of, of local indebtedness, has had the direct sanction and approval of the Local Government Board?—A proportion of it—a proportion of that large amount.

208. Your proportion?—Yes, quite so.

Mr. John Hutton.

209. You have said that it is the custom of the Local Government Board now to grant loans for the full term of 60 years for all cases of land?—Yes.

210. How long has that been the custom of the Board?—About a year and a half or two years.

211. There was a change made at that time, was there not?—Yes, the reason of that was this: In earlier days, the majority of local authorities used to borrow of the Public Works Loan Commissioners. The Public Works Loan Commissioners would not lend money for more than 50 years—therefore, if 60 was put in, in most cases they would not lend the money. The consequence was that the period was restricted to 50 years. That practice went on for very many years.

212. Why have you changed it to 60 years?—Because now the majority of local authorities do not go to the Public Works Loan Commissioners; there is very little money borrowed now from the Public Works Loan Commissioners by local authorities.

213. Then, with regard to Private Bills, are there not cases where Private Bills have obtained better rates than could be obtained through the Public Health Act, and so forth?—No doubt there are such cases. I am afraid I am not very much acquainted with Private Bills.

214. Do you know of no cases—specially which are called unopposed Bills—possibly you cannot speak as to that?—I think this is rather out of my touch. You are going to have witness on that part of the inquiry.

215. Can you tell me whether the loans sanctioned by the Local Government Board are repaid by fixed annuities—or are they repaid by the capital sum being fixed, and the interest lessening each year?—I think that is a very unusual system now; it is an authorised system. The provision with regard to repayment is this in the Public Health Act (which is a general provision)—"the local authority shall either pay off the moneys so borrowed by equal annual instalments of principal or of principal and interest, or they shall in every year set apart as a sinking fund, and accumulate." So you see

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Mr. John Hutton—continued.

they have a choice of three methods. They can either repay in equal instalments of principal and interest on the outstanding balance, or they can repay by an annuity system in equal instalments of principal and interest combined, or they can repay by sinking fund.

216. Is that left to the decision of the local authority?—That is left to the decision of the local authority entirely. As a rule, they repay either by annuity or by sinking fund, because, of course, the other system is harder on the earlier ratepayers.

217. Then can you tell me what is the rate of interest now which is generally charged by the Local Government Board?—The Local Government Board do not lend the money, you know.

218. No; I mean loans sanctioned by the Local Government Board?—It varies very much. Some local authorities would raise a stock, of course; others might go to the Public Works Loan Commissioners. Perhaps I might take them:—The Public Works Loan Commissioners' rates are $3\frac{1}{4}$ for loans not exceeding 30 years—from 30 to 40 years I think it is.

219. We have that in one of these returns?—Yes; 40 years $3\frac{1}{2}$ and 50 years $3\frac{3}{4}$ —I think that is right.

220. Then with regard to the sewage loans, as a matter of fact, have the Board in recent years ever sanctioned a loan under that section?—There is no sanction required, but, as a matter of fact, there are very few cases in which there are such loans, and those authorities who have had them have been coming to the Board for sanction to borrow money to pay off those loans.

221. Then with regard to the security for loans, surely it is quite clear that a loan is only granted upon the security of the whole of the rates?—The whole of the rates, as a rule.

222. Never upon any special rate?—Well, under certain Local Acts it is so. They may charge a certain rate; but under the Public Health Act they charge "the credit of any fund, or all or any rates or rate out of which they are authorised to defray expenses incurred by them in the execution of this Act." That is Section 233. So practically it comes to this—that they borrow on the mortgage of the rates.

223. In that case, supposing that certain moneys were borrowed for the housing of the working-classes, then if the houses became actually empty, what would be the security in that case—what rate would that be upon—the general rate of the Borough, or what?—It would be the same rate as under the Public Health Act—that is to say, the General District Rate, where the General District Rate was levied; but in some cases there is not one, and in those cases it would be the Borough Rate.

224. Then, as a matter of fact, supposing these houses became empty or became obsolete, the rateable value would be sufficiently large to cover the loan, even in the case of those houses?—There is no limit to the amount of the rate; you can levy up to anything under the Public Health Act.

225. Then with regard to the length of the loans; in cases of small sums is it not very much more economical for the local authority to pay for capital expenditure out of the current rate?

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I will

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Mr. KERSHAW.

[Continued.]

Mr. John Hutton—continued.

I will put it in this way: Supposing a penny in the pound produced a rate of £10,000, and a capital expenditure was required for the year to the extent of £10,000, would, in your experience, the Local Government Board consider it more economical for the local authority to borrow that £10,000, or to raise a penny rate at once to pay it off?—I do not think we have considered it quite from the point of view of economy; we have rather thought that Parliament has intended that a local authority should spread over a term of years the cost of a work that is almost certain to last a certain number of years, and charge the benefit, not only to the ratepayers of the actual day on which it is made and paid for (as it would be if paid out of the rates), but also to the future ratepayers, who will possibly not be in the borough at that time. Of course, I quite see that if everything is paid for out of the rates, and you could equalise the expenditure from year to year, I should say it would be decidedly more economical, because you would save the interest.

226. There is nothing in any Act of Parliament to prevent the rating authority paying off capital in fact to any extent out of the current rate, is there?—Nothing whatever.

227. Then to carry that principle further, supposing that the local authority thought it was desirable to pay off its capital expenditure out of the current rate up to the extent of a penny rate—supposing instead of £10,000 being required they wanted £50,000, can you express any opinion as to whether it would be more economical and more wise for that corporation to obtain a loan of the £50,000 for five years, and pay it off in the five years with a penny rate rather than to obtain a loan for a very considerable number of years?—The local authority would have no power to spread it over. Assuming that the particular work were constructed in one year, it must be paid for in that year; they would have no power to spread the payments over five years by instalments without any borrowing.

228. I meant, might it not be desirable for them to come to the Local Government Board for a short loan of five years, to be paid off in five years by a penny rate, rather than to come to the Local Government Board for a longer loan of 40 years?—In that case, certainly they would save the interest of 35 years—that would be the result.

229. As a matter of fact, you have power to lend for a short number of years, have you not?—If the local authority asks for sanction to a loan repayable in a shorter number of years than we usually grant we should give it them, supposing that they had some good reason for asking for it.

230. I have no papers here to assist me in the question I want to put to you: Can you tell me whether in the case of large municipalities it is not the case that they borrow very large sums of money (say, a hundred thousand pounds, or it may be twice that, or three times that) this year for some special purpose, and whether there is not every reason to suppose that they will require the same large sum in ten years time, and so, recurrently, from time to time for various works which they may have to do. Really, you re-

Mr. John Hutton—continued.

ferred to that in your opening remarks?—Yes. Of course, the whole difficulty is to say what will be required. In each case these local authorities change from year to year, as you know, or at any rate some of them every three years; what one town council might consider necessary their successors three years hence might consider most unreasonable; therefore it would not work out very evenly I am afraid in that way—you would get a different county council feeling—the two parties would come in probably in ten years.

231. As far as I understood your earlier answer, in your opinion there is no reason to suppose that the future municipalities for the next 40 years will require fewer loans than they have done during the past 20 or 30 years?—Quite so.

232. Have you worked out, or can you give me any idea of what the effect of borrowing we will say a hundred thousand pounds every tenth year for 40 or 50 years would be upon the rates at the end of 40 years?—What the effect of borrowing a hundred thousand pounds every ten years would be?

233. Yes; say, borrowing a hundred thousand pounds for 50 years?—Every ten years?

234. And having to borrow a further sum of a hundred thousand pounds within every ten years, taking that as an average?—And allowing 50 years for the repayment of each?

235. For the repayment of each loan. I do not want to trouble you to work it out now?—I am afraid it would take some working out.

236. I have worked it out in this way, that if the loan is to be paid off in 50 years' time, in the 40th year there will be five loans probably in existence of a hundred thousand pounds each?—Yes, one of which will still have 40 years to run.

237. One of which would still have forty years to run. In the case of the hundred thousand pounds of capital and interest, in the forty-first year I make out £20,780 to be paid annually out of the rates?—That is taking it on equal instalments of principal alone, of course?

238. Principal alone—yes?—If they had paid it off at the end of twenty years, with a twenty years' loan only, there would be three loans, would not there, at the end of that time?—Yes, one at the end of twenty, one at the end of forty—

239. There would be two loans, I suppose?—Yes, two loans.

240. Two loans. There would be a sum of something like £20,000, would it not be? It would be a sum really less than the sum they were paying at the end of the fortieth year?—No doubt that would be so.

241. Something very considerably less?—Yes.

242. But is it not to the advantage of the local authority both economically and for the credit of the corporation that they should pay off the loans at shorter intervals rather than at longer ones?—I have no doubt as far as the credit of the corporation is concerned the more you increase the debt (which I take it you are doing on this principle of yours just now), of course, pro rata you must decrease the credit. If you do not increase the rateable value you must decrease the credit.

243. That

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Mr. KERSHAW.

[Continued.]

Sir Albert Rollit.

243. That is always protected by the provision of the Public Health Act, is it not, that the borrowing shall be within two years' assessable value?—Two years' assessable value, certainly, under the Public Health Act.

Mr. McCrae.

244. I should just like to ask with regard to the system adopted for the repayment of loans: Does the Local Government Board not take into consideration in determining the period over which the loan is repayable the system on which it is to be paid off?—No.

245. Whether it is to be paid off on the annuity system or the instalment system?—No, we have no power to do that. At any time the local authority could alter the system. It could start repaying on one system and then alter it.

246. I understand with regard to London the Treasury does take that into consideration?—The Treasury are dealing with a special Act. I believe the provisions with regard to repayment as far as the Treasury are concerned are contained in the Metropolis Management Acts and in the London County Council Money Act, which, of course, as you know, is an annual Act.

247. Do not you think yourself that that is a very important element in determining the period?—It is a most important element in determining the period—yes.

248. This Table IV. that you gave us showing the annual payment of principal and interest on £250,000 shows that the longer the period, of course, the larger the amount of interest required to be paid?—Yes.

249. The same applies with regard to your system, because if you pay it off on the annuity system, taking your first Table here, £12,754 is the annual instalment for principal and interest over thirty years?—Yes. Of course, if it is principal alone. I quite see your point; but then, of course, the present ratepayers would never pay off by that system.

250. I do not know that?—Clearly, I think, if they had any regard to their own pockets, because, you see, they would pay then not only the thirtieth or the fiftieth, as the case may be, of the principal, but they would be repaying the whole of the interest for that year.

251. Certainly. That is just the point that I am coming to?—Quite so.

252. If it was paid off on the instalment system you would pay the thirtieth of the 250,000 each year, which would amount to 8,333*l.* per annum, and then the first year you would require to pay the interest on the whole?—The interest on the whole.

253. £7,500, which would make the payment for the first year 15,833*l.*?—Yes.

254. But that would annually diminish year by year, until in the thirtieth year you would only have to pay 8,333*l.*?—That is undoubtedly so.

255. Is not that a matter which this Committee should take into consideration in considering the period for which the loan is to be repayable?—No doubt.

Mr. McCrae—continued.

256. You know that is done by some corporations?—No; it is very seldom done.

257. Of course, it is the most economical system?—Certainly; it automatically shortens the period really.

258. And also meets the objection as to spreading the loan on to posterity, because those who incur the loan have to pay the larger portion of it?—That is so.

259. Whereas, by the annuity system, the loan is spread in an equal sum over the whole period?—Quite true.

260. There is another point with regard to this Table II.; showing the increase of the local debt from 1874 to 1900, and this, of course, only applies to England and Wales?—That is all.

261. Well, I understand we are going into the matter as regards Scotland, and I do not know whether you will be back again?—I hope not. I have nothing to do with Scotland.

262. It would be very important, I think, that we should have a similar table for Scotland. We cannot go so far back, I believe. Perhaps we will get it from the Scotch Office?—Yes, I should think so.

263. I know the figures are not available for many years back; but I think it is very important in the consideration of this question?—Yes.

264. Then with regard to the matter of electric light, I suppose, really, the question of renewals is the point of greatest difficulty with regard to the extension of the period?—That is so—renewals and supersessions—for instance, to alter the voltage—that is one of the points.

265. Then with regard to the London County Council, of course, they do not come under your authority at all?—No, they do not.

266. Then they have, as Sir Albert Rollit pointed out, a period longer for repayment than the other local authorities?—That is so.

267. Do you see any reason why the larger municipalities throughout the country should not at least have the same facilities that are given to London?—I think the difficulty is the one I have just been alluding to previously—that the Local Government Board—in fact, any Government department—cannot maintain a distinction between a large and a small local authority. You cannot say that a local authority, having a rateable value of above a million, and a population of above so much, shall have a longer period for the same work.

268. Then with regard to the housing loans, you make a distinction, of course, at present between the land and the houses?—Yes.

269. So that, I suppose, your view would be that if there was any extension of the period, that extension of the period should only apply to the land?—That is my view.

270. That, although it might not be treated quite as an asset, yet, seeing that it is permanent, any extension might fairly apply to the land, although it could not be so applied to the building?—That would be my view.

Mr. Heywood Johnstone.

271. First of all, with regard to the amount to be borrowed, where that is not settled by Act of

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[Continued.]

Mr. Heywood Johnstone—continued.

of Parliament, I presume it depends upon the requirements of the locality?—The amount for any particular purpose, or do you mean the total amount?

272. The amount for any particular purpose?—Quite so; it depends upon the requirements.

273. And for those, I presume, in most cases where there have been no estimates before Parliament they submit estimates to you?—Yes.

274. And you have to be satisfied within limits that that amount will be required for that particular purpose?—That is so.

275. That is how the amount is settled?—That is how the amount is settled.

276. Estimates are submitted to you?—Estimates; and, if necessary—if we have any reason to distrust the engineer, for instance—we ask for tenders.

277. And that is the case, whether it is necessary to hold a local inquiry or not?—Yes.

278. You do not hold a local inquiry in every case, I presume?—Oh, no, not nearly in every case. If I may, I would just draw your attention to another little point upon the Public Health Act, 1875. There, there is a provision that the Local Government Board must hold an inquiry where the sum proposed to be borrowed, with the outstanding balances of loans, would exceed the assessable value of one year. Then we must hold an inquiry, even if it is a matter of the purchase of a steam road-roller.

279. What I was getting at was, how you would, in the first instance, fix that. I think you have cleared that up for me?—Yes.

280. Now, with regard to the length of the period for the repayment of the loan, I take it you have no regard to the meritorious character of the work?—No.

281. You have simply regard to its prospective permanence of benefit—if I may use that expression?—Yes.

282. You endeavour, as far as possible, to make it certain that the amount borrowed will be entirely paid off before the work is obsolete, or before it is in danger of being superseded?—Yes.

283. And that is the guiding principle upon which you settle the period of the loan?—Yes, that is the first guiding principle.

284. That is the first guiding principle, and the chief one?—And the chief one.

285. With regard to the security, the security is in all cases the County Fund, or the Borough Fund, or the District Rate?—Yes.

286. Is it the security of the ratepayer?—Yes.

287. Not of the office?—Not at all. Again, of course, we are now speaking entirely of public statutes and not of local statutes.

288. Quite so; but the security is the rate?—Yes.

289. And not the work itself?—And not the work itself.

290. But you, having regard to the interests of the ratepayers, present and future, endeavour so to arrange the period of the loan that it shall be paid off before that work is in danger of being exhausted?—That is so.

291. And apart from any statutory obligation, do you consider the actual debt of the borrowing authority at the time?—Well, we consider the debt of the borrowing authority at the time, not

Mr. Heywood Johnstone—continued.

from the point of view of the period, but from the point of view of whether they should be allowed to borrow for the particular purpose.

292. From the point of view of amount?—From the point of view of amount.

293. My question is with reference to this: I know that where it exceeds a certain proportion of the rateable value you have to hold an inquiry?—Yes.

294. But where it does not exceed that do you take that into consideration?—Take into consideration the amount of the debt?

295. Yes?—Oh, yes.

296. But you do not take into consideration the amount of the debt of the borrowing authority in fixing the period?—No.

297. Practically, the chief and only thing for your consideration is the possibility of exhaustion before the payment off?—Yes.

298. That is the main governing factor?—That is the main governing factor.

299. Is there any other side or affecting principle which you also take into consideration?—The other principles which I mentioned. Even though the period during which the work may be likely to last might be considered to be unexhausted in 30 to 40 years, I say we should consider we ought not to give a period exceeding 30 to 40 years, because the amount of expenditure which is likely to come upon the ratepayer in the future is in our opinion likely to be so great that if he has the present day debt to pay off it will be more than he can reasonably be expected to do.

300. Then those are the two considerations in your mind?—Those are the two considerations in my mind.

301. The second one being the probability or the possibility of the ratepayer of the future having to bear a heavier burden?—Yes; there are the smaller matters I referred to just now, that if the local authority knows that the main portion of the debt for the work they are going to undertake will come upon them, they do think seriously before they incur it; they do not rashly enter into an undertaking which may not pay, and which may not be necessary.

302. Then you would think it desirable in the interests of the ratepayer that the burden is one which should make itself immediately felt?—Yes.

303. That is the purport of your last answer, is it not?—Yes.

304. Do you take into consideration only the burden upon the ratepayer of the actual borrowing authority, or the possibility of his being subject to a burden from other authorities in the same area. Do you follow that?—Yes, quite. You mean in the case of non-county boroughs you take into consideration the debt of the county?

305. Yes?—Oh, yes; certainly.

306. You do take that into consideration in all cases?—Oh, yes.

307. So that you consider not only the authority that is borrowing, but the other burdens on the ratepayer wherever he is taxed by authorities borrowing in the same area?—Yes, that is so.

308. Has it come under your notice that some boroughs have, I think, had given to them the power to borrow small sums of money by the

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[Continued.]

Mr. Heywood Johnstone—continued.

issue of something like Exchequer Bills, repayable in a limited number of months or years?—Yes, I have seen one or two cases, I think.

309. I remember it coming under my notice. Do you think that a system of raising small sums of money by loans of that character spread over say from five to ten years would be desirable?—Well, I have hardly enough experience of the working of those particular Bills; they are rather a new thing to local authorities, and they were considered, of course, in connection with Private Bills, which are not in my department. Mr. Lithiby is coming, and it would be rather a question, if I might say so, for him.

310. I will put the question to him. It occurred to me, and we had considerable evidence on the question. Only one other question I want to ask you. Reference has been made to the Standing Orders of this House and the period of 60 years mentioned therein?—Yes.

311. I think the Standing Order simply lays it down that the Committee granting a longer period than that are to report specially upon it?—Yes.

312. And that is the only reference to the 60 years at all in the Standing Order?—Is that so? I should not like to be certain about it. I have not, of course, the Order before me saying that they are to report.

313. There is to be a special report in all cases where the Committee grant more than 60 years?—Yes.

Mr. Brigg.

314. Most of the questions I had intended to ask have been asked by those who have been already speaking, but there is just one—although it is rather a trifling one, perhaps—that is, whether the Local Government Board carefully considers the condition or the nature of the buildings on which they lend the money; for instance, here I find under the head of "buildings," "Houses for working classes, 40 years." Under other circumstances those houses might have been houses of a very different kind?—Yes.

315. You might have stone used, or cement, or one thing or another; those are matters that are taken into consideration?—Yes, but as a matter of fact, of course, these terms are for loans for houses, the plans and estimates for the construction of which have been before the Board.

316. That is, the inspector or someone belonging to the Board really looks into the nature of the buildings?—Yes, quite so.

317. So that there is a vast difference?—Of course there is.

318. There is just one other point as to loans for houses for the working classes and other kinds of buildings. I think I understood you to say that there was no distinction made?—No.

319. Ought not the Local Government Board to consider the question in this way, that houses are less liable to depreciation than many other kinds of buildings or works. For instance, if you want to obtain a mortgage, you can borrow money on houses at a lower rate than you can on anything else?—Possibly.

Mr. Brigg—continued.

320. You have not made that distinction?—No.

321. You simply treat houses built of stone or brick as you treat other buildings?—Yes.

322. It is generally admitted, is it not, that houses of that kind are subject to less risk? Forty years is what you allow for houses and thirty years for other buildings?—In many cases the buildings for which we allow thirty years are very much more substantial than the houses for the working classes. Thirty years is the maximum period under some Acts or these buildings.

Mr. A. K. Loyd.

323. I understand you to say that the two shoals between which your Department endeavours to steer are undue pressure on the present generation and undue risk of posterity being left with payments to make without a corresponding benefit?—That is so.

324. And I understand you to say that you found by calculation that every decade (we will say) of extensions affords a decreasing amount of relief to the present generation?—That is so.

325. And does each succeeding decade increase in increasing proportion the danger which you wish to avoid of posterity being left with a payment to make without a corresponding advantage?—I think it certainly does.

326. You told us, according to some calculation which I did not catch at the time that you found that every extension beyond thirty-four years, whatever other advantages it had, was uneconomical, as I understood you?—It rather amounted to this, that if you allowed a period of sixty years for repayment of the cost of a work, at the end of thirty-four of those sixty years there would still remain to be paid in principal and interest the actual original cost of the work—that is to say, you practically treated the work as if it were gone at the end of the thirty-four years. Part of it is interest, part of it is principal, but you have still that remaining to pay at the end of the thirty-four years.

327. Without binding yourself to that as a conclusive reason for adhering to the thirty-four years, you still regard thirty-four years as a critical period in the history of the loan?—Yes, for that reason.

328. Any extension beyond that, whatever its other advantages, has the disadvantage of being uneconomical to the ratepayers as a whole?—Yes, I think it has.

Mr. Runciman.

329. You said that your Department found it impossible to distinguish between large municipalities and small municipalities?—Yes.

330. And I observe in the case of non-county boroughs you take into consideration the fact that the non-county borough may come under the county rate, and therein you do raise a distinction between large and small municipalities?—All I said with regard to the county rates was this—that we should take the fact of net rates into consideration in considering whether local authorities should be allowed to borrow for a certain

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Mr. KERSHAW.

[Continued.]

Mr. Runciman—continued.

certain purpose—not whether they should have a certain term for a certain purpose.

331. But you do class county boroughs as a separate class?—No, in the case of a county borough the county rate is included in the borough rate.

332. For practical purposes it amounts to the same thing, does it not?—I do not think so. I think there is a distinction.

333. You said that one of the dangers in the security for loans was the danger of the population altering or migrating owing to the failure of trade, for instance?—Yes.

334. Does not this risk apply in a lesser degree in large municipalities than in small ones?—I think it does. I think I stated so in my evidence in chief.

335. Would not that be almost by itself a sufficient reason for making a distinction between large and small?—I do not think you would find it considered a sufficient reason if the Parliamentary Secretary or the President of the Local Government Board had to explain that in the House of Commons to the member of a smaller borough who was anxious to get the same terms.

336. I am not concerned with the smaller borough's susceptibilities; I am talking of the security?—"Security" is hardly the point.

337. You speak of the possibility of migration diminishing the security which the boroughs can give?—Oh, no, I am not concerned with the security which they can give.

338. The possibility of repayment?—Oh, no, I am not concerned with that in the least. What I am concerned with is that the ratepayers who are left behind should have this balance of outstanding money thrown on to them. I am not concerned with the creditor at all—it is the borrower.

339. You think the line of migration which you yourself instanced is not a sufficient dividing line between large municipalities and small?—No; for practical purposes, no.

340. You do not look upon the present increase of local burdens as being due possibly to temporary activity in municipal work?—I do not think so.

341. Do you think it tends to increase?—I think it tends to increase.

342. Your returns cover a very large number of subjects?—Yes.

343. You cannot possibly say that in the succeeding 30 years the present figures will be the limit?—No, certainly not.

344. It may almost have reached the limit?—No; I think not, if you look at the number of subjects before Parliament at the present time. I could find a dozen Bills before the House at the present time which will throw an increased burden upon municipalities.

Sir Albert Rollit.

345. And increased benefits?—Presumably.

Mr. Runciman.

346. You do not foresee any limit to that?—I do not at present.

Mr. Charles Murray.

347. With regard to that question of distinction between large and small boroughs, I understand you rather have the difficulty of the public department?—Yes.

348. You do not express any opinion against legislation?—Not the least. I am perfectly certain that no government department could maintain a distinction between large and small. I do not say there is not a distinction between the two cases; I do not for a moment suggest that.

349. Your personal feeling is not against a distinction being made, but against the public department, with which you are connected, having to make it?—If it is possible to make and to preserve a distinction between the two cases, I do not see the least objection—that is to say, where the distinction can be proved.

350. There is no reason why a distinction should not be made, except that you think the government department should not be called upon to make it?—I am not sure that is so.

351. With regard to this table you have put before us, there are very alarming figures in it, as to the amount of the interest paid out at the end of the period. I presume, the whole question is a matter of convenience, as to spreading the payments over a number of years?—Certainly.

352. Because, if the public purse were deep enough, there would be no interest to pay at all?—No, certainly not; nobody would be foolish enough to pay interest in that case.

353. It is merely a question of convenience?—There must be somewhere a position where the benefit to the present ratepayers is outweighed by the burden cast upon the future ratepayers. That is a point we have to take into consideration.

354. You have put that most clearly. Your personal opinion, I rather gather, is not against an extended limit being given to land?—No, not as an asset.

355. An asset of the corporation borrowing?—It would not make the land a security in any way.

356. No, but the Corporation would look upon it as an asset?—No doubt. I rather look upon it in this light—that it is a commodity which will always have a value, and, therefore, as long as some of it is repaid from time to time—as long as a small amount of repayment is made. I do not think there is any considerable risk. That is really what my point comes to.

357. With regard to liability in the future, as to some of these subjects which you raise, there are surely some which may be variable—such as electric lighting and gas?—Certainly, they are valuable.

358. There are some, such as libraries, baths, stone-bridges, which are not temporary, so far as we can foresee the habits of our successors?—Do not you look forward to a time, and very shortly, when all our bridges will have to be rebuilt—in fact, we are finding now, throughout the country, that bridges have to be built to take traction engines with trucks behind them.

359. Yes, rebuilt to make them stronger. I take it that there are other subjects, such as libraries and baths?—No doubt. Even they will want extension. Some years ago, London boroughs borrowed considerable sums for libraries; they are still borrowing for libraries.

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Mr. KERSHAW.

[Continued.]

Mr. Charles Murray—continued.

As vestries, they borrowed—as commissioners rather—they borrowed considerable sums for libraries; they are still borrowing, because they want branch libraries now.

360. Still, if we give the ratepayer a permanent structure, and pay it all off in 40 years, at the end of the 40 years the then existing ratepayer will be receiving a free gift, will he not?—Certainly.

361. He will then have something for which he has not paid—something given?—Certainly; but, which in the way of repairs and so forth, he will have to pay for them—I mean repairs become a considerable item as a building grows in years.

Sir Albert Rollit.

362. May I ask one question that I omitted? The housing question, particularly. I want you to address your attention to:—Do not you apprehend that if the term is too restricted—or is very restricted—that will not only put a burden on the existing ratepayers, but compel a charge of higher rents, in order to repay the loan, and that therefore, the class which Parliament intended to help will not be served. Is not that a ground of distinction between the case of housing and other cases?—No doubt, as the term for repayment is increased, the local authority are in a position to charge a lower rent. Then is not the question rather this: What is the rent which the house that is being built is to command—the

Sir Albert Rollit—continued.

rent which it would command in the neighbourhood in the ordinary course—If you are going to say: You shall extend the term to such an extent that you can reduce the rents to that point at which they will be such rents as the inhabitants of what was previously an infected area, can afford to pay—then, surely, it becomes rather a matter of charity, for which you have no right to charge posterity.

363. At any rate, if you charge higher rents you may get outside the very classes which were intended by Parliament to be benefited?—Certainly; but is not the remedy rather to build a different class of houses?

364. I was going to ask that very question. Would not the tendency of that be towards jerry building, so as not to pay for posterity, and a consequent disadvantage again to the classes which Parliament intended to benefit?—Of course, as regards the jerry building question, when the local authority come for sanction for a loan to the Local Government Board, the Local Government Board will take good care that they are not jerry-built houses.

365. Yes, but houses of a less-lasting character, at any rate?—Yes. (*The witness also handed in a synopsis of provisions relating to borrowing powers exercisable by local authorities with the sanction of the Local Government Board under Public General Acts B. See Appendix, No. 1A.*)

Friday, 11th April 1902.

MEMBERS PRESENT:

Mr. Bill.
Mr. Brigg.
Captain Donelan.
Mr. John Hutton.
Mr. Law.
Mr. Grant Lawson.

Mr. A. K. Loyd.
Mr. McCrae.
Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

MR. GRANT LAWSON IN THE CHAIR.

Sir HERBERT JEKYLL, K.C.M.G., called in; and Examined.

Chairman.

366. You are, what, at the Board of Trade?—Assistant Secretary of the Railway Department.

367. Assistant Secretary to the Board of Trade; and you have put in a statement showing how far the Board of Trade has to deal with the period for the repayment of loans, have you not?—Yes. (*See Appendix No. 2.*)

368. I gather that you have really not very much to do with loans at the Board of Trade?—The Board of Trade have comparatively little to do with the loans; they are concerned simply with fixing the term of years under the Tramways Act for which the loan shall run.

369. There is a maximum in the Tramways Act, is there not?—There is a maximum of 30 years fixed by the Tramways Act.

370. You also deal with light railways, do you not?—The Board of Trade confirm the Orders of the Light Railway Commissioners made under the Act of 1896.

371. Is there any limit of time beyond which the period for the repayment of the loan may not extend in the Light Railway Act?—I am not aware that there is.

372. Have you any knowledge of why the Light Railway Commissioners grant—as I see they do—50 years sometimes for a light railway loan, although Parliament has fixed 30 years for a tramway loan?—No, I cannot say why the difference exists; it is very undesirable that it should exist—uniformity between the two would certainly be preferable.

373. You have raised two points in this paper before us which you ask the Committee to consider—the two points are: Permitting local authorities to pay interest on a loan out of the loan itself—to pay interest on capital; and the question of allowing a local authority to defer the commencement of the repayment of its loan. Now, as to the first, as to paying interest out of borrowed money, I suppose the effect is that the loan is increased—the amount of the loan?—No doubt.

374. So that the present generation, if they were paying interest out of capital, and also

might postpone the commencement of the repayment—the people of the present year would not pay anything towards this loan; would not that be the effect?—I suppose it would.

375. So that the very people who authorise the application for the loan would not at once begin to pay anything towards it?—Quite so.

376. Do not you think that that would rather encourage a lavish application for loans?—Yes, I think so.

Mr. A. K. Loyd.

377. I do not know whether I caught your answer just now. Do you say that a longer term is given by the Board of Trade for light railways than for the other undertakings?—The longer term is usually fixed by the Light Railway Commissioners; they are not subject to the limitation imposed by the Act of 1870 of 30 years; they generally give a term of 40—in one case of 50 years.

378. And that is not subject to revision by the Board of Trade?—It is open to revision, but the Board of Trade do not, as a matter of fact, vary a thing unless there is opposition.

379. Does the Board of Trade think that uniformity would be desirable as to the period of loans?—Yes, I think so.

380. In point of fact they have never taken any action to overhaul the decision of the Light Railway Commissioners?—No.

Mr. Brigg.

381. You are aware, of course, that the light railway people have a good deal to do with the highways?—Yes.

382. That is, of course, extended to the proper—shall I say the proper spending of money on the railway and not on the highway? You see, there are two things that work together—the light railway in many cases is laid along the highway?—Yes.

383. There is a highway authority which spends a certain amount of money, and here you are

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[Continued.]

Mr. Brigg—continued.

are allowing money to go for the light railway, and the question comes whether the money is to be properly applied for the purposes of the light railway only, or extend it to some purposes of the highway?—That is a matter over which the Board of Trade have no concern.

384. I ask whether you are aware of that, and whether you take precautions to prevent the money which you grant—or, rather, which you allow to be borrowed—being spent upon other purposes than those for which it is borrowed. That is really the question, properly put perhaps. Money is borrowed for the light railway?—Yes.

385. The light railway is laid on the highway?—Yes.

386. The question then comes: When you are putting a light railway on to a highway is the money strictly confined to the purposes of the railway?—Yes, the money cannot be applied for anything but the railway.

387. Not for anything for the highway?—Only incidentally, in so far as a portion of the maintenance of the highway is taken by the light railway promoter.

388. That is one of the points which requires to be watched, at any rate—that is all?—Yes.

Mr. McCrae.

389. I understood you to say that the period for repayment of loans for tramways is 30 years?—It is limited to 30 years.

390. Then do you make any difference at all as between the different systems of tramways—horse tramways, cable tramways, and electric tramways—or do you just give the same period for all?—We give different terms for the parts of the tramway; for instance, 30 years is usually given in the case of the permanent way and buildings, 20 years for electrical equipment, and 15 years for cars. For horses, of course, a much shorter period, but we are seldom asked for loans for horses now; five years is generally given for horses.

391. Then, on all occasions, if you are asked, do you give a term so that the sinking fund may not begin until the completion of the works?—In the case of the tramways that question does not arise; the sinking fund begins as soon as the loan is raised in the case of the tramways.

392. Suppose a municipality was laying down a new system of tramways which would take five years to complete; the first year they spend a fifth of the whole sum, and only borrow a fifth. When they borrow that fifth, does the sinking fund begin at once?—Yes, as soon as the money is raised; it is paid out of the rates.

393. Do you lay down any rule as to the system whereby that loan is to be repaid?—No; we have nothing to do with the system—that is entirely a matter for the Local Government Board.

Mr. Bill.

394. Is not the reason for the difference of period between light railway and tramway loans rather because the former work is supposed to be of a more permanent character than the latter?—I do not think so; practically they are the same things.

395. Well, they have got to being the same things?—Yes.

395.* I understand you to say that you

Sir Albert Rollit.

have power under the Tramways Act, 1870, to authorise the repayment of the loan in 30 years?—Yes.

396. But in fact you reduce that term by severing the elements of the work?—Quite so.

397. Do you average the term?—Sometimes we do. The Board of Trade are sometimes asked to fix an equated term.

398. Can you give me generally your equated term?—It varies with the amount of items and the terms of years; it is arrived at in this way: Each item is multiplied by the term fixed for it; the totals are added together; the whole sum is divided by the whole of the loan, and the result is the equated term of years.

399. The effect, then, of that severance and equation is to reduce the maximum term of repayment of 30 years to an equated term considerably less?—Quite so.

400. So that really the authorised maximum of Parliament does not exist in practice?—It does in a great many cases.

401. The whole 30 years?—Yes; in many of the old Orders, because the equated terms are comparatively rare.

402. But under the present practice do you grant 30 years?—We grant 30 years for permanent way and buildings.

403. And where you have an equated term that 30 years is brought down?—Yes.

404. In the case of light railways you say there is no limit in the Act?—I am not aware that there is a limit.

405. May not the distinction between the tramway and the light railway, as to the absence of term, be accounted for thus: that the Light Railway Commissioners hold a very exhaustive inquiry on the spot?—They do.

406. And therefore they go into the whole of the details of the construction, the length of life of the work, and so on?—Presumably—yes.

407. So that probably they make a more detailed examination of the scheme, the length of life, and so on, than a public Department can possibly make?—Yes, we have nothing but experience to guide us.

408. So that that probably is the real ground of distinction—that you can authorise a judicial local inquiry by Commissioners in the one case?—Yes.

409. In the other—not at any rate on the same large scale—it is simply the work of a public Department?—Quite so.

410. Does it not occur to you that that is probably the ground of distinction?—It may be so.

411. Very well. May I take it that the Light Railway Commissioners have granted, or do grant, I think you say, 50 years?—In one case they granted 50 years.

412. In other cases 40?—In other cases 40, which is a common term.

413. Considerably longer than the Board of Trade has granted?—Yes.

414. Then you suggest that there should be uniformity of practice?—Yes.

415. May I put it to you that if the detailed inquiry of the Light Railway Commissioners establishes the prudence of a longer term, the uniformity should be upwards and not downwards from them to the Board of Trade?—I think the experience of the Board of Trade rather points to the opposite conclusion.

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[Continued]

Sir Albert Rollit—continued.

416. You say the experience of the Board of Trade is much more limited and less detailed than that of the Commissioners. Now, remembering that, may I not put it to you that their detailed experience upon inquiries lasting many days would more likely fix a standard for length of repayment than the much lower limit of experience of the Board of Trade?—I do not know how far the Light Railway Commissioners go into these financial proposals.

417. At any rate they do hold local inquiries of great length?—They do hold inquiries, but there is a tendency for all appliances to become obsolete; and we have even cases where two loans are running concurrently—a fresh loan has to be negotiated before the first loan is repaid.

418. But, at any rate, I think you would say this, that the detailed experience of the Light Railway Commissioners, and their practice of granting longer loans, is an element in the consideration of where uniformity should be established?—It is undoubtedly an element.

419. You are aware, probably, that the Municipal Corporations Association have asked that the payment of the sinking fund, or instalments of principal and interest, should be deferred until the completion of the work?—Yes.

420. At any rate that is a proposal and a consideration which you have had submitted?—Yes.

421. I think your practice is to require the repayment from the time of the loan?—Under the Tramways Act—yes.

422. Under other Acts, too, with which you have to deal?—I think it is the general practice; I could not be quite certain.

423. But during that period the local authority gets no benefit from the work?—No.

424. So that there is no income from the work to meet the current payment of interest?—No, it has to be met out of the rates.

425. And that, of course, is a payment without return?—Quite so.

426. Equally the payment of interest upon capital stands in the same position; but you are aware, are you not, that by the Standing Orders of the House of Commons now the payment of interest upon capital is, I think I may say, almost generally authorised—at any rate, very frequently; is not that so?—I am not aware.

427. You are not aware that in the case of Bills for railways and the like, the payment of interest out of capital is now under Standing Order permissible, and is generally granted?—No, I was not aware of that.

428. I think it was the chairman who put it to you that posterity would not get any benefit from the undertaking during that period of non-completion, that it would be a complete loss to subsequent generations; that if the repayment commenced from the termination of the work it would extend to the time of future generations who would get no benefit from it, if it were postponed, I mean, as suggested?—I do not quite follow you.

429. If the time of commencement of repayment were postponed until the completion of the work, that the chairman, I think, suggested—would push the term of repayment partially upon a more distant generation?—Quite so—yes.

430. And, I think it was suggested to you, a generation who would get no benefit from it, but I am going to put to you that equally the

Sir Albert Rollit—continued.

generation which does the work gets no benefit from it during a period?—During the period of construction—no.

431. So that in that respect they are in the same position?—Yes.

Chairman.

432. Except that the people of the present generation—if the proposals were accepted which are made by the Middlesex County Council—would not have to pay; they might get no benefit, but equally they would not have to pay if those proposals were adopted?—Quite so.

Mr. John Hutton.

433. May I ask you whether there is any limit under the General Pier and Harbour Act, 1861, with regard to the repayment of loans?—I am not aware that there is. The practice is to confine the term to forty years—fifty years was considered too long, and forty years is generally fixed as the period of repayment.

434. There is no limit mentioned in the Act itself?—I cannot answer that question absolutely, but I can let you know; I am not connected with this part of the department. (See Appendix 2, Section 4.)

435. Then, with regard to loans for tramways—thirty years' loans—have they been ever extended in any case by Private Acts of Parliament?—Never. But there are cases where municipal tramway undertakings have been authorised by Parliament, in which 40 years and more have been allowed for repayment.

Mr. McCrae.

436. With regard to new methods of traction for tramways—electricity, for instance—do you see any objection to the period there being extended to fifty years, the same as for light railways?—As far as our experience goes, twenty years is quite sufficient for electrical equipment, partly because it wears out and partly because it is likely to be superseded by something better.

437. Then, with regard to the general question as to the extension of the period for the repayment of the loans, of course tramways are in a different position from ordinary municipal loans in this respect—that tramways are really a commercial undertaking and a revenue producing subject?—Yes.

438. Even at the end of the period after the loan has been repaid it will be producing revenue?—Yes.

439. Well, that is an aspect of the case that ought to be taken into consideration, do not you think, in fixing the period for repayment?—It ought no doubt to be given consideration.

440. It is not like a dead expenditure which produces no pecuniary return, is it?—No.

Chairman.

441. Just one question on that: Have you known of tramways that did not pay?—That did not pay?

442. Yes?—Municipal tramways?

443. Yes?—No, I am not aware of any case of municipal tramways that did not show excess of receipts over expenditure. We have had cases of tramways worked by companies which did not pay.

444. I mean municipal tramways?—No.

445. Might

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[Continued.]

Mr. John Hutton.

445. Might I suggest Portsmouth?—Portsmouth?

446. Yes?—I cannot give the figures.

Sir Albert Rollit.

447. May I take it then that so far as your knowledge extends, all municipal tramways have proved remunerative undertaking?—Yes, they have, as far as I am aware.

Mr. H. M. LINDSELL, called in; and Examined.

Chairman.

448. You are Assistant Secretary and Legal Adviser to the Board of Education, are you not?—I am.

449. We have before us a paper which you have put in showing your powers and practice with regard to the repayment of loans; would you just state shortly the two principal points of that memorandum (see Appendix No. 3)?—The first principal point is with regard to the statutory powers we possess. The period of repayment of loans made to school boards is limited by statute to the maximum of 50 years. In the case of all loans the actual period has to be sanctioned by the Board of Education. There is the additional requirement that it shall be recommended by the Board of Education; and we have always assumed that Parliament in adopting a different term with regard to the recommendations made to the Public Works Loan Commissioners imposed a somewhat more extensive obligation upon us than it did with regard to loans in the open market. We assumed that in the one case it would practically be sufficient if a *prima facie* case was made out for the length for which the loan was recommended; that in the other we had to thoroughly satisfy ourselves that under all the circumstances it was the proper period for which the loan should be made.

450. At first you used to grant the full period of 50 years, did you not?—When the enormous arrears of work were thrown on the school boards, when they were first instituted, it was considered desirable to encourage them in every way to provide for the great educational wants there were in those days. Of course, "works" in those days were nearly all new schools; and at that time we practically always recommended the full period sanctioned by Parliament; but as time went on we found ourselves more or less in collision on several occasions with the Public Works Loan Commissioners on the subject. They considered that it was a duty imposed upon them in all cases to grant the loan on as short a term as could be arranged; the consequence was that at first they claimed (in the opinion of the then permanent chiefs of our Department), or were thought to claim the right to alter the term which we recommended. It led to considerable discussion at the time, and the opinion of the law officers was taken, which was to the effect that the School Board could only borrow on the actual period recommended or sanctioned by the Education Department. As a consequence of that, after some protracted discussions, by the good services of the Treasury a sort of *concordat* was arrived at, by which it was agreed that no loan at all should be recommended in the case of small sums under 50l.; that between 50l. and 150l. the term should in all cases

be limited to 10 years; and that in cases where the original estimate was exceeded and the school board asked for a further supplemental loan to carry out the work, the period for the supplemental work should terminate with the period of the original loan. Subject to those three conditions we continued as before. There was one other condition, and that was that where the work was not a new school (which we interpreted to include a new department of a school), but merely an enlargement, such as the addition of class rooms, new latrines, or things of that sort, the period should be limited to 30 years. With that exception, in the case of new schools we still continued to recommend the full period of 50 years. That arrangement worked very well for a very considerable time; in fact, from 1878, when it was arrived at, until much later; I do not think any different arrangement was made, or that any change in our practice was made, until as recently as 1895, when a fresh agreement was made that we would not continue to recommend the full period of 50 years for any works whatever, and that we would limit as a general rule our recommendations to 35 years unless the school board could show that the shorter period inflicted some decided hardship upon the ratepayers of that time. I think we said that where it entailed a rate of over 6d. in the pound for repayment of loans alone, in those cases we should still exercise our power of granting the full term of 50 years, but that the general rule in the future was to be 35. That remained in force until the passing of the Public Works Loans Act of 1897, by which, instead of its being a fixed rate, as our Act required, of 3½ per cent., the Treasury was in future empowered to fix a rate of interest according to the length of the loan (the term of the loan). In order to fall in with that arrangement we changed from 35 years to 40, so that, as stated in this memorandum, our present practice is not under any circumstances to recommend a loan for more than 40 years, unless the district itself can show good cause why we should give the period of 50.

451. Good financial reasons?—Good financial reasons that it would be a hardship to the district.

452. What you have told us applies to loans from the Public Works Loan Commissioners, does it not, and not to loans raised in the open market?—Not to loans raised in the open market. It would rather appear, I think, from this memorandum that the difference is perhaps more apparent than real. The only difference, I think, really is this—that in the loans asked for in the open market we do not impose the limit of 40 years; they can make their own terms. In a great many cases, where there are Corporation stocks, and they borrow from the Corporation, or

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Mr. LINDSELL.

[Continued.]

Chairman—continued.

or in similar ways, it is more advantageous to them; they can get as good rates of interest for 50 years as they can for 40, and in those cases we leave to the school board the period which they desire; but it is subject to this very important restriction—that no more in the case of loans in the open market than in the case of Public Works Loan Commissioners would we grant a period which our consulting architect advised us was too long for the character of the work which was to be executed.

453. Do you send out a circular of advice on the subject of loans to school boards?—Yes. Perhaps you would allow me to go through the process by which we deal with loans.

454. I think it will be sufficient if you just tell the Committee?—The circular which is sent (the plans are approved, and we ask the school board to state for what period they want the loan, whether they want the loan, and so on) is a circular which is dated the 3rd September, 1895. It was issued after that last agreement with the Public Works Loan Commissioners.

455. If you would kindly read us just that about the period of the loan—the passage dealing with the period for repayment?—“My Lords concur in this opinion, and the changes they are now about to make with this object will be as follows: (i.) They will not in ordinary cases recommend a term of repayment exceeding 40 years for new buildings, or for enlargements on so great a scale as to be properly classed with new buildings.” (That is the first.) Secondly, “They will not in ordinary cases recommend a term exceeding 30 years for enlargements of less extent or for considerable structural improvements. (iii.) They will, in ordinary cases, recommend a shorter term than thirty years, to be settled on the report of their architect, for inconsiderable improvements or other works of a less permanent character; in particular, they will not recommend a term of repayment extending beyond the time at which the improvement will probably be exhausted. (iv.) Where the loan is required partly for new buildings or enlargements, and partly for minor improvements, my Lords will recommend such a term of repayment as appears to them to be fair and reasonable, having regard to the proportion borne by the cost of the new buildings to that of the improvements.”

456. I notice you have printed this on the paper you have handed in to the Committee?—We have.

457. So that we have before us on that paper handed in what you are now reading?—Yes; the terms are virtually embodied there.

Sir Albert Rollit.

458. At first, I understood you to say that you granted the loans for 50 years because of the urgency of the work?—We wished to give every encouragement to school boards to carry out the work; they required a good deal of keeping up to the mark, and we did not wish to throw any difficulties in the way in the matter of loans.

459. Therefore, your principle of action was the utility of educational work to the community?—Precisely.

460. Which, I take it, you think is a material

Sir Albert Rollit—continued.

consideration?—Of course, from our point of view, it is the material consideration.

461. Now, supposing you have power to grant a loan for 50 years, and the life of the work (which, I take it, may often be the case) is 70 years, we will say, plus the land?—Certainly; I should say much more.

462. One moment; 70 years, plus land—and you act upon your present general rule to grant it only for 40 years; do you follow me?—Yes.

463. Is not that a hardship to the present generation who do the work—providing the education for which posterity does not pay, but the benefit of which posterity gets in an improved community; is there therefore not a hardship there upon the present generation?—There might be, of course; but a population might so fluctuate in the course of 70 or 80 years that it might possibly be quite the other way. Take large manufacturing or mining districts, for instance—coal mines might be exhausted, and the requirements of to-day might be totally different to those of 70 years hence.

464. But you take those cases to be exceptional rather than the rule?—Perhaps so—yes. Of course, the hardship has been removed to a considerable extent by the fact that they can get the loan at a better rate if it does not exceed 40 years than they can if it does.

465. You mean the repayments?—The repayment; in the one case they can get it at $\frac{1}{4}$ per cent. less.

466. That is common ground. You say you still sanction loans in the open market for the 50 years?—We do—yes.

467. What is the real ground of distinction between borrowing from a public department which has the power to lend for the 50 years, and borrowing in the open market and allowing the 50 years—what is the ground of distinction between your allowing 30 in the one case and 50 in the other?—I think it is perhaps rather difficult in mere words to define. Of course, for one thing to arrive at a clear understanding with the Public Works Loan Commissioners was somewhat important. You see the Public Works Loan Commissioners could say, We will not give the loan.

468. You spoke of a *concordat* with the Public Works Loan Commissioners, I think?—Yes.

469. In other words, I take it the Department was coerced in some measure by the Public Works Loan Commissioners?—Well, I can hardly say “coerced”; but it was thought desirable to come to some agreement with them.

470. And therefore I may take it that although you do authorise the term of repayment for 50 years in the open market, which you consider a proper term, I suppose?—Certainly.

471. Protective of posterity, nevertheless, your practice is, when the Public Works Loan Commissioners are involved, to limit it to 30?—To 40.

472. To 40?—Yes, quite so.

473. Is not the corollary of that, that that may be an injustice to the present generation?—It might possibly be so; yes, I admit it.

474. In considering the length of your term have you considered also the permanent character of

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Mr. LINDSELL.

[Continued.]

Sir Albert Rollit—continued.

of the asset of the land—that the land does not perish like the building?—No, the land is, of course, freehold.

475. Subject to this change of population you spoke of the land is permanent?—Certainly.

476. Should you personally, from your experience, see any objection to making a longer loan upon land than upon perishable buildings, as a general rule?—I think either the land or the buildings would equally outlast the period of 50 years; we look upon the life of a school as more than that.

477. Looking at the stability of the works under the School Boards Act, 50 years is not nearly the limit?—Certainly not, not anything like.

478. And yet practically by *concordat* you reduced it to 30 years?—To 40.

479. To 40; posterity at the same time getting the benefit of the education which is given in the schools at the expense of the present rate-payers?—Yes.

Mr. John Hutton.

480. Yes, but surely posterity, at the end of 40 or 50 years, will have to pay very much larger sums in the way of repairs than the present generation will do?—Probably they will; there is always that; there is sure to be new works required; there will be the upkeep of the buildings, the enlargement of buildings.

481. The upkeep would be a very considerable sum at the end of 40 or 50 years in all probability—the maintenance of the buildings?—Not perhaps as regards objects for which loans would be granted. If the buildings were kept in proper current repair out of the annual expenditure of the school board itself, then at the end of 50 years they ought to be nearly as good, I should say, as they were at the commencement.

482. As a rule, I think, buildings of 40 or 50 years of age do require considerably more money spent upon them in repairs than newer buildings; it must be so?—Yes.

483. In that way posterity will have to pay certain sums of money with regard to maintenance of those schools which the present payers of interest—the ratepayers who are paying interest for the loan—will not be liable to?—Certainly.

484. So that probably the injustice is not quite so great as Sir Albert Rollit tried to show?—But in spite of the shortening of the terms, as a matter of fact, the total amount of school boards' indebtedness goes on increasing.

485. In one of your paragraphs here you state—it is just above the underlined words in the paragraph half way down your statement—that the loans may be “not exceeding 50” years. I understand that those 50 years' loans are “to bear interest at the rate of $3\frac{1}{4}$ per cent. per annum”?—A 50 years' loan is $3\frac{3}{4}$ under that.

486. I beg your pardon; there is a note of yours here at the bottom?—I have not it in the printed form before me.

487. There is a note there from which I gather it is $3\frac{3}{4}$?—Yes. That has now been repealed by the Public Loans Act of 1897. Instead of its

Mr. John Hutton—continued.

being a fixed sum of that amount for all loans, whatever the period, the Treasury is empowered by the Act of 1897 to fix a different rate of interest according to the duration of the period.

488. Up to that period the Treasury or the Board of Works Loan Commissioners allowed the School Boards any advantage which they might obtain by giving them the long loans at a shorter rate of interest, or was it a concession throughout the service?—That was fixed by statute; that was the rate at which, by the Education Act, they were bound to lend the money. They can now vary it according to the length of the term. The Treasury Minute of the 31st of January, 1900, fixed the rate as follows: $3\frac{1}{4}$ per cent. on loans not exceeding thirty years, $3\frac{1}{2}$ on loans not exceeding forty years, and $3\frac{3}{4}$ on loans not exceeding fifty years.

489. Yes, I see that. That has been to the disadvantage of the School Board, so far as the long loans have been concerned?—So far as the long loans have been concerned it has encouraged them—a great many were applied for for forty years only.

490. Can you tell me whether the Act of 1897 gave power to the Treasury to fix the period of the loans, or are they fixed in the Act itself?—They are fixed by the Treasury minute.

491. Then in this case it is the Treasury who are making this limit to the disadvantage of the poorer school board districts?—Yes, those who want to borrow for the longer period.

Mr. McCrae.

492. Then with regard to the difference in practice, the allowance of fifty years for money borrowed in the open market and forty years for moneys borrowed from the Public Works Loan Commissioners is altogether apart from the merits of the question; it is merely a question of the rates of interest really as far as the Public Works Loan Commissioners are concerned?—Certainly.

493. I mean the scheme may be equally good in either case?—It might be equally good in either case.

494. But if the School Board go to the Public Works Loan Commissioners and want a period of fifty years, they must pay $3\frac{3}{4}$ per cent.?—Yes.

495. Which I think is a very large rate of interest, seeing that they have the security of the rates?—It may be, but that is not in our hands.

496. Quite so. I only want to get at the fact. Then I find in this circular you say that if the borrower borrows in the open market he is granted a period of fifty years, and that the money borrowed may be repaid either by equal instalments for principal and interest not exceeding fifty, or on the instalment system—that is the one-fiftieth annually of the sum borrowed with interest on the balance remaining; of course, that means a great difference to the borrowing authority. We had before us the other day a sum which I will take for convenience, namely, 250,000*l.*; if that is paid off on the annuity system—that is, equal annual instalments of principal and interest—it means payment, in round figures, of over 12,000*l.* all over the period; but if it is paid off by the thirtieth or the fiftieth, as the case may be (it was thirty years

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[Continued.]

Mr. McCrae—continued.

years in this case), it means the payment in the first year of over 15,000*l.*—that is 3,000*l.* more in the first year. What I want to ask you is: Does the Education Department, in fixing the period for which the loan is to be repayable, take into account the system by which that loan is to be paid off?—No.

497. It does not?—No.

Mr. A. K. Loyd.

498. I just want to ask what was the nature of the difference of opinion between the Public Works Loan Commissioners and your department—was it as to the ground on which you should act in fixing a time for repayment?—Yes, I think the Public Works Loan Commissioners become considerably alarmed at the very enormous sums which were being borrowed by school boards, and they thought that it was their duty—and their tendency was—to cut down the period. We looked at it from a rather different point of view; we rather wished to encourage school boards to build, and to give them the longest periods we could. That was a very long time ago.

499. The Education Department was bringing into operation a new education law, and felt that there were long arrears of buildings in the school boards' districts, and desired to encourage the school boards to exercise the powers of borrowing?—Yes.

500. Therefore they made the terms of borrowing as easy as they could?—They made the terms of borrowing as easy as they could, and I think the Public Works Loan Commissioners rather wished to make them more difficult.

501. Then the Public Works Loan Commissioners began to feel that the Education Department in its zeal for education might be going too far in laxity in granting loans?—Precisely. The great question of difference was whether they had or had not the right to vary our term; if we recommended fifty they might say: But we think it ought to be forty.

502. The way the Education Department, as I understand, came upon the scene was this, that in the Education Act power was given to school boards to borrow generally, subject to the sanction of the Education Department—spreading the repayment over a period of years not exceeding fifty; then, as one of the sources from which they might borrow, the Public Works Loan Commissioners were mentioned, and so became, as it were, a collateral authority with the Education Department?—Yes.

503. It was not a case of the Education Department being set up over the Public Works Loan Commissioners, but the Public Works Loan Commissioners were admitted into the system of borrowing as one of the sources from which the money might be obtained?—Yes, the Act said that they were to lend on the term recommended by the Education Department.

504. Yes, I understand that; but there never had been a period at which the Government said: the Public Works Loan Commissioners shall be subject to the Board of Education as being inferior to them?—Oh dear, no; the question was whether they could alter the term, or merely refuse the loan.

Mr. A. K. Loyd—continued.

505. The fact of the two Departments coming upon the scene was not with a view to the one checking the other, but the one, as a source from which money might be obtained in a system of borrowing, which had to be carried out under the sanction of the Education Department?—Quite so.

506. In fact, the Education Department was necessary where loans were not applied for from the Public Works Loan Commissioners, and there was no other Department to exercise control in the case of loans in the open market, except the Education Department?—No. If they wished to go to the open market, they were left to make their own terms. We never went into the loan; we never even asked whom they got it from.

507. Then do I understand that the Education Department, being the proper Department for sanctioning borrowing in the case of the open market, take no interest in this question of the present generation and posterity at all?—As I say, we always gave them 50 years—the longest term—where they asked for it, and where there was no reason, in consequence of the character of the work, why the term should be a shorter one.

508. The Local Government Board, as we are informed, regard themselves as bound to arbitrate, if I may say so, between the present generation and posterity, in fixing a fair period within which both those classes of persons shall obtain an adequate return for the capital expended; but I understand from you that the Education Department has never taken the position of trustee as between the present generation and posterity where the loan was in the open market?—Yes; I should say in cases where we have evidence that the character of the work is such that it would be exhausted in a shorter period, we do act as a trustee. We say: No; you are asking for a period in which this work will be exhausted; posterity will get no benefit whatever; therefore we must limit the loan to the period for which you have got the work. I will give you an instance: A great many school boards wish to have an asphalted play-ground; a large school board would, perhaps, require a large sum of money for doing that. We are advised by our architect that that work will be exhausted in 10 years. Well, we limit the loan, whether in the open market, or wherever it is, to 10 years.

509. I understood you just now (no doubt erroneously) to say that you always granted the full period of 50 years if the loan was in the open market?—Oh, no; I said subject to the recommendation of our architect that it ought to be for a shorter period in consequence of the structural character of the work.

Captain Donelan.

510. May I ask whether it is anticipated that any serious outlay will be required for the repairs of these school buildings at the end of the period of 40 or 50 years after the completion of the buildings?—That is rather an architectural question: that is not my business; but I understand that at least a hundred years is considered by our architect to be the life of a well-built school.

511. May I ask whether this contingency was taken into consideration in deciding the limit of the

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[Continued.]

Captain Donelan—continued.

the period of repayment of 40 years?—No; I think the two points taken into consideration were, first, the strong pressure that was put upon us by the Public Works Loan Commissioners in the case of their loans, and now there is the further consideration of the lower rate of interest.

Mr. Charles Murray.

512. You have frequently to deal with very valuable sites in very crowded neighbourhoods, naturally; in dealing with those, is it not the case that in comparison with loans for kindred subjects and for other buildings, a considerable amount has to be spent upon ground with a view to the provision of a play-ground?—Yes.

513. Therefore the amount represented in the total sum for the land is greater than it would be in other works?—It might be; in a crowded neighbourhood it certainly would be; we should give a loan for a site only in a case like that. If the school board anticipated a great increase of population, and desired to be beforehand, and desired to get the land several years before it would be wanted for the school, we certainly should sanction a loan for that land.

514. When you are dealing with land which provides an open space, which is equally an advantage to posterity, in a very crowded neighbourhood, do you see any disadvantage in looking upon that land as a distinctly more permanent asset than a building?—Decidedly not.

Mr. Brigg.

515. I am afraid I may be rather covering ground that has been already to some extent covered, but I should like to ask, according to your experience of what has happened in the past—the historical feature of the case—do you say that originally the Board of Education recommended 50 years in the case of buildings for school boards, and that they did so with a view to encouraging the building of school board schools; that is so, I think?—Yes.

516. Afterwards that was reduced to 40 and 35, and now I see some of them are reduced to 30 years; I should like to ask, is that done at the instance of the Board of Education, or is it the Public Works Loan Commissioners who object to making long loans?—We have always drawn a distinction between enlargement and mere addition to school buildings, and new schools required for new populations or existing ones.

517. And there is no reason why the new school to-day should not have 50 years as well as many years ago?—None whatever.

518. Only you do not recommend it?—We would in the open market.

519. But in your own Department you are not now so keen about the erection of schools by school boards. If you thought a school board school was very desirable you formerly recommended a long term; now you recommend a shorter term—is it because you think the school board schools are not desirable?—No.

520. That is what it comes to—that is the effect of what you say, unless you can give us some good reason to the contrary. Do not the Public Works Loan Commissioners refuse your recommendation when you send in a recommendation for an extended term? Do the Public

Mr. Brigg—continued.

Works Loan Commissioners refuse to make a grant for the time you ask for?—Very rarely. They sometimes send back and say: Are not you recommending a longer period than the agreement sanctions?

521. That is what I understand; you do not recommend long terms now; the Board of Education recommend short terms?—No, excuse me; we recommend as long as we can—40 years for the Public Works Loan Commissioners—50 if asked for in the open market. We should give 50 if it is asked for from the Commissioners in cases where it would throw a heavy burden upon the existing rates if 40 years only were given.

522. Then you decline to recommend the long term if you can?—We are quite willing to give as long a term as we can.

523. In the first instance, you were trying to encourage Boards by giving long loans; now you have completely changed by recommending only a short term for the loans?—I do not think the policy of the Board of Education has changed one whit since 1878 when the matter was really settled.

524. Except that you have limited the time; you are recommending the Loan Commissioners to give less time than you did recommend before?—40 years—yes, because as a rule they will not lend for more.

525. Well, call it 40 instead of 50—30 in some cases—that I say is distinctly against your former practice, and there is no reason why board schools should not be erected now any more than there was 40 or 50 years ago?—The 30 years is only for additions; in fact, I can give you an instance in which we did fight for a school board. A school board applied to the two Departments for a loan for a certain work; the Public Works Loan Commissioners said: "This is a case for a 30 years' loan—it is a mere addition to the school." We said: "No, this is for an important enlargement, practically a new school, and for that reason we stick to our recommendation of 40 and not 30."

526. As I understand, you have never made applications for extended time which have been refused by the Public Works Loan Commissioners?—I think we have had no difficulty with the Public Works Loan Commissioners of late years at all.

Mr. Nannetti.

527. You say you are anxious—or your Department is anxious—to grant the full 50 years for the purpose of encouraging the school board—that is a desire that actuates your Department?—Of course; it actuated us more in the times when the arrears to be made up were much more considerable than they are at present.

528. In reducing it to the smaller period you desired to protect future generations—was that the object?—No, I think it is rather from a desire—partly to induce school boards to avail themselves of the lower rate of interest at which they can get the money, and also, as I say, the understanding with the Public Works Loan Commissioners. But you must bear in mind that a school board can always go to the open market,

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Mr. Nannetti—continued.

and in an immense number of cases it does—in the case of all the large boards they do go; they do not want to go to the Public Works Loan Commissioners at all.

529. Provided they come to your Department and ask for the longer period do not you take into consideration the advantages to the present generation, as well as to the future generation, in enabling the school boards to erect permanent buildings for the purpose of carrying on their educational work?—Yes; as I say as far as we are concerned we are willing, and have been willing in all cases of new buildings being erected, to give as long a term as the law allows us.

530. The law allows you to go up to 50 years?—The law allows us to go up to 50 years.

531. Your Department now make it 40 years?—In certain cases.

532. What I want to get at is this: Is it because at the end of 40 years you think those buildings which have been erected will not be in a permanent condition?—No.

533. Or is it to protect the future people?—I do not think that is in our mind at all.

534. A member on the opposite side asked you: At the end of 40 years would there have to be a great deal done in the shape of repairs on those buildings; and as to that question you made the answer: Yes, that there would be, naturally; but would not that depend upon the way in which they were kept up?—I said it rather depended upon the way in which they were kept up in the meantime.

535. Do not you think the future generation would have got some security for the money they might be called upon to pay?—Certainly.

536. And that consequently in the granting of the longer period the future generation would be benefited as well as the present generation?—Quite so.

536*. Would not they have an asset in the shape of buildings as well as by reaping the benefit conferred by the school boards of this time?—Certainly.

Mr. Law.

537. You mentioned that originally you gave 50 years, and that it was altered to 40; have you found by your own experience that that represents any hardship upon school boards?—No, we have had no complaint.

538. It has had no effect on education?—I think not.

539. In answer to Sir Albert Rollit you said you could give no reason for the difference in the mode of borrowing. May I suggest a reason for that (I am aware it is the case). Are not loans taken in the open market by localities, because there their credit is better?—No doubt. They borrow largely from their own corporations in large towns.

540. And where they have to come to the Public Works Loan Commissioners it is because they cannot get the loan in the open market because their credit is not so good?—I think so, certainly; at one time, in fact, the Loan Commissioners were much embarrassed by the enormous number of loans which school boards in-

Mr. Law—continued.

sisted upon paying off because they could get better terms in the open market.

541. May I not put it to you that that is a good reason for making the distinction—that the credit is not so good, and they could not get it as cheap in the open market?—Possibly—that is the point of view of the Loan Commissioners.

542. Then Sir Albert spoke of the hardship to posterity in having a good school 50 years after this, and not paying for any part of it, but is it not your experience that the cost of education is every year rising, apart from schools?—Undoubtedly.

543. Will it not probably continue to do so?—Probably.

544. In that case I suggest that would mean that the school rate, even with the advantages that they are gaining, will be higher than it is now. Is not that your opinion?—It might very likely be so.

Mr. Runciman.

545. You said just now, in reply to Mr. Law, that in reducing the period from 50 to 40 years you had received no complaints from school boards, is that so?—I do not think we have had any complaints. They can always go to the open market, and, as I say, they do very largely go to the open market now.

546. Would you gather from that that your previous granting of 50 years, which was intended to encourage them, was really mistaken philanthropy?—No, I think the change in the rate of interest has had a good deal to do with it; they can get it cheaper. They do not protest against 40 years at all.

547. Public bodies may not necessarily protest in order to show their opinion upon the subject. Let me put it in another way: Are the applications from school boards revised and reduced occasionally previous to the recommendation?—The amount they ask for?

548. Yes?—Oh, yes, we are very particular about that. Before we finally sanction a loan we go thoroughly into the estimate; our architect thoroughly examines the estimate before the loan is granted, or it is often sent back to be revised.

549. Does not the same apply to the period—have you not had applications for longer periods than you would ultimately sanction?—If they say that they wish to borrow money from the Public Works Loan Commissioners, and they ask for 50 years, we have a form (which I have here), in which we ask them to justify it. I do not know whether you would like to have any information upon that point?

550. Is that on the paper we have here?—No, it is one of the forms we issue. When they ask for a term longer than the 40 years we send a letter to them in which we call their attention to the accompanying circular and inquire whether the Board can establish a claim for so long a term of repayment in accordance with Clause I. (v.) of the Circular.

551. We have that here?—You have that.

552. Is it not the case that even in other instances you have to reduce the period below that with the school board originally asked for?—Oh, yes, if the architect says so.

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Mr. Runciman—continued.

553. That may be the form their objection may take when you say they do not protest when you refuse to give them more time?—Yes, they may say: We think you are very hard in not giving us a longer term for this.

554. Then it is not quite correct to say your term does not meet with protest?—I think on some occasions they have said: This ought to be for more than 10 years, but I do not think the protests are at all frequent.

555. May I suggest that it sometimes takes another form—that a school board may object to its work being put under the classes which you lay down here. They could state, for instance, that their alterations are of a sufficiently large extent to justify the period being long rather than short?—Yes, and if they satisfied us of that we should look at it from the school board's point of view as much as we could.

556. What I want to reach is this, that although the protest may not come in the form of a formal protest, it does take many of these indirect forms; the periods that are assigned under these rules are not unanimously satisfactory to the school boards?—I cannot from my personal experience give you any case where they have made any strong protest against our decision.

557. I think you have stated that the average life of a school may be looked upon as being about a hundred years?—I am not an architect, but that, I believe, is about it—something of that sort.

558. The repairs in the last 50 years might not necessarily be very heavy—not such as to entail an unfair burden?—I do not think there would be more repairs in the 50th year than in the 40th or 30th years; it depends very much on the care taken of the buildings.

559. Therefore, so far as the life of the school is concerned, there is no reason for reducing the payment to 40 years?—No, none whatever.

560. In the early days of school boards your Department were anxious to overtake the arrear in school buildings. Can you state whether that has been approximately overtaken now?—To a very large extent it has. Of course, where the population rapidly increases there must be large arrears. I can give an instance in regard to that. The Public Works Loan Commissioners at one time endeavoured to draw a distinction between the original requirements when the school board was set up and the future requirements owing to the growth of the population. That we successfully resisted.

561. Then the arrears may be roughly said to have been overtaken at the present time?—Except in so far as regards the growth of population creating an incessant demand.

562. And the future necessities are not likely to be so large as the past?—There may not be the enormous rush that there was between 1870 and 1880, for instance.

563. When you give the total indebtedness of the school boards for the last 30 years, you do not expect that that is likely to be doubled during the next 30?—No; I should say not.

Chairman.

564. I should like to ask, with reference to the matter of the average life of the board school,

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do you mean that it would stand as a building for a hundred years, or do you mean that it would be likely to remain as a suitable school—what you would call an up-to-date school—for a hundred years?—No; it might not. I should not be prepared to say that. I think if you would wish to have any really good opinion upon that you might ask Mr. Robson, our architect, to come before you.

565. Yes, but it is not the architectural point of view; it is the educational point of view I want; I ask your opinion. Have not you made great alteration in your requirements as to the conditions which buildings shall fulfil—for instance, I will take the concrete case of the position of windows. Have not you made some alteration there?—Yes; I believe there have been very large alterations. A school which was regarded as up to date five-and-twenty years ago would certainly not be regarded as such now.

566. In fact, I think you have condemned some schools which were considered quite suitable twenty-five years ago?—I think it is very likely.

567. Including one in my own division?—Very likely.

568. You have been asked a question or two about the difference between the attitude which the Board of Education adopt towards futurity and the attitude adopted by the Local Government Board, but I suppose your function is not to consider the financial interests of futurity?—No, certainly not.

569. You deal with education, not with finance, primarily?—Certainly; the finance is in the hands of the Local Government Board, not in the hands of the Board of Education.

570. And the school boards are not a rating authority, are they?—No; they can only issue the precept to the authority.

571. They make a precept for whatever money they want on the rating authority, which must be obeyed?—Which must be obeyed.

572. However large it seems to be?—Yes.

573. So that you really have nothing to do with the general financial burdens of the future?—No, nothing.

574. You supply sound education, but not sound finance?—Certainly.

Sir Albert Rollit.

575. When you sanction the repayment in 50 years in the case of loans by private persons, do you then take into account just as in the case of the Public Works Loan Commissioners, the life of the work—the proper proportion between the present generation and posterity, and those other considerations which you have mentioned as justifying 50 years?—I say we should take the life of the work. I do not think we do go into the question of posterity very much.

576. The life of the work, as touching posterity, as lasting 50 years?—Yes, as lasting 50 years.

577. Any work in a suitable condition for school purposes?—Yes.

Chairman.

578. I should like to get a question of Mr. Runciman's clearly on the Notes. I may take it, I suppose, that the Board of Education have power to refuse to allow a grant in respect of a

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Chairman—continued.

school, though they may 20 or 30 years before have approved of that school?—Certainly.

Sir Albert Rollit.

579. Have you found that the applications for loans from private sources have increased relatively?—I should be inclined to say they were more some 15 years ago, and I think these new conditions of the Treasury have slightly inclined local boards to go to the Public Works Loan Commissioners again, but at one time they were paying off the Public Works Loan Commissioners in large sums through private sources.

580. Since these terms were made better they have now come more back to the Public Works Loan Commissioners?—I presume that is so.

Mr. Brigg.

581. You have told us, I think, or rather told the Chairman, distinctly that you have no interest whatever in pecuniary matters—that is, in the way the loans are employed—that is not your department—yours is the Education Department?—The finance of school boards is entirely in the hands of the Local Government Board.

582. And your interest is to help on education in every way you can?—Quite so.

583. A gentleman on my right asked the question: Have you ever had occasion to reduce the term of the grant? May I ask: In your zeal for education, have you ever had occasion to advance, or rather to extend, the term asked for by a school board in order that they might obtain the money and in order that they might increase the education of the district?—I do not think school boards generally ask for shorter period than they ought; they are rather inclined the other way.

584. Have you ever had such a case?—I cannot say we have had.

585. You have never had occasion to extend the time?—No, I think not. You mean to say, have we ever said: You ask 40 years—borrow for 50?

586. Yes?—No, I do not think we have ever done that.

587. Then your zeal does not go to that extent?—No.

Mr. McCrae.

588. It was suggested by a member of the Committee that the reason which actuated school boards to go to the Public Works Loan Commissioners instead of borrowing in the open market was the question of security; now having regard to the fact that all these loans are raised on the security of the rates, do you think there is anything in that suggestion?—I did not quite understand that. I think the point was that a private local authority—I mean a town council in the district of the Board—would view its own school board with more friendly eyes, and so on. The

Mr. McCrae—continued.

security is, of course, the security of the rates, which is precisely the same in every case.

589. Then do you find in many cases in England that a local authority—for instance, the town council—lends the amount required to the school board—raising the amount by corporation stock, for instance? I know that Birmingham has that power, and that Edinburgh has that power; I was just wishing to ask you, are there any cases in England?—We know as a fact that it is largely done.

590. And have all corporations in England power to raise money on behalf of the school board?—That I cannot say—I do not know.

Mr. Law.

591. Is it not obvious that there must be a difference in security, or all towns would be able to borrow at the same rate, which we all know is not the case? Although the security is the total rate, yet as a matter of fact one town gets the money at one rate of interest, another at another; the corporation stock of one city may be raised at 3 per cent., while another may be raised at a lower rate. Does not that show that there is a difference in the security, although the rate is liable for all. Does not that depend upon the indebtedness also?—Certainly.

Mr. Runciman.

592. I think you said the Board of Education had power to stop a grant to a school although the period of the loan might not have expired. Would not the effect of stopping that grant be to a large extent to damage the security of the loan? Do I understand you to say that?—No. Of course, we should have the power in the case of any school to refuse the grant for other reasons. The school might violate the conditions of the Conscience Clause or the conditions of the Code, or have an uncertificated teacher. That would not affect the loan, which is secured not on the building, but on the rates.

593. There could be no possibility, could there, such as the Chairman has suggested, of the somewhat arbitrary closing of a school by your Department on structural grounds; you would give, I presume, the managers of the school board the right to alter the school in accordance with your Regulations?—Certainly.

594. And such alterations being made in the case of a school board, they could raise a loan in conformity with your rules?—They could raise a loan to make any alteration we required.

Mr. John Hutton.

595. In the case of borrowing from a municipality, do you happen to know whether the municipality has to obtain the consent of the Local Government Board before they lend the money?—I do not know that; it all depends.

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Mr. JOHN LITHBIX, called in; and Examined.

Chairman.

596. You are an Assistant Secretary of the Local Government Board, in charge of the Local Acts and Local Loans Department, is not that so?—Yes.

597. It is the practice of the Board, is it not, to examine all Bills for Local Acts before the Bills are dealt with by Parliamentary Committees?—Yes, that is so.

598. And this has been done for some time?—Yes, several years—many years past.

599. Part of your duty is to settle the forms of the reports which the Department will make to Parliament?—That is so.

600. And the views embodied in those reports are supported before the Committees by Mr. Boyce?—Yes, before certain Committees.

601. Are you in a position to give the Committee information respecting the periods asked for, and granted by Parliamentary Committees, for loans to local authorities for works under these Bills?—Yes. Statements have been prepared (and I will hand them in) showing the borrowing powers given by each Bill which came before the Police and Sanitary Committee from 1893 to 1900 inclusive, and the periods for which the loans are authorised. This is a printed return which was prepared mainly for use by Private Bill Committees, as showing the periods which have been sanctioned from time to time by the Police and Sanitary Committee, and to this return there is added in the last column a statement of the periods asked for by the promoters of the Bills. I am sorry that I have not got copies of this to hand to members of the Committee. (See Appendix No. 4.)

602. You will hand that in so that it will be available for members of the Committee?—Yes. It will be put on the notes, and circulated. I also hand in a statement reciting the Bills included in Groups K and L in 1901, with similar information. (See Appendix No. 5.) It will be remembered that the Police and Sanitary Committee was not appointed in 1901, but the Bills which would have gone before that Committee were specially dealt with in Groups K and L. Then I also hand in the Bills containing police and sanitary provisions other than those included in Groups K and L in Session 1901. (See Appendix No. 6.) I also hand in a statement showing the objects in alphabetical order for which loans have been authorised in Bills referred to the Select Committee on Police and Sanitary Regulations in the years 1882 to 1900 and the periods allowed for the repayment of the loans. (See Appendix No. 7.) I also hand in a statement showing the borrowing powers conferred on local authorities by local Acts passed in the years 1893 to 1901, other than Bills referred to the Police and Sanitary Committee, showing the periods of repayment allowed and other information. (See Appendix No. 8.)

603. So that the Committee will have before it in the papers you have mentioned all the periods which the wisdom of Parliament has granted for the repayment of loans between 1893 and 1900?—All between 1893 and 1900, and some as far

Chairman—continued.

back as 1882—the first year in which the Committee on Police and Sanitary Regulations was appointed.

604. What is the main feature of these statements you have handed in?—They show the practice of the Police and Sanitary Committees from 1882 to 1900 with regard to the periods of loans. I hand in a short epitome (see Appendix No. 9) of the reports of that Committee so far as they relate to that particular matter, reports going back to 1882, and they run to 1900—the last year in which that Committee sat. I do not know whether you would care to have these read?

605. You might just read us a sample or two of the reports?—Of course, these are only extracts relating to the loan period: "Special Report of the Select Committee of 1882, paragraph 8.—As regards finance, the Committee have in no case permitted the repayment of a loan to be extended beyond the period of 60 years, which is the maximum period sanctioned by the Public Health Act, and for moneys borrowed by the Metropolitan Board of Works. They recommend that means should be taken to secure in future a strict adherence to this maximum." No Committee was appointed in 1883.

606. Just read us the last one; that is the first one?—The last one:—The same paragraph appears in the reports of 1896, 1897, 1898, 1899, and 1900: "With reference to the periods for repayment of loans, your Committee have differentiated between work of a permanent and that of a temporary character, and they have endeavoured to put into practice the principle that the terms for repayment shall be based upon the estimated life of the work in question, so that unfair burdens should not be thrown upon a future generation." One feature, also, of these statements is that the local authorities—most of them, at any rate—ask for very long periods for loans.

607. Do they usually get those periods they ask for?—I think not; at any rate, the periods mentioned in the Acts are considerably shorter than those in the Bills as deposited. Notwithstanding this, the periods given are much longer than those sanctioned by the Local Government Board under the Public Health Act. Another feature brought out by these statements is that different Committees give different decisions. Thus there is a difference between the decisions of ordinary Private Bill Committees and between those Committees and the Police and Sanitary Committee, and it is worthy of note that even in the same year different periods have been given for loans for similar purposes according as the Bill was dealt with by the Police and Sanitary Committee, or by one or other of the ordinary Private Bill Committees.

608. What is the guiding principle on which the Committees have acted?—Well, the information on that point can probably best be got from the officers of the House. As a rule, I only know when I read in the shorthand notes (when I get them) of the proceedings before the Committees. We get shorthand notes sometimes—generally, I may say—of the proceedings before the

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Chairman—continued.

the Police and Sanitary Committee, but we get no notes of proceedings before the Private Bill Committees, and no notes, of course, of anything that takes place before the Unopposed Committee. The difficulty we have in dealing with these matters largely arises from the fact that we do not know what principles are adopted by ordinary Private Bill Committees. If any principle is adopted, we assume it to be that which guides the Police and Sanitary Committee, but there are divergences.

609. I think we had better leave that to the officials of the House who are going to give evidence?—As I read from the proceedings of the Police and Sanitary Committee, they have been guided by the general principle that for works which are not permanent only short terms should be given for repayment, seeing that such expenditure can only be expected to benefit the existing generation; whilst for works that are of a more durable character, it is reasonable that the charge should be spread over a longer succession of repayments.

610. Can you tell us generally how the Committees fix the precise periods which they sanction?—There, again, I take the practice of the Police and Sanitary Committee. They appear to fix 60 years for land and 30 years for works. For the cost of the Acts various periods have been allowed; the Police and Sanitary Committee generally allows five years, but longer periods have often been given by Private Bill Committees. Ten years is quite a common period; in a few cases an even longer period has been given. I have got a list of a few here, which I will give the Committee. In 1893, Barking, 50 years was asked for; 10 years were given.

611. That is for the costs of the Act?—This is only the costs of the Act; Barry, 15 years were asked for, 10 years were given; Bilston, 10 years were asked for, 10 years were given; Bolton, 10 years were asked for, 10 years were given; Bristol Docks, 60 years for all purposes were asked for, and 10 were given by the Committee for the costs of the Act; Devonport Water, 60 years for all purposes, including costs of Act, were asked for, and that period was given; so in the case of the Paddington Recreation Ground in the same year; East Stonehouse, in the same year, 20 years were asked for, and 15 years were given; Runcorn, 20 years were asked for, and 10 were given. Then in 1894 and 1895 similar periods were asked for and given. In 1896 the five years' period came in oftener in private Bills, but still "10 years" was often given. This is a matter to which the Board have frequently drawn attention in their reports, and have suggested whether a considerably shorter period would not be sufficient. In a recent Session, owing to an expression of opinion by the Chairman that five years only should be allowed, Private Bill Committees appear to have adopted five years as the general rule for loans for costs of Acts. I might add with regard to the periods actually given, assuming 60 years to be taken for land and 30 for works, the two periods have been added together and divided, giving 45 years, and that has been given in one or two cases without regard to the amounts sanctioned for lands on the one hand and for works on the other.

Chairman—continued.

612. Do the Committees ever insert in Bills a provision requiring the sanction of the Local Government Board to the periods for which the loans are given?—Yes, they sometimes do this; and, if I may make a suggestion, it is that they should do so oftener. In the report of the Police and Sanitary Committee of 1882 I find the following statement: "The Committee have likewise thought it expedient in several instances to subject the raising of loans required for the purposes of the respective Bills to the sanction from time to time of the Local Government Board as is required in case of moneys borrowed under the Public Health Act. This is a requirement which may usefully be made in the case of future applications to Parliament of a similar character."

Mr. A. K. Loyd.

613. May I ask: Is that the origin of the reference to the Local Government Board of Bills?—No, Loans were sanctioned by the predecessors of the Local Government Board under the Public Health Act, 1848. I may say that in consequence of the growing demands for long periods made by local authorities to Parliament prior to 1882 it was thought desirable in the wisdom of Parliament that a special Committee should be appointed to deal with Bills containing Police and Sanitary Regulations. That Committee was first appointed in 1882, and the effect of their work was for some time to considerably cut down the periods that were given for loans for public works.

Chairman.

614. Will you look at Standing Order 172 A (d), dealing with the matter of where there are borrowing powers under general statutes and yet a private Bill is brought in asking for borrowing powers of the same sort. Now, do private Bills frequently contain clauses asking for borrowing powers where such powers already exist (or may be obtained) in general Acts without subjecting the exercise of the powers under the Bill to a Government Department?—Yes, they very frequently do. It was the practice of the Board formerly to draw attention to that particular Standing Order, but the result of our doing so was not very satisfactory. The Standing Order is not prohibitive, and Committees appear to take the view that when an application to Parliament for certain powers is made the local authority may include anything else in their application, or any other borrowing powers that they may want as well as those which they can only get by special application. It has been suggested that a local authority should be entitled to come to Parliament for anything it wants, and should not be bound necessarily to go to a Government Department. On the other hand, I should point out that in the original reference to the Police and Sanitary Committee they were specially instructed by the House not to give any powers which existed under general statutes, or which could be obtained by bye-laws made under those statutes. My impression is that in recent years that instruction (if it is still binding) has not been strictly observed. I had an instance only two days ago before me where a certain

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a certain very important borough (I do not think, perhaps, I ought to give the name) came to Parliament for, among many other things, powers to extend the borough. Well, now, powers to extend the borough can be given by the Local Government Board by Provisional Order. In that case there is a public inquiry by one of the Board's Inspectors, and the thing is thoroughly gone into locally, and the extension is not always given quite as a matter of course. In this case the borough had already had, I believe, an extension by Act of Parliament. It had already had an extension by Provisional Order, and it came to Parliament for another extension by Bill; the Board commented in the usual way, that the power might be given by the Board after local inquiry; counsel for the Bill in opening it said he was not aware of any instruction of Parliament which prevented a local authority from coming to Parliament for a matter like that. That case was before the Police and Sanitary Committee. The Chairman of the Police and Sanitary Committee presumably knew the instruction that had been given to that Committee; the comment of the Board was in perfect order; nevertheless the Chairman remarked, "Oh, this is only common form."

615. That is hardly a matter to do with the period of loans. That was an extension of the boundary of the borough, I understand?—I am pointing out, Sir, that in this case the Standing Order is not prohibitive, and that is an illustration showing that even where the instruction of Parliament is direct, a Committee can disregard that instruction; how much more then can they disregard a general principle contained in a Standing Order which is not prohibitive? Probably the true reason for including many of these proposals in Bills is that the promoters can get longer terms and more money from Committees of Parliament than they can under the necessarily rigid administration of a Government Department.

616. And with a less close scrutiny into the matter on the spot?—Oh, decidedly.

617. Would you look at Standing Order 172? You might read Standing Order 172?—"In the case of all Bills whereby any Municipal Corporation, District Council, Joint Board or Joint Committee or other local authority in England or Wales are authorised to borrow money for any matter within the jurisdiction of the Board of Trade or the Local Government Board estimates showing the proposed application of the money for permanent works shall (except so far as the exercise of the borrowing power is made subject to the sanction of the respective Board) be recited in the Bill as introduced into Parliament and proved before the Select Committee to which the Bill is referred."

618. Do you think that estimates are always produced in accordance with that Standing Order?—No, Sir, I should say that the letter of the Standing Order is generally obeyed, but not the spirit. Estimates contained in a Bill are often—or generally—of a very general character. Very frequently there are no details which will enable a proper judgment to be arrived at as to the nature of the work. Moreover, any proof that can be given of such estimates cannot be

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worth much. I submit that it is scarcely practicable for a Parliamentary Committee to go into the details of an ordinary proposal for borrowing in the same way that this is done by the Government Department. Take a sewerage loan, for instance, where all sorts of details are given in the specification; it is quite impracticable for any Committee to investigate those as an engineer can do on the spot with all the plans and with the people concerned before him. The evidence which is called before a Parliamentary Committee is necessarily of a general character, sometimes plans are examined, more often they are not. Practically it comes to this that a general sanction is given and the rest is left to the local authority. I am quite sure that the Local Government Board would often refuse to sanction a loan unless they had much more information than is given in the estimates in Bills or even in the evidence by which those estimates are supported. There is another point with regard to that Standing Order, and it is this: The Standing Order refers to a "Select Committee." I am not sure that I am right, but I think that the "Unopposed Committee" as it is called, is not a Select Committee of the House. If so, a Bill going before the Unopposed Committee would not necessarily be bound by that Standing Order to have its estimates examined, and, as a matter of fact, they are not examined before that Committee, so that in that case it comes to this: If the promoting authority can get rid of all petitions in opposition to the Bill and get that Bill before the Unopposed Committee, they practically take the preamble as proved. The estimates are contained in the preamble, and, of course, if that is proved there is no necessity for any examination. Another point: it is common in Bills promoted by local authorities for the purposes of gas or water undertakings for the authority to take power to borrow sums for the general extension and improvement of the undertaking when it comes into their hands; very frequently in such cases no estimates are recited or can be recited. It is the Board's practice to draw attention to such cases, and to suggest that any such loans should be made subject to their sanction, as it is not probable that any reliable estimate can be formed in such cases before the authority have come into possession of the undertaking. That is our ordinary form of report. The suggestion is very frequently rejected, and loans for the general purposes of the undertaking for 40 years or more are sometimes sanctioned without any estimates whatever being recited or proved.

619. Supposing the Local Government Board consider that the periods proposed in the Bill for repayment of loans are *prima facie* unreasonable, what action is taken in the Board's Report?—The Board draw attention to Standing Order 173 A (c), which is to this effect:—"Whether the Bill assigns a period for repayment of any loan or for the redemption or any charge or debt under the Bill exceeding the term of 60 years, which term the Committee shall not in any case allow to be exceeded, or any period disproportionate to the duration of the works to be executed or other objects of the loan, charge, or debt." The Board generally confine themselves to

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to a reference to the Order, but occasionally they state their opinion that the period is excessive. Where a maximum period allowed by the general law is proposed to be exceeded they draw attention to the matter. For instance, 30 years under the Tramways Act, 1870, 30 years under the Municipal Corporations Act, 1882, and 30 years under the Local Government Act, 1888.

620. The Board call the attention of the Committee to the general Acts of Parliament, and also protest on practical grounds as to the probable life of the work?—Yes, that is so.

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621. Are copies of all this class of Bills deposited with the Local Government Board?—All.

622. Or how do you get notice?—We get all Bills now. Up to last year we got such Bills as the agents thought concerned us. We very frequently found that the agents did not include all which we thought concerned us; it was the practice of the Treasury to draw our attention to other Bills, and, in consequence of some difficulties arising, we asked the House to include in the Standing Order the requirement that all should be deposited.

623. Would that requirement obviate this inconvenience of a number of Bills going before Select Committees which hitherto would escape the notice of the Board altogether?—I think not.

Chairman.

624. Do you think that any Bills do escape the notice of the Local Government Board?—Of course if they are not deposited with us they would probably escape notice. They are very few and unimportant, as a rule—or they were—but one or two Bills which the Treasury thought we should look into we found we had not got, and it was in consequence of that that we made the representation to which I have referred.

625. They look now into every Bill, do they not?—Now every Bill is deposited with the Local Government Board.

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626. I understood that a very serious grievance which you were bringing before us was that there were a great number of Bills which seemed to go hap-hazard before Private Bill Committees where the Local Government Board were not represented and had no means of insisting upon uniformity of principle being applied?—I do not think, sir, I put it in that way. The fact is this—that the Local Government Board report on all the Bills on which they think a report necessary, and when those Bills are Bills which should properly go before the Committee on Police and Sanitary Regulations, the representative of the Board attends that Committee and is able to deal with them. Out of some 200 Private Bills of all sorts which come before Parliament in a session, only a small number come before the Police and Sanitary Committee, or the Groups K and L, which were substituted for it last year; therefore our representative attends only the hearing of a very few Bills. If he is instructed he attends the Committees on other Bills; but, of course, we should require a large staff if, when

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the Houses and their Committees are in full working order, we had a representative before every Committee which was considering a Private Bill.

627. Or considering a Private Bill which involved local borrowing powers?—Yes.

Chairman.

628. Can you give us any instances in which, notwithstanding the Report of the Local Government Board, periods have been given which you deemed excessive?—Oh, yes, they are very common, or they were, especially before the Police and Sanitary Committee was appointed in 1882; they were not so frequent in the years immediately following the appointment of the Police and Sanitary Committee; but then when the grasp of the Police and Sanitary Committee seemed to relax a little they became more numerous again. There was a case recently in which a corporation declined to accept the Board's decision as to a period of 30 years fixed by the sanction for the repayment of a loan for certain works, and in their next Bill when they went to Parliament they got Parliament to revoke the sanction that was given, and they secured a period of 50 years, notwithstanding the Board's Report showing that the 30 years fixed by the Board represented an equated period arrived at by allowing 50 years for land, 30 years for buildings, and a less period for fittings, machinery, etc. In the case in question the Board had power to allow up to 50 years under a previous local Act. That is not an isolated instance. I remember (though I would rather not, unless the Committee wish it, mention the names) absolute instances.

629. It is better not, I think?—I would rather make the statement in this general way, but of course if the Committee wish to know the names I can give them. There are one or two instances in the Bills of this Session.

630. At any rate, you know of several instances in which the Local Government Board have decided, after close inspection and inquiry, that a certain period should be given, and the local authority have got round the Local Government Board by bringing in a private Bill to give them the larger period?—That is so in a few cases. There was a case in the Derwent Valley Water Bill, 1899—in which a longer period even than 60 years was allowed, contrary to the Standing Order. In that case the Committee reported to the House that a period in excess of 60 years was not allowed. Honourable Members will recollect that the case came before the House specially, and on a subsequent Bill from the same authority the matter was discussed in the House, and the House decided that, having regard to what was done in the Bill of 1899, and to the fact that the report made by the Committee was inaccurate, an exception would have to be made in this case, and the same period was granted in the Bill of 1901 as in the Bill of 1899. That is a remarkable case, and was no doubt one of accident. I mention the name of that case because it came before Parliament, and this is the "Times" report which I have here.

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631. Last year?—Last year.

632. Is any precaution taken to see that the periods of repayment given under these local Acts are in practice observed?—Under local Acts, yes; under the Public Health Act, no, unless the loan is sanctioned by the Public Works Loan Commissioners, or unless the local authority comes to the Board for a further loan. In the latter cases the returns are carefully examined at the Local Government Board. I may say that if all loans were required to be examined in the same way that we examine loans under local Acts it would be practically impossible to do it with the staff that we have at our disposal because these loans are increasing so rapidly. Since 1873 it has been the practice to insert in local Acts provisions requiring annual returns to be made to the Board in regard to the repayment of loans sanctioned by or under the Acts—or raised by stock under local Act provisions. The amount of outstanding debt included in returns made to the Board for the year 1900, under local Acts and Provisional Orders, was about 115,000,000£, or including returns as to stock issued under the Board's regulations (which embrace much local Act debt) 128,000,000£. For the year 1901 these amounts will no doubt be increased by at least 6,000,000£. All these returns are carefully examined by the Department concerned, and any failure to comply with the repayment provisions is at once dealt with.

633. What is the practice with regard to the repayment of the first instalments of a loan?—In loans under the Public Health Act, 1875, it is necessary that the first instalment to a sinking fund or the first instalment in repayment of the loan shall be made within one year from the date of borrowing. So under the Local Loans Act, 1875, sections 13 to 15. The same principle has, as a general rule, been adopted to loans authorised by local Acts.

634. Provisions you sometimes find in Bills, do you not, with a view to postpone the payment of the first instalment notwithstanding the Board's reports upon the subject. Have you anything to say about that postponement of the first instalment?—That is becoming more common. In recent Sessions proposals have been contained in Bills asking for the postponement of the first repayments for various periods. The Board have usually taken objection to proposals of this kind. They have pointed out the requirements of the general law, and have submitted that it is expedient to adhere to the principle provided for in the general law. I have here a statement of the last three years. The cases reported in the last three years were—1899, 21; 1900, 25; 1901, 33; the result has been that the report of the Local Government Board was successful in five cases in 1899, seven in 1900, and seven in 1901; it was altogether unsuccessful in eight in 1899, 11 in 1900, and 17 in 1901; partly successful, five in 1899, six in 1900, and seven in 1901; and the Bills were dropped in three cases in 1899, one in 1900, and two in 1901. The result of this analysis of our reports on this particular proposal shows that it is becoming easier to get repayments postponed.

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635. As to the postponement of repayment, would you make any distinction between loans for remunerative and loans for unremunerative work?—The view which the Board have taken is, that it is not desirable to allow local authorities to postpone the repayment of instalments, but perhaps in the case of remunerative works it might not be unreasonable to consider the matter from that point of view.

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636. Are you on the postponement of the first instalment now, or on the extension of the whole term generally?—The postponement of the first instalment; after the first instalment has been paid the others must follow in regular succession.

637. [On the question of] Would you extend the period of repayments generally, or would you necessarily postpone the commencement of paying off?—It comes to pretty much the same thing. A loan is sanctioned for 50 years, the first repayment to be made ten years hence. There may be cases in which that may be justifiable; the danger is that the precedent may be followed in cases in which it is entirely unjustifiable.

Chairman.

638. As regards non-remunerative works, for instance?—As regards non-remunerative works the Board's view is that the repayment should begin in the ordinary way—that is, one year from the date of borrowing; they have taken this view with regard to such works as sewerage, drainage, and so on; certainly, in the Board's view, no alteration should be made in regard to these. It is not very clear how far you can vary the principle in regard to remunerative works. What is a remunerative work? That is the first question that arises. In the case of a tramway, say, it may become remunerative, or it may not. I suppose the idea would be that repayment should begin when the tramway began to work. If it is an entirely new tramway there probably would not be any very great objection to the postponement of the repayment for one year or two; but if the tramway is taken over as a going concern, and that tramway is earning money, there is no reason why, in the ordinary course, I should submit, repayment should be postponed; and so, also, if the work for which the loan is required is merely an extension of existing works.

639. Do you mean a case in which money is coming in—receipts are coming in?—Yes; but the principle on which an objection of this kind is based is rather different. The principle is that it is desirable to prevent unnecessary additions to local debt; and that is one of the functions—and, I should submit, an important function—of the Local Government Board. The debt is growing very rapidly. Local debt is increasing by leaps and bounds, and it may be quite true that a large portion of the increase in local indebtedness is due, as we are told, to what are called "remunerative undertakings." The return for some of these undertakings is very small indeed; on the other hand, the burden is large. It may, or may not, be right for such undertakings to be in the hands of local authorities—on this point I do not presume to express any opinion; but

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in so far as it requires loans of public money, I submit, there is necessity for keeping down unnecessary demands for that money, and for bringing home to those who promote the undertakings the fact that they will have to pay for them. If repayment is postponed for a considerable number of years the burden is shifted from the shoulders of those who incur the responsibility of the debt to others who have had no voice in the matter. If I, as a ratepayer, have to begin at once to pay increased rates in order to repay a loan for laying, say, a tramway, I shall be more likely to take an interest in the financial doings of the local authority of my district. It is unfair to lay on the shoulders of a future generation burdens which ought to be borne by present ratepayers, and one of the best ways (practically the only way) of stopping the incurring of debt is to make the promoters responsible for immediate payments in respect of that debt. Tramway, for instance, may not be so valuable 30 years hence as they are now; some other form of locomotion may have replaced them; and the same remark applies to other works which are now deemed works of public utility.

640. You mean motor cars might replace the tram lines?—Certainly. It is desirable that even for such works the first repayment should not be too long postponed. Even where they are remunerative the repayment should be brought home at once to the ratepayers who authorise the policy.

Mr. Brigg.

641. Might I ask for an explanation of a word? You said "immediate repayment." Do you mean "immediate"?—I suggest that repayment should begin at the end of the first year from the time of borrowing.

Chairman.

642. The first instalment?—Yes.

643. Now, do you know whether any local authorities have sought power to obtain overdrafts from their bankers?—Yes; they have done so in many cases, and especially where there is no Government Audit. There is no Government Audit in the majority of municipal corporations. In other urban districts the Government Auditor would disallow any payment of that sort, or, at any rate, he would watch it with considerable care. Since the decision of the Court in *Regina v. Reed*, reported in 5 Q.B.D., page 483 (that was a School Board case), it has been held to be illegal for a local authority to obtain an overdraft in this way. Consequently, authorities who want to overdraw come to Parliament sometimes and get powers of that kind.

644. Overdrafts for capital expenditure?—We do not know what they do with the overdrafts. Presumably it is mainly for current expenses.

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645. While waiting for the grant?—Well, for anything—for any purpose that they require it for.

646. Is it not a constant grievance that the managers of voluntary and school board schools have to advance moneys out of their own pockets, or obtain an overdraft, while waiting for the grant, and are not allowed to charge interest on

that overdraft?—I have no official authority to speak for school boards, but I am aware privately that that is so.

Chairman.

647. We could not produce any figures of overdrafts of corporations, I suppose?—Not without examining their accounts.

648. The Board have no power to audit the accounts of corporations, have they?—No, that is so.

649. But everybody does actually know of overdrafts to such a large extent as to know that they cannot be wanted for current expenses; is not that so? Is not there a case known where there is an overdraft of over 100,000?—Yes.

650. A good deal over too?—Yes.

651. Just for the moment your point is this, is it not: To a certain extent some local authorities borrow sums settled by themselves, and for terms settled by themselves—in fact, for no definite term—that by means of overdrafts they obtain borrowing powers without any sanction of Parliament or of the Local Government Board or of anybody?—That is so; they simply go to their treasurer (who is a local banker), and ask him to advance what money they want, and then they make it up. Suppose they have got remunerative undertakings, as they are called, when moneys come in from those they repay the overdraft.

652. Then that having been declared to be illegal in the case of the *Queen v. Reed*, they come to Parliament for sanction for overdrafts by private Bill—is that so?—Yes.

653. What does the Local Government Board do with regard to such applications?—The Board usually comment adversely on the proposal in their report on the Bills, and the comment is usually to the following effect: "The Board are strongly of opinion that this power should not be given. If the authority require working capital to carry on their undertaking they should obtain it by taking power in the Bill to borrow a certain sum for the purpose and make provision for its repayment within a period which should not exceed 10 years; or the sums which may be borrowed for working capital should be subject to the sanction of the Board and be required to be repaid within such period as they may prescribe." There are several precedents for borrowing powers for working capital having been given by Provisional Order of the Local Government Board.

654. So that the Board do not set their faces altogether against borrowing powers for working capital?—Oh, by no means—not at all. Where gas and water undertakings and undertakings of that kind, which are called remunerative, are in question the Board are quite willing to insert in a Provisional Order—if it is a matter of Provisional Order—and they never object if it is in a local Act—power to enable the authority to retain in hand at the close of any financial year so much of any surplus revenue as they shall think necessary for the purpose of carrying on the undertaking and paying the current expenses connected

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connected therewith. By these means the working capital can in the course of a few years be gradually worked up, and that removes the necessity for further borrowing powers; hence it is desired to make the borrowing power for working expenses a short loan power.

655. Now it was mentioned here the other day by a member of the Committee that local authorities have now got a method of borrowing by bills and promissory notes; can you tell the Committee anything about that power?—The power was given to London, I think, for the first time in 1883. The limits for the issue of bills and promissory notes in London are, I think, one million—that is to say that the London County Council may issue bills or promissory notes to the extent of a million. Probably the power was given originally with a view of enabling the raising of money temporarily pending the issue of fresh stock, so that the issue of fresh stock at short intervals might be avoided. Similar power has also been given to Glasgow, where the limit is 250,000. In 1898 two English boroughs sought to obtain the power, but it was refused. In 1899 the power was sought and obtained by one corporation. The Board objected to the power being given; my impression is that it was strongly objected to by the Lord Chairman at first, but it was a new power; it was a power that could be used to facilitate the hiding (if I may so put it) of matters connected with corporation borrowings—I do not say intentionally, but it was possible. In one case there was a provision in a Bill—I do not think it passed in the form in which it was deposited, but there was a provision—which would have enabled the corporation to borrow a considerable sum by bills or promissory notes; there was a provision requiring repayment of all outstanding moneys at the expiration of the year and that was all. The result of that would have been, had it passed, that the corporation could have borrowed, we will say, a quarter of a million on the 1st April in any given year; it could then have paid off the amount on the 31st March or the 30th March (they very often have large funds in hand at certain times of the year); they could have reborrowed on the 2nd April and so on, and that amount would then have been a floating loan, which they could always have availed themselves of. In the particular case it was a mere mistake of drafting, because directly it was pointed out they said: It never occurred to us; we will withdraw it. I mention that to show the danger of allowing a procedure of that kind in respect of which it is extremely difficult to apply any audit to be adopted by local authorities. When the matter came before Parliament in 1900 it was thoroughly threshed out; the Board expressed its objection to the principle, but suggested certain safeguards for adoption if the principle was conceded. A model clause was prepared, and now, when that model clause is inserted in a private Bill, the Board make no comment upon it. That is the present position.

656. Are these powers to borrow by bill of exchange and promissory note limited to cases where

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there is what is called a remunerative undertaking?—Oh, no. I think there are only about four or five local authorities which have taken power of this kind.

Chairman.

657. We must keep to the period of loans. Is there any period fixed for their redemption?—The model clause is drawn in such a way that they will be treated exactly as a short term mortgage. The date when the bill is issued is considered to be the date of borrowing, and they may redeem the bill if they like, but the date for the repayment begins one year from the date at which the first bill was issued.

658. But then they must keep within the period?—They must keep within the period, and there are various safeguards invented.

659. A gentleman from the Board of Trade, Sir Herbert Jekyll, has been here, and has given us some evidence upon the question of paying interest out of borrowed money; I should just like you to state what is the Local Government Board's view of the plan of paying interest out of borrowed money?—The Board's view is very strongly opposed to it—certainly with regard to all matters that form part of the ordinary functions of a municipal corporation—that is in regard to works of sewerage, drainage, and works of that kind. The main grounds of their opposition are that expenditure of this kind is not expenditure which can properly be regarded as chargeable to capital, and that it is calculated to remove from many of the ratepayers who authorise the expenditure all responsibility for a policy, the effect of which they ought to feel as soon as possible. An ordinary business man would rarely embark in a new business unless he had some capital at his back; otherwise his venture would be a mere speculation with the money of other people. It may be said that in the case of a corporation they can look to the credit of the ratepayers, and that, of course, is true to a certain extent; but the credit of the ratepayers I submit should not be unduly drawn upon, and not be unduly regarded as an asset of the Corporation when speculative trading undertakings are under consideration. The fact that the Corporation can rate their borough does not justify them in lavish expenditure on public works with borrowed capital, possibly with money borrowed, to pay all the interest on that capital, and possibly with a long loan period (for they are going for all these things now), and with a provision that repayment shall be put off perhaps 5, 10, or 15 years. So far as the principle goes it seems undesirable to permit the payment of interest out of borrowed money. Of course, interest must be paid, but my submission is that the ratepayers who authorised the undertaking should be required to pay the interest out of current rates. In the case of works which can be regarded as the works proper of a municipal corporation, there is no reason whatever why the interest on the borrowed money should be paid out of a loan. In some cases where remunerative undertakings are to be carried out it may be worth considering whether a different policy should not be pursued;

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but the matter can scarcely be decided without careful examination of the circumstances of the individual case. There again you have to decide what is a remunerative undertaking. An undertaking which, in one district or in one part of the borough, may be remunerative, may in another district or in another part of the borough be unremunerative. A tramway goes through a big town—it may pay; it may go into a suburb and there it may not pay.

Mr. A. K. Loyd.

660. Surely it would not be remunerative unless on a balance of the accounts at the end of the financial year there was such a profit as could be applied in reduction of rates over the whole area?—That is so. How, then, are we to treat it before the undertaking is constructed? Must the thing be dealt with on the same principle? A tramway is going to be built. Is that tramway to be called a remunerative undertaking because it may at some future time possibly pay its way? A tramway down Oxford Street undoubtedly would pay, but would a tramway from, we will say, Shepherd's Bush to Richmond pay? Possibly, because it is a popular centre; but go a little further. Would a tramway from Richmond to Hounslow pay? And so you have a great deal of difficulty in determining this question. Where the works are new the money has to be procured, and it is possible that you may have some ground for paying interest out of capital; but where they are merely extensions of old works, then it seems clear that interest ought to be payable out of the savings of the old works, rather than out of borrowed money. But the main ground on which the proposal is open to objection is that it imposes, I submit, an unjustifiable burden upon the ratepayers of the future, and shifts too much of the burden from the ratepayers of to-day.

Chairman.

661. Who are responsible?—Yes, who are responsible for the policy.

662. We have had evidence as to the increase of local indebtedness—that has been shown us to be growing very largely. Have you noticed that the increase has been particularly rapid in the last few years?—Yes, it undoubtedly has, and if one may judge from the proposals that are made in Parliament the increase in the near future is likely to be on a still greater scale, and that is another reason why I submit that a Parliamentary Committee should be particularly careful to maintain those checks on expenditure which in the past have proved to be necessary. How far Parliament is prepared to sanction the growth of municipal trading, as it is called, is not now in question, but I would point out this, that a few years ago Parliament did not allow local authorities to work tramways; now tramways are increasingly worked by local authorities, and a very large expenditure in that direction is likely to be incurred before long. The same applies in regard to lighting. Electric lighting is coming in more and more, and very large expenditure will have to be incurred in that direction in the future; and knowing how

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very readily corporations, as well as individual persons, will undertake works and expend money when they can borrow that money, I suggest that great caution is necessary in giving further facilities for the borrowing of money.

Mr. McCrae.

663. I do not quite follow you there. You said that until recently municipalities had not power to work their tramways?—That is so.

664. But now they have that power, and, therefore, the expenditure is very much increased; I do not follow you, therefore, because they had power to construct tramways and buy tramways before; the mere working of the tramways does not increase the capital expenditure at all?—I submit that it does. You see, you have to find plant. It was not a common practice except under special powers of private Bills specially obtained. No local authorities could work their tramways until comparatively recently.

665. That is so, but they have power to acquire the tramways under the 1870 Act?—Exactly. They acquire tramways, but if they work them they must purchase the plant and horses for the tramway; or, if steam engines are used, they must purchase steam engines; if electricity, they must get the necessary plant. All that means borrowing money; it all means putting money on the ratepayer of the future.

666. Still, it is a very small portion of the undertaking, is it not?—In the aggregate it means a large borrowing power.

Chairman.

667. Do not you think if we are going to give increased facilities for borrowing it should only be after most careful examination of the financial circumstances of the municipalities or corporations?—I certainly submit that it should, and I certainly submit that if all these new facilities are to be granted there ought to be some means of carefully testing the financial condition of the borough or the urban district, or the district whatever it may be, before the borrowing power is given by Parliament. It should not merely rest, as I submit, upon a broad general statement made in the committee room.

Mr. Nannetti.

668. In what other ways do you suggest that Parliament should be more guarded in granting facilities to local authorities to work tramways in the future? Am I to take it from you that the working of the past has been of such a character as to require this guarding that you speak about? Have the municipalities been working tramways at a loss?—Pardon me, I did not intend to suggest anything with regard to any concrete instance; I do not refer specially to tramways.

669. I am speaking generally, too. Has there been anything that has occurred in the past which would make you put forward that statement, that Parliament should be more guarded in the granting of facilities in the future?—My point is this: The question under the consideration of the Committee is, whether extended periods should be granted to local authorities for borrowing. Incidentally

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Mr. Nannetti—continued.

cidentally comes up the question whether facilities should be given by way of enabling them to pay interest on loans out of borrowed moneys, and by way of postponing repayment of the loans. Those are practically new conditions. My argument is that local indebtedness is growing, and has been for years growing so enormously, that the checks which have been found necessary should not be varied without very careful consideration. I go on to suggest that if the conditions of obtaining loans are to be varied it should be only done after a very careful consideration of the financial circumstances of the individual borough, in respect of which a Bill comes before Parliament.

670. My point is this: You must have some definite case, or some definite matter, in your mind when you speak of tramways; something must have occurred in the past to induce you to say that the working of tramways has not been remunerative?—I must respectfully decline to put my case upon the municipalisation of tramways. That was an instance which I gave merely in reference to the question whether an undertaking was or was not remunerative. If the honourable member wishes to know whether there are cases in which there has been extraordinary expenditure by local authorities—

671. Excuse me; you based a statement in your evidence upon tramways calling upon Parliament to be more guarded; in doing that, you must have something in your mind to cause you to make that definite statement that Parliament should be more guarded in the future in exercising its discretion upon greater claims to extend municipalisation; you must have had something definite in your mind that made you make that statement?—I have a great deal of experience of expenditure on local matters, and I put that out as a general proposition. I do not say that Parliament should be more careful than it has been; it would not be for me to criticise the policy or the wisdom of Parliament. I only say that Parliament should be very careful not to change the existing order of things—except in this case, careful examination—more careful than ordinary Committees are able to adopt.

672. Do you not take that statement of yours as calculated to impede municipal authorities from applying or looking for facilities?—I do not think so.

673. Surely coming from an authority like yourself it must have some great weight?—I really do not think there is anything in what I have said that should prevent a municipal corporation that is entitled to undertake new works from coming to Parliament and asking fully and frankly and freely for the powers that it requires.

674. With the advice from your Department to be more careful in granting these facilities?—They are aware that the Local Government Board has for a number of years past been very stiff in the advice which it has given to Parliament in matters of this kind; it is very uncompromising; the advice is given in the belief that Parliament will be able in the inquiries it makes to judge whether in the individual case on which it is advised the advice should be followed or whether it is not necessary to follow it.

Chairman.

675. I understand Mr. Nannetti's point to be this—we will put it in this way: You do not assert that tramways have proved generally to be an unremunerative form of municipal trading?—Certainly not.

676. I want you just to add to the evidence you have already given a passage from the Local Government Board Report of 1881–82, which states the view of the Board on this matter, does it not?—Yes, the Board expressed the opinion that the growth of local indebtedness is materially increased by prolonging the terms for which local authorities can borrow money. In the Report of the Local Government Board for 1881–82, page lxxi., the following statement is made:—“There can be little doubt that the expectation of obtaining a longer term for the repayment of their loans under local Acts than could be allowed, if such loans were raised under the general law, operates as a strong inducement to some local authorities to include in their local Acts powers of borrowing for the execution of works, which ought properly to be carried out under Public Acts; and that the exceptionally favourable terms which are sometimes allowed by local Acts for the repayment of borrowed moneys, are, to some extent, the cause of the rapid increase of late years in the indebtedness of Sanitary Authorities.” I wish to submit it to the Committee that not only is the above statement as true to-day as it was 20 years ago, but that the remarks there made would apply with still more force to a policy which readily approves of the postponement of repayment of loans, and which gives facilities for payment of interest out of borrowed money.

Mr. John Hutton.

677. You stated just before we adjourned that before granting loans you thought it was very desirable to have a careful examination as to the financial condition of the authority applying for the loan?—That is so.

678. Are there any instances of the Local Government Board refusing to give sanction to loans on account of the large indebtedness of the local authority applying?—The Local Government Board cannot sanction loans under the Public Health Act if the outstanding loans of the local authority exceed two years annual rateable value. May I add in regard to that question, and also with reference to the question of an honourable Member who is not here now, that in some local Acts which have been passed by Parliament borrowing powers exceeding four times the rateable value have been given.

679. How would you determine the approximate limitation of the borrowing powers of a local authority? Is there any other way, except the way you suggest, doubling the rateable value?—Only by considering what is their rateable value, what is their present debt, whether that debt is for undertakings which are remunerative or otherwise; whether they have acted strictly in repaying debt, and generally, what are the prospects of the particular undertaking which is under consideration.

680. How does it come to pass that a municipality

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pality with 3,100,000*l.* odd rateable value has at the present time an outstanding debt of 16,210,000*l.*, with a rate of 5*s.* 5½*d.*, and a debt which amounts to 29*l.* 10*s.* per head of the population?—I suppose that that is debt incurred under local Acts, and probably mainly for what is called remunerative undertakings. It cannot be debt under the Public Health Act.

681. Well, it is stated in the return which I have got here that of 14,000,000*l.*, 800,000*l.* is remunerative debt, and that 5,800,000*l.* is unremunerative debt?—Yes, presumably; of course, I do not know the name and I do not ask the name.

682. I do not mention the names purposely?—No, I do not know the name, and therefore I do not know the particular circumstances, but it is possible that the bulk of the debt has been incurred under local Acts. I should say that that is probably so. Water undertakings, of course, are extremely expensive. Take the undertaking which Birmingham is now going in for; that is a very expensive undertaking; it will probably cost several millions.

683. With regard to waterworks, can you tell me for how many years loans have been granted for carrying out extensive waterworks?—In Parliament?

684. In Parliament or by the Local Government Board?—The Board's past practice has been 50 years for land, and 30 years for the more permanent works; less periods for other works.

685. In the case of waterworks 50 years for the land, and only 30 years for works?—Thirty years for the undertaking, so to speak. Then the undertaking is split up.

686. I do not care about that so much. As a matter of fact—(I think I was told by some witness before)—have any local authorities by any private Act got a longer extension than 50 years for waterworks?—Oh, yes.

687. Up to how much?—Bradford, I believe, has for some purposes a hundred years. First of all, Barry has 55 years; Otley, 50; Wakefield, 50; Nelson, 50; Warrington, 60; Keighley, 60; Penmaenmawr, 50; Cardiff, 45; Brighouse, 40; Bilston, 50; Colne Valley, 60; Keighley, 60; Ilfracombe, 60.

Chairman.

688. These are all in the return, are they not?—These are all in the return which I have put in; and there are several more 60's. Bradford by Acts of 1854, 1858, and 1862, has for its water purposes a provision requiring it to pay 1 per cent. annually towards a sinking fund; that is, in effect, a hundred years for repaying the loan.

Mr. John Hutton.

689. And that is the only instance, is it, where they have obtained powers over 50 years?—That is in respect of three quarters of a million. Then it has other Acts, 1868, 1869, and 1873, amounting to 550,000*l.*; there no repayment is required at all, until the debt under former Acts is paid off—that is to say, there can be no repayment in respect of that half million

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until the debt on the other three-quarters of a million has been paid off. One hundred years, therefore, before any repayment—then repayment, 1 per cent. to be set aside, and in 1875 Bradford obtained an Act in respect of 300,000*l.* By that Act 1 per cent. has to be annually set aside to a sinking fund as from the 1st January, 1886, and so on.

690. Bradford is the one exception?—Well, Bradford is the one *bad* exception, if I may so put it. Huddersfield is another.

690.* With over 60 years I understand?—There are several; these are older ones. I was reading to you the Police and Sanitary Committee cases, which are very much more strictly gone into—which are thoroughly gone into in fact—but there are other cases.

691. Have there been any modern cases—cases of late years—where they have had over 60 years?—No, I should think not, except the Derwent Valley case to which I have already referred.

691.* Then with regard to houses for the working classes, under the Housing Acts, the custom, we understood at our last sitting I think, was that the loan is limited to 30 years, 40 years for the land and 30 years for the house—is not that so?—That does not come under my official cognisance.

692. That does not come under your official cognisance?—No.

693. Not what is done under special Acts?—No.

694. Then I cannot ask you any more questions upon that. Can you tell me, with regard to the powers of borrowing, which have appeared in private Acts of Parliament, whether any loans have been actually granted in the case of any Private Bills without any allocation whatever?—Without any allocation?

695. I mean where leave has been granted to raise a loan and where it has not been definitely stated in terms in the Act how that money is to be spent?—It is frequently done in this way,—subject to the sanction of a Government Department; but I do not know of any recent case in which an open sanction has been given.

696. Have there been no cases (I ask you speaking simply from your memory) actually within the last two or three years?—Not that I know of.

697. Cases of unopposed Bills before the Chairman, where Sections to that effect have been passed?—I do not remember any within the last one or two years.

698. You mentioned that the Local Government Board draw attention to all exceptional clauses in Bills which are brought before the unopposed Committee—I think you stated so—before the Chairman of Committees?—Before all Committees. We do not know what Committee the Bills will go before: the Reports are prepared sometimes before even the Police and Sanitary Committee is settled; and although we can form a general idea as to whether the Bill will go before the Police and Sanitary Committee or not, we do not go into the question of whether it is opposed or not; we make our Report in the

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the same way, whether it is going before the unopposed Committee or any other Committee.

699. You always have a representative to represent you before the Police and Sanitary Committee?—That is so.

700. At least, you had when I was on it. With regard to the Chairman on unopposed Bills, have you any representative there?—No.

701. How is the Chairman's attention specially called to these cases?—We make the Report; our Report comes before him presumably; it is sent to the House in the usual way; we do not know what becomes of it afterwards.

702. As a matter of fact, can you tell me whether in the Chairman's unopposed Committee clauses have been passed there frequently, apparently in disregard of your Report?—I should not like to say "in disregard of" our Report, but I would say that the recommendations made in our Report have often not been carried out.

703. That is exactly what I mean. Is that the case very frequently with the Chairman's Committee, or more so than with other Committees?—It is very difficult to say; it has been very frequent indeed before the Chairman's Committee, but I do not know that I can say that it has been more frequent than before some Private Bill Committees, because, as a matter of fact, some Private Bill Committees pay little or no attention to our Reports.

704. You never were present, I suppose, yourself at the Chairman's Committee?—No, never.

705. One more question (perhaps you cannot speak upon this either) with regard to County Council loans. Do you see any reason why County Councils should not have the same favourable allowance—if it is favourable—with regard to time as Municipal Corporations with regard to the repayment of loans? At the present time it is limited to 30 years, I think, in all cases?—That is the case with the Municipal Corporation Acts.

706. Under the Sanitary Acts they get much longer periods, do they not?—For sanitary purposes they have the periods of the Public Health Act.

707. The greater part of their loans are for sanitary purposes, are they not? Do you see any reason why a County Council should not be permitted to have loans for 40 or 50 years?—I do not know of any reason at present why a County Council should not have the same period for similar purposes as a corporation would.

Mr. McCrae.

708. I understood you to say that Select Committees of this House were more liberal in the period given for the repayment of loans than was the Police and Sanitary Committee?—An ordinary Private Bill Committee is.

709. Yes, that is what I meant—an ordinary Private Bill Committee is?—Yes.

710. Then what is the practice of the Local Government Board with regard to loans for city improvements—I am not dealing with the Working Classes Housing Act, but ordinary city improvements—street widening and such things which

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do not come under the Housing of the Working Classes Act?—You ask me, as I understand, what is the practice of the Local Government Board?

711. Yes, what is the term?—You have had before you the Assistant Secretary, who deals with all those cases; I do not deal with them.

712. I should rather put it in this way then: Does the practice of the Select Committees differ materially from the practice of the Local Government Board?—The periods given by the Select Committees—by Committees of Parliament generally, but especially by Private Bill Committees—are longer than the periods which the Local Government Board give. The difference arises to some extent in this way: The officers of the Local Government Board go through all the items of a proposed loan and value each; the Select Committees lump the whole of the items into one, and say: We give you so many years for such and such works. Now we should not do that. I do not think they are worth putting on the note, but I have here some extracts made from the shorthand notes of cases that have come before the Police and Sanitary Committee.

713. Is it not the case with regard to a Select Committee—and, indeed, with regard to the unopposed Committee—that any of those Bills must first of all go before the Chairman of the House of Commons' Committees and the Chairman of the Lords' Committees, and that both these gentlemen are assisted by a legal adviser, who really points out wherein that Private Bill differs from the practice under the public law?—I believe that is so.

714. Exactly; so that if there is an extension of period at all, that is generally recognised by Parliament, that must be brought specifically before the Chairmen of those Committees before the Bill goes to a Select Committee?—That is a matter of practice in the House, which I do not express any opinion upon.

715. Then do you think that Select Committees express any opinion as to the method by which the loan is to be repaid—whether it is to be by annual equal instalments?—No; as a rule they do not. It is open to the local authority to make its own arrangements in that respect.

716. Then with regard to the loans—the overdraft which you have mentioned—which some corporations have I should imagine that in so far as they were for revenue purposes this would be essential. Take, for instance, a corporation that starts its financial year, say, May 15th, and does not get in its assessment until, perhaps, December or January of the following year. They must make their expenditure for all those intervening months, and they must find the money somehow; therefore it appears to me that any corporation during a certain period of its financial year must have an overdraft from the bank, even for ordinary revenue purposes. I am not dealing now with capital expenditure, which I will deal with later?—I do not think it is necessary in any case, if the municipal corporation arranges its business as it should do. It is not allowed in regard to any Urban District Council, because the Urban District Councils

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Councils are under the audit of the Local Government Board, and any such charge would be disallowed.

717. But these authorities cannot assess for their expenditure until they know what their expenditure is going to be, can they?—They estimate for their expenditure, and they have means, I suppose, of knowing pretty well what their expenditure will be.

718. Then your theory is that they raise the money for that expenditure before the expenditure is actually incurred, and therefore should have the whole of the assessment in hand for the current year?—Not the whole; but they get it in periodically—say, quarterly. In my own district we pay our rates quarterly. Well, those rates are payable in advance, and as a rule there is no difficulty whatever.

719. Then with regard to capital expenditure, the question of these promissory notes has been under consideration. Is it not the case that if a local authority get powers from Parliament to expend money for certain purposes they must lay aside the annual contributions, apart altogether from the system which they adopt in raising the money; therefore, as far as I can understand, if a large loan has to be made—if the money has actually been expended and accounts paid—the sinking fund contribution must be laid aside, even supposing you borrow that money temporarily, until perhaps a suitable opportunity comes for putting it upon a permanent basis, that contribution for the sinking fund must be laid aside, apart altogether from the fact that the money may be temporarily borrowed upon promissory notes. The two things are entirely separate, I think?—Theoretically that is so; the difficulty is in applying the check.

720. But the accounts of the corporation are bound to show whether the money has been expended, and if the money has been expended, on the other side you are bound to show the sinking fund?—Take the case of an overdraft from a banker. What check is there on that account? We know even in cases where the accounts are audited by a Government auditor that there have been instances of secret accounts. I do not suggest that there are any such things in regard to that particular matter, but I do suggest that the accounts of some corporations have got considerably into—

721. Confusion?—Out of order—confused—and that attempts have been made to get them right by over-drafts. I do know also that it is extremely difficult to check over-drafting accounts. Sometimes the account may be large, sometimes it is not large.

722. Yes, but is it not the case that with regard to capital expenditure there will be an account showing the expenditure that has been made under that particular head?—There should be.

723. And if that expenditure is incurred, on the other side must be shown the sinking fund contribution according to the Local Government Board Regulation?—Yes, but take the case that I put just now; supposing the overdraft had been a

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mere short loan, that it had been repaid before the expiration of the year, I think very probably that no payment to a sinking fund in respect of that overdraft would necessarily be shown.

724. It must be shown if the accounts were put to the proper head under that particular work, and if they were not put under that proper head there would really be an intention to mislead?—Well, under the clause as it now stands (under what I have called the model clause) probably the matter will work out all right so far as the sinking fund payment is concerned, but, of course, where there are a number of small loans the check is somewhat difficult to apply. Where there is a large loan, for instance, it is easy to calculate the repayments to the loans fund or to the sinking fund; but where you have a very large number of small transactions and only a small audit staff it becomes very difficult to follow these accounts.

725. Still it is merely a question of book-keeping?—It is merely a question of checking the accounts, but the staff required to investigate these things should be larger than the staff available at the present time, if all these accounts are to be multiplied.

726. Just one other point. Some corporations under Private Bills have taken power to raise money to lend other local authorities?—Quite so.

727. For instance, the municipal corporation of Birmingham has taken power to raise money by corporation stock to lend to the School Board of Birmingham; is that at all a general practice?—There are many instances of it. The London County Council do that too. The idea is that if there is one borrowing authority they can borrow much better and on cheaper terms than smaller bodies.

Chairman.

728. What has been the attitude or the feeling of the Local Government Board towards a proposal of that kind in the case of a local authority's Bill?—We should not object.

Mr. Bill.

729. There is just one question I should like to ask you, that is this: You were giving us some evidence with regard to the practice before the Police and Sanitary Committee, and you said that the practice with regard to the estimates which were produced by the corporation bringing in a Bill was that the estimates were produced, but as I rather understood you to say, that the examination by the Committee was rather of a perfunctory character?—As a general rule that is so, but, the Police and Sanitary Committee, as I said just now, went into these matters very much more fully than any other Committee.

730. Of course you are aware, because you have by your representative attended meetings of the Police and Sanitary Committee as a rule—that the borough surveyor is always present; he brings the estimates before the Committee, and explains them more or less in detail?—Yes.

731. So that there is an opportunity for going into them in a fairly satisfactory manner?—Yes, that is so. The estimates are put in in a general

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way; the borough surveyor comes before the Committee, and he is examined on them; probably there is no one there with equal knowledge of the subject to cross-examine him or to look into those accounts, and he has it pretty much his own way. On the other hand, where a local inquiry is held by an Inspector of the Local Government Board, that inquiry is generally taken by an Engineering Inspector, who is pretty well up in these matters—probably as well up as the borough surveyor—and he is able to go into the question much more fully, and, being on the spot, he goes and looks at the works and therefore is able to do it much more thoroughly than any person could do who did not do it in that way.

Mr. A. K. Loyd.

732. I think you have told us already as to the rapid increase of local indebtedness in late years?—Yes.

733. Also I think you said it was increasingly easy to obtain postponement of the first instalment?—I infer that from the figures which I gave to the Committee.

734. Is there a tendency to enlarge the number of grounds on which they apply now for loans, and urge easy terms; do you find fresh reasons given—reasons that used not to be given before?—I do not think so.

735. For instance, as to the works being remunerative—is that a comparatively modern argument?—That is.

736. And supposing that the works were certain to be remunerative—that you could foresee (I will not say with absolutely certainty, but almost with certainty) that they would be remunerative,—there would be no harm, would there, in your opinion, in their having better terms on that ground?—I think it would be reasonable to consider that point.

737. Supposing, for instance, there was a borough with a large outlying population, in constant business relations with the bulk of the population, and it was proposed to put down increased means of communication, you would be able to say: This is a case of almost absolute certainty—that that communication must be largely resorted to; in that state of things would you think that a fair case in which to take into consideration the return they were going to have?—I think it would be very reasonable to take it into consideration. What I want to guard against is this: where there is a tramway, a water supply, or any other kind of undertaking of the class usually called remunerative, I wish to guard against the inference, that because the works are of that class, therefore the checks should be removed.

738. You dispute the reasonableness of putting such works into categories, and calling a certain set remunerative, because, in certain instances, that class of work has been remunerative?—I do.

739. Does the Local Government Board approve of their easing their rates by trading in the case of a corporation?—Well, that is a very vexed question.

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question. I should not like to answer that question. One sees that the power is growing—one sees that the local authorities are coming more and more for what are called trading powers. In a Bill of this year, for instance, a corporation is applying for powers to become the purveyors of milk for infants. That may grow to a very large industry in the hands of a corporation. I think the Local Government Board do not in their reports express an opinion on a point like that; they merely call attention to the fact, and leave it to the Committee to decide the question of policy.

740. Now, with regard to great social needs, is that in the opinion of the Local Government Board a valid reason for giving facilities, and easy terms for loans? Supposing there are great social reasons which do not exist in other cases.—So far as I am aware of the practice of the Local Government Board, it would be to give consideration to the concrete case, not to decide it on the general question that there is a great social question, and that therefore facilities should be given; they would say, What are the requirements of the particular case?

741. The objection of the Local Government Board, then, is to the speculative nature of these considerations, rather than to the nature of the cases themselves,—there is so much uncertainty in the case of a great social problem or a great social demand?—I should rather put it on this ground—that the Local Government Board, rightly or wrongly, consider that it is their business to consider the financial situation from the point of view of the unrepresented future ratepayer.

742. Supposing the terms proposed for a loan were in your opinion financially unsound, would you over-ride those considerations, because you thought it would do good, and be a great social benefit, to comply with them?—Well, I do not know what the President of the Local Government Board would do. He would be asked to deal with that point. That would be a matter entirely for him to decide.

743. Or would they consider that so speculative, that they would reject it upon those grounds?—I do not think I can answer that question.

744. Do you think there is any insuperable difficulty in getting the Local Government Board notified and represented in the case of all loans, in all private Bills?—Before Committees?

745. Yes?—Yes, I do. I think it would be almost impracticable.

746. Is that on account of the increase of staff it would involve?—Yes.

747. In the case of the Police and Sanitary Committee the Bills are all grouped; there you are before one Committee, whereas you might have to be represented in different quarters?—There is very great difficulty now. Last year there were twenty-six Police and Sanitary Bills, and they were split between two Committees in Groups K and L; very often our representative was in one room, and he would be fetched to answer questions which the Committee wanted to ask him in the

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other room. Now there are frequently several Committees sitting at the same time; there are also daily several Bills before the Chairman of Committees—what we call the unopposed Committee.

748. But you do send a report, do not you, upon all these Bills, though you have not a representative there or anybody who might be cross-examined upon it?—Well, to explain it—he very often goes to them to explain it. The Committee sometimes does not understand the reason of the Report. We cannot write a book, for instance, which sometimes seems to be necessary, on every Bill.

749. Still, I suppose you prefer reporting on it to having no say in the matter at all?—The Standing Orders of Parliament require us to report, and we do it.

750. Does it not lead to trouble and inconvenience having these imperfectly-considered departures from principles which you have thought out in the Police and Sanitary cases; I mean, do not they consider it in this way? Do not the local authorities say: Such and such a corporation has obtained such and such terms; why cannot we have the same?—That is so. It very often happens that a power given to one authority after very careful consideration by a Select Committee is asked for by another authority which has no ground whatever for any such power, and it is given because the promoters produce a precedent. That Committee knows nothing of the reasons why it has been given in the other case.

751. Do you consider that that goes to a certain extent (to a great extent) to nullify the benefit of the system which it was the object of Parliament to attain in instituting the Police and Sanitary Committee?—That is my opinion very strongly.

752. Now, which is the greater or lesser of the two evils: that you should have an increase of staff and be represented, or have this constant confusion of the principles which you take so much trouble to lay down?—Well, my own view is that the procedure of Parliament might with great advantage be considered by a Select Committee, with a view to deciding what is really the best plan for dealing with the extraordinary mass of local legislation that is placed before it.

Mr. Brigg.

753. You merely, I will not say complain as to the carelessness of Parliamentary Committees, but at any rate you have led us to conceive that they are not always as careful in their enquiries as they might be?—Well, sir, I should like to put it in this way: not that they are careless, but that the amount of work which they are required to do is so extensive that it is almost impossible for them to go through it.

754. Well, put it in that way. I will just try and ask you this question: Does the Local Government Board ever alter the recommendations of the Committee—either the Parliamentary Committee or the Police and Sanitary Committee—as to time or allowance of money?—Does the Local Government Board ever alter them?

755. Yes.—Oh, no.

756. After they have passed?—Oh, no, certainly

Mr. Brigg—continued.

not. The Local Government Board have power to amend local Acts by Provisional Order under Section 303 of the Public Health Act, and if the local authority wanted a period shortened (I have never known such a case, and I cannot imagine one, but if they wanted an alteration of that sort made) the Local Government Board (if the local authority were quite willing and there was no opposition), would make a Provisional Order which would come before Parliament in the ordinary way.

757. It would have to come before this Parliamentary Committee really?—Yes.

758. Then really the Parliamentary Committee is the final authority?—The house is the final authority.

759. You have mentioned the word “procedure”; that suggests this to my mind: Can you possibly suggest any better plan of considering these questions, either by improving the standing of the Parliamentary Committee or giving them authority or giving them help, or what would you suggest? There is the evil at any rate. You quite admit the evil?—It is a very difficult question, and one which has, at the Local Government Board, occupied a good deal of attention, but I should not like to offer any suggestion on it without further consideration with those to whom I am responsible. What is wanted in some way is a co-ordination of work. If three Committees are sitting in three different rooms having Bills before them—we will say containing five or six different sets of problems, how can they know what is being decided in the several rooms? Each Committee comes to its own conclusion as best it may. There is nothing to guide them, and unless there is somebody there with special knowledge—independent, I mean, of the authorities promoting the Bills—I do not see how the matter can be carried on differently.

760. I thought that as you have seen this evil and had it before you a long time you might possibly have had some suggestion in your mind?—I have my views on it, but I submit that I would rather not put them before the Committee now.

761. In connection with the same matter I might ask another question which I do not know whether you will answer or not—that is whether you consider the Lords’ Committees are better than the Commons’ Committees. There is a good deal more in that question than there seems to be?—I think it would be too invidious for me to answer that.

762. In the first place I know that local authorities prefer the Lords to the Commons, because I have made it my business to enquire from some of the Lords why or how it was, and their account has been rather to suggest the point you now refer to, because they said:—“We are there frequently; we have been there 11 years, 12 years, 14 years; we know the work, and we do the work; whereas you in the Commons are picked up, I will not say out of the streets; now and again you may have a Chairman who knows something about it, but half the Committee know nothing about it; whereas, in the Lords, we know all about it, and make a better class of men for the work.” If you are going to suggest some continuity of the Committees,

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Mr. LITHIBY.

[Continued.]

Mr. Brigg—continued.

mittees, or a classification of the work we might get some little fact out of it at any rate?—Well, without replying to that question at all I would point out to the Committee that there is this distinction between the two cases; in the House of Lords there is a permanent Chairman for Private Bill work; there has been no such officer in the House of Commons.

763. That is a grand thing?—A permanent Chairman; it would be quite practicable for the House of Commons to have a Permanent Chairman for private Bills; indeed, I think one has lately been appointed.

764. You mean the gentleman who sits in “Moses’ Room”?—No.

765. The Committee downstairs in the House of Lords is the one that Private Bill authorities have to come before. We are here, I suppose, more or less to consider the question whether to extend or to reduce. There are a considerable number of things here before us; I would like to ask: Have you any suggestions to make, or any advice to give, in reference to the terms on these matters that you have down on this sheet that has been submitted to us?—By the Local Government Board?

766. Yes?—In so far as the Local Government Board list is concerned I very much doubt whether the periods can be extended with advantage—that is to say, bearing in mind the two things which are regarded by the Local Government Board as being of primary importance; the first is the length of the works; the second, the necessity of preventing as far as reasonably one can do the undue imposition of debt on the ratepayers of the future.

767. I suppose the fact of our sitting here as a Committee, and eventually making a Report, may possibly have some effect in either extending or limiting, and I merely ask on that ground whether you have anything to say in favour of extension of time more than you have stated to us now in reference to the principal items before us. It strikes me, for instance, as regards some of the items in this matter of electric supply—you have 10 years down for arc lamps and accumulators—that it is very doubtful whether they will last that time; it is, is it not?—I quite agree with you.

768. Then is not that an argument for lessening the time?—Of course you may pick out items, and you may say very properly: Some of these may be increased a little—and you may find other items as to which you may say: Some of these should be shortened.

769. That is the very question I asked you?—I think that is probable, but taking the whole we equate them; when we have got a work which has to be carried out, our practice is to take the work and to equate the various items.

770. That is what you have done here at the end of this paper?—Yes.

771. I merely ask: Have you anything to ask from us, as a Committee who have to report on this matter, by way of recommendation as to extension or limitation of these items that have been put before us?—Except in regard to land. I think land might have 60 years very well; we are giving 60 years for land at the Local

0.12.

Mr. Brigg—continued.

Government Board now. I do not think there is any other important addition that I should suggest.

772. And with reference to obtaining advances from banks, would you prohibit advances being obtained from banks at all?—Yes, I think so—if you mean overdrafts.

773. Yes, simply overdrafts from the bank?—I think, as a general rule, the general law should be observed in that respect.

774. Of course you do not object to the creation of stock, that is to say local authorities borrowing and creating a stock in the same way that you have described; you said that one corporation did in one place, I think, create a stock which is circulated in the district. There is a local authority with which I am acquainted, which issues a large amount of stock on 20 years bonds—500*l.* or 1,000*l.*—I forget which, repayable at different times; these stocks are circulated just as ordinary stocks and shares might be. You see no objection to that?—I see no objection whatever to loans to local authorities being raised by stock under the regulations of the Local Government Board—none whatever.

775. As a fact, you have no objection to that?—Oh no, quite the contrary.

776. Might I just point out to you this then, that the longer dated stocks are not considered more valuable than the short dated ones?—They are more valuable.

777. That you know?—Yes.

778. Then the last question I have to ask you is on the matter you were speaking of when we went down to luncheon. You were complaining about the condition of these different local authorities—their financial condition—not being prominently placed before the Committee, who had to consider the schemes which they were making or the schemes they were putting before that Committee; ought it not to be the province of the Local Government Board to supply some data to the Committee in reference to the financial condition of the local authority which is applying, because that Committee has to consider the question and give a decision upon the application?—No, I submit not. You see every Corporation keeps accounts, and the Committee can have before it (and does no doubt have before it in cases where it thinks it necessary) the accounts of the Corporation. The Committee has sufficient power to obtain all the information on that head that it thinks necessary. I am afraid I did not make myself quite clear. What I wished to emphasise was this, that in granting borrowing powers to local authorities, great care should be taken to consider their financial position. I had in my mind cases in which Committees have given powers to borrow several times the rateable value of the district. Well, my submission is that that should not be except after very careful consideration, and I know that in one or two cases, at any rate, the borrowing power is altogether excessive.

779. I suppose you would suggest that due consideration has not been given to that?—I must leave the inference to be drawn.

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780. All

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Mr. LITHBY.

[Continued.]

Mr. Brigg—continued.

780. All right. I thought possibly this might be brought more forcibly before the Committee. We know that if you want to lend a thousand pounds or ten thousand pounds to a corporation, you do not go blindly, and lend it because they want it; you look at their accounts, and get a proper return, and so on; it is only a question whether this Parliamentary Committee sitting here have that knowledge of those things, and whether it would not be wise to put it before them by the Local Government Board along with other recommendations, which they have put forward, in reference to the application that is being made?—In one or two cases where we have pointed out what I am stating now, the borrowing power has nevertheless been given.

781. With reference to the audit. There is a wide difference between the local and the government auditor in all respects, as I understand?—What I mean is this. The Government Auditor does not audit the accounts of Municipal Corporations.

782. No, he does not?—The Municipal Corporation accounts are audited by their own auditor. I do not suggest that that should be altered. I make no suggestion on the subject. I merely point out the fact that a Government Auditor has powers of surcharging and so on in cases where he is employed.

783. Quite so; and that leads to very great irregularity in the way in which the different authorities behave. That is all?—That again is a matter which I express no opinion upon.

Mr. Charles Murray.

784. Referring for one moment to the list of objects referred to just now, I want you to explain a little more with regard to lands?—Does it or does it not appear to you that the period given of 60 years (to which you referred) might in certain cases be extended?—You see, 60 years is a long period, and one does not know what may be the value even of land in 60 years time. One does know that the value of land in many parts of the country has varied very considerably during the last 20 years, and, on the whole, it seems to me that 60 years is a fair term; it is roughly two generations.

785. May I put it to you that the interest paid on land is only practically rent paid for the same period?—That is so. That is not a point on which I hold a very strong view.

786. I gather again from the distinction you draw between powers given by Parliamentary Committees and the wishes of the Local Government Board, that the Parliamentary Committees show a want of results of local inquiry; that is to say, they have no independent result of the local inquiry before them?—In regard to Bills—in considering Bills?

787. Yes, Bills sanctioning loans?—Of course, in that case the Inquiry is in this room—the committee room; there is no local inquiry at all.

788. As I understand you they have no results of any local inquiry whatever before them?—No, not of a local inquiry by a person independent of the locality.

Mr. A. K. Loyd—continued.

789. You consider that to be a great want—a considerable want?—I am speaking, of course, purely from the point of view of the central department. I do not suppose that any municipal corporation or any officer of a municipal corporation would tell you that there was any defect at all; I merely point out, looking at the thing altogether apart from the authority, what is the result?—A local authority knows that it can go to a Parliamentary Committee and get powers which are wider than those of the general law. I suggest that that is largely because a Parliamentary Committee is less hard, perhaps, in these matters than a Government Department necessarily must be.

790. Of course, we are all familiar with the results of inquiries under the Local Government Board in municipalities, and the facilities for those inquiries are not to hand for the Parliamentary Committee; they have to form their opinion without such results?—Quite so.

791. Do I understand that there is any system that is now existing anywhere which has been formed by adding together the term of 60 years for land and 30 years for buildings, thus arriving at the term of 45 years without any reference to the proportion of the respective amounts?—I have before me a case in which that was done.

792. Do I gather from you that that was an exception?—I think that was an exception.

793. If you think it was an exception I will not dwell upon that?—I am inclined to think it was an exception.

Mr. Law.

794. You stated as your opinion, in answer to a question, that on the whole an increase of time should not be given for repayment of loans except as regards land?—I say that I think on the whole the periods are sufficiently long.

795. Have you considered the difference of different subjects?—I was just going to add that it is difficult to answer in general terms a question like that—very difficult. Of course, that is a point which the Committee is sitting to decide.

796. The point I wanted to make out was this: A previous witness from the Local Government Board has strongly taken the position that we should not give a longer time even for workmen's houses, whereas to-day we have had a witness from the Education Board who has stated that, in his opinion, 50 years is a perfectly reasonable time?—For working-class houses?

797. No, for schools. Now, obviously the workmen's house is a better security than a school if it is equally well built?—I should venture to differ from the Honourable Member in that respect.

798. Do not you think so? If there are children to go to school there will be the parents of the children who own the houses in any locality?—But may I ask the Honourable Member whether he has any experience of small working-class property?

799. Of course, this working-class property that we are referring to is built by the local authorities?—

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Mr. LITHBY.

[Continued.]

Mr. Charles Murray—continued.

authorities?—Well, but look at the wear and tear; look at the wear and tear of working-class property as compared with such property as a school building.

800. Granted the wear and tear, but then it is taken care of by people who will take care that is kept up in repair, it is not as if it were to be kept up by landlords, who would have no interest except to get the rent. At all events, you do not agree with that—you do not think that?—I do not, indeed. I should say that an ordinary man who is lending money would prefer to lend it on a building of the character that one sees in a modern school than on the ordinary workman's dwelling even if it is built by the local authority.

801. That, of course, is a matter of opinion; I do not agree?—Of course, it is.

802. But I have got your opinion. Another point you made a good deal of was the growth of municipal indebtedness; is there any way of finding out what portion belongs to the county council and what portion does not?—Yes, it is stated in the Local Government Board's report.

803. Have you any information as to the proportion of the amount that is remunerative?—I am sorry I have not the Local Government Board report at hand, but it is easy to ascertain that.

Mr. John Hutton.

804. There is a table, is there not, in the Local Government Board report giving that information?—Yes.

Mr. Law.

805. Then you said: There has been a great growth of municipal indebtedness as a whole?—Yes.

806. Is there a growth of indebtedness in the case of private lenders?—There is a great growth in the advance of money by the Public Works Loan Commissioners; but whether it is in proportion to the total growth or not I am not prepared to say.

807. If it is lent by private lenders—if they have lent the money—the inference is that the security is considered very good, is it not?—Yes, I should think that that is so.

Mr. Nannetti.

808. You seem to think that the period of repayment of loans for workmen's houses should not be extended?—No, sir; I have not said that; I have not applied my remark to any special thing. The honourable Member asked me whether I thought the security of workmen's houses was not as good as the security of a school, and knowing something, apart from my official experience, of the difference between house property of one kind and another my answer was that I did not think so; but I did not express any opinion on the point now put.

809. You speak generally?—I say generally that I think the periods granted for loans under the Local Government Board are, as a whole, satisfactory.

810. You draw a distinction as between schools and workmen's houses; you think a

Mr. Nannetti—continued.

school would be a better security than a workman's house?—The honourable Member put the question to me and I answered it in that way.

811. What do you take to be the life of properly built houses upon which loans would be granted to a corporation?—Workmen's houses?

812. Yes, workmen's houses?—Well, I should be exceedingly sorry to give more than 30 years.

813. Are you aware that architects and others, who have, without being offensive to you, more practical knowledge than you, lay down 80 to 100 years as the life?—Of a workman's cottage?

814. The life of a properly built workman's cottage?—I do not profess to have any special knowledge of building, or of the length of time during which a building of one class or another will live.

815. Would you be surprised to hear that an educational expert gave evidence here to-day to the effect that school buildings were not what he would consider a good security—that the requirements of to-day might not be the requirements of 10 years hence—that depreciation would take place in the school, and consequently that it was not as good a security as houses?—Well, I heard what the representative of the Education Department said, and I still am of opinion that so far as the stability of the building is concerned it affords a better security than an ordinary workman's cottage.

816. Provided that that cottage is kept up by the local authority in a proper state of repair, do not you think it would be worth more than 30 years?—Well, I think I would rather not answer that question.

Mr. John Hutton.

817. May I ask you one question, with the Chairman's permission, about overdrafts at the bank which was referred to just now? You stated that no auditor would allow the charge (I think you used the word "charge"), do you mean the interest incurred by making the overdraft at the bank?—That is so; the interest on an overdraft would be disallowed.

818. You do not mean to say then that it would be illegal for a county council, for instance, to make arrangements with its treasurer—who was a banker—to have an average balance at the bank and occasionally to have an overdraft for which no interest would be charged?—That is very commonly done.

819. That is not what you were referring to as being illegal?—No, what I was referring to as illegal was the payment for the money.

Mr. A. K. Loyd.

820. That is the only item that would come before the auditor, is it not?—Exactly. If the treasurer chooses to place a hundred thousand pounds in the hands of the Corporation there is nothing to prevent his doing so.

821. If the bank makes an advance, and that advance is *ultra vires*, the bank takes its chance of recovering the money?—Quite.

Mr. Bill.

822. I want to ask a question as to the Police and Sanitary Committee and what occurred last year

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Mr. LITHBY.

[Continued.]

Mr. Bill—continued.

year. What, in your opinion, has been the result of that division of the work? Has it resulted in any great diversity of decisions between the two parts or portions of the old Committee in your experience of last year?—Well, there were one or two things, I think, that if there had been one Committee sitting would not have been done.

823. It is almost impossible to expect that there would not be some little diversity of opinion?—Exactly. Our representative endeavours to attend both. I do not say that one Committee comes to a different decision to another Committee because it intends to do it, but because, under the present practice, it is difficult to secure uniformity.

824. Because your representative cannot be in two rooms at once?—It does not matter whether it is our representative or some other. If there were a representative of the House there who was familiar with the whole practice, advising the Committees, probably the decisions would be less variable than they are now.

825. Then, with regard to unopposed Bills before the Chairman is it your opinion that there is much difference in practice in the outcome of Bills which have gone before the Chairman alone in his room, and the Bills

Mr. Bill—continued.

which have gone before a Private Bill Committee—say, the Police and Sanitary Committee?—Oh, certainly. Before the unopposed Committee three or four Bills, each consisting, perhaps, of 50, 60, or 80 sections, go through in one afternoon; they are not examined at all; they cannot be.

Mr. John Hutton.

826. "They are not examined at all"?—I withdraw that; they are not sufficiently examined. I know this, that the counsel to the Chairman goes through them; but that is not quite the same thing. I am not now referring to anything done in Committees of the House of Lords.

Mr. Nannetti.

827. One question I forgot to ask you. With reference to Provisional Orders for the extension of boroughs, you stated that your idea was that local authorities preferred to come to Parliament rather than to take advantage of Provisional Orders, for extension of boroughs, or street widenings or improvements. Does that apply to Great Britain and Ireland?—Only to England. I do not know anything about the practice in Ireland.

Adjourned to Tuesday next, at 11.45 o'clock.

Monday, 15th April 1902.

MEMBERS PRESENT:

Mr. Bill.
Mr. Brigg.
Captain Donelan.
Mr. John Hutton.
Mr. Heywood Johnstone.
Mr. William Jones.
Mr. Grant Lawson.

Mr. A. K. Loyd.
Mr. McCrae.
Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Wodehouse.

Mr. GRANT LAWSON, IN THE CHAIR.

Mr. GEORGE A. STEVENSON, called in; and Examined.

Chairman.

828. You are one of the Commissioners of Public Works in Ireland, are not you?—Yes.

829. The Commissioners make loans in Ireland to local authorities and others from the Local Loans Fund under various statutes, do they not?—Yes.

830. And you collect the loans so made?—Yes.

831. You have put in a memorandum showing the procedure for each class of loan, have you not?—Yes, this paper (*see Appendix, No. 10*).

832. Am I right in supposing that the result of this paper is this, that the Local Government Board in Ireland settle within certain *maxima* laid down by statute the period within which the loan must be repaid, but that your department, if they come to you to borrow, fix how long you lend for?—That is so.

833. So that if the Local Government Board were to give, say 40 years, it would be for you to consider as a public department lending the money whether you would think it right to lend for 40 years?—That is so, except in addition to that I should say that under the Public Health Act, 1878, we are required to consider certain points which are outside the mere lending of the money.

834. What points are they?—The probable duration and the continuing utility of the work.

835. For fixing the probable duration and utility of the work you have, I imagine, considerable experience from your own works which are under your department?—Yes.

836. You have under you harbours and sewage works and national schools, and a variety of other things, have you not?—We have all the civil government buildings in Ireland practically.

837. So you have the opportunity of seeing how long they last?—Yes.

838. Do you find that the effect of the climate in Ireland is deleterious to buildings?—On small isolated buildings where maintenance is difficult the climate has a very bad effect—a rapid effect.

839. That is so on the west coast, for instance?—Yes.

Chairman—continued.

840. Where you have a national school in an exposed position?—Yes, or a Coastguard station.

841. So that with regard to any building in a similar situation you would not feel inclined to lend money for a very long period?—Not longer than what we should consider would be the duration of the work.

842. Supposing there is a difference between yourselves and the Local Government Board as to how long the loan should be for—how is that difference settled?—As far as we are concerned it is settled by the Treasury; we make a report to the Treasury and state the term which the Local Government Board have recommended and any reasons which we have for differing from that term and the term which we recommend.

Sir Albert Rollit.

843. That is the Local Government Board of Ireland?—Yes.

Chairman.

844. As regards the Housing of the Working Classes Acts, Ireland is in the same position as England, is not it?—Yes.

845. As regards periods of loans?—Yes.

846. That is to say, the term is governed partly by a maximum fixed in the Act and partly by a Treasury minute of November, 1890?—Yes.

847. That Treasury Minute only held out inducements to borrow for shorter periods by offering lower interest for shorter periods, did it not?—Yes, it made a difference of $\frac{1}{2}$ per cent. for every 10 years.

848. It was purely financial, and nothing to do with administration?—Financial, purely.

849. A peculiarity as regards housing in Ireland lies in the Acts which are called Labourers' Cottages Acts, are not they?—Yes.

850. That matter falls under the Local Government Board of Ireland, does not it, as to the period of loans?—The maximum period under a section of the Act was left to be fixed by the Treasury. I think it was section 18 of the original Act excluded the period of repayment from the Public Health Act.

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Mr. STEVENSON.

[Continued.]

Chairman—continued.

851. And it was settled by the Treasury minute?—Yes. There is a Treasury minute referred to in the Act as settling the terms and the rates of interest.

852. You have set out in the paper before us what terms were given under that minute, have you not? I see a paragraph dealing with labourers' cottages marked 3?—Yes.

853. In that I find the period set out as fixed by the Treasury?—That was a subsequent minute of 1885—the one that is quoted in the memorandum. The minute that is mentioned in the Act is a minute of 1879.

854. But in practice would your Board lend the money for whatever period was recommended by the Local Government Board for Ireland?—Yes, under the Labourers' Acts within the maximum of 50 years allowed by the Treasury.

Sir Albert Rollit.

855. I see, Mr. Stevenson, by the return that the statutory period is, I think I may say generally, 60 years?—That is so.

856. I see by Appendix No. 11 that the statutory length of term is generally 60 years?—Generally 60 years. I think that is the Local Government Board return. I have not seen it, but that is so.

857. Has that term been adopted generally, or has it been shortened generally?—As far as loans from the Treasury are concerned the maximum is 50 years; as actually laid down by statute under the Public Health Act, generally speaking, it is 60 years.

858. Where there has been a right to lend for 60 years has that term been adopted in practice or has it been shortened—that is to say, generally?—Well, I have no knowledge of loans from any other body except the Local Loans Fund.

859. I will take your own case?—In our own case we never lend for more than 50 years.

860. But you have power in many cases to lend for 60 years?—No, we have a statutory prohibition under the Public Health Act.

861. I thought you told me in the case of loans for housing, at any rate, that the period was the same as in England; I think that is 60 years, is not it?—60 years is the maximum for which the local authority may borrow, but the maximum for which the Loan Commissioners may lend is 50 years.

862. I will take 50 as the basis. Is 50 generally adopted, or is a less term adopted, as a rule?—I think the growing tendency is to go for the longer period. For instance, I will give you the Labourers' Acts Loans, which are more characteristic of Ireland than the housing of the Working Classes Acts, and are much larger. In 1902 there were over 2,000,000£. outstanding. Of that 1,075,000£. was for 50 years. We have the figures for 1895, and in that year there was 620,000£. outstanding.

863. On the basis of 50 years?—On the basis of 50 years, showing an increase of 73 per cent. In the year 1902 there was 731,000£. outstanding for 35 years. In 1895 it was 597,000£. On the shorter term of 35 years there has been only an increase of 22 per cent., whereas on the longer term it is 73 per cent.

Sir Albert Rollit—continued.

864. So that, as you say, the tendency has been to increase the length of the term?—Yes.

865. Has that been on the ground of the value of the public works which have been facilitated, by the economical and social value of the public works?—No, I think it is the local authorities taking advantage of the longer terms allowed by the Treasury—for financial reasons.

866. But in the case of the controlling authority has the tendency to sanction the increase been based on the economical and social, not to say political, value of the public works? Is that a fair statement?—That is rather a question for the Local Government Board; we only deal with the financial side.

867. Under the Labourers' Housing Acts, what sum has been advanced in all?—Under the Labourers' Housing Acts (Ireland) up to the 31st March, 1901 (which is the last financial year for which we have accounts), the total advanced was 1,884,934£. I have had the figure taken out specially for 1902. It is 2,011,000£. up to the 31st of March, 1902.

868. What has the term generally been in the case of the Labourers' Acts—that is to say, the term of repayment?—The figures I gave you just now show that more than half of that is for 50 years.

869. In the case of the harbours, can you tell me what the term generally is? These are chiefly small harbour works?—Yes, we only lend for small harbour works—we have very few cases of loans. The last case we had was seven years. That was the reconstruction of a harbour.

870. Take such a case as that of Baltimore. Did you make any loan in that instance?—I do not remember—I should think not. Probably it was all built out of a grant.

871. May I take it you confirm my personal observation that these small harbour works are of very great public utility to the immediate neighbourhood?—Yes, utility quite apart from fishing very often—local convenience.

872. And advantage?—Yes.

873. In developing industries?—Small industries, yes.

874. And substituting a more permanent industry for the varying one of kelp and the like—a more permanent social advantage?—It is really more a matter of local convenience—export of agricultural produce and turf.

875. I may take it that those works are undoubtedly of considerable public advantage?—Yes, within the limits of their usefulness.

Mr. John Hutton.

876. You said just now, I think, that the limit under the Public Health Act was 50 years?—The limit for which we may lend under the Public Health Act.

877. According to this statement the limit is 60 years under Section 238?—That is the maximum for which the local authority might borrow if they went outside and did not come to the Board of Works for the loan. If the Local Government Board allowed them 60 years they might go to some outside body and borrow for 60 years; but if they come to us and borrow our

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Mr. STEVENSON.

[Continued.]

Mr. John Hutton—continued.

our maximum is 50 years under another section of the Act.

878. The only means of borrowing public money is through the Public Works Commission, is that so?—Yes.

879. I think I clearly understood you to say that you judge of the period for the repayment of the loan according to the nature of the works which are authorised?—In the words of the Act, according to the duration and continuing utility.

880. If you think they would not last more than 30 years you would not grant a loan for a longer period than that?—No, not as a rule.

881. In fact, the philanthropic ideas of assistance do not come within the scope of your authority?—No, we have to protect, so to speak, the remainder-man.

882. With regard to the rural cottages I think you say there has been a tendency to increase the number of years for which those loans are granted?—Yes, to take advantage of the longer periods allowed by the Treasury.

883. Is not there some statutory limit to the local authority's rating power under this Act?—Yes, I believe the annual charge for labourers' cottages must not exceed 1s. in the £.

884. May that have anything to do with the lengthened period for repayment of the loans?—Yes, the shorter the term the greater the charge for repayment, and, therefore, the more quickly the shilling would be absorbed.

885. I gather from what you said just now that there is a strong feeling of the Commissioners not to extend the loans further than they think necessary and desirable?—Within the maximum determined by the probable duration and continuing utility of the works we really do not care what period we lend for provided we do not exceed that maximum, but we could not extend the period so as to clash with that direction of the Public Health Act.

Mr. McCrae.

886. I think you said that where there was a dispute between the Local Government Board and the Commissioners of Public Works the matter was referred to the Treasury?—We report to the Treasury.

887. And the Treasury is really the final court of appeal?—Yes, as far as the term for which we may lend is concerned.

888. Then according to those various public Acts they have power to borrow for 60 years?—Yes.

889. That is to say, local authorities?—Yes.

890. But you have only power to lend for 50 years?—Yes.

891. Then we have this curious anomaly, that one Act of Parliament gives an authority power to borrow for 60 years, but the other powers prevent the Public Works Commissioners from lending?—The same Act in the case of the Public Health Act (Ireland).

892. For the lending for the period authorised?—Yes.

893. Then if a local authority comes to you for the purpose of borrowing for works under the Working Classes Housing Act or the Labourers' Cottages Act, do you give a loan for a certain defined period for the whole expenditure or do

Mr. McCrae—continued.

you take into consideration the amount required for land and the amount required for houses and give an equated period?—I cannot recall any case of a loan being sub-divided in that way, but if the Local Government Board specifically recommended a loan, so much for land and so much for houses, then I think there would be no objection on our part to give the two separate loans or give the one loan with an equated period.

894. You do not know what the practice has really been?—In the Labourers' Acts—that is, the Rural Act, the Act providing for the rural working classes—I recall no case of the loan being sub-divided.

895. So that in such a case you would give 50 years for the repayment of the whole expenditure?—Yes, any period up to 50 years that a local authority like to select.

896. Do the local authorities take advantage of the power to borrow outside and take their full period of 60 years?—Of that I have no knowledge.

897. Generally you have an idea of the amount of work going on in Ireland. Without fixing you to definite proportions can you say what would be the relative borrowing from the Public Works Commissioners and from the outside?—Well, except in the case of the big towns like Dublin and Belfast, and the various townships about Dublin, I think practically all the borrowing is done from the Board of Works.

898. But the larger towns are rather an exception—they go rather outside?—Yes.

899. They get better terms possibly?—Occasionally—not always.

900. Do you see any reason why the Public Works Loan Commissioners should not be allowed to lend on as favourable terms as in the outside market?—You mean as regards length of period?

901. Yes, and rate of interest?—The rate of interest is fixed by the Treasury in accordance with statutory directions.

902. We are considering the possibility of altering that?—The Treasury will give you their views; they will have a witness. It is entirely a matter for the Treasury—the rate of interest. We have nothing to say to that.

903. How are those loans you grant repaid? Are they repaid by annual equal instalments of principal and interest?—In the case of all the loans except the Labourers' Acts they are repaid by equal instalments of principal.

904. And the interest on the whole amount outstanding year by year?—The interest on the amount outstanding at the end of each year.

905. That is not on the annuity system; it is on the instalment system?—Yes.

Mr. Bill.

906. Has advantage been freely taken of the power to borrow for housing purposes in Ireland?—I think if you combine the two classes of Acts, the Housing of the Working Classes Acts, which are for towns, and the Labourers' Acts, which are for the rural districts, full advantage has been taken.

907. That would be under the Act of 1890, would not it?—The Labourers' Act of 1883, I think.

908. What is the usual period of loans? I

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Mr. STEVENSON.

[Continued.]

Mr. Bill—continued.

see the maximum is 60 years. Has the maximum period usually been granted?—Of 60 never, because we have no power to lend for 60 years. Of the 50 years in the Labourers' Acts the figures I give show that half the loans outstanding are for 50 years.

909. I see in the paper that you put in that the maximum period of repayment for electric lighting is 60 years. Have your Commissioners made loans for electric lighting?—Yes, two or three.

910. What is the period—do you remember?—I think 25 years—shorter terms for particular parts of machinery and so on.

Mr. Heywood Johnstone.

911. You fix the actual duration of the loan within 50 years?—Yes, if borrowed from us.

912. You determine what the length of time shall be?—The Local Government Board first of all recommend a term that they propose, and we have the option of objecting if we think we ought to.

913. You can object, but can you alter?—We can say that we will not lend for a longer term than such a term.

914. Does that often take place?—Very seldom now.

915. You have that control?—Yes.

916. I understand what you regard is mainly the duration of the works?—That is a statutory obligation.

917. That is your main consideration?—Yes.

918. What other considerations enter into it?—As regards the locality there is a very considerable reduction in the amount of interest which the locality has to pay for the shorter term, of course, as compared with the longer.

919. Then you consider the existing public burdens on the locality?—Yes, we have an interest in them because the ratepayer of the locality is our security.

920. That is your second consideration?—Yes.

921. I think you said you were guided to some extent by considerations of climate?—As regards the duration of the works.

922. That is an element in the duration of the work?—Yes.

923. You would lend for a longer period for a building in Waterford than for one in Donegal, or is it the other way round?—I would not like to define it as closely as that.

924. Well, take Meath and Mayo?—A building of the same character would probably last longer on the east coast than on the west.

925. Do you take into consideration the probable financial remunerative character of the work—you were speaking of harbours just now. I suppose many of those harbours have little or no tolls and charges?—Very little. The loans are really quite unimportant for harbours. The only loan that I remember in 10 years is one of 8,000l.

926. Take labourers' cottages. Does the question of rent enter at all into your consideration?—If it were a very fine point as to the power of the locality to pay the loan we might go into the question of rent, but if the rates of the locality were low—

Mr. Heywood Johnstone—continued.

927. Apart from that it would not enter into your consideration whether the rent of the cottage would repay interest on the amount to be lent?—No.

928. You leave that entirely to the local authorities?—Yes.

929. Are they subject to any check with respect to that?—I do not know what the Local Government Board take into account at their inquiry—they have to hold an inquiry in each case.

930. It does not come under your notice?—No.

Mr. William Jones.

931. Your evidence is purely on the lines of administrative action?—Yes.

932. Have you had any cases under your observation in which it would be desirable to amend the direction of the Public Health Act with a view to an extension of the period?—No, so far as we are concerned I have seen no reason to think that any change is required in the principle laid down for us of considering the probable duration and continuing utility of the work.

933. You have had no difficult cases brought before you in which you went into the merits and found that extending the period would be useful in increasing the development of the localities?—No, that is a matter that has rather come before the Local Government Board.

934. It would not come under your purview at all?—No, it might come to the Treasury, but not to us.

935. Have you seen any difficulty on the part of those authorities in repaying the loan when you have given them the maximum?—No, the local loans are very well paid in Ireland.

Mr. A. K. Loyd.

936. I think, Mr. Stevenson, you said that more than half the loans outstanding under the Labourers' Acts were loans for 50 years?—Yes.

937. Are the remaining cases those in which the Local Government Board has thought it right to limit the period?—I do not know what the cause was—whether the Local Government Board limited it or whether the local authority said: We will take the shorter term, for reasons of their own.

938. I think you said, supposing the Local Government Board were willing to sanction to the full period, your Department would grant it in the case of the Labourers' Acts as a matter of course up to 50 years?—Yes.

939. You cannot tell me whether the shorter cases are those in which any supervision of that kind has been exercised?—No.

940. I think you said that if the borrowing party went into the outer market they would have a limit of 60 years if sanctioned by the Local Government Board?—Yes, if sanctioned by the Local Government Board.

941. That would be even under the Labourers' Acts?—I am not quite certain of that.

942. In point of fact do you know of any cases in which loans have been negotiated in open market for the purposes of the Labourers' Dwellings Act (Ireland)?—I have known of none; I should think there are none.

943. You

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[Continued.]

Mr. A. K. Loyd—continued.

943. You think they have all come to the Loans Fund Commissioners?—Yes.

944. You said that except for the purposes of the Labourers' Dwellings Acts, the method of repayment has been by equal instalments with interest upon the amount outstanding from time to time?—Yes.

945. What has been the method under the Labourers' Dwellings Acts?—An annuity—an equal annuity for the whole term of years.

Mr. Brigg.

946. I have only one question, and that is in reference to the reply that you gave about harbours to the chairman's question—that you had lent money on harbours on the west coast, and, you suggested, for other purposes—am I not right?—money was lent on harbours for fishing purposes, and you suggested for other purposes as well?—What I meant to imply was that the harbours primarily constructed for fishing purposes served for other purposes, such as shipping turf and agricultural produce.

947. Where a harbour is specially adapted for fishing purposes do you offer any special facilities in order to encourage the fishing? Supposing an application was made for a harbour, or, rather, for a pier or for buildings in connection with it, does your office specially encourage those applications by granting loans for a shorter time?—As regards the rate of interest we treat them exactly as all other loans on rates.

948. No special facilities whatever?—No.

Captain Donelan.

949. I think you mentioned, Mr. Stevenson, various considerations that influenced your department in fixing the period for repayment of loans just now. Might I ask whether the opinion of the local authorities is taken into consideration?—I suppose it is by the Local Government Board in recommending the loan. They are in touch with the local authority through their inspector, who holds an inquiry.

950. Is it your experience that the rural districts of Ireland, when they apply for loans for the purpose of carrying out the Labourers' Dwellings Acts request loans for the extreme limit?—No, those applications have not come to us. They, I think, go to the Local Government Board to settle their recommendation of the period.

951. There is no use in asking you whether your experience would lead you to the conclusion that local bodies in Ireland would prefer loans with an extended period for repayment?—No, except the figures which I gave just now, which show a growing tendency to take the longest period we can give them.

952. So far as you know applications are always made for the longest period of repayment by local bodies in Ireland?—I think so at the present time.

953. You mentioned, I think, that the interest on local loans in Ireland was well paid?—Yes.

954. In your opinion would there be any risk in extending the time of repayment?—I think there would be the risk that a work might have ceased to have any utility long before the term had expired, and that there would be a natural

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Captain Donelan—continued.

unwillingness to go on paying for a work which had ceased to be of any use.

955. Let us take the labourers' dwellings in Ireland. Do you consider that they would cease to be of any use, say in 70 years to come?—I should doubt very much whether the buildings would last that time.

956. The land would be there?—Yes, but once a building is on the land it is not much use—I mean the actual site is not much use.

957. Is it not your experience that the extension of the period of repayment would tend to encourage useful public works in Ireland by lightening the burden on the ratepayers?—I think that people might be encouraged to disregard the interests of the next generation by getting some advantage for the present generation for which the present generation would not entirely pay.

958. I think you mentioned that your department decided as to the utility of works on which loans were made?—Yes.

959. In coming to that decision can you tell me whether the opinion of local authorities is taken or considered?—The words of the Act are "the continuing utility." I think we should assume there was utility—that when the Local Government Board recommend a work there is a public utility in it, and what we have to consider is whether the physical circumstances connected with the work are such as to ensure that that utility will continue, and then we have to assess for what term it will last under those conditions.

960. Are the local bodies in Ireland consulted on this matter?—I imagine that the Local Government Board inquiry would fully bring out any considerations of that sort. However, Sir Henry Robinson will deal with that.

961. Could you mention what is the shortest period of repayment for which loans are made?—We make them for as short a term as one year—very exceptionally.

962. And the longest term is what?—The longest term is 50 years.

963. Are most of the loans sanctioned by your department for 50 years?—We have not kept records of the periods of our loans, but roughly looking at the proportion between the repayments received in a year and the amount sanctioned, it appears that the average would be about 40, or perhaps a little more. However, without getting out an accurate return, I should not like to be tied. It is only a rough approximation.

964. With regard to carrying out the Labourers' Acts (Ireland), are loans for that purpose made, generally speaking, for a 50 years' period?—The bulk of those outstanding are for 50 years.

965. I think you mentioned that the amount advanced in connection with the Labourers' Acts (Ireland) was some 2,000,000l.?—Yes.

966. May I take it for granted that the interest on that loan has always been regularly met?—Yes, the figures are that on the 31st of March, 1901, on that total of loans there were outstanding as arrears of principal 1,408l. and 3,000l. for interest overdue.

967. And the great bulk of those applications of course have come from the South of Ireland?—Yes.

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968. When

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Mr. STEVENSON.

[Continued.]

Mr. Wodehouse.

968. When you speak of the Treasury, are you speaking of the Treasury in Ireland or referring to the Treasury on this side of the water?—On this side; there is only a paymaster's branch in Ireland, and the control is here.

969. We are told that the local indebtedness of England is growing very fast. Have you a corresponding increase in Ireland?—We have as regards our own loans—that is to say, loans from the State have gradually increased.

970. But not in your judgment an excessive increase?—Looking at it purely from the financial side they are well within their borrowing powers.

971. No losses have been sustained?—We have had very little in the way of loss on local loans; we have some arrears, of course.

972. You have had some loss, but of no great magnitude?—Looking at the principal public purposes for which we now lend—the Public Health, Lunatic Asylums, and Labourers' Dwellings, the only sum I can find written off is a total of 12,000*l.* for lunatic asylums, which is some old loan probably.

973. You have just stated the public objects for which you have most applications?—Those are the three.

Mr. Nannetti.

974. You stated that the Act of Parliament allows 60 years?—The Public Health Act allows 60 years as a maximum to borrow, but the same Act limits the power of the Treasury to lend to 50 years.

975. Can you mention any case where a 60 years' loan has been granted?—Not by us.

976. Can you mention any case where the full limit of 50 years has been granted?—Yes, the bulk of the Labourers' Acts loans are now for 50 years.

977. You stated at the end of 50 years the value of the houses would be so small that it would not be advisable to lend beyond that period?—Yes.

978. That is, that the site is of no value?—The site covered by the buildings.

979. Are you not aware that the site has to be paid for, and that consequently that would be an asset for future generations?—You may give a large sum for it, but it does not follow it would be of any use.

980. Are you aware what was paid for the Bride's Alley area in Dublin?—That is a different class.

981. We are speaking generally?—Bride's Alley is in the centre of a town.

982. Are you aware that there was something like 32,000*l.* paid for the site of those buildings alone, and do you mean to tell me that at the end of 50 years, even supposing that the houses were not of some value at that time, there is no commercial value on that?—Certainly—in a town, certainly.

983. Considering that such an enormous sum I have mentioned there had to be paid, do you not think it would be advantageous and in the interests of the community to extend the period of the repayment?—It would certainly facilitate the undertaking of work.

984. As to the houses that would be put on

Mr. Nannetti—continued.

that, what would you say would be the life of those?—I should not like to say without seeing the plans and the character of the work.

985. Speaking generally, what would you say would be the life of a properly-built building, such as the Corporation are putting up on that site?—I think the maximum allowed is a safe one—50 years.

986. Do you know of any builder or any authority that was going to build that would accept 50 years for a building lease?—I know of none.

987. Do you think it is possible you would get individuals to build if they were limited to a 50 years' lease?—I should not build on a 50 years' lease myself.

988. If those houses are properly looked after by a municipal authority, whose interest it is to keep up repairs, do you say that the life would not be much longer than 50 years?—We have had experience of artisans' dwellings put up by private people, and the life of the actual building was considerably less than 50 years. We have had to enter into possession and sell them at eight years' purchase.

989. That would be a speculation by private individuals, but I am putting this question to you: That as regards a municipal authority whose interest it would be to see to the proper maintenance and upkeep of those buildings—would you then think that 50 years would be a reasonable term for the life of those buildings?—I think so, having regard to the increasing cost as years go on of maintenance you would have a very large maintenance charge going on at the same time with an unreduced capital charge.

990. With regard to the repayment of loans and interest, do you approve of fixed equal annual instalments including the interest spread over the period?—No, we prefer the equal principal instalments.

991. And the interest is itself reduced each year?—Yes.

992. Is that advantageous or is it an inducement to municipal authorities to go on with the work considering that future generations are going to reap all the benefit?—I think it is. The annuity system is much more costly to the local body. The total sum paid by the locality in the term is much more under the annuity system.

993. Even although taking into consideration the assets which future generations will receive?—The asset is there in both cases.

994. No, it is an asset which a future generation has done nothing to create?—The asset is there whether you are paying money off by instalments or by an annuity.

995. Would it not be a fairer system to the present generation who initiated the work that a fixed annual sum should be paid in the repayment of these loans?—I think, having regard to the increasing cost of maintenance, the instalment system is the better way.

996. Do you object to allowing instalments to stand pending the completion of the work—the interest only being paid while the work is unremunerative?—We have no statutory authority to allow that; in fact, I think we have statutory direction to make the repayment begin from the time of advance.

997. Take

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Mr. STEVENSON.

[Continued.]

Mr. Nannetti—continued.

997. Take electric lighting. You say 25 years is the limit that you allow on that. Is 60 years the period for which they borrow?—We have 50 years subject to the general regulation of the Act that we must have regard to the probable duration of the works.

998. Do I take it that 25 years includes buildings and everything connected with an electric installation?—It represents an equated period covering various amounts for different objects. It is an equated period. Some of the works might only last for 15 years, some 20 years, and some 25 years, some for more.

999. With reference to the housing, do you not take or do you take into consideration the question of the utility or the benefit that will be done to the community in the way of clearing off the slum property and the like of that?—That is a consideration for the Local Government Board initially. We assume that when they recommend a loan they have seen a public utility in it.

1000. I take it your inspector goes first and makes a report to the Local Government Board, and the Local Government Board then reports to the Treasury?—No, excuse me. The procedure is that the local authority start the Local Government Board, who then hold an inquiry by their inspector, who reports to them.

1001. Is it an instruction from the Local Government Board to your inspector to take into consideration the advantages to be gained by the work that the local authority is promoting?—I do not know about that.

Chairman.

1002. Have you got any inspectors—do you send an inspector at all?—No, we do not.

1003. Does the Local Government Board send the inspector?—Yes.

Mr. Nannetti.

1004. In view of the pressure put upon corporations by Government to erect artisans' dwellings and the duration of the work, are you in favour of extending the periods? The Government throw upon local authorities the responsibility of providing houses. If they are handicapped by the short term it tends to militate against this class of work. Would you be in favour of extending it under those circumstances?—We have no power to lend beyond 50 years. We have either a statutory prohibition

Sir HENRY A. ROBINSON, K.C.B., called in; and Examined.

Chairman.

1011. You are permanent vice-president of the Local Government Board for Ireland, are you not?—Yes.

1012. You have seen a paper handed in by the Commissioners of Public Works describing the law which regulates the periods for public loans, have you not?—No, I have not seen it, but I think I know the substance of it.

1013. So that we have before us the law under which you act?—Yes. (*The witness handed in a further paper, "Statement of the Acts under which the Local Government Board for Ireland fixes*

Mr. Nannetti—continued.

or else we have a direction of the Treasury not to lend for more than 50 years.

Sir Albert Rollit.

1005. Having regard to your principles of the duration of the work and the continuity of utility, do you not think that the term might be lengthened in respect of the land or the land be treated as a permanent asset?—As a mere financial question, assuming that the locality is able to bear the burden, or likely to bear the burden for a longer term, I do not see that there would be any objection to treating the land separately.

1006. Am I correct in understanding you when you say that though you have statutory powers in some cases to lend for 60 years a Treasury minute limits that power to 50 years?—No. The position is this: There is a statutory power to the local authority to borrow, but not as to lending.

Chairman.

1007. In answer to Mr. Wodehouse you said that local authorities in Ireland were well within their borrowing powers. What limit is there on their borrowing powers?—Except where the limit has been extended by special Acts, as in Dublin, Belfast, and other places, the limit is twice the valuation.

Captain Donelan.

1008. May I ask whether it is the policy of your department to encourage expenditure upon useful public works in Ireland?—I think that is a question for the Local Government Board. We are willing to lend for any purpose sanctioned by an Act where the security is good enough; that is to say, where the power of the locality to pay is sufficient, and provided it is in the statutory limitation of borrowing, we make no difficulty at all about it. The money is always ready if the Local Government Board recommend the loan, and if the security is good enough there is never any difficulty about advancing the money. There may be disputes about the term of years, but there is no difficulty about getting the money.

1009. There is no appeal from your department upon the question of security?—There is an appeal. There might be an appeal from us to the Treasury; the Treasury ultimately decide.

Mr. Nannetti.

1010. You take the taxable value of the district for your security?—Yes.

Chairman—continued.

periods of repayment of loans." See Appendix No. 11.)

1014. I will ask you a question or two as to your practice under that law. If you have an application for a loan, do you send an inspector into the locality?—Generally, we do, but we are not bound to hold an inquiry unless the indebtedness of the district is equal to the valuation, but if it exceeds the valuation we must have an inquiry; as a matter of practice we nearly always do hold an inquiry unless in some very small matters, such as pumps.

1015. I

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Sir H. A. ROBINSON, K.C.B.

[Continued.]

Chairman—continued.

1015. If the indebtedness amounts to one year's valuation are you compelled by statute to have an inquiry?—Yes, if it exceeds one year's valuation.

1016. Do you say in practice you nearly always do have an inquiry?—Yes.

1017. At that inquiry you consult the local people as to how long they want to borrow for?—Yes, and investigate the plans and hear the evidence in favour of the scheme; hear any objections which opponents of the scheme may bring forward, and upon the evidence and upon the plans we then decide what we consider to be the duration of the work, and the proper period for the repayment of the loan.

1018. Do you consider anything else besides the probable duration and the continuing utility of the work? Do you consider the state of the finances of the district?—Yes, and the interests of the district and the question whether the loan is really required or not, and in the case of a housing loan whether sufficient had been done in the way of sewerage or water supply for that particular locality.

1019. You consider that water supply and sewerage ought to come first?—If possible they ought to come first.

1020. Have you had any instances brought to your notice of the utility of works ceasing before the loan has been all repaid?—Very few, only in cases of paving and concreting. In some of these we have found the works have not lasted the period which we have sanctioned.

1021. Have you any instances in Ireland where the migration of the population has rendered the works of no utility before the loan was repaid?—No, not to my knowledge.

1022. Not where the population had gone away?—No.

1023. We have heard about the Labourers' Acts loans. Do you fix the period of repayment?—It is fixed by the Treasury minute, and it is open to the local authorities to obtain loans of 30 or 50 years, but as a rule they take the longer period.

1024. The local authority settles for itself?—Yes; in the form of application for the loan they state the period for which they are going to apply.

1025. Have you no controlling power to look after what sort of houses they intend to build?—We can reject schemes altogether.

1026. But you have no power to alter the period of the loan?—No, not in regard to the Labourers' Acts loans; we do not usually interfere with the period. We might if the schemes for cottages were very bad, if a specification was defective in some way; but I am not aware that any cases have arisen of that sort.

1027. Are you being pressed to extend the period of time which you allow for the repayment of the loans?—Yes, in individual cases we have been.

1028. Do you not send out a circular? Did not you send out a circular on the 10th of November, 1899, on the subject of the maximum period for loans, or was it the Board of Works sent it out?—I do not think we sent out any circular about the maximum period of loans; I cannot remember it.

1029. Are you aware of a circular sent out by the Board of Works limiting the maximum

Chairman—continued.

period of loans?—The Board of Works, when the Treasury alter their terms of repayment, notify that to us, and we then send out a circular apprising the local authorities that a change has been made in the terms of repayment; I believe there was a circular about increasing the rate of interest last autumn.

Sir Albert Rollit.

1030. What is the distinction between the Local Government Board and the Board of Works in Ireland?—I think the distinction is that the Local Government Board are more concerned with the necessity of the works and the requirements of the locality; they look into that principally; and the Board of Works look into the security for the repayment of the loan. The Board of Works are not concerned in any way with the necessity of the work—that they leave to the Local Government Board.

Chairman.

1031. Are the Board of Works the Commissioners of Public Works?—Yes.

1032. They are the same body as represented by Mr. Stevenson?—Yes.

1033. Then the circular that I just referred to was not issued by you but by the office that we have just had represented in the box?—Yes.

1034. And it is the one which Mr. Stevenson referred to?—Yes.

1035. Do you find any of the local authorities in Ireland ask for shorter periods than the full maximum period allowed by the Act?—It is quite the exception.

1036. But you do have occasional instances?—Yes, occasionally; I have known a few cases in the North.

1037. Where they are willing to take a shorter term than the Act will allow them to?—Yes; they are given the alternative—a reduced interest at a shorter term, and they take the reduced interest and a shorter term—in a very few cases.

1038. As to paying off loans, do you favour the principle of instalments of the principal being paid, with interest on the outstanding principal, or do you prefer the annuity system?—I think for reproductive works I should like to see the annuity system, but I know that the Board of Works, who are better versed in the merits of the two systems, are more favourably impressed with the instalment system.

1039. What security have you in Ireland that the instalment will be put by; have you any system of auditing the accounts of the authorities?—Yes, but the instalment is paid each half year to the Board of Works, and if the instalment of principal and if the interest is not paid they would take proceedings against the local authorities to require them to pay.

1040. But there is a certain amount of money borrowed in open market, is not there?—Yes.

1041. How do you see that they pay the instalments in Ireland; we have a difficulty in England?—Our auditor goes round, and he verifies their statement of their sinking fund. They are required to invest a sinking fund in certain statutory securities, and they furnish a return once in each year showing what their investments are.

1042. Are

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[Continued.]

Chairman—continued.

1042. Are they bound to furnish you with that in the case of municipal boroughs in Ireland?—Yes.

1043. Do you audit the accounts of the municipal boroughs in Ireland?—Yes, and of every local authority.

Sir Albert Rollit.

1044. You say you generally hold an inquiry?—Yes.

1045. And thus you become acquainted with all the details of the undertaking?—Yes.

1046. Both as to durability and continuity, and what I may call public utility?—Yes, as to public utility.

1047. And you have regard also to what you call the necessities of the district. You mean, I suppose, the possibilities of development and the like?—Yes.

1048. Do you confirm, on the contrary, my own observation that, having regard to the action of the Local Government Board in Ireland that these loans and the like have greatly advanced the condition of the people from the economical and social point of view?—Yes, I think they have enormously improved the condition of the people.

1049. Do your loans include harbour works for the development of fisheries?—No.

1050. What are the general class of undertakings that you make advances in respect of?—Water schemes, sewage works, labourers' cottages, housing of the working classes, seeds for potato supply, and loans for relief of distress.

1051. So that to some extent your work is collateral with that of the Congested Districts Board?—No, only in seasons of exceptional distress and then such measures are entirely temporary. The Congested Districts Board undertake permanent relief measures.

1052. Judging from the Savings Bank statistics there has undoubtedly been a great improvement in the condition of the people on all those points?—Yes.

1053. You have not any instance of what I may call non-durability in accordance with your estimate?—Practically none.

1054. Except *de minimis*?—Yes.

1055. Does not that indicate that there might be a little margin of safety, and that that would be desirable, having regard to the utilities of which we have been speaking. If you have no instances of non-durability, and if there is so much utility, do not you think it may be taken that there might be with public advantage a wider margin both of utility and safety?—I am not sure.

1056. I do not say greatly larger?—Because we have not had experience of these things for very many years. The Labourers' Acts, for example, came into operation in 1883; the Housing of the Working Classes Act is comparatively recent, and all the operations under the Public Health Act have taken place since 1878.

1057. I will take it from your knowledge through your inspectors, and from the reports made to the Local Government Board on the points of durability and continuity of value,

Sir Albert Rollit—continued.

what is your opinion—do you think that there might be some enlargement of the terms consistently with public safety and justice to future generations?—Well, I think that in regard to Ireland it is very desirable that we should do what we can to encourage the people to spend money in the improvement of these small towns. They are circumstanced in an entirely different way from those in England; there are no industries to speak of, and in sanitary matters they are very backward as a rule.

1058. Giving the full force to that, and having regard to the contents of your reports based on public inquiries, do you think there may be said to be a somewhat greater margin of safety in respect of the length of the term of the loan?—For some of them I think certainly.

1059. And taking into account for such a great public purpose as housing that the land is always there, and in populous centres that there is not any great danger of the supersession of the value of the land, do not you think that *quâ* the land, it might be treated either as a permanent asset or that a considerably enlarged term might be fairly and safely granted?—With regard to the land I do.

1060. I have been told—I hope I am wrongly informed, and from what you have said I think I am—but I have been told that the Local Government Board or that some Department has, by circular, reduced the 60 years' term, which seems to be the general one, to 50 years. Is there any foundation for that?—I am not aware of any circular, but, as a matter of fact and practice, 50 years is the maximum which is allowed by the Local Government Board.

1061. Very well; we will take it on that footing. Having regard to what you have said about durability and the like, why—is it under Treasury influence or how—is it that you have reduced the statutory maximum of 60 years to the practical one of 50?—The large majority of these towns can only obtain money from the Treasury, and as the Treasury can only legally allow 50 years it is not much good our recommending a longer period.

1062. It is really the Treasury which puts its foot down and will not let you give the full statutory term?—As a matter of fact, it is a bar in those towns.

1063. If you had your own way, based on your own experience and examination, you would be disposed to recommend a statutory term of 60 years?—For what purpose—for land alone?

1064. No. I am speaking in relation to the more permanent works—I do not mean electrical undertakings?—I think for lunatic asylums or the acquisition of lands in the centre of towns for the housing of the working classes I would be in favour of a longer period.

1065. Take the case of a sewage farm—which is practically land?—I am not so sure about that.

1066. You know that it is a singular instance that in the English Acts as to sewage farms there is no limit. I think practically. Perhaps there is not much sewage farm question in Ireland?—I have very little experience of that.

1067. So that I may take it that the only bar to the 60 years' statutory limit being adopted in the cases you have mentioned is the hand of the Treasury?—Well, the practice of the Local Government

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Government Board has been never to give more than 50, and although the Treasury would bear us out in the case of people applying to them, at the same time the Local Government Board do not give more now even in cases where the borrowers might perhaps get it in the open market.

1068. So that owing to the Treasury or to some other cause, the statutory limit in the cases you have mentioned does not practically exist?—It is seldom, if ever, allowed now.

1069. Do you think there would be any objection to allowing the payment of interest upon the loan to commence when the works are completed and when they begin to be remunerative?—I think that would be desirable in the case of reproductive works.

1070. You are aware that that is the practice to a large extent, and in accordance with the Standing Orders of the House of Commons in the case of Bills?—I am not aware of that.

1071. May I put it to you in regard to the payment of interest during construction being delayed, that during that period no benefit is obtained from the work?—Quite so.

1072. And in that respect even if the work ceases to be useful, posterity and the present generation are in the same position?—Yes.

1073. Have we experienced in Ireland any of the difficulties which are encountered in England in carrying out the intentions of Parliament as to housing owing to the limitation of the term?—No.

1074. Have no corporations and no municipalities complained of the undue shortness of the term as limiting their action?—That is not the difficulty. The difficulty is owing to the small areas of these towns and the small valuation. Their margin of borrowing power is not sufficient to enable them to carry out big schemes of that kind. There is a great want of uniformity in these towns; for instance, you will find the town of Omagh with 100 acres, and another small town like Naas with 4,000 acres. When we find they are prevented from carrying out their scheme under the Housing of the Working Classes Act, it generally arises from the fact that the area of the town is confined and does not take in a wide margin of the country.

1075. Have you had no complaint that the difference between 50 years and 60 is not allowed?—Not many, I believe.

1076. I believe the scope of your help at the Local Government Board in Ireland to works is very wide, is not it?—Yes, we endeavour to encourage them as much as possible.

1077. One thing I remember is that you go so far as to run lines of coaches where there are breaks between termini?—That is the Board of Works.

1078. I know that is a great advantage in opening up the country?—It is an excellent plan.

1079. The Board of Works does that?—Yes.

1080. So that in Ireland there are municipal coaches and four?—Yes.

1081. And they work most advantageously?—Yes.

Chairman.

1082. They do not borrow money for that?—The Board of Works subsidise them.

Mr. John Hutton.

1083. I think that under Section 60 of the Local Government (Ireland) Act, 1898, you are allowed to make loans to the county council for the maximum period of 60 years?—Yes.

1084. I see also that in a note on the other paper, as a matter of fact you have fixed the repayment for such matters as the construction of county infirmary buildings and so on at 30 years?—Yes.

1085. You have just now told us that in the case of lunatic asylums, and, I think, in other matters of that kind, that is to say, in the case of substantial buildings, you grant 40 years. Is there any reason why you should grant the county councils a less period than you do the others?—It is nothing to do with the body to which we lend—it altogether turns on the plans submitted to us at the inquiry. If we consider that the work is very durable we should allow 40 or 50 years, and if, on the other hand, it is merely a temporary erection, we should not allow so much.

1086. It states here that "Only a few loans have been made to counties since 1898. For durable purposes, such as the construction of county infirmary buildings, the period of repayment has been fixed at 30 years?"—That is not my paper. That is the paper of the Commissioner of Works.

1087. As a matter of fact, although you have power to grant the county councils 60 years for the loans, you never grant apparently for more than 30 years?—We have had very few loans for the county councils so far—only since the passing of the Local Government Act, 1898.

1088. Why should you limit them to 30 years for the county infirmary, which must be a substantial building, when in the case of a lunatic asylum you grant them 40 years?—That was probably a loan under the County Infirmary Act prior to the passing of the Local Government Act of 1898, and there may have been some statutory restriction with regard to that loan.

1089. It states that "Only a few loans have been made to counties since 1898?"—I have not the paper before me. I should have to inquire into the circumstances of that particular loan. I fancy it would be in consequence of the nature of the work. It might have been a concrete building or a brick building.

1090. I suppose the security of a county council is quite as good or even better than that of an ordinary local authority?—Yes, quite as good.

1091. Can you tell us what is the total local debt of Ireland?—I am preparing a return. I am sorry that it is not ready to-day. That return would show the indebtedness for the last 25 years. I have only got the indebtedness of the various authorities which come under our control. The debt of the town authorities is 6,500,000£, the debt of the counties is 300,000£, the debt of the rural districts is 1,934,880£, the debt of the joint burial boards 6,912£, the debt of the drainage boards 157,420£, and the debt of the asylums' committees, 1,154,846£.

1092. Take

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Mr. John Hutton—continued.

1092. Take the 6,500,000£, town authorities. What proportion of that would be remunerative loans?—I am afraid I cannot give you that without making further inquiry.

1093. Has the local debt increased in the last few years—is it an increasing debt?—Yes. The debt of the town authorities in 1875 was 1,700,000£, and it is now 6,500,000£.

1094. Have you worked out the percentage?—I have not got it quite ready.

1095. Can you tell us for the corresponding years the ratable value of the urban districts?—The ratable value of Ireland is now about 14,000,000£. In 1875 it was 13,000,000£.

1096. That is the ratable value of the urban districts?—No, of the whole of Ireland.

1097. Do you propose to put in a return as to that?—I am getting all these particulars ready.

1098. Can you tell me what proportion of the loans of the local authorities of Ireland has been obtained from you or from the open market?—The loans which are obtained in the open market are nearly all confined to the county boroughs and to the large towns.

1099. Are they included in the 6,500,000£?—Yes, everything is included in that.

1100. Can you tell me what proportion it is?—No, not accurately—nearly all except a few of the large towns obtain their money from the Board of Works.

1101. Have you any cases where a town's indebtedness has become above twice its rateable value?—Yes—not above it, but up to it. We have frequently had to refuse loans on the ground that the limit of borrowing power had been reached.

1102. You refused the loans if the borrowing powers have reached twice the rateable value?—Yes.

1103. Even for remunerative work?—No matter what it is for. We have no power to give it. The local authorities have to obtain a private Act if they want further borrowing power.

Chairman.

1104. Cannot you extend the borrowing powers by order of the Local Government Board in Ireland?—No. They must obtain a local Act.

Mr. John Hutton.

1105. Then with regard to the repayment of loans, do you ever give your sanction, or is it possible for any local authority to utilise its sinking fund for further capital expenditure?—Yes. Once they have paid off a certain amount, then we would take that into consideration when we are considering what their margin of borrowing power is. If they had paid off a certain amount they would have borrowing power to that extent.

1106. They would have to come to you again for sanction for that purpose?—Yes.

1107. And at the end of 30, 40, or 50 years, how would you calculate the debt of the authority?—Whatever was outstanding—whatever the amount of the previous loans was that was outstanding would represent their indebtedness.

1108. There would be the remains of about five debts?—There might be. There would be no difficulty in calculating what the outstanding indebtedness was of any town at any time.

0.12.

Mr. McCrae.

1109. I understand, Sir Henry, that a local authority, if it is going to borrow—whether from the Public Works Commissioners or in the open market—must come to the Local Government Board for sanction?—Yes.

1110. In any case?—No, not in every case. Under private Acts some of them can borrow without coming to the Local Government Board.

1111. That will apply to the borough councils principally?—Yes, for certain purposes they can borrow without coming to the Local Government Board.

1112. I take it that, although the Acts of Parliament allow 60 years for the purchase of land under the Housing of the Working Classes Act and the Labourers' Acts, and for open spaces, in no case do the Local Government Board allow a longer period than 50 years?—That is the general rule.

1113. Then it applies whether the borrowing is in the open market or from the Public Health Commissioners?—Yes.

1114. It applies in both cases?—It applies in all cases.

1115. Do you yourself see any reason why the period allowed by Parliament should be circumscribed in that way?—So far as regards some loans as I said in regard to the purchase of land and very durable works I would be in favour—having regard to the poverty of Ireland and the very great pressure of taxation on the local taxpayer—to give them all the relief possible, and to give them a longer period for repayment in some cases.

1116. You said in reply to a question that you thought it right really to encourage these authorities to spend?—For public health matters—Yes. They are very backward.

1117. I take it that in no case is the 60 years allowed. If they are going to borrow in the open market, do you take into consideration the nature of the work and allow an equated period to the extent of the 50 years for land and buildings, or do you allow 50 years as an outside limit for land, and perhaps a shorter period for the buildings?—We fix a period for each item. If it was an electric installation we should take so much for the land. In a very few cases we have given 60 years for the land when the borrowers were not going to the Treasury, and when they were borrowing in the open market. We have given perhaps 60 years for land, 15 years for machinery, and 20 for mains, and so much for buildings, and then we take the equated period.

1118. Have you allowed in many cases the full period of 60 years in the case of land?—No; only in a very few instances, where we have been very much pressed by the local authority.

1119. In fixing the period of repayment do you take into consideration whether the loan is to be repaid on the annuity or on the instalment system?—No.

1120. You do not take that into consideration at all?—No.

1121. In fixing the period of repayment?—No. We do not take that into consideration. That is done by the Board of Works altogether.

1122. I take it that in the case of a loan that is to be raised in the open market your sanction is required, and in that case do you take into consideration whether it is to be repaid on the annuity

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[Continued.]

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annuity system or on the instalment system?—No. When they raise it in the open market they usually do it by the issue of stock, and there is a redemption fund.

Mr. Bill.

1123. Are you aware of any case in which a local authority has come to you for a loan and you have refused it on account perhaps of the excess of their indebtedness, and that after that the authority has gone to Parliament for a Bill to secure from Parliament what you refused?—Yes, that not infrequently occurs. They come to us and point out that some work, like a sewerage work or a water supply, is absolutely necessary, and we may think that the scheme is a most desirable one, and that the rates are not very heavy, and then we point out that the only course is to apply to Parliament for further powers.

1124. That frequently happens?—Yes.

1125. And they get the powers?—They generally get the powers. I fancy the English Local Government Board have power by Provisional Order to extend the borrowing powers, but we have no such power.

Mr. Heywood Johnstone.

1126. Are the local bodies in Ireland dissatisfied with the present periods?—We have not received very many remonstrances from them. I think they are dissatisfied with the smallness of their borrowing powers owing to the limited size and valuation of the towns.

1127. But not as to the periods?—We have not received very many representations as to that.

1128. A distinction has been drawn between the price of the land and the expense of the work to be carried out upon that land. Could you tell us at all, or give us even a rough idea, of what proportion the land would represent of the money borrowed for these public purposes?—It would vary entirely with each scheme.

1129. Would you take first the country and then the town?—I do not think I quite follow you.

1130. Take the houses of the labouring classes; for instance, what proportion of the expenses roughly would be represented by the land in a country district?—I should think the land would be between a third or a fourth of the cost.

1131. Do you mean to say you could put up a cottage for twice the price of the land?—I think the proportion is about what I have said.

1132. That the land in the country districts would represent thirty-three and one-third per cent. of the total cost of a work like that?—It would be roughly about 25 per cent. of the cost.

1133. You could not tell me any more I suppose with regard to the towns?—No. I am sorry I cannot tell you without any notes.

1134. If it is so substantial a proportion as that in the country it would be considerably more in the towns?—Yes.

1135. And the land might represent half the cost of the work in the towns?—I do not think the land in towns in Ireland has the same value as the land in the towns in England, because the towns are not so flourishing as English towns.

Mr. Heywood Johnstone—continued.

1136. I am afraid you cannot carry it further than this—that you do not know of your own knowledge, even roughly, what the proportion would be between land and works?—I have only a very rough idea from the total cost of the labourers' cottages in the rural districts.

1137. Once having sanctioned the work, have you any control over the state of repair in which it is kept?—When we once sanction the work we have control during the erection of the works, as the instalments of the loan are issued after inspection by us.

1138. Yes, but supposing you had sanctioned a loan for the erection of labourers' dwellings—have you any supervision or control over the state of repair in which those buildings are kept during the currency of the loans?—No, absolutely none.

1139. And if they are allowed to fall into disrepair, and if they are allowed to lose the capacity of earning rent at all, you have no power to order the local authority to reinstate them?—No, but if our inspectors in the course of making their visits through the country were to see that the houses were in a very dilapidated state, they would represent that to the District Council. But beyond making a representation to them we have no further power.

1140. You would have no power to enforce that representation?—No.

1141. So that if the public work, of whatever character it is, were to fall into disrepair and to lose the capacity to earn an income, you have no power to put that state of things right?—That is so.

Mr. William Jones.

1142. You said that there were some local authorities who were asking for the shorter term?—Yes.

1143. Could you give us an idea of the percentage now of such local authorities who are asking for the shorter periods?—I can only remember 5 or 6 cases.

1144. The vast majority really apply for the maximum period?—Yes.

1145. Having regard to the necessities of the districts, and the utility of the undertakings generally, you are all-in-favour of the extended period?—So far as consistent with the duration of the work.

1146. Taking your experience generally, having regard to the facts and the merits of the cases, you are in favour of the maximum period?—For land?

1147. Yes?—For land I am, and also for works of a very substantial character.

1148. What do you say about harbours?—I do not know much about them, as they do not come within the jurisdiction of the Local Government Board.

1149. Do you deal with the development of the foreshores? I suppose you do not touch that?—No.

1150. But public buildings you do?—Yes.

1151. With regard to public buildings, town halls, and things of that sort, as far as your department is concerned you go in for the extended period?—We allow as long a period as we possibly

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sibly can, consistent with the probable duration of the work; because the local authorities require a great deal of encouragement in carrying out town improvements, sewage works and water supplies. They want very little encouragement with regard to the housing loans, but with regard to the other reforms they do.

1152. And one method of encouraging them is to extend the period of repayment, is it not?—We give them the longest period we can, and in some cases we give perhaps a little longer than the English Local Government Board do.

1153. Do you find, in connection with those who ask you or a shorter period, that they ever come to you for a renewal?—No; I cannot remember any.

1154. They stick to their bond?—Yes, when they have asked us. Once they ask the shorter term, and the loan is made, they cannot go back on it.

Mr. A. K. Loyd.

1155. The loans from the public market, you tell us, are almost entirely got by the Borough Councils?—Yes.

1156. Were you able to tell my honourable friend what the amount of indebtedness borrowed from the public is?—No; I have not got it separately.

1157. In those cases, is the repayment always by sinking fund, with regular interest all over the whole period?—A certain amount is paid out of the rates every year to the redemption fund.

1158. Are there any cases of borrowing from the public where the repayment is either by regular instalments or by annuity?—Yes; there are a few cases perhaps. Sometimes they advertise for private loans from private individuals.

1159. Where a very large amount is taken from one particular lender, he is prepared to take repayment in that way, but the general public subscriber likes repayment at the end of the term?—Yes.

1160. We heard from the last witness that more than half the outstanding liability on loan for labourers' cottages was for the full period of fifty years.

1161. I asked him whether the remaining cases would be cases in which the Local Government Board had cut down the period to a shorter time, and his answer was that it would be either that or from the preference of the Local Authority itself?—Yes.

1162. I understand you say you only remember about five cases?—Five or six cases.

1163. In which the Local Authority has gone for a shorter period?—I was not thinking of labourers' loans at that time; I presume in those cases he referred to it was that they had the choice of the thirty years and they took the short term.

1164. You would not be prepared to say that except in five or six cases out of the residue, it had been a case of the Local Government Board cutting down for good reasons the period?—No.

1165. You think it may be five or six?—I was only speaking of those I had known of.

0.12.

Mr. A. K. Loyd—continued.

1166. On the whole, you would rather be disposed to extend that, and say: Although you think you can remember only five or six, you think the tendency of the Local Authorities has been to take the shorter period?—No; I think the tendency has been, in the vast majority of cases, to ask for the extended period.

1167. In a great many more than five or six you think they have gone for the shorter period?—Though there may have been more, I only mentioned those I happened to remember at the time. If I was to make an inquiry from the Board of Works I dare say they could give us many other instances.

1168. That is your own department?—No.

1169. I asked the last witness (who did represent the Board of Works), and he rather referred to your department?—As to the reason?

1170. As to the extent to which the shorter period was due to your initiative or to that of the Local Authorities?—I should have to make further inquiry as to in how many cases we had refused to sanction labourers' loans on the ground that the specification was bad. No doubt, in some cases it might have been that the class of cottage was not sufficiently good.

1171. That is what I am aiming at. What sort of considerations have led you, where you have done so, to cut down the period with regard to labourers' cottages?—Probably a very cheap house—the erection of a cottage on a not very satisfactory specification, that we do not think would last for 50 years.

1172. A shifting population does not enter into it?—No.

1173. What sort of neighbourhoods are the cottages under the Labourers' Cottages Act built in?—All over the entire country, except Connaught and Ulster.

1174. On agricultural land?—Yes.

1175. And pasture?—Yes.

1176. Are the cottages far apart, or in rows?—Generally single or double cottages.

1177. You have the plans, and you go into the proposal as to the class of cottage proposed?—Yes; and as to the necessity of the cottage in each case, as to whether the labourer's house which this cottage is intended to replace is in an insanitary condition; as to whether there are vacant houses in the district, and employment in the district, and also whether the limit of the 1s. in the £ is likely to be exceeded.

1178. Do you mean as to whether the total cost of the work will exceed 1s. in the £?—Whether the repayment of principal and interest on the loan will exceed 1s. in the £ over the entire district.

1179. Having looked at these plans, what is about the cost of these cottages?—About 170l. or 180l. as a rule.

1180. Is that when in pairs or singly?—That is about the average; they would be less when built in pairs.

1181. About 150l. apiece?—Yes.

1182. How many roomed cottages?—Three-roomed cottages.

1183. And outhouses?—Yes, a little pigsty.

1184. And washhouse?—No; no washhouses; but privies in all cases.

1185. Then the Local Authority becomes the landlord, and can you tell us what rent is charged for

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for it?—From 1s. to 1s. 2d. in the £; sometimes 1s. 6d. Latterly they have been reducing the rents; I think the average rent now is about 1s.

1186. How does that work out as a paying outlay. Does the rent cover the interest on outlay and repairs?—No, there is a loss of nearly 7l. on each cottage to the ratepayers.

1187. That has to be met out of the rates?—Yes.

Chairman.

1188. That is an annual loss you mean?—Yes.

Mr. A. K. Loyd.

1189. "Labourers" is used in the same sense as we use it in this country; it does not include artisans?—No.

1190. They are dealt with under the Housing of the Working Classes Act?—In towns.

Mr. Brigg.

1191. Mr. Stevenson, who was here before you, I think, told us of about 12,000l. of arrears in reference to the repayment of local loans. Is that anything you know anything at all about within your department, that is to say, know anything about the arrears of local loans?—Yes, we should probably know something about it if those loans were not due by the county authorities—if they were due by the district councils.

1192. We have a return made of the remissions of local loans extending over all districts in England, Ireland, and Scotland, and a considerable part of these remissions are made in Ireland; and I want to ask you on whose advice are these remissions of debts to the Local Loan Commissioners made; is it by the advice of your office, or the Treasury, or whom. They are practically bad debts which are cancelled?—The only remissions which we have ever recommended have been loans in respect of old seed debts. We have recommended the Board of Works to remit loans of that class, but I do not think we have ever recommended them to remit any other loan.

1193. The real control over that is not in your hands?—No, in the hands of the Board of Works.

1194. You only recommend so far as the debts incurred under your recommendation have been concerned?—Yes.

1195. Consequently, when we see the remission for seed-debts, we must suppose they have been remitted by the action of the Local Government Board?—Yes.

1196. In this paper, Item No. 6, as to piers and harbour construction, there is only one application since 1898, and that application was sanctioned and the loan was sanctioned for seven years only. I should like to ask: Can you give us any idea why more applications have not been made on behalf of the fisheries' harbours and extensions of that kind for the purpose of fishing on the west-coast of Ireland?—In the first place, I think they have very fine natural harbours. The coast is intersected with harbours and bays. That is one reason perhaps. Then, again, these districts on the west coast of Ireland are extremely poor, and the county authorities would hesitate before

Mr. Brigg—continued.

they incurred any very large expenditure for harbours. I think it is principally on those grounds.

1197. That does not quite answer what I want to know. What I want to know is this: This west coast of Ireland is an extremely good place for fishing, and fleets would go there much more frequently if they had a convenient harbour in case of storms?—Your question is: Why are they not supplied.

1198. Why is not more application made for them?—I think it is because the County Councils must consider the financial position of their counties, and, of course, the portion of the county abutting on the sea-shore is a very small proportion of the whole; and, probably, the ratepayers of the inner districts of the county would carry a good deal of weight, and probably form the majority; and in the event of the councillors in the coast districts desiring a large expenditure for a harbour, they might find themselves outvoted.

1199. Would the transit by rail have anything to do with it?—No; I do not think so. I think the reason why harbours are not being built is that which I have mentioned—the fact that there are very good natural harbours, and where there are not that the County Council would object to a very large expenditure.

1200. You have only given 7 years in this document?—We did not recommend those harbours.

Mr. Charles Murray.

1201. With regard to the question as to the labourers' cottages and the proportion of the value of land, is it the case that in fixing loans for labourers' cottages an allotment is attached to the cottage?—Yes.

1202. And, therefore, it is not merely, as in towns, the site of the house?—No, it is an acre of land. It may be an acre or half-an-acre, whichever the Councils think fit.

1203. Do you think it would be advisable that your board should have any powers of supervision in regard to lengthening the period—I mean the supervision of upkeep?—I think the Local Government Board have got so many powers over local authorities in Ireland that it is hardly desirable to give them more. There is a great deal of friction where we are called upon to interfere in small matters.

1204. The question is that the continued value of the dwelling is very much dependent upon its upkeep?—Yes.

1205. And where a substantial building, if well kept up, may have some value to futurity, at the end of 60 years it may have no value?—Yes.

1206. In your opinion it would not be advisable in this case?—I do not know that we could do much good by interfering with them in that way. When we make representations to them as to the condition of the cottages, they usually put them in order, and it would scarcely be feasible for us to proceed further in case of default.

1207. I gather you put the average cost of labourers' cottage with allotment at, roughly speaking, 130l.?—180l. Probably more with the acre allotment.

1208. And the annual charge on that is?—It

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[Continued.]

Mr. Charles Murray—continued.

It depends on the 50 years—the annual loss is nearly 7l. as a rule.

1209. I was trying to get from you how that arises?—Between the charge and the rent which the man pays.

1210. If the local authorities have borrowed independently of you, under local acts, do you consider that in any further application, or do you only consider sums borrowed from you?—Do you mean as to the margin of borrowing power?

1211. Yes?—When the local authorities obtain borrowing powers by private Acts they exempt them from the provisions of the Public Health Act, and thus obtain additional power of borrowing.

1212. When they come to you, do you take that into consideration at all?—Sometimes they get largely increased borrowing powers—seven or eight times the valuation—and within the statutory limit we sanction loans.

Captain Donelan.

1213. I think you said just now, as far as you were aware, local bodies in Ireland were satisfied with the present system?—They have not expressed opinions to us on the subject. Generally when they send in an application for a loan, when they are asked the terms on which they desire to borrow, they put the maximum term.

1214. From that you would imply that if the term were extended, they would probably take the advantage?—Yes.

1215. May I ask whether your experience does not lead you to the conclusion that local bodies in Ireland would prefer an extension of the period?—I am not quite sure so far as the rural districts are concerned that they would care very much about it for the labourers' cottages, because they have a very large valuation, and the rates are not so oppressive on them; but in the towns anything which would give them power to carry out improvement schemes, I think, they would welcome.

1216. Is it not the fact that the applications made for loans by rural district councils in Ireland are almost invariably for 50 years, or on the 50 years repayment?—Usually, when the application is made the formal application for the loan is filled in by the Clerk to the District Council, and he knows what the Local Government Board's practice is, and he generally puts in the term which is permissible; that is the way in which it comes before us.

1217. You mentioned that some applications for loans were for 30 years, others 50 years. Can you state from your own personal knowledge whether any application made by a rural district council in Ireland for carrying out the Labourers' Cottages Acts has been made for 30 years?—I believe so. I am not quite sure as to the particulars, but I think the member of the Board of Works gave some particulars that came to his knowledge.

1218. May I ask whether you endorse the statement made by Mr. Stevenson, that loans made to public bodies in Ireland are well paid?—Yes; I think they are wonderfully well paid.

1219. Do you consider that there would be any risk in extending the period of repayment, say for carrying out the Labourers' Cottages Acts in

Captain Donelan—continued.

Ireland?—I think the period for the Labourers' Cottages Acts is long enough, having regard to the duration of work. I am very much afraid that as to the cottages, their life will not be more than fifty years; but with regard to other works, such as loans for taking lands in town or large works like lunatic asylums, I do not think there would be any danger at all.

1220. Is not it the fact that labourers' cottages in Ireland are built under the supervision of the Local Government Board?—All the Local Government Inspector has to do when he goes down is to see that the money has been expended, but he is not responsible for the plans or for the particular class of plan which the Rural District Council accepts. The money is advanced to them by instalments, and all the responsibility we have in the matter is to see, before we recommend the issue of an instalment, that the amount of the previous instalment has been laid out on the cottage.

1221. You are not responsible that the cottage is substantially built?—No; we could not do that unless we stood over the cottage and watched it. That is for the clerk of the works.

1222. Is it your experience that the labourers' cottages built under these Labourers' Cottages Acts are, as a rule, substantial cottages?—Some of them are, but a great many of them are not. We receive numbers of complaints from labourers, saying that they have been in many respects of faulty construction and badly carried out.

1223. They are all substantially built—they are all slated, and substantially built of stone?—Yes.

1224. You mentioned just now that some of the applications under the Labourers' Cottages Acts were for building on acres and some on half acres?—Yes.

1225. Is it not the usual rule now that applications are for acres?—Yes; I think they go in for an acre allotment now, as a rule.

1226. Is not it also the fact that, as a general rule, the Rural Councils in Ireland, when they decide upon a site, generally speaking, secure an acre of good land?—Yes; they always try to get the very best.

1227. Do not you consider that an acre of the very best land in various districts in Ireland would always be a security?—As far as the land is concerned, yes.

1228. It would be a considerable proportion?—Yes.

1229. I think you mentioned that an inquiry was always held before a loan was sanctioned?—Always for a labourer's cottage.

1230. Might I ask who presides at those inquiries?—One of the Inspectors of the Local Government Board.

1231. Have those Inspectors, as a rule, any local knowledge whatever?—Yes; the Inspector has charge of the entire district as a rule. When he goes down there and holds an inquiry—

1232. When he goes down, yes?—He is stationed in a certain district. Ireland is divided into a certain number of districts, and there is an Inspector for each. He would go down, and he hears the evidence which they bring forward, and visits every part of the district dealt with in the scheme before he makes his report.

1233. Is

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1233. Is it not the fact that, as a rule, the Inspectors are strangers to the districts?—When there is a very great pressure of work, and the Inspector of the district is not able to carry out the inquiry, then we send a man available from some other district.

1234. Is the decision as to the utility of these works left entirely to the discretion of the Inspector?—We nearly always adopt his report, unless some circumstances come to light after the inquiry was held which would make us vary it. As a rule, he makes recommendations to us, and our practice is to adopt them.

1235. Have the Local Authorities any voice in this matter?—Yes, certainly. It is upon their recommendation that we sanction the cottages being built, and the loan.

1236. Is not it the case that of these applications a large proportion are rejected by these Inspectors?—Yes; a great number.

1237. May I ask with what object?—Because the necessity for them has not been proved, or because the Guardians have come forward at the inquiry, and perhaps withdrawn the cottages; and perhaps because they were taken upon land which was precluded by the Act from being taken for the purpose. Perhaps there was no water available, or perhaps some mistake was made in the site, or the notices had not been served. It is nearly always one of those grounds.

1238. Is not it the fact that these applications, before they come to the notice of the Inspector, are invariably supported by sworn evidence and sanctioned by the Local Authority?—Sworn evidence?

1239. Yes.—Representations are made, signed by the neighbours. These representations are then considered by the District Council. They may reject some and pass some; or perhaps they may pass them without going into them. Their engineer lays out the sites, and perhaps he is accompanied by the Guardians of the district, and perhaps not. Then a scheme is prepared and submitted to the Local Government Board. They order an inquiry, and an Inspector goes down and gives his recommendation, and the recommendation is communicated to the Board of Guardians.

Chairman.

1240. I do not think we can go into the administration of the Act. They do not refuse to accept the recommendation on account of the period of loan asked for. That is the only question we have before us.

Captain Donelan.

1241. Perhaps I might be allowed to ask whether it is not the fact that before these applications come before the notice of the Inspector, they are all sanctioned by the Local Authorities?—Yes; the scheme is signed by the Local Authorities.

1242. Then any applications that are rejected by the Inspector are applications that have been sanctioned by the Local Authority?—Yes; but, of course, the Local Authority, if they object to the Inspector's report, may make a representation to the Local Government Board, who may consider it and act upon it, as they very often do.

Captain Donelan—continued.

1243. Might I ask whether you do not consider the policy of providing decent dwellings for labourers deserving of every encouragement?—Yes, I do.

1244. Do not you think that extending the period of repayment would tend to encourage public bodies to carry out the Labourers' Cottages Act more liberally?—I do not think the Guardians in the South of Ireland require any encouragement so far as carrying out the Labourers' Cottages Act is concerned. I think they are very liberal, and very generous towards the labourers.

1245. You mentioned just now that the cost to the ratepayers of these cottages was about 7l.?—Yes.

1246. And that the total cost of construction was about 150l.?—About 180l.; that is for the whole thing; there are the preliminary expenses and the engineering expenses, and one thing and another.

1247. In that 7l. you included the rent?—Yes. The net result of building the cottage to the Local Authority is that the loss to the ratepayers is nearly 7l.

Mr. Wodehouse.

1248. Sir Henry, you have expressed your willingness to extend the term of the loan in certain cases—that is to say, in the case of land and also in case of solid durable works?—I think, having regard to the desirability there is of encouraging the Local Authorities in Ireland to improve the condition of the towns, that that inducement might properly be held out to them. There is also the further fact that the rates in Ireland are very oppressive in all these towns, and anything that would relieve them I think might be done.

1249. Have you formed in your mind any opinion as to the extent to which you would prolong the term?—No; I have not thought of that.

Mr. Nannetti.

1250. You said that the Local Authorities, when they send their scheme before you, generally ask for the full limit to which they are entitled?—Yes.

1251. And then you send your Inspector, and you settle the period for which you will advise the loan to be granted?—Yes.

1252. You said there are very few complaints with reference to the term granted?—Yes.

1253. Is the reason that there are no complaints because the Local Authorities know that there is a *non-possumus* attitude taken up by your department, not to grant beyond the period of fifty years?—I dare say.

1254. Is it the Treasury that has made that order to limit the period?—It is the Act of Parliament.

1255. The Act of Parliament limits it to sixty years?—Yes.

1256. The policy of the department is to grant loans, we will say, for a period less than that?—Yes.

1257. Is it the Treasury that has settled that?—Of course, the Treasury have certain rules which govern them, but we have not always to consider that. When we sanction a loan we consider

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consider the durability of the works, and no doubt, as you say, the local authorities do not make representation for the larger term because they know our practice with regard to every class of work. If a loan is for paying purposes, or for sewerage works, or for water supply, and we, with out experience, find that a certain period is fair to sanction for that purpose, we do so irrespective of Treasury rules.

1258. Did you ever hear of any complaint in Dublin, for instance, that it is the officials who settle the term of repayment, and that consequently there is no use in putting in for a longer period?—I have not heard any complaints. In the larger and more important towns like Dublin and Belfast, of course the members of Corporations themselves look into these matters and make a fight for the longest term they can.

1259. I do not mean the officials of the Corporation; but of your department. Has it come to your knowledge that it is not the Treasury that limits the period for the loans, but it is rather the department over which you preside?—Yes. If that representation is made it is quite correct in certain cases.

1260. It is the department that is responsible for the limiting of the period, and not the Treasury?—The department certainly. The Local Government Board, in the first instance, sanctions the loan for a certain period. We are influenced no doubt by the fact that the Treasury have also a certain period which they have laid down; and that it is no use our recommending beyond a certain period to the Treasury; but, nevertheless, in regard to these loans we fix it on what we ascertain to be the duration of the work.

1261. Have you any hard and fast rule that you will not go beyond fifty years?—That is the rule now.

1262. Although the Act of Parliament gives up to sixty, still the department lays it down not to go beyond fifty?—It is not a hard and fast rule, but that is the general rule. In some cases the period for land is extended. I think in the Dublin Electric Lighting we gave sixty for the land there.

1263. Having taken everything into consideration, and as I am aware you make the most searching and careful inquiries into these loans, have you never seen it possible to extend it up to the full limit?—For what purpose?

1264. For a housing scheme?—For the buildings?

1265. For the buildings and land together?—No; I do not think we have extended for the land, except in a very few cases, up to the full; in the buildings we have never given more than fifty years.

1266. Do you take the land at so much and the buildings at so much, and divide the two?—Yes.

1267. What do you allow for land?—It depends. Generally we allow fifty years for land, perhaps forty for buildings, perhaps fifty for buildings.

1268. You would recommend forty-five years?—Yes, if there was nothing but land and buildings.

1269. In your evidence you said you were impressed with the desire to extend the period of re-

Mr. Nannetti—continued.

payment of these loans?—I said I would be in favour of giving a longer period. I see no objection, if the Councils desire it, to have a longer period for land and solid structures.

1270. In regard to the payment off, what is your view?—I am rather inclined to think that the annuity system would be the fairer one for reproductive works.

1271. You know the Dublin system for main drainage; what is the period for that?—That was under a private Act of Parliament.

1272. You are aware that there is something like a million of money that that cost?—Yes.

1273. Forty years is the limit of the time. Before the public commences to receive any benefit from that scheme, must not some seven years pass?—Not so much as that, I hope.

1274. Before any benefit comes it will be between five and six years. Do not you think it would be fair that before any money should be repaid on that—that the period might be extended in a case of that kind?—I personally would think that would be a very fair arrangement.

1275. Will not future generations largely benefit by these works that are going on at present?—It depends on what you call future generations; how many years hence?

1276. Fifty years hence?—I should hope that they will last till then.

1277. Would not the life be much more than that—double that?—I think that the life of Dublin main drains ought to be forty or fifty years at least.

1278. Is it calculated to encourage Local Authorities if the present generations are to be saddled with all the burdens? The future generation has a right to bear some of the burden?—Yes; but I think the principle of not exceeding the duration of the works ought to be considered. It would not be fair that future generations should have to pay for a work which had ceased to be of any use.

1279. The loan for this particular work is only 40 years. It will take five years before the present generation reap any benefit. Is not 40 years too short a period, and might not the period be extended with advantage for the repayment of the loan?—I do not quite remember the plans and specifications of this work. Is there much building?

1280. A good deal?—I think 40 years is rather on the short side.

Chairman.

1281. This was done by Act of Parliament?—Yes.

Mr. Nannetti.

1282. The money has to be repaid in 40 years. Before any loan is granted or recommended by your department, you send an expert to consider all questions?—Yes.

1283. And he has to be satisfied with all the specifications?—Yes.

1284. You answered Captain Donelan that with reference to agricultural labourers, many of those cottages are of such a character that you have heard complaints as to the character of those buildings. Would your engineer or expert not have a technical knowledge and see that

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that a proper building was erected?—He has to see that the plans are suitable and in accordance with the requirements, and he has also to see that the money is expended; but he does not stand over each cottage and see that it is properly put up.

1285. These jerry-built cottages for the labourers might be erected, and the Local Government Board are willing to pass the money?—If they are jerry-built, the plans would show it, and the Board would not sanction it.

1286. Who is responsible for seeing that the work is properly done?—The Clerk of the Works and the Engineer of the Local Authority.

1287. The Local Government Board do not feel interested to see that the work is properly carried out?—We have to see that the money is expended, and that the plan is a good one.

1288. With regard to cottages, you said they were for agricultural labourers' cottages purely. Fishermen are employed for agriculture during part of the year?—Yes.

1289. Take houses built in a row—would not they be entitled to more than 35 or 50 years?—I doubt whether it is wise to give more than 50 years for those cottages.

1290. Is it the policy of the department to grant up to 50 years?—Yes.

1291. And such a thing is done at present?—Yes.

1292. You stated that there was a loss of 7l. a year on those cottages. In what way do you mean that?—If you take what the guardians have to pay for principal and interest for repayment of those loans, and if you take what they receive in the way of rent from the labourers, it comes to about that.

1293. Would you say that the rental of these cottages would be about 10l. a year?—No, the rental would be about 2l. or 3l. a year.

1294. Taking the loss of 7l., it would make it something like 10l.?—Yes.

1295. Would those cottages in the agricultural districts of Ireland be of the value of 10l. a year?—No, not of the value of 10l.

1296. If it was a commercial transaction and a man spent 150l. on the erection of a cottage would not he have to get that back?—He would charge a much higher rent. The Guardians do not like to charge very high rent.

1297. Supposing these cottages were commercial transactions, what would be the proper rent to charge for them; it would not be 10l.?—I do not know what they would charge.

1298. It seems to me to be very large to say 7l. a year for loss?—It is a very large loss—it is not quite so high in every case.

1299. In view of the great good, both morally and socially, that has been done by these loans in the way of housing accommodation, electric lighting, tramways, and bringing people into

Mr. Nannetti—continued.

the country, is it your opinion that the committee would be well advised in advising the extension of these loans—that is to say, of the period?—I should be very glad to see it for some purposes in Ireland—to see more liberal terms.

1300. Have you any reason to fear that there would be a loss to the State?—No.

1301. From your experience of the way in which loans are repaid, there would be no risk to the State?—I do not see it.

1302. And the advantages would be so great that you would recommend it?—For some purposes.

Captain Donelan.

1303. I think you mentioned that the cost of these cottages was about 150l.?—Yes, I was thinking of the building. There are the legal expenses, the engineering expenses, and that brings it up to more. I think when you take everything into consideration, it comes up to more.

1304. Would you say how much more?—Up to 200l., I think. I think it is somewhere about that when you take the compensation to the owners and occupiers.

1305. The interest on a sinking fund for that loan of 200l. would amount to about how much?—About 8l. or 9l.

1306. Would you only allow a maximum of 1l. for the probable rent?—1s. is about the figure—1s. to 1s. 2d. a week; and then there is a great deal to be done in the way of repairs.

1307. Are we to gather from your statement that the ratepayers would practically receive nothing in the way of rent?—They receive the rent, but it will not go very far to meet the expenses which the ratepayers are at for the cottage.

1308. You assume the loss at 7l.?—Yes, nearly that.

1309. That would be practically the interest paid on the principal sum?—Yes—this must be remembered: However, after the period has expired for the repayment of the loan, then the cottages become the property of the ratepayers, and all the rent they receive after that date is profit.

Mr. Nannetti.

1310. With reference to the Lunatic Asylum at Portrairie, loans were granted up to 50 years. Are you aware that the period has been reduced recently?—That is for Portrairie?

1311. Yes?—I see it has been reduced.

1312. Can you give me any reason?—I have got it down as 35 here. It is the roads and paths and terraces at Portrairie which are only 10 years. Buildings are more. Buildings are 35.

1313. That is rather a short period?—We did not sanction that. That was done by the Board of Control.

Adjourned for a short time.

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Mr. JAMES MILLER DODDS, called in; and Examined.

Chairman.

1314. You are the Chief Clerk of the Scotch Office, are you not?—Senior Clerk.

1315. Will you tell us what is the main difference between England and Scotland in this matter of the repayment of loans?—Putting it shortly, the main difference is that there is far less Government control in Scotland in the administration of the loan system than there is in England or in Ireland.

1316. In what way less control?—I understand that in England the Local Government Board has to sanction not merely most loans incurred by Local Authorities, but also the period of repayment of these loans. In Scotland most of our Public Acts specify a maximum period of repayment, and within that period the local body is entitled to proceed as it pleases in the matter of raising loans.

1317. You say the Local Authority. There is this difference, too, is not there, that there are no Urban District Councils or Rural District Councils in Scotland?—The name does not exist, but in practice, in Scotland there are a very large number of small burghs which have been carved out of county areas, and which rejoice in the name of Police Burghs, and these burghs have even more urban functions than the Urban District Councils in England.

1318. Anyhow, there are no Urban or Rural District Councils in Scotland?—Not under that name.

1319. You say that the Local Authority has discretion within the maximum of choosing within what period it will have the loan for?—That is so.

1320. Are there no checks provided by Statute?—Some of the Statutes provide a maximum rate in the £. In one or two exceptional cases the English system is followed. The Scotch Education Department has to sanction all School Board loans and to fix the period of repayment, and the Local Government Board for Scotland has to sanction both the loan and the period of repayment in the case of some minor Parish Council loans. Then, again, in one case—the case of Parish Council loans—if the total exceeds one-fifth of the assessable value of the parish, the Parish Council can borrow no more except with the consent of the Local Government Board for Scotland.

1321. You have an annual return showing what provision is made for the discharge of loans?—We have, to the Secretary for Scotland, in the case of the County Council and Parish Council loans. There is no such return of burgh loans, but by an Act passed in 1900—the Town Councils (Scotland) Act—the Burgh Auditor, who is appointed by the Secretary for Scotland, is required to make a special report "in every case where he is of opinion that any statutory or other requirement with respect to the repayment or extinction of debt has not been observed, or that any debt is not being duly repaid."

1322. Does that apply to every burgh in Scotland?—It does not apply to the largest burghs; 0.12.

Chairman—continued.

about five of them are excluded from its operation.

1323. In those five burghs is there any Government audit at all?—None whatever. I should explain that, although the Secretary for Scotland appoints the Burghs Auditor, there is no Government audit in the other burghs either. The audit is conducted by the Auditor appointed by the Secretary for Scotland, but that Auditor is not a Government official.

1324. But he is appointed by the Scotch Office?—He is appointed, and so far he is independent of the burgh.

1325. And he makes a report as to whether they are paying off their debt at the proper rate?—To the Town Council itself; not to the Secretary for Scotland.

1326. The special report you have mentioned to us is only a report to the Town Council, not to your department?—That is all; but it has to be published, and the suggestion is that the ratepayers look after the matter if the report is adverse.

1327. How do you secure that the larger burghs—the five exempted burghs—pay off their debts regularly by instalments?—The bulk of the debt of the larger burghs is incurred under local Acts, and the clauses of those Acts, in the majority of cases make provision on the usual lines for the repayment of such debts.

1328. Will you tell us some figures about the local debt of Scotland; has it increased very largely of late?—I have put in tables which are before the Members of the Committee, showing the increase since the year 1881, when our local taxation returns commenced to be made. In 1881 the total outstanding local debt was 20,162,339l. In 1900 it had increased to 42,638,363l. (*See Appendix, Nos. 12, 13, 14.*)

1329. Does that latter figure include all the local debt, or is there not a large sum for annuities outstanding, in addition to that sum?—That sum does not include something like five millions representing the capital value of outstanding annuities.

1330. So that really the total debt ought to be 47,705,820l.?—To that extent the figure should be modified.

1331. How much of this indebtedness do you consider to be due to remunerative or reproductive undertakings?—Something like about 35 per cent. of the whole; perhaps about fifteen millions, refer to such undertakings.

1332. And while the debt has gone up by over 100 per cent. in twenty years, how much has the gross rental of Scotland increased?—The gross rental has increased by about 25 per cent.

1333. Have you put in a table showing how this amount of indebtedness is made up under the various heads of loans to different local authorities?—At Whitsunday, 1900, the total debt outstanding was made up thus: Loans due by County Councils, 1,738,269l.; by Parish Councils, 304,369l.; by Burghs, 23,860,822l.; by School Boards, 4,646,706l.; by District Lunacy Boards, 1,144,100l.; by Harbour Authorities

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rities, 10,929,468l.; by Heritors, that is for Church purposes, 9,761l.; and, by District Fishery Boards, 4,868l.

1334. Your loans for harbour purposes appear to me to be a very large proportion?—Yes, in comparison with England. I think the Scotch figure is a quarter of the total, and the English figure is about one-eighth.

1335. Have you put in a table showing with regard to the loans under what Acts they are raised—general or local Acts?—I have put in a statement which has been printed (*see Appendix No. 15 A.*), showing, first, the principal public statutes under which borrowing has been allowed; the purposes for which the powers have been conferred, and the period for repayment. Then on page 10 of the same print and following pages (*see Appendix No. 15 B.*) there is a list of some of the more important local Acts, under which borrowing powers are conferred on burgh authorities, the burghs chosen being Glasgow, Edinburgh, Dundee, Aberdeen, Greenock, Paisley, Perth, Ayr, Dunfermline, and Falkirk.

1336. Now you come to loans by County Councils; how much of that is for water supply?—Nearly 60 per cent. of the total.

1337. And for drainage and hospitals?—20 per cent. for drainage and hospitals.

1338. And roads and bridges?—15 per cent. for roads and bridges.

1339. As a general rule, I gather from these tables the period for a loan is 30 years?—For most purposes it is 30 years—the maximum period.

1340. Have you heard any complaints about that maximum period?—Very isolated complaints.

1341. But, of course, they have longer periods under some of those local Acts you have mentioned?—Much longer. Looking down the columns of local Acts, one finds 60 years in Glasgow for city improvements, the same for sewage purification. Then in Dundee 60 years, and in one case 70 years.

Mr. McCrae.

1342. What is the purpose?—For miscellaneous burgh purposes, similar to those authorised under the Burgh Police Act. That was under an old Act, which is probably not very much used nowadays. Then there is 50 years in Dundee for gas supply; 60 years in Greenock for municipal buildings and police stations; 60 years in Paisley for burgh improvements, the same for burgh buildings, 50 years in Perth for water supply and for purchase of unredeemed annuities, 60 years for water supply and street improvements in Ayr, and 50 years in Falkirk for gas supply.

Chairman.

1343. These exceptionally long periods as compared with the periods in the general law have all been given by Committees of the House of Commons and House of Lords?—That is so, except any of the periods which were given last session under the new Scotch Private Bill system, which, of course, does mean practically a Committee of the House of Commons and House of Lords.

Chairman—continued.

1344. Do you find that under the new system they give a longer or a shorter period?—We have had only one year's experience so far, and I think so far there is not much change in the practice.

1345. Do the county councils usually take the maximum period for repaying their loans?—Yes; we have made an examination of their accounts, and we find that the exceptions are unimportant. They are usually taken for a period of 30 years.

1346. Then as to the Parish Councils, their loans are not for a very large amount I notice?—No, only about 300,000l.

1347. Part of that has been for burial grounds?—Yes; the parish council in Scotland is the rural burial authority in cases where there is not an old churchyard supported by heritors.

1348. What is the period for the repayment of loans for burial grounds?—The period under an old Act of 1855 is only 20 years, and that is one of the very few cases in which we have been asked to legislate for an extension of the period.

1349. Has the Scotch Office expressed any opinion on that?—I do not think the Scotch Office would object to an extension for burial purposes, at least in a burgh.

1350. As regards burghs, the amount of their debt is considerable?—The burgh debt is much the largest item of the whole. It amounts to nearly 24,000,000l.

1351. A very large proportion of that is due to remunerative undertakings?—Yes, something like 60 per cent. probably.

1352. What is the principal Act under which they borrow that money?—The principal Act under which the smaller burghs borrow is the Burgh Police (Scotland) Act, 1892. Much the greater part of the debt in the larger burghs is incurred, as I said before, under local Acts.

1353. In the Burgh Police (Scotland) Act, 1892, what is the provision as to the period of repayment?—There is one provision for all debt incurred under that Act. In the case of such debt a sum equal to 3 per cent. on the amount borrowed is required to be set aside to a sinking fund; it is set aside to a non-cumulative sinking fund. That amounts to a period of from 33 to 34 years; that applies all round.

1354. And as regards Board Schools in Scotland, if they are erected by borrowed money the period of repayment is settled by the Scotch Education Department, is not it?—Yes.

1355. There is a statutory limit of fifty years, I understand?—Of fifty years.

1356. Then, as to the loans to Lunacy Boards, what is the period there?—The period there is thirty years.

1357. Have you any general remarks to make on the growth of debt and the period of repayment?—What we feel is that the fact that such a large amount is incurred on productive undertakings makes the increase less alarming than it otherwise might be. We find that in the borrowing market, if a large amount of a burgh's debt is incurred for productive enterprise, the burgh naturally can borrow on better terms.

1358. Have you come across instances in which what are called productive works were not productive, but rather the other way?—Well, in a few

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Chairman—continued.

few cases no doubt a burgh has made a bad bargain, and has perhaps issued annuities in taking over a gas or water undertaking, and then found that the gasworks were on a wrong site or the water reservoirs were inadequate or wrongly placed; and in such a case, of course, there is a dead loss which is spread over a long period.

1359. Do you suggest that the risk of such a loss is one of the elements that ought to be taken into consideration in fixing the period for repayment?—We certainly think it should be.

1360. Have you considered the question of increasing repairs as the works get older?—We think that in the case of some works provision should be made in a local Act giving borrowing powers, for maintaining a reserve or depreciation fund, so that during the currency of the long loan further loans should not have to be incurred for renewals.

1361. Is there any such provision for depreciation fund in these Statutes that you have mentioned?—Not in the public Statutes, so far as I remember, but in some local Acts there is such a provision in the case of tramway undertakings, and I think in some gas undertakings.

1362. Do you think there is in Scotland any demand for an increase in the period of repayment of loans?—I am not aware of any general demand. The housing question has been raised in Scotland as in England, but I am not aware that there is the same demand in the North as there is in the South, even in that matter.

1363. Do you think the people in Scotland prefer to pay their way as they go along?—Well, that is the general reputation of Scotchmen, sir.

1364. You say 30 years is the usual period allowed. What is your period for housing loans?—30 years. It comes under the same provisions as the ordinary sanitary loans for waterworks and sewerage works and hospitals. 30 years is the period allowed under our Public Health Act for those purposes, and the Housing of the Working Classes Act in its Scotch application simply applies the provisions of the Public Health Acts: but it is fair to say that the periods allowed in the large burghs where housing provisions are mostly used are longer than those.

1365. Allowed under local Acts?—Allowed under local Acts.

Mr. Bill.

1366. As in Edinburgh?—As in Edinburgh.

Chairman.

1367. If there is no local Act it is 30 years?—If there is no local Act it is 30 years.

1368. Are there any Acts of importance with regard to this borrowing matter which give more than 30 years in Scotland?—The school board is allowed to borrow for a period not exceeding 50 years, and a burgh is allowed to borrow for making new roads and bridges and the widening of existing roads and bridges for a period up to 50 years.

1369. Has not that period of 50 years been reduced by an Act within the last 15 years?—It has been reduced in the case of counties to 30 years. For practically all purposes a county council under the Scotch Local Government Act, 1889, only received power to borrow for 30 years.

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Chairman—continued.

but in burghs the power remains as it existed before.

1370. What is your opinion at the Scotch Office about this period of 50 years for street improvements in the burghs?—In some cases we think it is quite justifiable, but cases have come under our notice in which a period of 30 or 40 years has been taken for the repayment of a debt for macadamising a road, and that, we think, is a very improper exercise of the powers conferred by the Act.

1371. The Act allows the burgh authority to settle the period of 40 years for macadamising a road?—It does not prohibit them from doing so.

1372. Would you suggest any restrictions that should be put on the borrowing power of extending over 50 years so as to prevent occurrences of that sort?—It might be possible to make restrictions. It might be possible to schedule to the Roads and Bridges Acts, a schedule of periods applicable to different purposes in connection with road or street making, allowing 50 years, say, for a large street improvement, and perhaps five years for macadamising.

1373. You do not think that matter ought to be left to the Local Government Board in Scotland as it is in England?—Well, it would be introducing a method of administration which we are not very familiar with in Scotland. I do not say that it is at all a wrong one, but as a matter of fact Scotch burghs are not familiar with the control which is exercised in England by the Local Government Board.

Mr. McCrae.

1374. You said that there was less control by the authority equivalent to the Local Government Board in Scotland than in England?—Yes.

1375. And apparently the result of that is that they have a much shorter period in Scotland for the repayment of loans than they have in England?—Shorter perhaps if you compare the 30 years with the 50 and 60 years allowed for certain purposes in England, but one has to remember that the 30 years is more or less of an average, because the independence allowed to the burghs enables them if they choose to spread what in England would be a short loan over the total period.

1376. I notice in this Appendix 15 the county councils for water and drainage have 30 years?—Yes.

1377. But that if they borrow from the Public Works Loan Board that may be extended to 50 years?—Yes, if the loan is obtained from the Public Works Loan Board it may be extended to 50 years.

1378. So that in Scotland the practice is that if you borrow from the Public Works Loan Board, as far as county councils are concerned, you get a longer term than if you borrow in the open market?—I think I made a mistake. If you read from the top of column 4 you will see that it refers to a previous period. "The periods of repayment allowed for the several purposes set out under 'A' in column 2 prior to the institution of county councils had been," and so on. Since 1889 that has been altered, and now the maximum period allowed to a county council for borrowing for any of these purposes is 30 years.

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1379. Even

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1379. Even for water?—Even for water or drainage.

1380. Or any scheme under the Housing of the Working Classes Act?—Yes; I do not think any county council has used those powers, though.

1381. 30 years, therefore, would be the maximum?—Yes.

1382. Some of the larger burghs under their local Acts have got a longer period than 30 years. You instanced Glasgow and Edinburgh and Dundee?—Yes.

1383. I suppose that 60 years is the longest period that has been granted?—In the case of Dundee—

1384. That is an exception—but taking it generally?—Yes, otherwise 60 years is the longest, under Standing Orders.

1385. Then the procedure under the Housing of the Working Classes Act is by Provisional Order subject to the consent of the Secretary for Scotland?—Yes, that is so.

1386. What is the usual period that the Scotch Office allows under those Provisional Orders?—The cases are so few and far between that it is difficult to say that we have any settled practice. I think you would have to take the periods specified in these columns here and the individual cases, and also Scottish burghs do not always proceed under the general Act. In the few cases which have occurred, I should say, that there are as many local Acts pure and simple as there are Provisional Orders under the general Act.

1387. But as far as you know the term of 30 years has not been exceeded, unless in the case of one burgh. Edinburgh is 50?—In Glasgow—under an Act of 1897—60 years was allowed.

1388. For a working class housing scheme?—I think so.

1389. Or improvements?—I think it was under an Act for improvements, including housing of the working classes as a possible object of expenditure.

1390. Then in fixing the period for repayment does the Scotch Office take into consideration the question of what proportion the land bears to the total expenditure?—I think not. The question has not been actively before us.

1391. Then under the Burgh Police Act 34 years, you say, is the average period?—Yes.

1392. For school board 50 years?—Yes, 50 years is the maximum. Under the Burgh Police Act a fund is required to be made up by the contribution of 3 per cent.—a compulsory contribution of 3 per cent. as the only possible sum in each year.

1393. Then in the case of the Scotch Office deciding as to the period of repayment do they take into consideration the system of repayment and whether it is on the annuity system or on the instalment system?—We have so few cases that I do not think that question has been very actively before us. Any opinion I could give would be simply a personal one.

1394. You said in some cases burghs had purchased a water or gas supply, and it had turned out unremunerative?—Yes.

1395. Have you any specific instances that you can give the Committee?—I think you might

Mr. McCrae—continued.

ask the Glasgow witnesses when they come perhaps whether such cases have not occurred in Glasgow. My impression is that part of the Glasgow water annuities represent practically exhausted reservoirs.

1396. Then you mean that in some instances a part of the burgh water scheme has been unremunerative?—Yes.

1397. But do you know of any instance where, taking a scheme as a whole, either for water or for gas, the ultimate result has been a loss to the community?—I could not go so far as that. My only observation would be that burghs like other folk sometimes make bad bargains in part of their administration.

1398. But the instances of even a partial loss are not numerous, are they?—Not so far as I know, but I cannot profess to have studied the subject with any great care.

1399. Take it from me that the term in England for repayment of loans under the Housing of the Working Classes Act is 60 years; do you see any reason why Scotland should not be put in the same position?—I see no reason assuming Scotland is anxious to have it, and perhaps I might add that it might imply a greater amount of Government control if the maximum periods possible were lengthened.

1400. You said there had been practically no demand in Scotland so far as the Housing of the Working Classes Act was concerned. I suppose that is really a general observation, because you know that in Edinburgh, and in Glasgow especially, large improvement schemes have been carried out under the Housing of the Working Classes Acts?—I am aware of that, and I think my observation was that I knew of no general demand for an increase of the period for loans, but that there had been cases—I think, for instance, there was a conference in Glasgow last year about the Housing of the Working Classes Act, in which Glasgow representatives joined in a general vote to the effect that the period should be lengthened.

1401. I notice under the Small Holdings Act, 1892, the period for repayment is 50 years, subject to the approval of the Secretary for Scotland?—Yes.

1402. Have you granted 50 years in many cases?—So far as I recollect we have never had a single application.

1403. Then under the Allotments (Scotland) Act of the same year the term there is 30 years?—That is so.

1404. Do you see any reason why there should be the difference in the period between those two? One case is for acquiring small holdings and the other is for adapting land for allotments?—Yes. In 1894 the Scotch Parish Councils Act contains provisions enabling parish councils to acquire allotments by leasing, and I think that provision has really met the case, so that the question of the borrowing term under the Allotments Act, 1892, is not a very clamant one in any way. I do not think, as a matter of fact, there have been any loans incurred under the Allotments Act, 1892.

1405. Then with regard to the expenditure of the burghs in Scotland, amounting in round figures to 24,000,000*l.*, I think you said that 60 per cent. of that had been remunerative?—Something like 60 per cent. is our estimate.

1406. So

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1406. So that so far as Scotland is concerned you think that the amount of local indebtedness is not a very serious matter, though it requires careful control and revision?—I should not say it was not serious, but we do not think it demands any exceptional consideration at the present moment. I do not know whether you have noticed one fact, that notwithstanding the comparative absence of Government control in Scotland, the increase in our local debt between 1881 and the present time is precisely the same percentage as in England.

1407. But that is including the remunerative expenditure?—Which I think also is included in England.

1408. Yes, but I take it the proportion of remunerative expenditure is greater in Scotland than in England?—That may be; I do not know the English figures.

1409. Take Edinburgh—that is a city with a total indebtedness of 4,616,829*l.*?—That is according to a statement which I have handed in. (See Appendix No. 14.)

1410. Then of that sum I find that for water supply we have 1,600,000*l.* in round figures, and electric lighting 550,000*l.*; gas, 378,000*l.*; and tramways, 1,000,000*l.* in round figures; so that out of that 4,600,000*l.* there is really 3,500,000*l.* for remunerative expenditure?—Yes.

1411. And I notice at Glasgow they have a very large amount of remunerative expenditure there too?—Yes.

1412. So that if we were taking that as an illustration, in fact, it is brought out by the percentage that you have given that the percentage of remunerative expenditure to the total expenditure in Scotland is very large?—Very large.

Mr. John Hutton.

1413. I am not quite sure that I understood those five millions had to be added to the total debt?—That represents the estimated capital value of annuities issued when taking over undertakings previously run by companies. When the companies' undertakings were taken over by the burgh, it took over also their liabilities, which were generally put into the form of perpetual annuities—sometimes perpetual, sometimes redeemable after a certain number of years.

1414. They should, as a matter of fact, be added to the 42,000,000*l.*?—In order to obtain a complete view no doubt they should.

1415. What would be the corresponding sum in 1881?—That I am afraid I am not prepared to say at the moment. Probably much the same.

1416. Is there any limit on the borrowing powers of the local authority in Scotland?—As a rule the only limit is imposed by the limit on the rate. In several cases of our public statutes a limit is fixed to the annual amount in the £ to be levied for the special purpose named.

1417. Not upon the valuation?—No; the only case I remember in which the valuation is a factor is that of parish councils who have certain miscellaneous functions under the Parish Councils Act, 1894 (the Scotch Act), corresponding to their miscellaneous functions in

Mr. John Hutton—continued.

England. The parish councils in Scotland are also the Poor Law authority, and for their Poor Law expenditure and for their miscellaneous expenditure put together they are not allowed to borrow more than one-fifth of the assessable rental without the consent of the Local Government Board for Scotland.

1418. Then I think I clearly understand the maximum is 30 years, both for water and for housing, and almost all other purposes, in Scotland?—For the majority of purposes. The only really important exceptions are the education and roads.

Mr. A. K. Loyd.

1419. I do not see any authority corresponding to our rural district council in your list of authorities?—Our Scotch counties are divided into districts, and those districts are administered for road and public health purposes by what we call district committees. These are composed partly of county councillors for the electoral divisions comprised in the district and partly of representatives from the burghs and the parishes in the district, and those committees are the nearest equivalent to your rural district councils.

1420. Would a body of that sort have any powers with regard to providing dwellings for the poor?—No, I think in Scotland our rural authority has no power to provide dwellings. [The witness subsequently wrote to the Committee explaining, with reference to Question 1420, that in Scotland a district committee, as rural sanitary authority, is empowered, with the consent of the Local Government Board for Scotland, to adopt Part III. of the Housing of the Working Classes Act, which confers a power *inter alia* to erect houses or cottages for the working classes. This power, however, has not been exercised.]

1421. There would be nothing between the county council and the parish council for a purpose of that sort—no authority intervening. This body you describe intervenes between the county council and the parish council for certain purposes like the maintenance of roads and water supply, I think you said?—Yes; public health purposes generally, and roads purposes.

1422. The powers for providing dwellings by contracting loans have they been exercised by the county councils much in Scotland?—If I may refer to my Act—I forget whether they have the power for the moment.

1423. I notice in your list of statutes conferring borrowing powers in Appendix No. 15, the third item is the Small Holdings Act, 1892—acquiring and adapting land for small holdings. Then there are the small dwellings?—The county council in Scotland has no powers to provide dwellings, so far as I remember, under the Housing of the Working Classes Act.

1424. And the parish council has no such power at all?—No.

1425. Have you had any experience of loans being raised under the Act of 1899 for the purpose of acquiring small dwellings?—So far, no loans have been raised under that Act, I believe.

1426. Remunerative purposes, I presume, would be water, gas, electric light, and tramways out of this list of yours; it is Paper "E."?

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Public baths and slaughter-houses and lodging-houses, possibly, might be added.

1427. In the event of there being a charge made for admission?—Yes; and markets conceivably might be added.

1428. Burial grounds; I suppose there might be a charge for those?—I do not know how they are worked.

1429. Lodging-houses?—There would be a charge for lodging, which would be so far remunerative.

1430. In using the word "remunerative," you mean undertaking which, if properly managed, may produce a profit?—Yes.

1431. You do not commit yourself as to whether they are remunerative in point of fact or no, but it is a description of the class of undertaking, and you point to the fact that it may produce a return?—Yes.

1432. Then there are other things, like prisons and police-stations, and roads, streets, and bridges. Bridges might have tolls, but that would be merely to pay for the structure; there would be no profit on those?—Yes.

1433. Sewers and drains—they would be unremunerative?—Yes.

1434. Is there a tendency in Scotland to urge that there shall be greater facilities for municipal outlay by loan than they possess at present?—We have not heard of it.

1435. So that until this inquiry was started at the instance of English bodies, you had not heard anything about it?—I do not think any separate inquiry was asked for by Scotland.

1436. Was Scotland included in the original reference?—I believe not.

1437. At any rate, the period which has been in point of fact allowed in Scotland seems to be very much shorter than that which has been adopted in England?—That is so.

1438. Thirty years seems to be very usual—in fact almost the universal period in Scotland?—Yes, under the Public Acts.

1439. Then the departures have been by Private Acts?—The departures have been by Private Acts.

1440. Have there been many departures from the 30 years?—There have been a good many departures, some of which you will find enumerated in Appendix 15.

1441. I may take it that for the 30 years provided by the public Act—that is to say, the Act of 1899. The Local Government (Scotland) Act gave counties 30 years—that was in 1889. Then the Burgh Police Act gave burghs practically 33 years in 1892, and the Public Health Act, repeating the old Public Health Act, gives 30 years in 1897.

1442. Then there is the Local Government Act of 1889, which fixed a uniform maximum period of 30 years for all new loans?—That applies only to county councils—the Act of 1889.

1443. You do not find that municipal enterprise has been hampered in Scotland for the want of a longer period for loans?—No.

1444. I see one of the purposes for which a county council can borrow is for constructing and supplying waterworks. Is the county council the water authority in Scotland?—It depends whether the county is divided into districts or not.

Mr. A. K. Loyd—continued.

1445. Water districts?—No, into districts corresponding roughly to your rural county districts. Most counties are so divided, and in that case there is a district committee which is the Public Health Act authority, including water supply purposes of the district, but it cannot borrow; it must come to the county council to get sanction for borrowing.

1446. Another purpose is construction of light railways. Have many county councils borrowed for the purposes of light railways?—I see there are four specified in this table. I think that is exhaustive at the present moment, but others are no doubt coming on.

Mr. Charles Murray.

1447. Do you find with regard to the loans for school board purposes the maximum period is generally applied for?—I am afraid I am not fortified on that subject.

1448. It was only because there was one case where a long term was given that I wished to know whether it was universally applied for. Do you attribute the apparent acquiescence to the comparatively shorter term by the local authorities to the extensive use of their maximum of 30 years to subjects which in England would only obtain a shorter period of 10 or 15 years?—I cannot speak positively, but that is the explanation that occurred to me.

1449. With regard to artisans' dwellings, do you understand there is any difficulty in obtaining for the present generation a balance out of the expenditure owing to necessarily larger charges involved in a shorter term?—I cannot speak from experience on that point. I think the local authorities could speak on that.

Mr. William Jones.

1450. You think that the less the control of the central authority the greater is the facility for the local authorities to apply for borrowing powers?—It does not necessarily mean a greater facility, but it means a greater liberty of action. That is the way I should prefer to put it.

1451. You think, taking the ratio, you have more applications in Scotland than in England, owing to the more decentralised power?—Do you mean more loans taken?

1452. Yes?—No, our percentages work out very similar to those in England; I mean of the total amount of outstanding debt in 1881 and 1900, which are the two years we have chosen, the increase in Scotland is almost precisely the same, we find, as the increase in England in the total outstanding debt.

1453. What is the method of audit that you have?—In Scotland?

1454. Yes?—In the county administration and the parish council administration the auditor is appointed in the one case by the Secretary for Scotland, and in the other by the Local Government Board for Scotland. He is not a Government officer; he is a private auditor, but he audits accounts for the local authority, and in cases where he thinks an illegal expenditure has been incurred he reports to the Secretary for Scotland, who then inquires into the matter—he reports to the Secretary for Scotland in the case of the county council and to the Local Government

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ment Board in the case of parish councils—and the Department inquires into the matter and issues a final determination allowing or disallowing the excess.

1455. That is in connection with the surcharge?—Yes, in burghs—which is the other great administrative body—in burghs, except the five largest burghs, and a few others as to which there is a dispute at the present moment—at least a doubt as to what the statutes really mean—the auditor is appointed by the Secretary for Scotland. He is not a Government officer. He reports to the town council, and calls attention in his report to any illegal object of expenditure. Then the town council has the final determination. The only guarantee is the publicity which the whole process involves.

1456. Can they use the rates in some of your districts for advertisement purposes?—In my experience there has been no such case in Scotland.

1457. Could they use the rates to develop the municipality in any way, according to some local necessity, without being surcharged by the auditor provided the majority in that district were in favour of doing so?—Some Scotch burghs are fortunate enough to own large patrimonies, or "common goods," which they can use for the general benefit of the burgh.

Mr. Brigg.

1458. The gentleman who gave evidence previously has mentioned the losses entailed on the local loans by the failure of the local authorities to repay the amounts which they usually do. The Government furnishes Parliament with a yearly return of the amount remitted for the local loans?—Yes.

1459. What I want to ask you is, does the power to remit those debts come under the purview of the Scotch Office?—No.

1460. Or does it come only under the Local Loan Commissioners?—The Scotch Office would probably be consulted by the Treasury before any important debt was remitted. But within my experience the only cases of remission have been cases dependent upon the action of the sea.

1461. As to the procedure on private Bills in Scotland, have those Bills been obtained in a similar manner to those obtained in England before a Committee?—Up to last year that was so.

1462. In connection with that we have had here a gentleman who complains and says that the committees who grant the power for borrowing money do not exercise quite sufficient discretion in granting the powers to the different authorities. I was going to ask if in Scotland there is any different method in the way in which these Bills have been brought before the Committee from that way which we see in these rooms?—You mean under our new system?

1463. Yes. Is there any more discretion exercised in granting powers to the local authorities to borrow money by limiting the time and so on?—Of course, the granting authority now is the Secretary for Scotland. In the first instance, the Secretary for Scotland, under our Private Bill Procedure Act, 1899, has to grant every Provisional Order which is applied for by the local authorities, and which is not required to proceed

Mr. Brigg—continued.

as a Bill in the House under the old system, and before he would grant a loan clause he considers very carefully the provisions for repayment which are included in the clause.

1464. That is at the Scottish Office?—Yes.

1465. He is responsible?—I could not say that he is entirely responsible, because Parliament has the ultimate responsibility. But in the first instance the Secretary for Scotland is responsible unless the Order has been referred for inquiry to Commissioners, and even in those cases he would consider it necessary to examine the borrowing power and repayment provisions very carefully.

1466. Is there any disposition on the part of your applicants for more time for the loans. I rather take it from what you said that they were quite satisfied with the length of time?—Our experience is limited; we do not have many applications of the sort. The Local Government Board in Edinburgh—the Scotch Local Government Board—has certain experience in the matter, and if you wish for detailed information they would no doubt be glad to send a representative.

1467. Would a longer time encourage further local enterprise in Scotland?—Well, we think there is a good deal of it at present in Scotland.

1468. Of course, you quite understand the reason why we are here. The question is the extension or limitation of the time?—So far as we have seen there is no great demand for an extension.

Mr. Nannetti.

1469. You said that there was no great demand for an extension. Have you the same rule as they have in Ireland—does your Department lay down a definite number of years for the granting of loans? The loans are by Act of Parliament to be for 60 years in Ireland?—The Acts of Parliament lay down the period.

1470. Do you go up to the full limit of the Act of Parliament?—We have no word in the matter. It is within the discretion of the local authority to go up to the full limit or to take a shorter period.

1471. If the local authority asks you for a loan and specifies the limit asked for by Parliament, do you grant the full limit?—We have no power to grant loans.

1472. But you recommend?—There again one must discriminate. The Scotch Local Government Board does, I understand, distinguish according to the life of the object and according to the continuous utility of the object of the loan, and so does the Scotch Education Department in dealing with school board loans.

1473. You heard the last witness examined; he stated that the limit was up to 60 years by Act of Parliament, and that they never granted beyond 50. Is the same procedure adopted in the Scotch Office?—There is no power to lend any loan beyond 50 years in Scotland.

1474. That is the maximum?—Yes.

1475. Do you grant always up to the maximum?—There again the only cases where 50 years is allowed are the school board loans and certain roads and bridges loans. In the cases of the roads and bridges loans the matter is one entirely for the discretion of the municipal authority

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Mr. Nannetti—continued.

city. In the case of the school board loans I understand the Scotch Education Department distinguishes very strictly, according to the object of the loan.

1476. May I take it from your evidence that your department is not in the mind to stand in the way of granting its limit for repayment—you go to the full limit of the Act of Parliament?—We have not any Acts of Parliament of the sort to administer.

1477. Well, the Treasury does not interfere with you in the matter of the granting of a loan. If it is recommended by your department that a loan should be granted to the full limit, the Treasury does not step in and say that no more should be granted?—I think you are perhaps thinking of loans which in Scotland, as in England, are granted by the Public Works Loan Commissioners. The practice as regards Scotland is just the same as in England. The Public Works Loans Acts lay down certain periods as the maximum, but the Treasury issues certain instructions to the Public Works Loan Commissioners in London, and so far as the loans are issued by those commissioners to public bodies in Scotland they are guided by the same rules which control them in England.

1478. The point I want to get is this: If the Act lays down that a local authority has power to borrow for 60 years, is it the practice in your department to say: "We will grant up to 50 years and no more"?—Certainly not—so far as the Scotch Departments have anything to do with it. They discriminate according to the life of the object for which the loan is incurred, and they give a longer or a shorter period accordingly.

Mr. McCrae.

1479. I wish to ask another question as to the period for repayment under the Housing of the Working Classes Act. You say the period under the Scotch Act is 30 years?—Yes.

1480. Is it not the case that if the local authority borrows from the Public Works Loan Commissioners, the Loan Commissioners are authorised to advance loans for dealing with unhealthy areas repayable in 50 years?—That is so. I am not quite sure what the law of the

Mr. McCrae—continued.

matter is, but my impression is that a local authority cannot avail itself of a time longer than 30 years unless it has a special Act enabling it to do so.

1481. Without a Private Act under this provision a local authority may carry out a scheme for an unhealthy area, and if it borrows from the Public Works Loan Commissioners it may take 50 years to repay it?—I do not feel quite sure about that, but my impression is that it would require to have a local Act enabling it to take advantage of that power to the Public Works Loan Commissioners. But that is a legal point which I have not considered.

1482. In talking of the control of the Scottish Office, I suppose that any Private Bill that comes before a Select Committee of the Lords or Commons would be considered by the Scotch Office and reported on?—It would be considered, and if the Scotch Office feels strongly that any particular clause is objectionable it would certainly report to the Committee.

1483. If that clause, in the opinion of the Scotch Office, was contrary to the public law?—I would go beyond that—say both contrary to the public law and to public policy in regard to the particular matter dealt with.

1484. So that in those cases, although you have not control, we may take it that you have supervision?—We at least ought to have knowledge.

Chairman.

1485. You have a power of protest?—A power of protest.

Mr. William Jones.

1486. You say the school boards only have power to borrow for 50 years?—And burgh authorities have power to borrow for 50 years for roads and bridges.

1487. Are the school boards in Scotland rating authorities for education?—They do not rate directly—they levy through the parish council; they issue a precept to the parish council.

1488. The parish council is the rating authority, and the school boards do so by issuing a precept, just as in England?—Yes, by issuing a precept to the parish council.

Friday, 18th April 1902.

MEMBERS PRESENT:

Mr. Grant Lawson.
Mr. Brigg.
Mr. William Jones.
Mr. John Hutton.
Mr. Law.
Mr. A. K. Loyd.

Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.
Mr. Wodehouse.

MR. GRANT LAWSON, IN THE CHAIR.

The Right Honourable JAMES HOY, called in; and Examined.

Sir Albert Rollit.

Sir Albert Rollit—continued.

1489. You are the Lord Mayor of Manchester?—Yes.

1490. You are an Alderman and Chairman of the Technical Instruction Committee?—Yes.

1491. And a member of the Finance Committee?—Yes.

1492. You appear to give evidence at the request of the Municipal Corporations Association?—I do.

1493. At the annual meeting of the association on the 25th March, 1899, the following resolution, which I will read, was adopted: "That in the opinion of this association the want of system and uniformity in the practice of Parliament and of the several Government Departments respectively in fixing periods for the repayment of loans raised by municipal corporations for the purchase of land and public undertakings and for permanent works is highly inconvenient, while the periods for repayment of loans customarily fixed are unnecessarily short and seriously increase the burden of local taxation; and the association hereby respectfully invites the President and Vice-President of the association to be good enough to bring the whole question to the notice of Parliament with a view to the termination of existing anomalies, the establishment of a uniform practice, and a general lengthening of terms of repayment so that the duration of a loan shall correspond with the length of life of the work or undertaking in respect of which it is raised." That formulates the views of the association on this subject; do you concur in those views?—Entirely.

1494. At the annual meeting of the association held on the 31st March, 1900, the following resolution was adopted: "That in the opinion of this association it is desirable the Housing of the Working Classes Act, 1890, should be amended so as to entitle (1) local authorities to the term of 100 years for the repayment of monies borrowed for the purpose of purchasing land, and 60 years in the case of buildings in carrying out schemes under the Act; (2) to borrow the estimated cost of schemes sanctioned by Provisional Orders granted under the Act without further local inquiry by the confirming authority. And

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that the council be empowered to take the necessary steps to give effect to this resolution and to suggest and lay before Parliament or the Local Government Board such further amendments of the law on the subject as in their judgment are necessary." That again formulates the views of the association on the housing question, the term of loans, and do you concur?—Yes.

1495. I believe that, in your capacity as a member of the Finance Committee of the Manchester Corporation, the question of the term allowed for the repayment of a municipal loan has frequently come under your observation?—That is so.

1496. Can you give me, as an instance, something which particularly struck you with regard to the inadequate period of 55 years in respect of a public building. Will you state to the Committee that illustration?—That is with regard to the Manchester Town Hall. Roughly speaking, the building cost a million of money. At the present time the outstanding debt is 575,747l. The building to-day is of more service than it has ever been, owing to the increase of work of the Corporation, which has necessitated the fullest use to which the building could be devoted. In the earlier years the work of the Corporation was carried on in a somewhat limited portion of the building, but now every part of the building is concerned, and as a rent-saving arrangement it is increasingly useful. Everything in the building has been kept up out of revenue. It cannot be said to be one whit the worse, but probably considerably the better as a useful public building than it was when it was erected, and I may say further that the value of the land alone to-day is certified as being 409,882l. by the City Surveyor.

1497. Is that appreciating or depreciating?—It is appreciating.

1498. So that in another generation the rate-payers of that day will possess valuable property free from debt?—Yes.

1499. What is your view as to the length of term in respect of that particular instance which should in your view have been granted?—I should not wish to indicate any particular term, but

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The Right Hon. J. Hoy.

[Continued.]

Sir Albert Rollit—continued.

but I think it is an admirable instance of what appears a very reasonable claim on the part of the local authorities, namely, that with regard to permanent structures of this kind, there should be revision periodically of the demands by Parliament for repayment. Plainly, this is a case in which the building has not in the least degree suffered. It is inequitable to the present generation that they should find the funds for a building of this kind. If there had been no building erected we should have gone on year by year paying a rental for what is used now very largely for offices—offices for the distribution of water, for gas, for cleansing, and for 16 or 18 different departments engaged in the business of the town of Manchester.

1500. One length of term has been frequently mentioned here—100 years. In this particular instance do you think that the term of 100 years for repayment would have been a reasonable one?—I think it would.

1501. Perhaps you would tell us what the longest term allowed to the Corporation of Manchester in respect of repayment is?—Seventy years is the longest term, and that only in one case.

1502. In connection with what works?—In connection with the waterworks.

1503. Perhaps you will state to the Committee the nature of the works and so on?—The Thirlmere Waterworks lie—or, rather, the gathering ground of the Thirlmere Waterworks lies—in the valley of the Cumberland Hills. The whole of the gathering ground is the property of the Manchester Corporation, and the work is of such a nature that it may be called absolutely permanent in its character.

1504. Is it likely to improve, or the contrary, in value?—Likely to improve in value because of the growth of the population which it serves.

1505. With reference to that work what term would you suggest as a reasonable term?—I think that 150 or 200 years would be a reasonable enough term, because you have the whole gathering ground. It is land which is certainly for any other purpose not nearly so valuable as it is as a collecting ground, but it is there. It is a great valley of four or five miles in length, and would always retain a certain value.

1506. Are the works fully maintained out of revenue?—The works are fully maintained out of revenue, and are of a kind in which there is very little possibility even of any accident happening, that is to say, the dam which has increased the area of the lake is a very short structure, and, short of an earthquake, impossible to be moved.

1507. We have heard a good deal in Parliament about injustice to posterity. Do you think that in a term, such as you have, of 70 years there is some injustice to the present and immediately succeeding generations?—I do, indeed.

1508. Do you know whether 70 years would now be granted or not?—I understand that that limit would hardly be given under the standing orders at present. I believe 60 years is the extent now.

1509. That was given to you by Bill?—Yes.

1510. Would you tell the Committee something about such a work of yours as technical schools?—I am, and I have been, very closely

Sir Albert Rollit—continued.

connected with the technical school work of the Manchester Corporation, and one of its developments has been the erection of a very considerable building, probably the finest building of the particular kind in the country at the moment.

1511. And very permanent in character, and substantial?—Very permanent in character; it is of the most solid character.

1512. On a valuable site?—On a valuable site, but, as the site was given to us, there was no requirement for a loan upon the site. That probably would have led an outsider to think that there might have been an extended term upon the building. Such was not the case in our view; the term is a very short one.

1513. What is the term?—30 years.

1514. Would you give the Committee your judgment, from local knowledge and practical knowledge, of the life of that work, assuming that reasonable repairs are done?—The fact is that the building will live for ever; humanly speaking, it is a structure of the most solid and permanent kind; nothing could upset it. As I said before, with regard to the dam at Thirlmere, nothing but an earthquake could upset it. It has been built on the very best lines so far as permanence of structure is concerned. There is this further to be said, that of this 30 years seven years have already passed, and we are not in full possession, and during that seven years we have repaid interest and sinking fund. It has taken seven years to build since the first sod was turned.

1515. During that time you have been repaying?—We have been repaying, of course, in proportion to the money as it was borrowed. We have not been paying for the whole sum, but as the money was borrowed we have been paying interest and adding to the sinking fund in proportion to the money borrowed.

1516. So that the present generation, which assumes the burden primarily, gets no benefit for seven years, but pays interests and sinking fund, and there must be a large residue of the term in which the work will be acquired by succeeding generations for nothing?—That is so. May I, before passing from that, say that I am dealing now with the money that was granted for building only? It is as well to differentiate. We have an equipment loan, upon which we have only 15 years. It might, perhaps, be thought by members of the Committee that this covered equipment loan and building loan, but it does not. The evidence I have given refers entirely to structure. Equipment is for half the term, and I am not dealing with that at the moment. It is only to prevent the possibility of it being thought I am dealing with the whole of the borrowing powers we have in connection with it, which is not so.

1517. State to the Committee what you consider should be the cardinal principles to fix the term of repayment?—They should be, of course, largely guided by the character of the building, by the purposes for which it is intended to be used, and by the certainty of its being thoroughly and efficiently kept up by the authority bringing it into existence.

1518. And, as you said, the value of the land?—With regard to the value of the land in this particular case there was no value and no borrowing upon the land.

1519. But

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[Continued.]

Sir Albert Rollit—continued.

1519. But I am now asking about general principles, and especially the value of the land?—In these matters we deal altogether with what has been happening. That is to say, in all large towns land has been appreciating in value, and that is a reason for a very extended term upon land with regard to any municipal efforts.

1520. You think that, as the land is, as a general rule, likely to improve, it can be regarded as a permanent asset?—As a permanent asset.

1521. You say also that the purpose should be regarded. Do you mean such considerations as attach to great public interests, such as housing and education?—Yes; the life of whatever it may be that the money is borrowed for is always assessable.

1522. What do you think of the present term of repayment for housing—40 years?—I am not very conversant with the housing question. You have other witnesses coming who will deal with that matter; it is only in a general way.

1523. Perhaps you can tell me, from your observation, the general character of the housing works in Manchester as to length of life?—I could not give evidence of an accurate kind that would be of real service.

1524. Can you differentiate between the position of private owners and companies and the municipal authorities in reference to that matter?—That is a very important point. I do not see how municipalities can compete with the private builder with regard to the construction of houses for the poor if onerous conditions of repayment are insisted upon.

1525. You think that the effect of the present conditions of affairs would be to raise the rents?—Or else the levying practically of a further poor rate.

1526. One portion of the ratepayers providing for another portion?—Yes.

1527. And the class intended by Parliament probably not served?—Very likely not. You cannot possibly really carry out what you are expected to, namely, provide accommodation for those who have been dispossessed. As a matter of fact, they have gone; no one knows where they have gone. Others come in, and they are not the people who were originally probably in the eye of Parliament.

1528. I think you have the suggestion to make that existing loans, pressing hardly on the present generation, might be made more elastic in point of term?—That is my view and very strongly—that revision should be allowed.

1529. Periodical revision?—Periodical revision should be allowed.

1530. I take it you mean that the condition of the work on these periodical occasions might be seen and the term adjusted accordingly?—Yes. The data would all be of the simplest kind, and very readily followed. I think that the cases I have instanced are very strong ones looked at from that point of view—the town hall, the water works, and the technical school—the technical school being the business in which I am most interested. I think that is a very glaring case. I know the value of the building, and I know now that we are down to 23 years' use practically of a building that is absolutely permanent.

1531. Will you give us one or two statistics of the City of Manchester? Your debt to 31st 0.12.

Sir Albert Rollit—continued.

March, 1901, was, roundly, £17,000,000?—Yes. I have not the figures immediately before me, but I know them in a general way.

1532. The following produce revenue: The expenditure on gas was, roughly, 1,000,000*l.* and upwards?—Yes.

1533. And the profit was 51,900*l.*?—Yes. That is the figure supplied by the City Treasurer. The figures you have before you.

1534. Is that after taking due account of depreciation and the like?—Yes.

1535. Electricity expenditure 700,000*l.*, producing a profit of 4,000*l.*?—Yes; these are the figures for last year.

1536. Water 5,000,000*l.* roundly?—Yes.

1537. The profit is not brought out?—No; there is no profit. I should like to explain to the Committee that there is no profit allowed on the water undertaking. If there is a profit it must go in reduction of the public or domestic water rate.

1538. The consumer gets the benefit?—The consumer gets the benefit. There is no benefit in the sense of cash payment that can come to the municipal authority, and that presses a little hardly upon a town like Manchester, one may say, in passing, because, while our population is only 550,000, we supply water to just double that number; we supply water to 1,100,000 persons, and then there is no possibility of our getting any pecuniary benefit for the work we do or the money that has been expended.

1539. Tramways expenditure £353,000, profit £12,000; markets expenditure £421,000, profit £15,000; Ship Canal expenditure £5,000,000, profit £50,000. So that I find that your total expenditure is £4,300,000?—No; the £4,000,000 is the difference between the amount of profit of some kind giving relief to rates and the amount that does not give relief to rates.

1540. The rate for Council and School Board purposes is 6*s.* 2½*d.*, and for Poor Law it averages a shilling?—Yes, it averages a shilling. There are three Unions in the City of Manchester—at least, one Union and two parts of Unions.

1541. The rating is 7*s.* 2½*d.*?—Yes.

1542. The population is 543,969 in 1901. Debt per head, profit-earning, say £23; non-profit-earning £8; total debt per head £31?—The point that differentiates Manchester from other large cities with regard to borrowing is the Special Act got for the benefit of the Ship Canal, which is practically £10 per head of the population.

1543. What is the assessable value?—Unfortunately, there is no assessable value of the Ship Canal.

1544. I am not speaking of that?—£3,000,000.

1545. Is there anything you would like to add to that?—I do not think so.

Chairman.

1546. The assessable value is £3,000,000?—Yes, roughly.

1547. What is the total debt?—£16,000,000.

1548. You complain that you have been prevented, by the short period of repayment, from borrowing as much as you like?—No, I beg your pardon—repaying as slowly as we ought.

1549. Do you say it has checked your borrowing?

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[Continued.]

Chairman—continued.

ing, having to repay so shortly?—No, I do not say that at all.

1550. You have borrowed more than five times the assessable value of the city?—Plainly, that is so.

1551. You have made a good profit, I see, on gas and electricity and tramways?—Yes.

1552. Do you argue that, as you make such a good profit, you ought to have a shorter period to pay off your loans?—The whole question of the repayment of loans depends on the character of the work. I say that, with regard to water, decidedly we should have a further lengthened period.

1553. Would you think that a business concern making a large profit ought to pay off its borrowed money more rapidly than one making a small profit?—That is true enough, I dare say, in a general way, but we have some items here that do not show a very large profit, although they are down as profitable—one per cent. on the Ship Canal, for instance.

1554. You have made a bad bargain, I gather, of the Ship Canal?—No, not for the town, but financially—not otherwise—quite the contrary.

1555. You have spoken of the resolution of the association desiring a general lengthening of terms of repayment. Is it your opinion that there ought to be a general lengthening of terms of repayment?—I should always speak of that with reference to the object—not general in the sense of making them equal.

1556. Do you mean an extension all round as regards every item?—Yes; broadly speaking, I think the limit is too close.

1557. Are you acquainted with electrical undertakings?—No, I cannot say I am.

1558. I have here a table of the lengths of time allowed. Take a subject which no doubt you are acquainted with—horses—five years?—No; I am still less acquainted with horses.

1559. You know nothing about the corporation's horses?—No; I know nothing at all about them.

1560. Five years is allowable for the repayment of a loan for horses. Do you suppose that the corporation horses average five years of useful life?—I do not know at all; I am absolutely unacquainted with horses.

1561. I put these questions to you because the resolution says that the association requires a general lengthening of terms of repayment. You do not know anything about electricity?—No; and I do not know about horses at all. I am glad to answer on anything I can that I am acquainted with.

1562. With regard to the Town Hall, you have fifty-five years for repayment from a Parliamentary Committee?—No doubt it was—I do not remember; it is twenty-five years ago since it was erected.

1563. Your complaint there of the length of the period would be against the Parliamentary Committee?—Yes; that is one of the points upon which I think revision would be of so much value. I do not wish to complain of the original period; at least, that is not my point. My point is that here you have a building which is being paid for at a very rapid rate, considering its uses and its permanence, and therefore, when nearly half the period has passed away, it would be a very proper object of revision.

Chairman—continued.

1564. Still, that period was fixed by the wisdom of Parliament, after hearing, I suppose, counsel on your behalf?—No doubt; they come in always.

1565. Do you consider that Parliamentary Committees are absolutely bound by the sixty year limit mentioned in the Standing Orders?—If I understand that the Standing Order rules what they do.

1566. Not to exceed sixty years?—Yes.

1567. Perhaps you know something of the procedure in Parliament? May I suggest that an instruction can be moved, giving the Committee power to allow more than sixty years?—I am not aware of it.

1568. I suggest that to you as showing that Parliament is not bound to give only sixty years; Parliament can give any period it likes?—Yes; doubtless.

1569. Your proposal is that there should be some means of applying to Parliament to lengthen the period for repayment of existing loans. Have I not gathered that?—Yes.

1570. Is there anything to stop you now from applying?—I do not think there is any precedent.

1571. Do you know of any reason why you should not bring in a Bill?—I do not.

1572. Has any Corporation ever brought in a Bill for that purpose to your knowledge?—I am not aware.

1573. Is it your idea that Parliament would not pass that Bill?—I do not know. They might be encouraged to try it.

1574. With regard to the advantages to accrue to future generations from your repayment of loans, do not you look forward to a wide expansion of municipal duties in the future?—Doubtless there is enough precedent to warrant such an expectation. Municipal efforts have been widened very much of late, and a man would be foolish who did not anticipate some continuance of the same thing.

1575. So that every generation would have fresh purposes on which to spend the municipal finance?—Yes, if one can imagine fresh ground to be broken.

1576. And in meeting these fresh needs they will be weighted by the remainder of the old debts to be paid off?—That is true, but of course they will have full advantage in every case, because the extension of the loan does not cover the life of the building.

1577. You speak of the "life"; do you mean by that the existence of it as a building, or the existence of it as suitable for the purpose for which it is intended?—As a building devoted to the purposes that it is being used for.

1578. You mention the Technical School in Manchester. Do you think that in 30 years' time that Technical School will be up to date for the requirements thirty years hence?—So far as the building is concerned—yes.

1579. You are speaking of the structure which will be in existence?—Yes.

1580. But not suitable for a technical instruction school, probably, I take it?—I think it will be decidedly so.

1581. The present generation have authorised the construction of that school, I suppose?—Yes.

1582. Were they anxious to have it?—Yes.

1583. And

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[Continued.]

Chairman—continued.

1583. And yet it has taken seven years to erect it?—Yes.

1584. And because it has taken seven years to erect it, you say that they have lost the advantages of it for seven years?—No, I do not say that. I say that they have had to pay during those seven years before any advantage could be taken of it as a building.

1585. But they have lost that advantage because the building was not hurried on, have they not?—It is a question of how long a building ought to take, and the character of the building.

1586. As to the great works at Thirlmere, you say that a large part of that money was spent on an embankment?—No; the greater portion of the money was spent on the acquisition of the land. The embankment is a very limited embankment.

1587. At any rate, a considerable portion. The embankment at Thirlmere must have cost a good deal of money, must it not?—I daresay. I could not give the figures with regard to that, but it is a very short thing. The embankment is not more than double the length of this room, by which the water is impounded.

1588. I understand you to say that the embankment, in the way you repair it, will last for ever?—That is really true.

1589. Would you be surprised to hear that I had a case before me only this morning from Merthyr Tydvil asking for a new loan to restore an embankment made sixteen years ago?—I would not be at all surprised; mistakes may be made anywhere, but I think, in our case, it could be proved that there was practically no risk, and an impossibility almost of such a thing happening.

1590. You say that land in Manchester will always go on increasing in value?—Indeed I do not. I know what is happening in it, as in other municipalities, but I do not like to pledge myself to the future as much as that.

1591. There is some doubt even about that?—No, I have no doubt, but I want to be kept exactly to what I said, if you do not mind, that in all municipalities land has increased in value.

1592. I am very glad to hear it, especially in Manchester, but that is on account of the increased population, is it not?—No doubt—population and trade.

1593. I suppose that you are aware that in some cases the population of a town has not increased, but has gone the other way; take Bacup, which you know?—I know where it is located; I do not know the town.

1594. It is a Lancashire town?—I know.

1595. I see from the return before me that the population of Bacup has decreased 10 per cent. in 20 years. The population in 1881 was 25,033; the population in 1901—the new census return—is 22,505, so that you contemplate the possibility that population may decrease and rateable value decrease, do you not?—Yes; there is that possibility, no doubt.

1596. I have any amount of cases here of that. Now, as regards the general consideration, which we ought to take into our minds in fixing the period of loans, you say that, amongst other things, we should consider whether the works will be thoroughly and efficiently kept up. Is not that a matter of prophecy?—No; I think

Chairman—continued.

quite the opposite. Are you alluding now, may I ask, to the question of revision of periods?

1597. I am alluding now to a proposal to grant a loan for some work that is proposed by a local authority. You say that we are to consider the fact that it will be thoroughly and efficiently kept up?—Yes.

1598. How do you know that it will?—One would infer that these monies would not be borrowed except with the intention of paying due regard to the structures that are erected.

1599. Then, as regards housing, you say you find it impossible to house the class that are turned out, but do not you think that, in housing a slightly superior class you make room for the poorest class who are turned out of the slums?—That is partly true, I daresay. There have been in Manchester, and I speak only from very limited experience, some blocks of houses erected in which an attempt is made to meet the needs of the very poorest, but I do not think the result has been that you have met the needs of the people who were removed from the neighbourhood, and with regard to the other obligation that requires our erecting houses on the outskirts of the town, I think that what I said is absolutely true. In one case, if you put a huge building upon property in the town, you are handicapped by the cost of the land, and in the other, with regard to the building of houses such as we have in Manchester—two storey houses—you are handicapped by the term of repayment without a doubt, and unless you are prepared to practically levy a poor rate—that is to say, let the houses at less than they cost—the housing will suffer undoubtedly.

1600. Do you think you could supply a slum dweller with a newly-built sanitary house at the same price which he has been paying for his slum dwelling?—No, you cannot, because slum dwellings are situated in districts where the land has appreciated in value, and I feel sure I am right in saying that, in Manchester, the cost of that land has made it impossible to give the same kind of accommodation.

1601. You say that the municipalities cannot compete with the private builder if they have so short a time to pay their loans?—Yes.

1602. You desire that the municipality should compete with the private builder, do you?—No, I have no wish for that at all, but the private builder is there on the ground in the immediate neighbourhood of where these buildings are being erected, and, not being handicapped by the repayment and by the sinking fund, he naturally enough can offer accommodation of a better kind at a particular price.

1603. You say he is not handicapped by the sinking fund, but has not the private builder to make profits?—Yes.

1604. Which you have not got to do?—But we have to pay our interest also.

1605. But do not you think that a builder's profit would be equal to the 4 per cent. represented by interest and sinking fund?—I could not say about that. I daresay it might, but I know the feeling expressed by the particular committee that has to do with this matter in connection with our corporation, which is that, for a variety of reasons, the corporation cannot compete with the ordinary builder.

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[Continued.]

Chairman—continued.

1606. May that not be that municipal work is dearer than work by a man working for profit?—That might be so.

Mr. Hutton.

1607. You said just now that the slum dwellings which were removed were on land which had depreciated?—No; land which had appreciated.

1608. The slum dwellings which have been pulled down, I think you said, were on land which had depreciated?—No; land which had appreciated.

1609. I beg your pardon then; I misheard you. In your examination in chief you mentioned that 70 years were allowed you for the waterworks?—Yes.

1610. Did you obtain your powers by an Act in 1891?—No, before that—in 1879.

1611. That is before this return, but you got powers for your waterworks of some kind by an Act in 1891, did you not?—It was an extension; it was a very small affair.

1612. I believe that your debt of 31l. per head is the largest debt per head, is it not, of any corporation in the kingdom?—Yes, I understand it is.

1613. It has risen, has it not, from 29l. 4s. in the last year to 31l.?—I do not know.

1614. Perhaps another gentleman can give this?—I am not aware of it, so I could not answer the question.

1615. Has it been on the rise steadily, or not, for some years past?—No doubt it has been on the rise.

1616. And your rates, I think you said just now, were 7s. 2½d.?—Yes.

1617. Has there been a gradual and steady rise of your rates in the last few years?—Of course they rose with a jump upon the ship canal coming in.

1618. That is ten years now?—It is one shilling in the pound practically.

1619. In the last three or four years what has been the general effect on your rates?—A penny or twopence each year.

1620. They have been rising?—Yes.

1621. To what extent has your rateable valuation charged?—It has increased considerably during the last two years. The valuation in 1898 was 3,019,000l.; in 1899, 3,100,000l.; in 1900, 3,196,000l.; and in 1901, 3,394,000l. There are small figures besides, of course.

1622. I understood you to tell my honourable friend in the chair just now that the rateable value was 3,000,000l. at the present time?—This is the exact figure.

1623. It is a rise of nearly half a million?—A rise of 400,000l. from 1898 practically.

1624. Has there been any extension of the city boundaries in that time?—No, not in that time.

Chairman.

1625. Are you quite sure of that?—Within four years, no. In 1890, yes.

Mr. Hutton.

1626. There has been no extension since 1890?—No.

1627. How far has your debt increased in the

Mr. Hutton—continued.

last four or five years; can you tell me at all?—Taking the same figures from 1898—in 1898 it was 15,455,000l.; in 1899, 15,881,000l.; in 1900, 16,143,000l.; and in 1901, 16,359,000l. I leave out the smaller figures.

1628. That is to say, that in four years it has risen by a million?—In four years it has increased by say 800,000l.

1629. Yes, about that. It is nearly a million. Have you formed any opinion at all as to how far a municipality is in a position to increase its debt with regard to its rateable valuation?—No.

1630. Do you think there is any point at which a city might find itself almost in a bankrupt state by raising large loans?—I do not think so; I think all these things are proportionate to the work that is going on.

1631. I think I am right in saying that at Manchester you have nearly 15,000,000l. invested in what you call remunerative loans?—About 12,000,000l.—say 12½.

1632. And about 4,000,000l. in unremunerative?—About 4,000,000l. It might be just as well to say, if you do not mind, that the total assets of the Corporation are taken upon last year's valuation as being of the value of 23,497,000l.

1633. You mean by that the value of the waterworks and the gas undertaking, and the tramways, and so forth?—It does not include streets. I can run over the items. The items are police stations, fire stations, public sanitary conveniences, sanitary public dwellings, hospitals, markets, parks, recreation grounds, cemeteries, free libraries, highways, yards, that is not highway streets, but those that are used for storage and other purposes—rivers, yards, sewage works, cleansing yards, tips, works, and stock, 620,000l.; town hall and city courts, public halls, baths, and wash-houses, Cheetham Public Hall, art gallery, animal tramways, technical, and other schools.

1634. Excluding the waterworks?—Yes.

1635. I presume that for some of that 23,000,000l. worth of assets the loans have already been paid off?—Yes, certainly they must have been.

1636. The present generation therefore are enjoying benefits paid for by their predecessors?—Yes, largely. There is a paragraph here from the report: "It may be noted that in this balance-sheet, land laid to streets, bridges, river improvements, redemption of county liabilities, street lamps and pillars, discounts on issues of stock, and works of sewerage, paving, and flagging are not included as assets."

1637. Then with regard to the housing you have spent about 300,000l. in building houses for the working classes?—I have really no personal knowledge of the housing question. I can get figures no doubt for you, but it has lain a little out of my beat. The figure is 329,524l.

1638. That is classed by you as unremunerative expenditure, is it not?—It is not included in the total you have of remunerative loans; it is included in the four millions of unremunerative loans.

1639. Have you any actual loss upon those dwellings at the present time?—Yes, I suppose there is something of that sort.

1640. If the loans had been extended to 100 years

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years reducing the interest per annum, how would that have affected the profits upon those loans?—The sinking fund would have been reduced; I do not know what effect it might have had.

1641. Can you give me no information?—It would have undoubtedly assisted, of course, if it had been extended to 100 years. It would have assisted the municipality with regard to the cost of the buildings.

1642. How long ago did you build your first artisans' dwellings?—About five or six years. The first borrowing powers were 1890.

1643. Do you build them all in large blocks in the town?—The main portion of them are in large blocks, but we are now building smaller property farther out of the town.

1644. Do you believe that those outside the town, the small cottages, will be more profitable to you than the large blocks inside the town?—I do not think that is expected, but I speak with reservation—I do not know sufficient about the matter, but I do not think it is expected.

1645. Is the reason of your going out of the town the fact that the artisans are now preferring to live outside the town with all the advantages of locomotion—tramways and so forth?—That will be one result of the use of tramways.

1646. May not the result be that, in 30 years' time, the blocks built inside the town may be out of favour, and possibly not occupied by the artisans?—One cannot say. The advantage that artisans have who live inside the town is that they can spread out in every direction. I dare say that would hold a large number of artisans in the centre of the town. There is a dense population immediately around Manchester, perhaps more dense than round any other place in the country, except London.

1647. Therefore there is the danger that these large sums of money which you are spending on the artisans' dwellings in the middle of your town will, instead of becoming more valuable, become of less value for the purpose for which they were built?—I should not call it a danger; I should call it a possibility. You are bound to meet cases as they arise.

1648. Exactly. Therefore it would be rather hard, would it not, for this generation to saddle the next generation with large loans for building which may be of no use to them at all?—I fear myself that it will be needed; I wish it were otherwise with regard to that. I wish that the population densely located in the town was likely to get to the country, but I very much fear the opposite. I think it will not be so.

1649. With a very advancing city, such as Manchester, I presume that you do not look forward to a time of less expenditure in the way of improvements than you have had during the last fifty years?—No; that I think you may safely take to be one's attitude.

1650. Have you thought at all what the state of your finances will be at the end of forty years if you borrow at the rate of a million a year, and your present debt is about fifteen millions? A great proportion of that is still to come—possibly thirty, forty, or fifty. If you average another million every year for the next thirty years, it will be a very appalling prospect in forty years'

Mr. Hutton—continued.

time for the finances of the City of Manchester?—It depends on what the money is used for. It might be to the great gain of the population of the City of Manchester that that money was expended.

1651. But, as a matter of fact, it will probably mean that your debt, instead of being 15,000,000l. may be nearer 50,000,000l. in that time?—I look upon it with equanimity. I think each generation is capable of taking care of itself, and our duty is to see that we do the best for the present generation, and with a due eye to making the work we do good of its kind.

1652. But surely it is not fair to the future generation to put upon them charges which you yourself are not bearing now. You are clear of certain charges which were necessary to the last generation, and surely you do not think it fair to place on the generation to come heavy charges which they may not appreciate, and which may hamper them very much in their great future progress?—It is a question of proportion. We think that we are paying a very considerable proportion of the charges which are for the benefit of posterity as well as for ourselves.

Mr. Loyd.

1653. Have you ever had an opportunity of looking at maps and plans of Manchester about 60 or 70 years ago?—There are one or two ancient maps in the Town Hall which occasionally I have looked at, but, I fear, from curiosity, rather than any other motive.

1654. Is not the way in which, within the last seventy years, the town has grown and developed very remarkable?—That is true. I do not know about 70 years ago. Unluckily—I can remember 50 years ago quite well.

1655. Many parts that were open fields are now thoroughly covered?—Certainly. Our grievance is that we cannot extend. We are hemmed in by dense populations, for whom we have to do a good deal.

1656. Is there building still going on?—Yes. The last extension on the north side of Manchester was a very extensive one. Unfortunately, it is not the popular side for building, but it is becoming more so since we have given facilities. On the south side we are hemmed in very, very closely indeed within a mile of the Exchange.

1657. If the situation, although not now popular, has facilities given to it, it has every chance of becoming a favourite and fashionable side?—Not fashionable, I fear?

1658. Not at present?—And not in the future on the North; it is more manufacturing.

1659. I suppose that the permanent usefulness and value of a building would depend a good deal on its convenience for the population as it was arranged at the time in question?—Yes.

1660. If the population goes away from the place it is still useful, but not so useful as when it was in the heart of the town?—It depends on the facilities for locomotion.

1661. You were very particular to say that the Town Hall had been kept up out of revenue. I think you also mentioned that, with regard to the the Thirlmere Waterworks, they had been thoroughly kept in repair out of revenue?—Yes.

1662. In your summary of suggested improvements

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Mr. Loyd—continued.

ments do you make it a condition of extending the time for the repayment of the loan that the works should all be maintained in good condition out of revenue?—Certainly.

1663. Do you suggest that there should be legislation to that effect accompanying any extension of time?—I do not know whether legislation would be required, but, if it were required, certainly. Supposing it were allowed that there should be revision I should take it that the Local Government Board, or whatever authority or officials were interested in looking after such matters, would take care, as a necessity of the claim and application, that such was being done, and there could be no objection to it being made a requirement that it should be continued.

1664. Would there have to be inspection by some Government official?—That would be a very proper method for getting at the correct version.

1665. At present the fact that these works have been so well maintained depends on the excellent way in which the Corporation looks after its business in Manchester?—That is not for me to say, but you may take it for granted it is so.

1666. I do not want to affect your modesty in any way, but it must be so?—Yes.

1667. There is no compulsion on you to maintain the works, but you have done so as a matter of business?—Yes.

1668. Supposing Manchester had not such a good Corporation as it has, there would be some danger that the work might be starved and gradually fall into a dangerous or almost ruinous state?—That would be a very bad thing for the country.

1669. Supposing an enterprising Corporation was pushing on with some popular work, would not there be a strong temptation to neglect the outlying and less conspicuous work?—I do not know at all. I could not answer that question.

1670. There might be a neglect going on which was not very evident to the people?—Quite so.

Mr. William Jones.

1671. You say in connection with your technical schools that a 30 years' term is far too short in your estimation?—Yes.

1672. The land was given to you; it is freehold?—Yes.

1673. So, practically, it is really a permanent asset of great value to your city?—Yes, without doubt.

1674. During the interval of seven years that the Chairman referred to, I suppose the work of education was carried on elsewhere in temporary buildings?—Yes, in six different buildings; there were over 4,000 students.

1675. I understand from your evidence that the general trend is for lengthening the term of repayment?—That is my view of what is desirable.

1676. You also brought in another very interesting fact—that you were in favour of an inquiry for a periodical revision?—I fear I have been misunderstood. Does your question infer that there is to be a revision without a request for extension of time?

1677. No. If the request comes from the municipal authority you are in favour of having an

Mr. William Jones—continued.

inquiry on the spot at the request of the municipal authority, with a view of having a revision of the length of the period?—Yes.

1678. The Chairman asked you, in connection with that point, whether you are aware of the Standing Order which limits it to 60 years?—Yes.

1679. Then, also, the Chairman pointed out that you might come for an Instruction to Parliament. We know that. I daresay the Chairman had in his mind what is well known to some of us quite recently in connection with the Derwent Valley Water Works. I was on the Committee, and we got an Instruction from Parliament to extend the period. We were giving water to Sheffield, Derby, Derby County, Leicester, and Nottingham. You consider that, I suppose, too cumbrous a piece of machinery, much too expensive for an authority—to have to simply come to Parliament for an Instruction, and therefore your proposition is that, although there is a Standing Order, there would be a certain elasticity in the proceedings whereby an authority can claim an inquiry on the spot without any expense, in order to revise the thing and lengthen the period?—I did not know that these special facilities had been given by Parliament, but what appears to me to be a sensible suggestion is that the authority which has now to do with the granting of the loan should be the authority to be appealed to in the first instance for the extension of the loan, and that to that authority there should be shown the requisite evidence (required, in fact, by Act of Parliament, if you like) on the question of efficiency and the upkeep of whatever the particular development may be upon which extension is asked—I do not know whether I have made myself clear.

Mr. Murray.

1680. Do you give any weight to the suggestion made to us that, in considering a large extension of time, a large increase of the total amount spent by the ratepayers is involved?—Undoubtedly the loan would not be paid off so rapidly, and, therefore, if fresh loans were accruing, the total sum would be increased.

1681. If 60 years, by more than double?—It may be so.

Chairman.

1682. In the way of interest?—Yes; it is extension of the sinking fund that is asked for. The rate of interest would depend on the market rates.

Mr. Murray.

1683. I am asking a question on the different points put to us. I put to you a table showing particulars as to a loan of 250,000*l.*, 3 per cent. rateable value, at periods of 30 and 60 years. In one case the total amount of interest paid is 132,000*l.*, and in the other case it is 291,000*l.*?—Yes.

1684. The interest paid in a period of 30 years has been given as 132,000*l.*, and the interest in 60 years 291,000*l.*, which difference, of course, comes from the pockets of the ratepayers. Have you given that aspect of the matter consideration?—No; I have not. I should be rather interested in checking those figures.

1685. Yes, and so are we?—Certainly.

1686. The

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Sir Albert Rollit.

1686. The ratepayers have had the use of the money during the longer term?—Yes.

Mr. Charles Murray.

1687. In the case of the buildings you put before us, was the site value taken into account when the term of 30 years was put?—With regard to the Town Hall, yes; but with regard to the Technical School, no.

1688. That is an exceptional case. Unfortunately, it is not every Corporation that can get a site for nothing?—No.

1689. It was under the Act of Parliament that you were limited to 30 years?—Yes.

Mr. Brigg.

1690. With regard to the water undertaking you say that you have 70 years and you have spent a large amount of money upon it. Has it ever occurred to you that large profits might be made on that water?—By someone else who had it to sell, but not by us. We cannot make profit on water. We are not allowed to by the Act of Parliament.

1691. And you are not allowed to sell water outside?—Yes; we can sell from Thirlmere to people in places on the route, but supposing there were profit got in that direction it would not go in relief of the rates of Manchester; it would go in reduction of the water rate, but not to the relief of the rates of the town.

1692. You mean the public and domestic water rate?—Yes.

1693. Not the ordinary rate?—No.

1694. In that case it would tend to reduction of the rate which the person has to pay because, when a person pays his rates, he includes his water rate amongst other things?—I fear there is no prospect of any such profit accruing with regard to the Thirlmere Waterworks. It should be said that all that extension has been done without any increase on the rate of the city.

1695. I suppose you know there are places where they try to make a profit on their water?—Yes; but we are safe from the temptation.

1696. But they do, as a fact, we know. When you ask for an extension of time and suggest that it would be generally desirable to have an extension of time, I suppose, at the same time you are quite prepared to agree, when an examination of that kind might be held, that there should be a shortening of time as well?—Yes, I think that ought to hold good. That is quite my view. If, on examination, it is found that works have fallen into disuse and have not been kept up, I take the common-sense view that no kind of extension at any rate, should be given.

1697. You would shorten the time?—Yes, personally I would put it on that business footing.

1698. You have not said much about the electric supply, but I suppose you are quite aware that electricity is likely to be supplied at considerable profit, and it is now, in fact?—I hope it may.

1699. It can be so supplied, and, as a matter of fact, you know it is in many cases?—I suppose so.

1700. Under the circumstances that would be taken into consideration in granting the time—its being a profitable undertaking?—Yes, undoubtedly.

1701. With reference to the large amount

0.12

Mr. Brigg—continued.

spent on your Technical School, I suppose you have never considered the possibility of the present methods of teaching being in any way superseded, so that your building would not be an exactly suitable place, and might have to be remodelled and changed and altered very considerably?—I hope it will not. It has been a child of many troubles and anxieties, and every effort has been made to accommodate it to the needs of the present and the future.

1702. You have acted according to your light at the present moment?—Yes.

1703. Looking back at the progress of things during the last 50 years you are not prepared to prophesy what may occur in 50 years to come?—I am prepared to say that I should be very much surprised to find the building is not as useful 50 years hence as it is to-day.

1704. We shall not be here to see it, I am afraid. We do not know what may happen in another 50 years?—At any rate, unless we get a very considerable extension of time, it will be paid for long before then.

1705. Another possibility in connection with it is this. I suppose you have not considered the possibility of its having to be removed out of the town altogether?—No.

1706. Some of the educational institutions in London, for instance, have had to be removed entirely out of the way and put somewhere else?—We have been glad to have a plot of land which is central and that accommodates itself, not only to Manchester, but to Lancashire.

1707. Have you considered the other objects to which municipal attention might be directed, for instance, the question of subways, which will be very probably forced on your attention very soon, and the question of your having to pay something for old age pensions and also increased cost of labour. With regard to water you supply, and that is necessary at present—your present supply is quite sufficient?—No doubt problems will arise for municipalities to face and solve, and in some respects I hope they may, for I believe in the value of local government.

1708. How long is it since the Thirlmere scheme was completed for supplying water to Manchester?—About five years.

1709. Are not you already doubling it by putting another supply pipe?—Not doubling the supply.

1710. That is within five years?—That was known quite well; it was purely a question of whether it was desirable to make provision by two out of the five pipes which will complete the whole scheme, or take one at a time. It was purely a question of the investment of capital at a given time. It is not an increase of the supply; the supply is there. The aqueduct is there, in what they call the cut and cover. The tunnels are there. It is the syphoning that is not there.

1711. The cost of bringing it has been increased since that time?—Well, you may put it in that way.

1712. There are other possibilities of spending more money on water. Then there is the possibility of still further demand for your educational needs. Have you taken note of all that?—I cannot say that I have anticipated everything that is to come on the municipalities.

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Mr. Brigg—continued.

1713. Just now we are not exactly on the point of launching on new schemes of education, but it is quite possible that we may be before long. Then have you considered the possibility of what are called garden cities—a large amount of the population wanting to live out of the town?—No doubt these are possibilities.

1714. That involves questions of cheap fares. Have you ever considered the possibility of having, as a municipality, to provide cheaper means of locomotion for the people?—We have that job in hand just now with regard to electric trams.

1715. Quite so, but that is only the beginning?—That is one of the things we hope to find succour in instead of having to suffer from.

Mr. Nannetti.

1716. You have spent a considerable sum of money on housing, I notice?—Yes.

1717. £300,000?—A good portion of that has been spent on the outskirts?—No; the large portion of it is in the densely populated part of the city.

1718. The money that you have spent for houses built on the outskirts, I presume, would be for the better class of artisans—people who were able to pay to get out?—Yes, but unfortunately, as I have already said, I am somewhat ignorant of the details of our housing scheme, beyond the general knowledge that I have, that there are some smaller houses, now being put up on the outskirts, and these blocks of dwelling-houses in the centre of the city.

1719. It was suggested by members of the Committee that, on account of the building of the houses on the outskirts, people might leave the houses you have already built in the centre of the city, and they might become a loss. Does it strike you that the building of the houses on the outskirts and the taking of those people who are occupying your houses at present would, if vacancies occurred in them, not provide for the very poor dense population that you have still left?—I do not think, so far as one can see, that there would be any movement of that kind of population from one class of house to the other.

1720. You do not anticipate any great loss on the scheme that you have already provided in the city, even supposing that advantage is taken of the extension to the outskirts?—I do not think that they can be erected at a profit.

1721. May I take it from you that you consider that the limitation of the period tends to your working at a loss?—Yes, in so far as it adds to the standing expense for the time being.

1722. I take it that, in the class of house you build, the architects take good care to see that they are of a substantial character?—Yes.

1723. Consequently, 40 years is a rather short period to grant for loans for those houses?—For those dwelling-houses, the blocks of houses (flats in a certain sense), I should think so.

1724. With proper upkeep, at the end of 40 years they would be a valuable asset to a future generation?—They ought to be.

1725. I take it that you do not think the future generation will suffer by the building of houses at present?—I do not see how they will suffer.

1726. They will reap the benefit by your removing congestion and providing proper houses

Mr. Nannetti—continued.

for the present generation, which will tend to the material welfare of the future generation?—Yes; I suppose that will be the result.

1727. Corporations, you say, under present circumstances, could not compete with private enterprise, and the Chairman put it to you that municipal work was dearer. Do you employ direct labour, or is it by contract?—By contract.

1728. If you have contracts, do not you enter into competition with private enterprise in that way?—Probably it refers more to dealing with land. In competition of that kind, it comes to the same thing; only, if you have a man interested in his own buildings for his own ends, the jerry builder, as he is called, he is able to look better after his affairs than the ordinary contractor.

1729. Would you not take it in this way: That the municipalities' object would be not to have profit for themselves, but to see that the work is kept up properly, and they would be able to compete with the jerry builder working for profit, and consequently the buildings would be of a better class and of more value at the end of 40 years?—I think that is quite the correct view to take, but whether they would be, in the meantime, of a lettable value that would pay the Corporation, is quite another matter.

1730. You mentioned the word "jerry builder"; we know the class of buildings that they run up. They could not possibly be of as good a class, or be as good an asset at the end of 40 years, as Corporation work?—They would not be, undoubtedly. I do not want to get into a hornet's nest.

1731. You have no fear of the municipal corporation losing by enterprise in the housing of the working classes?—No, I have none. So long as it is carried on on properly and legitimate lines I think it is a gain to the present and the future.

1732. With regard to the technical schools it has been suggested that the future generation have no right to pay for the present. May I put it to you that the future generation will benefit by the knowledge that is to be gained by technical schools at the present day, and that the effect of those technical schools will be of advantage to a future generation?—There is no question of that—none at all.

1733. Would you think it a hardship that a future generation should be asked to pay a portion of the expenses of the erection of those schools?—Contrarywise.

1734. I take it that altogether you are in favour of the extension of the period of loans at the present time?—Yes, that is so.

1735. When a municipal body asks for a loan for any particular work do you generally put in for the full period?—I think it works the other way rather. You ask for the loan and press for as long a period as you can.

1736. You press for the longest period you can get?—Yes.

1737. Do the authority which have the granting of the loan generally give you the period that you ask for?—I fear not.

1738. They do not?—I fear not. I could not speak

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speak with regard to everything that is done in our corporation, but in anything that I have had experience of it has not been so.

Mr. Bonar Law.

1739. You mention that in your opinion one hundred years would have been a suitable time for the town hall?—Yes.

1740. That seems to me pretty long. Is not your idea of that based on the supposition that the population will have continued to increase?—Yes, all our work is based on that, and I do not see how you can work at all unless you go on that assumption.

1741. On the assumption that the rateable value will steadily increase?—Yes.

1742. Without being pessimistic, do you not think seriously there are indications that the position we occupy in trade will be different—that we are going to have more competition, and that 100 years hence it is possible that the population may have ceased to increase?—I cannot assume that; I take what is practical, and what has happened of late, and I think that is our justification for going on with what we have done, and for asking that we shall not be overburdened.

1743. You feel that, unless you thought that the population would steadily increase, 100 years would be an unreasonably long time?—Yes, undoubtedly, if the population does not increase there will be ructions of a variety of kinds?—

1744. With regard to the water you said you did not think 150 or even 200 years would be an excessive period. Now supposing that, instead of being a municipal enterprise, the supply of water had been by a private limited company, if you were the chairman of that company you would think it very unreasonable to extend the period of paying off the capital to anything of that kind, would you not?—I should not indeed. I should look forward to the increase in the value of it as an asset.

1745. Supposing that you were responsible, and had to present a balance-sheet every year, do you think the shareholders would be satisfied unless you were writing off more than would pay it off in 150 years? Any business that ever I have heard of, or had any experience of, has always counted on paying off the capital in a much shorter period than that?—I thought that the tendency in business, when it was increasing in value, was to increase that also.

1746. Suppose you were the chairman of a company of that kind to supply water, and you were presenting a balance-sheet every year, you would try to show that you were making enough profit, and laying aside enough reserve, to pay off the capital in a shorter period than that?—In an undertaking of the character of a water-works I should not think that it was necessary.

1747. You would think that no reserve was necessary?—The land remains there, the demand for the article is there. If it was to go in any direction it should go in the direction of the dividend.

1748. You remark about revision. I suppose 0.12.

Mr. Bonar Law—continued.

that applies only to loans from the Local Government Board?—That is what I had in view at the time.

1749. You would not think it reasonable that outside creditors should be compelled to extend the period of loan. Supposing that you had borrowed money from the general public you would not think it reasonable to have an Act of Parliament to extend the period of repayment?—Oh, dear no! You borrow money for a given term and you meet it, of course.

Mr. Runciman.

1750. In your Finance Committee have you considered the difference between the methods of paying on the annuity system and by instalments? You understand what I mean by that?—We have reduced some portion of our loan under the annuity system.

1751. Do you pay entirely on the annuity system?—Not entirely.

1752. Some portion you deal with by instalments?—Yes.

1753. Which reduces your annual burden from year to year?—Yes, because more is paid off in the earlier years than in the later ones.

Chairman.

1754. How much is paid off on the instalment system? What proportion of your loan is being paid off on the instalment system?—I shall be very glad to send you particulars. I have not them at hand at the moment.

1755. Let the Committee have the proportion of the loan of Manchester that has been paid off on the instalment system?—Certainly.

Particulars afterwards supplied:—			
Amount repayable on the Annuity System	£.	s.	d.
Amount repayable on the Instalment System	15,560,751	19	9(A.)
	1,542,928	18	2
Total loan debt	£.	16,903,680	17 11
(A.) Includes Ship Canal	£.	5,123,980	1 6

Sir Albert Rollit.

1756. You have been asked whether there will not be new developments of municipal activity. Of course there will, but may I take it that a large bulk of permanent work, especially sanitation, has been done and completed, and will avail for many years, and that a large expenditure has been incurred?—I think a large proportion of the expenditure of capital for municipal purposes has been made already.

1757. As to keeping up those works do you not think that municipal prudence and business character and experience is a sufficient security for that?—I think so.

1758. And if it is not, will not the ratepayers have a control in that direction?—I think that there is every guarantee, so far as I have any experience, that the thing will be kept up at its full value.

1759. You have been asked whether municipal housing may not be more expensive, but is there a difference between the municipal house and the ordinary private builder's house as to its lasting power?—It is generally thought to be of a superior kind.

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1760. You

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The Right Hon. J. Hov.

[Continued.]

Sir Albert Rollit—continued.

1760. You have been pressed about the rates rising. Have you any doubt that the expenditure, both capital and annual, is amply repaid in the health, strength, and wealth of the people by this municipal action?—There is not a shadow of doubt of it.

1761. Will there not, from what you know of the business, probably always be a local resident city working population for which these houses may be useful whatever may be the developments in the country?—I quite think so.

1762. As a matter of fact, and as the result of these works, has not the city health improved?—Yes, the health has improved.

1763. And the facilities for recreation in the broadest sense of that term?—Very much so.

1764. And on all these matters would not you be prepared, from your experience and knowledge of this and other municipalities, to trust to local knowledge and judgment, and experience in a very high degree?—Yes.

1765. A question was put to you about the removal of the Charterhouse and other schools into the country. Has not that been a source of great profit to the schools from the expansion of the value of the assets?—No doubt.

1766. And it has served them with endowments and the like?—Yes.

1767. Do you think that it would be a business principle, municipally or otherwise, to act on the assumption that population will, or even may not, increase, and that trade will, or even may not, languish?—It is utterly impracticable.

1768. A point was put to you involving a comparison of private business undertakings in paying off loans in short periods and the municipalities. Is there any real parallel?—I do not think so.

1769. Is it not the truth that a business serves a generation, and a municipality serves a series of generations?—That is so.

1770. An Honourable Friend—a member of the Committee—has asked me to put one point to you. He points out that under the Public Libraries Act and the like, a term of 60 years can be obtained. Why were you so limited in your technical school?—I do not know. I must refer you to the Local Government Board.

1771. Apparently the Local Government Board had more power, but they limited you to 30 years?—Yes.

Mr. JOHN PETER SMITH, called in; and examined.

Sir Albert Rollit.

1784. You are Mayor of the Borough of Barrow-in-Furness?—Yes.

1785. You are Chairman of the Electricity Committee?—Yes.

1786. And a Justice of the Peace for the Borough?—Yes.

1787. You are also a member of the Executive Council of the Incorporated Municipal Electrical Association for England and Scotland?—Yes.

1788. You have taken great practical interest in the question of electric lighting for many years?—I have.

Sir Albert Rollit—continued.

1772. Now with regard to pensions and the like, it has been suggested that they may come upon the locality, but that has been talked of for a number of years?—Yes.

1773. And so far it has not come?—No.

Chairman.

1774. You just said that there will always in your opinion be a resident working city population in these central parts of the city?—Yes.

1775. You know the site next to the North-Western Station at Manchester?—Yes.

1776. Do you remember that, very recently, you applied to the Local Government Board for leave not to use that for rehousing on the ground that the tendency of the population was to live further out?—I was not aware of that, but my contention merely rests upon what I said before—that Manchester is a centre from which working people spread out in every direction, and that it will remain as a working population district in my opinion for a long period. There might be other reasons. I do not know the instance that you speak of at all. I do not know in regard to that particular matter.

1777. You are not aware that an application has been made to the Board, which I settled myself last year, not to use that central piece for rehousing?—No.

1778. Because of the tendency to go outside?—Was that given as the reason?

1779. The reason given to me?—I do not know.

Mr. Runciman.

1780. If according to your suggestion the period on waterworks was increased to 150 or 200 years, that would be, for all practical purposes, a permanent loan?—Yes, and a very good thing too—upon that particular property.

1781. Your opinion is that a local debt may be treated as we treat the National Debt?—Yes, for specific purposes, but only for specific purposes.

1782. For local purposes you would suspend your sinking fund?—Yes, for special purposes. My answer refers to the question as you put it in regard to the waterworks.

Sir Albert Rollit.

1783. On the ground that water is a permanent necessity?—Yes, indeed.

Sir Albert Rollit—continued.

1789. You have heard the evidence of the Lord Mayor of Manchester?—Yes.

1790. Do you generally concur in it?—Speaking generally, I fully approve of the evidence which he has given.

1791. With regard to short periods allowed corporations for the repayment of monies borrowed for street improvements, for public parks, and technical schools. I will take street improvements first. Have your corporation recently agreed with the adjoining owners for a street

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Mr. SMITH.

[Continued.]

Sir Albert Rollit—continued.

street improvement in an important thoroughfare—Walney Island?—Yes.

1792. Will you describe that work?—The work, is a street improvement. It is a widening of the road, and also an improving of the gradient, and it is of an absolutely permanent character.

1793. The period allowed was what?—Only 20 years.

1794. No land was purchased, I believe, but it was given by the owners?—Yes.

1795. And they bore a considerable portion of the cost of the works?—Yes. We thought in that case that the period was an exceedingly short one on account of the absolutely permanent character of the works, and that they would benefit posterity for practically all time.

1796. With regard to the public park the corporation had an opportunity, I believe, of acquiring about 44 acres of freehold land in a central position on very favourable terms, and you decided to purchase the land, and did so—at what price per acre?—About £250 per acre.

1797. Equal to how much per yard?—About 1s.

1798. And that was, virtually the market value of the land?—Yes. We considered that it was an exceedingly cheap price.

1799. What was the total amount sanctioned to be borrowed?—18,800l.

1800. That was for purchase of the land?—The whole of that was for purchase of the land. We have not applied for any powers for laying it out. The circumstances in that case are rather peculiar. The Council did not feel in the particular case of the borough with pretty wide streets and open spaces unbuilt on, that there was any present need for a park at all, but they felt that, having the opportunity of purchasing an extremely suitable piece of land in the very heart of the town, within a stone's throw literally of the Central Railway Station, and adjoining a main thoroughfare, they would be very foolish to allow the opportunity to lapse. The land was purchased at very little more than agricultural value, and, as an instance, to show that it was obtained at a very low value, I may say that land on the other side of the thoroughfare—the principal entrance to the town—has been sold recently for 7s., 8s., and 10s. a yard.

1801. There was no pressing urgent necessity for the park?—No. We were simply looking forward to future generations, which we are supposed, as a rule, to disregard altogether.

1802. You were acting as trustees for the generations to come?—Yes. We are saddling the ratepayers to the extent of nearly a penny in the £., because we want to look ahead and provide for those who come in the future.

1803. Of course you had some regard to the present as well?—Yes.

1804. You thought it a prudent and proper thing?—Yes.

1805. What period was granted to you?—Fifty years.

1806. Was that money borrowed under the provisions of the Public Health Act?—Yes.

Sir Albert Rollit—continued.

1807. Which would have admitted of 60 years?—Yes, and that is essentially a case where the whole of the money was borrowed for land, and, looking to the future rather than the present or more than to the present, we might at least have had 100 years.

1808. In other words you could not get from the Local Government Board even the maximum term of 60 years?—No.

1809. Do you not think that land might well be regarded as a permanent asset and available, at any rate, for 100 years?—Most certainly.

1810. You are erecting a new technical school at a cost of about 20,000l.?—Yes.

1811. The school is erected on freehold land in the leading thoroughfare, and is built in a most handsome and substantial manner in brick and terra cotta?—Yes.

1812. Is the land likely to improve or depreciate in value?—I think that the land is absolutely certain to improve. The price that was paid for it about four years ago was 18s. 9d. a yard. I happen to know that land in the neighbourhood cannot be had now for at the very lowest 25s., and only recently I was asked 35s. for land nearly opposite.

1813. I suppose I may take it that in any municipal populous district, given ordinary prudence in purchasing, the rule would be to increase in value?—Most certainly—that would be the rule. In this particular case the whole of the loan was for building and land, and there was no item allowed for furnishing. That has to be done out of revenue practically.

1814. So that we have here a concrete case of land only, possible maximum term 60 years, actual term granted 50, and you are convinced that the land would be a permanent asset not liable to depreciate in value?—You are going back to the park?

1815. Yes?—Yes, that is so. In the case of the technical school we have only been allowed 30 years.

1816. Is the building substantial?—I should think so. It has been erected in an exceedingly substantial manner.

1817. And it is of a permanent character?—Most certainly.

1818. What is your idea of the length of life of a building like that, given ordinary repairs and renewals out of revenue?—I should say, given the repairs which a corporation will do, which are greater and more generous than in the case of most private owners, the building ought to be almost as good in 100 years as it is now—as a building—I do not say necessarily quite as good as a school, but to a very great extent it will be as good as a school, certainly for 50 years.

1819. What term did you get?—30 years.

1820. In regard to my Honourable Friend's previous observation, would not you, under the Libraries Act, have been entitled to 60 years for that school?—I believe so.

1821. And you were allowed 30?—We were allowed 30.

1822. As regards electric lighting I will treat you as an expert on that subject. Has the development

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Mr. SMITH.

[Continued.]

Sir Albert Rollit—continued.

velopment of electric lighting been retarded in populous centres?—Yes.

1823. Why?—I believe the bugbear, as it is looked upon, of interest and sinking fund has been so heavy in the case of electric lighting undertakings, that it has caused a large number of local authorities to refrain from exercising Provisional Orders which they have already got. I believe that is an undoubted fact.

1824. What is the usual term given for repayment in the case of electric lighting loans?—For some little time past, I believe that 25 years has been the usual rule—that is keeping outside of London.

1825. In London, under the regulations of the Council, what is the usual term?—42 years, and in addition to that they allow, in most cases, three years suspension of the sinking fund charges.

1826. During construction?—Yes.

1827. Do you approve of that?—I most certainly do in the case of electric lighting undertakings.

1828. Is 25 years an adequate time, having regard to the length of life of the works, speaking generally?—I do not think it is.

1829. Even taking into account possible supercessions?—Taking that into account even.

1830. You attribute, in a measure, the backwardness of electrical work in this country to that?—To a great extent. I know, by a recent Return published, that there are no less than 155 local authorities who have obtained Provisional Orders and do not seem to have the courage to put them into operation. That is against 177 in actual operation, which is almost the same number.

1831. I believe that in the case of electrical undertakings the actual outlay is exceptionally heavy in proportion to the revenue produced?—Yes. I have looked at the figures for our own town, and I find that we have to have a capital of exactly three times the capital employed in the gas-works for a given revenue or income, which means of course that, on that account alone, our standing charges would be three times as heavy, and we have, in addition, the fact that we have the very short period of 25 years as against 30, 40 or 50 in some of the older cases for gas-works.

1832. You regard it as aggravated by the fact that for the first two or three years the revenue is, under the most favourable circumstances, small?—Yes.

1833. Can you give any illustration of what you have been saying?—I have given you the large capital expenditure necessary, unfortunately, in all electrical undertakings, and with regard to the period of 25 years it is now pretty universal. The great drawback to the system is that where corporations or local authorities have made up their minds eventually to take the plunge and go in for electrical installation they generally do it on much too small lines. That is a point, I think, which ought to bear with the authorities who go into this question and consider it, because it has the effect of inducing corporations to keep

Sir Albert Rollit—continued.

down their capital expenditure to a point below that which is wise or prudent. I have seen numberless instances of it where works have been laid down, and before the completion perhaps even of the original contract, those works have had to be extended. In our own case within a period of 3½ or 4 years we have made five different applications. The members of the Council would not go into the undertaking. I found the greatest difficulty in persuading some of them to go in for it because they said "While we are quite satisfied that the undertaking in the long run is very desirable and probably will be very remunerative, we do not like incurring the great risk of the first few years."

1834. So that so far from corporations running readily into debt the tendency in your case has been the reverse?—In this particular case the effect of a short period and the heavy capital expenditure has been that they have been afraid of spending as much money as they ought to have spent, and it would have been a very much wiser policy if we had spent probably twice or three times as much in the first instance instead of having to be constantly adding to our works.

1835. You think that that would have been facilitated if the term had been longer?—Certainly.

1836. What should be the period in your opinion?—Thirty-five years in the case of electric lighting works would be a reasonable term. I am speaking now of an equated period. I do not say necessarily the life of every individual portion of the plant.

1837. At any rate you would say 30 years?—Most certainly.

1838. You would suspend the repayment of the sinking fund during construction for how long?—I think that three years would be a very short period for that. I think that we ought to encourage local authorities to put down plant of such a size that they will not have to extend it so soon, and that is particularly the case with regard to mains in the streets. It is a very expensive policy to put down small mains, and, in the course of three, or four, or five years have to extend them, because not only the extra capital expenditure will have to be incurred, but disturbance of the surface of the streets and annoyance to the occupants generally.

1839. The practice of suspending the payment of sinking fund during construction prevails in the metropolitan boroughs?—Yes, I believe they have three years.

1840. You know that Parliament has sanctioned it in other cases?—Yes, in very many cases.

1841. In producing reproductive works I believe that you regard the fact that a goodwill is being built up as an asset available for posterity?—Yes. I think that that question ought to be considered in fixing the period most distinctly.

1842. In other words you think that the accumulation of business connection is one of the things to be taken into account?—Yes. In the case of our own gas and water-works the profit on those undertakings, after paying interest and sinking

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[Continued.]

Sir Albert Rollit—continued.

sinking fund, amounts to a very large sum. I think that it is about 9½d. or 10d. in the £ on the rates.

1843. You also make of course concessions to consumers in the case of these undertakings?—Yes.

1844. And are these undertakings of which you speak—gas, electricity, and trams and the like—profitable?—We have no municipal trams in the town, but in the case of the gas and water-works they have been very profitable.

1845. And you think a great public advantage?—Most decidedly.

1846. Take the case of gas. I think that the net profit on the year ending March 31st, 1901, was 3,398l.?—Yes.

1847. Water, 6,129l.?—Yes.

1848. Is that after deducting all proper items?—After deducting all charges.

1849. Depreciation, and so on?—Yes.

1850. Speaking generally have you any doubt, from your local experience and from your general experience, of the great value of these municipal activities?—I certainly approve of them.

1851. And is there any practical and probable risk of injury, financially or otherwise, to the community in respect of them?—I do not think so.

Chairman.

1852. You have told us that you were only allowed 20 years for street improvements. Have you the items of those street improvements before you?—No, I have not the items.

1853. Did it not include macadamising the road?—It would include the road surface, no doubt. I am not certain whether that was so or not.

1854. Do you think that 20 years is too short a period to give for a loan for macadamising the road?—Not for that item, perhaps.

1855. No land was included in the 20 years?—No.

1856. Only works of road improvement?—Only works of road improvement.

1857. With regard to the park you say that in the opinion of your Council the park is not wanted at present?—That is so.

1858. What has made Barrow-in-Furness? What are the great industries?—The iron and steel trades and ship-building are the principal industries.

1859. The iron and steel trade has largely made Barrow, I gather?—Yes.

1860. Supposing that that trade left Barrow, would not the population of Barrow be decreased by at least half?—No; I do not think so.

1861. You think that Barrow must go on increasing in population whatever happens to the iron and steel trade?—I think that it is likely to.

1862. Of course, I do not wish you to depreciate your own town?—May I say that the steel works are not as important an item in the town as they were originally, but you have other industries springing up, which are putting the town on a very much more permanent basis than it was 20 or 30 years ago.

1863. As regards the Technical School, you

Chairman—continued.

say that it will be as good for a school fifty years hence as it is now, or nearly so?—Substantially. I do not say that minor alterations may not be necessary.

1864. Do you know any schools built 50 years ago?—No; as I do not happen to be of that age, I unfortunately do not remember.

1865. I did not suggest that you remembered the building of them, but do you know any schools that were built 50 years ago?—I could not give you an instance in the town where the greater part of my life has been spent, because the town has scarcely been in existence for more than 50 years.

1866. I put it to you that schools built 50 years ago are not now as good for a school-building as they were 50 years ago?—Not quite. I certainly admit that.

1867. They are not up-to-date?—With regard to internal equipment, probably not.

1868. But do you mean that they are as regards outside walls even, and that the classrooms are as large as they should be for modern requirements, and that the rooms are as high as they should be for modern requirements?—If the classrooms are not as large as they ought to be for the number of children that occupy them, all that you have to do in that case is to reduce the number of children occupying a particular room.

1869. Would you raise the height of the building?—I do not think the present requirements are likely to be extended in that respect.

1870. I gather that your main objection to the period of loans is based on the electrical loans?—That is one thing in which I have taken more interest, perhaps, than in any other.

1871. You are an authority? You are interested in it?—I am interested in it, but I am not an electrical engineer. I cannot answer highly technical questions, but from a business point of view I have taken an interest in it.

1872. The burden of your complaint is that you only have 25 years given to you for loans for electrical construction?—Yes, and I say even more than that—that we have no period allowed for suspension.

1873. You are not allowed to defer repayment. I will take that point first. I have before me your accounts for the electrical undertaking. May I ask what your overdraft at your bank is at the present moment?—I could not say.

1874. Would you be surprised to hear that it is 3,839l. on this electrical account?—That may be so. We do not borrow necessarily for every 500l. or every small sum that we want. It is a matter in the hands of the Treasurer. I do not know exactly how he works it.

1875. I suppose that by overdrawing your account you are postponing repayment on your own account?—On a very small percentage of the total.

1876. Do you know what is the amount of your annual instalments?—I have the figures for the year ending March 31st, 1901, which is our second year, and the amount of interest that we paid. The capital then standing in the books was 37,839l. The amount of interest that we paid was 949l., and the sinking fund 900l.

1877. And at the end of the financial year—March

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Mr. SMITH.

[Continued.]

Chairman—continued.

March, 1901—you were overdrawn at the bank how much?—I have not that figure.

1878. So much for deferring repayment. Now as regards the items of this loan for 25 years; there was no land in that?—No. The item of land was disallowed because it belonged to the Corporation before.

1879. You had the land already?—Yes.

1880. I have the items before me. You took out 1,000*l.* for the land because you already owned the land. The next item was for a complete building consisting of engine and boiler houses, pump room, stores, offices, flues, and chimney shaft, 3,150*l.* Now take the next—5,533*l.*—range of three water-tube boilers, economiser steam exhaust and feed pipes. Do you consider that 25 years is too short a period to give for the life of water-tube boilers?—I might give an instance which bears on that. The chief engineer of one of the largest insurance companies—Mr. Stroymer—a well-known gentleman—read a paper in Manchester before a scientific society only about six weeks ago, and, speaking of boilers, he gives the life of a Lancashire boiler as 50 years.

1881. But of a water-tube boiler?—Of a water-tube boiler which is kept in constant repair, as almost everlasting. You renew the tubes from time to time, and they form the main item. That is not my opinion, but the opinion of an expert.

1882. You realise that this is an equated period?—25 years—certainly.

1883. Here is another item: "A battery of accumulators and connections, charging transformers, etc., 1,150*l.*"?—Yes.

1884. Do you say 10 years, which is the period we allow, is too short for that?—The opinion of electrical engineers varies a good bit. Batteries are one of the weak points in the system, and they depreciate rapidly, but I think the majority of electrical engineers would say that batteries made now might fairly be put down as 15.

1885. You are aware that the Board are advised, of course, by engineers of high qualifications. At any rate you know that we do not do these things out of our own heads without scientific advice?—That may be so, but we do not necessarily agree with the result any more than we do in the case of the 30 years for the technical schools.

1886. Here is "Complete system of distributing mains and feeders, telephone and pilot wires, including excavation, and making good of streets, 4,500*l.*" Do you say that a complete system of distributing mains and feeders would last for 25 years?—That would depend on the particular class of main undoubtedly.

1887. Have you not known cases of the insulation failing?—If you go back to the earlier days of electric lighting, when the cables were covered with rubber, a good deal of trouble did occur, and some of these cables had to be renewed within, I dare say, 10 years, and it is really the result of that that has given the thing such a very bad name, I think. I do not say that necessarily 25 years is too short for cables alone. I speak of the equated period. I have tried to collect opinions privately, and speaking confidentially with a very large number of electrical engineers holding very responsible positions throughout the kingdom, I find that their opinion is that 25 years is very

Chairman—continued.

much too short, and that 35 years is nearer the mark.

1888. The London County Council give you 42 years, do they not?—Yes.

1889. For an equated period including such items as I have been reading to you?—I do not agree with 42 years. It is too much.

1890. You have spoken about these Provisional Orders which you say the local authorities have not put into force owing to their fear of the onerous terms of repayment. Are you not aware that many of these Orders were admittedly obtained in order to keep out private companies?—Yes, I think that that has been the origin of them in a good many cases. I know that in my own case in Barrow one of the arguments that was used, and which, I think, had some effect, was that although we did not want to use the Order at present, we had better get one or else some private company would step in and take it from our hands, and it is an argument which appeals to people when the prospect of remuneration would not. I do not agree with the policy of obtaining the Orders and not using them.

1891. Do you consider that electricity has reached perfection and that none of these works will be superseded by the progress of new invention?—I should be very sorry to say that it has reached perfection.

1892. And that there will not be gigantic strides in the next 25 years superannuating, I may say, much of the present work?—I do not think so.

1893. Is the opinion of your Municipal Electrical Association that there will not be any great improvement in electricity within the next 25 years?—Not any radical change which will make our plant obsolete.

1894. A good deal of the work of past years has now become obsolete, has it not?—A certain amount, but not such a great deal.

1895. With regard to the goodwill, you say that you are building up a goodwill. Can you sell the goodwill?—A corporation, I do not suppose, would ever consider the question of selling it. There may have been cases of transfer. But if you look at it the other way about I think I can prove it. Take the Liverpool Electricity Supply Company. That company existed from the very first—from 1883 to 1896, and after 13 years so far from their works having depreciated and become obsolete (this, remember, is an undertaking commencing not now, but at the very beginning of things), they sold their undertaking to the Liverpool Corporation for 400,000*l.*, and the amount at which it stood in their books was 271,000*l.*, or approximately that.

1896. I do not think that you quite understood my point. You say that the goodwill will be a valuable asset of the Corporation?—It is an asset to this extent—that future ratepayers will derive the profit of it even if they cannot sell it out and out and obtain a premium.

1897. My point is that it is not saleable?—I do not suppose that the Corporation want to sell it.

1898. Have you municipal tramways in Barrow?—I am sorry to say that we have not.

(Adjourned for a short time.)

1899. Do

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Mr. SMITH.

[Continued.]

Mr. John Hutton.

1899. Do you in your borough pay any capital charges out of revenue?—I do not quite understand the question.

1900. If you have some small capital charges do you always take a loan for them?—Not necessarily for small items. In the case of technical schools I mentioned before lunch that the furnishing of the schools is to be done out of revenue.

1901. What do you expect that will cost you?—Two or three thousand pounds out of the eighteen or nineteen thousand for the building.

1902. Are there any other charges of a small kind that you pay out of revenue?—We frequently pay small items without coming for borrowing powers; it is not worth while.

1903. What does a penny in the pound produce with you?—About 950*l.*

1904. You actually propose going to the expense of a fourpenny or fivepenny rate for furnishing buildings?—It is a fund which has been accumulated under the Technical Instruction Committee; I have not been on that Committee. I am not quite sure of the amount, but it is about 2,000*l.* I do not suppose they have it all now; they have a certain amount and will spread the remainder over a couple of years.

1905. Part of it you will raise actually out of rates, will you not?—The Technical Instruction Committee have, so far, managed without calling on the rates; they have taken it out of what we shortly call the whisky money.

1906. That is in connexion with education, but with regard to other sums, small capital sums, do you ever pay for them directly out of the rates?—We do occasionally. I do not know whether I can give any very special instances just now.

1907. To what extent would you go—up to a penny in the pound do you suppose?—Yes, I think so. We have a reserve fund.

1908. What may that reserve fund be?—It is a borough fund, out of which certain items are taken when it is considered desirable.

1909. Reserve capital fund?—Yes. We estimate at the beginning of the year—(take the gas-works or the water works)—that they may produce a certain amount for relief of the rates. When we happen to have a particularly good year and the profit is more than anticipated, that goes towards this special reserve fund.

1910. Instead of reducing the current rate you use it for capital expenditure?—Instead of reducing it more than was anticipated we use it for special purposes.

1911. What do you mean by special purposes?—Take the question of the Coronation this year—we propose to spend a small sum in decorating the streets; we are getting up a public subscription for the general purposes of the Coronation treats for the children and old people, and fire-works, and so on, but for the items for decorating the streets the Corporation will pay out of the fund. There will not absolutely be an increase of the rates for the present year, but it is taken out of this surplus fund.

1912. I suppose this surplus is accounted for to your auditor?—Yes, it appears on the balance-sheets.

1913. With regard to municipal trading, take the electric light plant; it is almost a rule with successful trading, the more successful a trade is

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Mr. John Hutton—continued.

the more capital it requires to have placed in it?—That is generally the case.

1914. How do you propose to deal with your electric light; do you propose to continually add to the capital fund out of this surplus that you speak of or shall you come for fresh loans?—We shall certainly come for fresh loans in the case of the electric light undertaking, decidedly.

1915. From time to time?—Yes; on that subject may I say that, although I think the period for which I suggest we ought to have loans allowed is perfectly right and reasonable, I should also say that, if any corporation has a net profit in any year, that profit should not be given to the relief of the present ratepayer until you have accumulated a reserve fund which is good for the renewal of any part of the plant that might give out sooner than was expected.

1916. This is rather important?—Under the Electric Lighting Act I believe a reserve fund of 10 per cent. is provided for. A depreciation fund is not, but a reserve fund is provided for, and I hold the opinion very strongly that the first profits should be devoted towards building up that reserve and keeping it up to the full amount, so that, if there should be any part of the plant which becomes obsolete or gives out, or any accident, you have something to fall back upon.

1917. I understand you to say that you consider you can use this reserve fund for any other purposes, such as decorations?—I am not speaking about electricity in that case, but about a general borough fund. It was led to by your asking whether we put everything down to capital; I say no; there are certain things we do not.

1918. I am getting puzzled about the reserve fund. I understood it was the profits upon your various undertakings?—Not the profits; it is the surplus profits at the end of the year more than anticipated.

1919. How do you come to have an overdraft upon your bank when you have all this reserve fund?—I do not quite see the connection between the two. We might be overdrawn on the electricity department and have a very large surplus in the gas department.

1920. Do you keep separate accounts for the various undertakings?—The banking account is kept as a whole. The electricity department might, owing to its being in an early stage, possibly have an overdraft of 3,000*l.*, whereas some other department might possibly have a credit balance at the bank.

Sir Albert Rollit.

1921. And either might be temporary?—And either might be temporary, of course.

Mr. Loyd.

1922. Do you think that the local authorities require stimulating rather than restraining in the way of local enterprise?—I would not say that in all cases.

1923. Do you think they have been retarded by the existing limitation?—I am quite sure they have with regard to electric lighting undertakings.

1924. Does your remark on that head apply more especially to electric lighting?—More than to anything else with which I am personally acquainted.

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quainted. I think it would also apply to the question of the Workmen's Dwellings Act. We have not adopted that Act in Barrow; we have never had it absolutely brought forward; but I know that the feeling is that corporations always put up buildings of such a substantial character that the capital expenditure would be large, and in addition to that we know that the term of repayment is a short one. The result would be that the annual expenditure on repayment of loans would be so heavy that we should have difficulty in building a house really complying with requirements.

1925. The difficulty in all these building problems is making the rents pay?—Exactly; we think that if we erect workmen's dwellings it ought to be on the business principle that the rents derived from them would pay the various charges.

1926. At least pay their way?—At least pay their way. We do not wish to make a profit at all, but practically to pay the way.

1927. With regard to electricity, is it a fact that one of the chief difficulties in supplying electric light is to get a body of customers together?—It takes a considerable time to do that, certainly.

1928. Is not a great deal of the work for the first few years done in that way—in pressing upon the population the desirability of having the new light?—The difficulty that I have experienced is that you cannot get all your customers together in one given area; you commence with a compulsory area, within which you are bound to lay mains within two years from the granting of the Act. But we find in practice that a very large percentage of the consumers that come on are outside that area. We are constantly having our electrical engineer reporting that he has an application from so many consumers for light, but they are outside the present range of mains, and it will require extension, costing so many hundred pounds.

1929. Those who take the new light are spread about in different parts, and do not lie together?—That is so, and it means a very large capital expenditure to supply them. Of course, as time goes on, what I may call the density factor improves. If we could get all our consumers within the centre of the town, and no one outside applied for a light, then the capital expenditure would be very much reduced. We try to go on the principle that every ratepayer has a right to light if within reasonable limits, and try to look ahead in supply.

1930. Is there not a difficulty in inducing those within easy range to take the light?—That is so for some time.

1931. A good deal of the early work is in getting together a body of consumers?—Yes.

1932. You look upon it as a distinct benefit to posterity when you have succeeded in getting it as a going concern?—Most certainly. I think the question of goodwill comes in there. We are building up a valuable goodwill.

1933. Without saying strictly the doctrine of goodwill applies, you mean by saying that that you have done good work for posterity in getting a going concern?—A going concern which, if the Corporation cared to sell, would be worth a very considerable premium on the capital ex-

Mr. Loyd—continued.

penditure at a given time. I do not think a corporation would be very likely to sell, but it is a perfectly available asset if they care to do so. The figures that I quoted for Liverpool and Sheffield and one or two other places could be easily reversed if the Corporation wished. They would find a company very willing to buy their undertaking, and give them a very considerable percentage over the capital invested.

Sir Albert Rollit.

1934. At any rate, succeeding generations have not that work to do; it is done for them?—That is so.

Mr. Murray.

1935. I may have given a false impression. I want to clear up one point; it is with regard to the term on which you may borrow for schools of art. It appears to me from one return I have in my hand that you might have obtained the loan for 60 years, whereas it is 30 years. I see it is different according to whether the loans are to town councils or to town councils acting as sanitary authorities. Do you remember under which it falls?—No, I cannot. I can tell you under what Act we obtained our powers.

1936. In one case you may have 60 years?—The table put into my hands by our Borough Treasurer shows that we applied under the Municipal Corporations Act of 1882, the Local Government Act of 1888, and the Technical Instruction Act of 1889, and we obtained our sanction in October, 1889. I am not sure what period we applied for, but no doubt we should apply for the maximum we thought possible, but we had to be content with what was given to us.

Chairman.

1937. The Municipal Corporation Act has a limit to borrowing of 30 years, has it not?—I am not aware of that.

1938. Take it from me that it is so; if you applied under that Act you would come under the limitation of 30 years. That would be the maximum period?—I know that when we are going for a private Bill, or loan of any kind, we consult our Parliamentary Agent as to the most we are likely to get, or the most ever granted, and very generally we apply for the maximum, although we do not often get it.

Mr. Murray.

1939. I put the question because in the paper given to me it says, "Loans to town councils acting as sanitary authorities," under which come art galleries and schools of art, and that gives 60 years. That is put in by the Local Government Board. With regard to electricity, are you favoured in your neighbourhood with any large electric power companies?—No; we are fortunately free from them.

1940. You look upon them rather as poachers if they invade the precincts of your city?—We are anxious to keep the work in our own hands. We can do it as well as anyone else if it can be done at all.

1941. Do you fear that if they came in they would snap up your large consumers?—We have not any very large individual consumers.

1942. You have not?—No.

1943. Do

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Mr. Murray—continued.

1943. Do not large works consume it?—Messrs. Vickers, Son, and Maxim's shipyard have a very large plant of their own. They do not obtain it from us. I regret that very much. I believe that if the Corporation had been a little more enterprising, a little earlier in the field, we should have obtained a foothold there, which would have stood us in very good stead now.

1944. Do you think that with a popularly elected body there might be objection to making concessions to large consumers with regard to price?—You would not make a concession to a man because he was a large consumer, but only if he was a good customer. There is a big difference between the two. We charge on the demand system, sometimes called the Wright system, and sometimes called the Brighton system. Everyone pays on exactly the same scale. We aim at getting an equal profit from all. Electric supply is very different to almost every other kind, inasmuch as the standing charges are very large, and the consumer who uses his lights or his motors, as the case may be, for the greatest number of hours per day, is the best customer, and he gets the largest rebate. We charge a sort of fixed sum to cover the interest and sinking fund, and a small sum afterwards to cover the actual cost of production.

1945. The good consumer is not the private individual?—He might be a man whose bill was not 5*l.* a year—very often what would be known as a second, third, or fourth rate tradesman, in a back street, who has five or six lamps, and who gets up early in the morning and works himself as his own labourer and works late at night. Although he may not have more than five or six lamps he has most of them going a large number of hours of the day. His call on the station is small; his bill is large in proportion. On the other hand, you may have a consumer like a building with a couple of thousand lamps which you are bound to supply at any time you are called upon, but which, as a matter of fact, probably may not call on the station more than three or four times a year.

1946. With regard to what you have foreseen in the development of electric enterprise, do you not see any possibility of concentration of centres of power in populous districts?—I do not quite follow you clearly there.

1947. Supposing transmission of power is improved, is there any possibility of greater concentration of electric plant to supply larger centres than one town?—That may be so to a certain extent.

1948. I am talking of the future?—I am afraid that the saving in works cost by using larger units than those installed at present and the saving by concentration generally will be more than swallowed up by the interest and sinking fund, and the longer mains which will be necessary and the losses in transforming which are necessary if you supply your power at any distance.

Mr. Brigg.

1949. Following out a question that has been already asked with reference to your overdraft at the bank, you say you have an overdraft at the bank, and at the same time you have a reserve fund. Has it never occurred to you to get one

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Mr. Brigg—continued.

set against the other?—The overdraft is only on the one department. I am not quite sure what the amount is, but I take the Chairman's word that the overdraft was 3,000*l.* at one time. There might absolutely be a credit balance at the bank at that particular time for the whole Corporation.

1950. It is not for me to advise what you ought to do, but if you have an overdraft you may be paying a large amount of interest on one hand, and you have a reserve fund somewhere on which there may be a very small amount of interest?—I believe we have an arrangement with our bankers whereby the whole of these funds are massed together and treated as one.

1951. That is what I thought?—It is not necessarily an overdraft at the bank at all in the ordinary commercial sense.

1952. That is exactly what I wanted to know. You really may not have an overdraft at all?—Not necessarily.

1953. I do not want to say anything disparaging about Barrow as a town, but you think at any rate that you are entitled to have the same consideration as other large corporations have in the way of borrowing money?—I do not see why we should not.

1954. I have lived longer than you, unfortunately. Do you know how long Barrow has been in existence?—I forget the exact date; we have been incorporated since 1867.

1955. It was a sandhill 50 years ago?—40 or 45 years ago it was a village. We have lots of sandhills left yet.

1956. I remember it when it was a sandhill. You know that its prosperity is largely due to the large deposits of hematite ore?—In the early days of Barrow the origin of the place was due to very large deposits of hematite ore, which gave us a monopoly in certain departments of steel making. I do not understand the question very accurately or technically, but for many years past that has certainly become of less importance, and other industries have sprung up which have made the town assume a more permanent character.

1956*. I suppose a very short time since there was a possibility of the hematite ore being pretty well exhausted?—I should be sorry to say so, because the existence of iron ore is to a great extent a matter which it is very difficult to forecast. You do not find it in seams, and you cannot anticipate with any great degree of accuracy how long it will last. You find it in pockets. We might find a most valuable pocket of ore to-morrow, just as 30 years ago.

1957. Very lately some has been found?—Yes, the last two or three months.

1958. It extends under the sea?—In some cases close to Barrow.

1959. The shipbuilding trade has not been there very long—that has been transplanted to Barrow because it was a suitable site, I suppose. Is there anything to prevent its being transplanted to somewhere else?—I do not think it is at all likely. The shipbuilding industry in Barrow has been in existence almost as long as Barrow itself. Messrs. Vickers, Son, and Maxim have owned the works for six or seven years. Previous to that we had the Naval Construction Company in existence 10 years. Further back than

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Mr. Brigg—continued.

than that we had the old Barrow Shipbuilding Company certainly for 30 years.

1960. I merely wish to say that those elements which constitute the prosperity of Barrow are to a very large extent of the character that they are, so to speak, easily removed?—I do not think so. The amount of capital spent on the shipbuilding yard and the facilities they have there are sufficient, I think, to ensure that that work will be carried on.

Mr. Bonar Law.

1961. The only thing that occurred to me to ask you was what is the position of your gas loans now—to what extent have they been paid off?—I am sorry I have not the amount paid off; we stand at present with an indebtedness of about 104,000.

1962. Have you been paying off so much per annum?—Yes.

1963. How many years further will you go?—I could not answer that; we have obtained powers quite recently for extension of the gas works.

1964. The present generation have that without paying for it?—We are still paying a certain amount on that. Of course, the repayment is not so heavy because there is a longer period.

1965. If you have the gas practically now for nothing, it surely would not be very fair to the next generation to make them pay more for electric light which is replacing it?—We have not it for nothing.

1966. It is in that direction at all events?—The loans for the gas undertaking were made, the big bulk of them, very many years ago, and they were on a more generous basis than the authorities grant now for electric lighting. The concern has always been profitable and has relieved the rates to a very considerable extent, and it is still showing signs of going on and prospering side by side with the electric light undertaking.

1967. You think the goodwill could be sold if the Corporation chose to sell it?—Certainly.

1968. Is not that because it has a monopoly? It could not be sold if you allowed any number of electric companies to compete. I do not know that any electric light undertaking has a monopoly. The City of London thought they had, but the Charing Cross and Strand Company compete with them. I have not the slightest hesitation in saying that if the Corporation of Barrow put up their electricity undertaking to-morrow, we should have bids which would show a very high premium on the capital standing in our books now.

1969. Even though there were no monopoly?—As the question stands now.

1970. But is not the value due to the monopoly?—Any supposititious purchaser would know exactly the basis on which the undertaking is now situate.

1971. You think the monopoly has a good deal to do with its value?—No doubt it has something. There are very few cases where two companies have been allowed in one town. It is permissible but not customary.

Sir Albert Rollit.

1972. You say that some repayments in respect of the gas loans are still existing?—Yes.

Sir Albert Rollit—continued.

1973. So you are bearing that burden?—Certainly.

1974. And any way posterity did not provide the gas works?—They did not.

Chairman.

1975. You are in the position of the posterity for whom they were provided by your predecessors?—If our predecessors had paid it off in 25 years, no doubt we should have been the posterity reaping the benefit, but they did not, and we still pay our fair share.

1976. How many years?—There was a readjustment of loans, and an equated period was granted over the whole of the loans of the Corporation many years before I had anything to do with it.

Sir Albert Rollit.

1977. You have not a monopoly; any electric light company that got its Act could come there?—I presume so.

1978. You expend moneys in getting together a business connection?—Yes.

1979. Which when acquired at your expense avails for posterity?—Yes.

Mr. Brigg.

1980. Although you have not a monopoly, the fact is that you are in possession of the streets, and you can thereby prevent any opposition company coming into the place?—I do not think we can prevent it. I do not think the authorities have so far allowed a company to come into competition with a corporation fulfilling their duties.

1981. Your position as a corporation is that you are able to interfere or prevent anybody coming into the town because you can prevent their breaking the streets?—Going back for a moment to the question of those local authorities who have obtained Provisional Orders on what I may call a dog-in-the-manger policy (it bears on the same subject), I am rather surprised that the Board of Trade (I think it is the Board of Trade) have not stepped in and compelled them to utilise the Orders or else revoked them and allowed a company in.

1982. Considering the future position of Barrow, have you taken fully into consideration the question that a few miles across the bay the Midland Company are building a large town and erecting large docks which will materially interfere with the shipping trade of Barrow if it does nothing else?—It may do so, but it is very remote. In making the remarks I have done I am not speaking simply in the interest of Barrow, but on the general question of the policy of the extension of the term for the repayment of these loans.

Sir Albert Rollit.

1983. What do you think would be the effect on posterity of your acting on the assumption that the hematite ore was going to give out, and the shipbuilding was going to be displaced, and that policy generally?—I am afraid that if the municipalities of this country took a pessimistic view of that sort, we should very rapidly bring about a result which is now only remotely feared.

1984. Perhaps your experience will allow you to follow me when I suggest that the tendency of towns

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towns to-day, owing probably to greater technical education and the like, is to substitute for a dangerous single trade a larger variety of industries which should make the industrial permanence of the towns the more safe?—I am glad to say that has been the case in Barrow.

1985. So that your area of industry is wider, and the possibilities of decay, notwithstanding your very rapid rise, are made more remote?—That is so.

1986. I suppose you also would agree with me that a corporation, like an individual, is bound to be enterprising, and to a certain extent tentative, in its action?—Yes, we must look ahead.

1987. And if posterity gets the benefit of the negative experience of want of success, that is in some sense a service to it?—Yes.

1988. For which it is bound to contribute or ought to contribute?—Yes. There is one point I should like to mention if you will allow me? There seems to be a great fear on the part of many people I come across that electric light undertakings are going to become obsolete because of some very great revolution or change in electric plant. It is an absolute fact, I believe, that with many of the plants of this country, speaking of the generator, the electric part of the plant, already you can get an efficiency of 95 per cent., which is quite a common efficiency, and in some of the larger generators even 97 per cent., and that shows very conclusively that there is not very much room for improvement, as far as the generator is concerned. As far as regards the lamps, and the method by which the current is converted into light, we can practically disregard that. Corporations never go for loans for lamps, and if any ordinary improvement was to be brought about to-morrow, whereby greater efficiency of the energy-converting machines (if I may use the word) into light could be brought about, everyone would hail it with the greatest satisfaction, and it would not render obsolete one single machine that is in existence.

1989. Is the present state of electricity, as of other sciences, not such that it can contemplate not only the possibility but the limitations upon it, and therefore the area of possible change, much more accurately than before?—Yes, certainly.

1990. In your experience, has the intention of Parliament that the municipality should aid in the general interest and to prevent epidemics and the like, with regard to the housing of the very poor classes, been prevented by the conditions

Albert Rollit—continued.

upon which loans were obtained or limited, at any rate?—Yes, I am quite sure it has had a very adverse effect on the question of the re-housing of the working classes.

1991. And therefore a possible disadvantageous effect on the public health?—That is so necessarily.

Chairman.

1992. Is that true of Barrow?—We have not adopted the Act yet, and one of the reasons which has affected the Corporation is the fact that the capital charges for the building are so great that we are afraid that, coupled with the substantial character of the buildings which a municipality generally erects, they would make it so that we could not obtain the necessary rents to make the building pay, which means practically another poor rate to make up the deficit.

1993. You lay that view before us now, but did you not have a circular from the Local Government Board last year asking why you did not adopt the Act, and did you give that reason then?—I cannot say.

1994. I have it before me?—I do not say that that is the only reason. I know that amongst a certain number of my colleagues the fear or the wish not to compete with the local builder has also had some effect.

1995. The local builder is building 1,300 houses at the present moment, is he not?—I dare say that probably may be correct.

1996. May I read to you the reason given. You say nothing whatever about the period of loans in your paper signed by your Town Clerk. What you say is that in the opinion of the local authority it is extremely doubtful whether lodging-houses would be appreciated or used by the working classes here. There are a certain number of houses built as flats on the Scotch system, but a strong preference is shown by the working classes generally for separate dwellings. That is the reason your Council gave for not adopting the Act. "Had your Council considered that the Act contemplates separate dwellings as well as flats?"—I do not remember that circular. I am speaking of what I find to be an expression of opinion amongst my colleagues in discussing these matters, as we very often do, informally.

1997. I thought, as you were asked what your reason was, I would read that. This is the 21st March, 1901?—Yes.

Sir Albert Rollit.

1998. Were you Mayor then?—No.

Mr. JOHN HENRY ELLIS, called in; and Examined.

Sir Albert Rollit.

1999. You are the Town Clerk of Plymouth?—I am.

2000. Formerly of Southport?—Yes.

2001. You have had twenty-one years' experience of local government as a Town Clerk?—I have.

2002. You have been concerned in obtaining powers for borrowing for every purpose of importance for which Municipal Corporations are authorised to borrow?—Yes, I have.

Sir Albert Rollit—continued.

2003. You have also been concerned in carrying into effect the resolutions of the Council with regard to the actual expenditure of money?—Yes.

2004. "The resolutions of the Municipal Corporations Association which follow were carried in my hearing, and the first of them was moved by me." That is the one we have already quoted?—Yes, and I apprehend with regard to that, that the want of system and uniformity

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Sir Albert Rollit—continued.

is admitted by the officers of the several departments who have been called before the Committee.

2005. Yes, I think that has been admitted?—Abundantly admitted. There are other anomalies beyond want of uniformity which have not been pointed out.

2006. Were you present at a council meeting of the Municipal Corporations Association of the 6th June, 1899, when the foregoing resolution was read?—Yes.

2007. Did you hear on that occasion the report that in accordance with the resolution the subject had been brought before the Chancellor of the Exchequer and the House of Commons, but that in the discussion which ensued the President of the Local Government Board (Mr. Chaplin, I think) said that having regard to the great increase of the indebtedness of local authorities throughout the country, he would be most reluctant to meet the views expressed with regard to the extension of the period for the repayment of loans?—Yes.

2008. Do you see any direct relation between the increase of the indebtedness throughout the country and a reasonable term of repayment in any particular town?—No, I do not, and with regard to the increase of local indebtedness, it is due to the action of Parliament and the country in requiring improved sanitation, improved education, and improved means of recreation.

2009. Imposed by Parliament?—Imposed by Parliament, and I respectfully submit the local indebtedness is not to be feared unless the local assets obtained as a consequence of the expenditure are less than the local indebtedness, and in my judgment and experience the local assets far exceed the local indebtedness. In other words, we have more than twenty shillings for our sovereign.

2010. And a revenue producing source at the same time?—Some of them are revenue producing. In those cases where we have not it in revenue producing sources, we have it in ways which you cannot show on the balance-sheet, such, for instance, as the prolonged duration of human life, which in our time has been prolonged 10 years. If you take that and reckon the prolongation of the working effectiveness of a man, I think that would be found to pay. I have heard it discussed at meetings of the British Association and so on. I believe that that expenditure, although you cannot show the profit in the balance-sheet, is nevertheless a vast national asset.

2011. If I might suggest words to you, in other words, it is not only the greater duration of life, but it is the working power of a more healthy and strengthful life while that life exists?—Precisely. In other words, it is making the Englishman or our fellow countryman a stronger and better man.

2012. Which you regard as a local and national asset of great value?—Undoubtedly. I believe that our physical and mental superiority is one of the great reasons for our national superiority.

2013. Were you present at a council meeting of the association on the 23rd of November when the resolution with regard to two years assessable value was passed with reference to the Sanitary Acts?—Yes.

Sir Albert Rollit—continued.

2014. You are opposed to that limitation?—Undoubtedly, and I would point out that when it was fixed in 1875 many things had not then been thought of and much legislation had not been passed. That limit was intended, I submit, to cover sanitary indebtedness. Since that time we have had various statutes passed which have enabled local authorities to raise money for a variety of purposes which are charged against this account. Such, for instance, are electrical works, which have a value. They are not always equal to the expenditure, although I think generally it will be found that electric works are worth what has been spent upon them. That limits the borrowing power further; so does your expenditure under the Housing of the Working Classes Act; so does your expenditure under the technical instruction outside municipal boroughs. So that in that way what was originally a limitation for sanitary purposes has been encroached upon, and we in Plymouth, and I believe in other places as well, are prevented from carrying out our sanitary work in consequence of having to come to Parliament for extended borrowing powers.

2015. You think, then, that that limitation is open to the strongest objection?—I do, and I think Parliament itself, if I may say so, has recognised that. In the Small Dwellings Acquisition Act—quite a recent Act—it is expressly provided that borrowing under that Act shall not be taken in the limitation of borrowing powers. Parliament thought, I apprehend, it was desirable that working men should own their own dwellings, and that local authorities should assist them in so doing, and knowing how some of us were fixed, that limitation was struck out of that Act. I apprehend that is the reason, but I know it is there.

2016. You think it a precedent which should be followed?—A very wise precedent, which should be followed.

2017. In the case of the repayment of a loan for the purpose of purchasing land and buildings, what figures would you assign as the suitable number of years in each case?—With regard to land I think you are entitled to treat it as a permanent asset, but I do not see myself very strong objection to a reasonable term being fixed for a sinking fund for land. Land and buildings, in my experience, ought to have the same term. In other words, in the case of the Housing of the Working Classes Act, treat the undertaking as a whole, and make a reasonable period for it, for this reason: I have had some experience of buildings becoming obsolete or too small for their purpose. One such instance occurred at Southport; it was the case of a market. That market cost us 4,000*l.*; we sold it in my time, some 15 years ago; we had paid off part of the loan; we realised for that market 20,000*l.*, but the old materials fetched merely 400*l.*, so that the cleared site was worth a great deal more than the land with the buildings upon it, and having had considerable experience in compensation cases under the Lands Clauses Act—I repeatedly have it; in fact, there is barely a case in an old street where the surveyors do not tell me that the cleared site is worth more than the site with buildings upon it.

2018. Therefore, with your varied experience of

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Mr. ELLIS.

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Sir Albert Rollit—continued.

of such different places as Southport and Plymouth, and your knowledge of municipalities generally, may I take it that the cases are very exceptional in which land in the midst of a municipality would be likely to decrease in value?—I have never heard of a case. I have one other case in which the land is worth a very great deal more than the land and buildings. It is a case in Plymouth, where, according to the Report of the Royal Commissioners of Municipal Corporations prior to the Act of 1835, the corporation borrowed 30,000*l.* for the purpose of building an hotel and theatre. Our forefathers made no provision whatever for the repayment of that loan. Not a shilling was paid off till quite recent years, when the Local Government Board asked us to pay it off. But that had not involved any charge upon us, but had, on the contrary, given us very great benefit, because it is only this year that I have relet, the corporation having entrusted me with the negotiation upon the condition that 10,000*l.* is spent on improving the building on a lease for 99 years upon a rental of 4,800*l.*, which shows that the property is worth upwards of 130,000*l.* In other words, although our ancestors made no provision whatever for the repayment of the loan, they have made us a present of at least 90,000*l.*

2019. I will not take you through the anomalies as to terms, because those are admitted and they are on record already?—There is a very recent one in tramways that I might call attention to briefly. The Light Railways Act gives 60 years, whereas you may have a tramway in a town and continued in the country as a light railway, but you can only get 30 years for the tramway.

2020. The distinction might be due to the fact that the Light Railway Commissioners hold an exhaustive inquiry on the spot into works and details, whereas the Board of Trade hold a comparatively perfunctory inquiry?—Possibly.

2021. Do not you think that the detailed inquiry of the Light Railway Commissioners affords better experience for the longer terms which they grant than the comparatively limited inquiry of the Board of Trade, which gives a much shorter term?—Yes, I quite agree, but I may add I am not sure that the Board of Trade would not give us more under the Tramways Act if they could. I put that before them very frequently. We ask for the full term, and in my experience they give us the full term, but I know it is no use asking for more than 30 years, because they cannot give it.

2022. At any rate, you think the decisions of the Light Railway Commissioners in favour of longer terms may be safely followed?—Yes, and I think we should have a considerably greater development of our tramways if we had a longer term.

2023. You have given us the case of the market of Southport?—Yes.

2024. What has been your experience as to the prudence and reasonable enterprise of corporations in dealing with public works?—In my opinion corporations are most careful before they undertake anything new. They move soundly and they move with caution, and those are the proper qualities that one associates with true progress. They are truly progressive in the best

Sir Albert Rollit—continued.

sense, and in my experience they are not anxious themselves to take the field which might with propriety be filled by private enterprise. In Plymouth, for instance, we only took the electricity undertaking, and we only took the tramway undertaking, because the companies, one of which had attempted to establish, and the other of which had established, those undertakings could not get on.

2025. Plymouth was very early in the field, if not the very earliest in the field, with regard to waterworks and similar public works?—Plymouth is the earliest town which initiated waterworks, which have been continuously in the control of the town. The Corporation in the days of Elizabeth promoted the Bill and Sir Francis Drake, our Mayor, carried out the works, and until 1893 Plymouth was dependent for its supply upon those works, showing how long municipal works last.

2026. So that in case of necessity Plymouth is early in the field, and yet comparatively late where there is a prospect of private enterprise undertaking the duty?—Quite so.

2027. And that you think from your knowledge and experience is generally characteristic of corporations?—In my experience it is so. I am not prepared to say that municipalities, like individuals, have not made blunders, but I am talking of their general action and policy.

2028. What do you say about the life of municipal public works, speaking generally?—Speaking generally, I think the useful life of works or houses and buildings is a great deal longer than the period granted for the repayment of the loan.

2029. Would you say the same of schools?—I should. I should say the same of lunatic asylums also, and with regard to that case which was mentioned here, in which the Local Government Board (I think it was) granted 30 years, and Parliament extended it to 50 years, notwithstanding the report of the Local Government Board. I would point out that the Local Government Board reported without hearing evidence. I apprehend, as to that, while Parliament, having heard evidence, decided to give 50 years.

2030. Do you know the name of the case?—It is not mentioned; I think I know the name. I think it will be found it is the West Ham case. I know of an asylum which has been in existence for 55 years, and which is used and useful to-day.

2031. It was suggested that schools would not last 50 years. What about our old grammar schools?—Why should not they? A school is just like a house. The house I was born in, I think, was 300 years old and perfectly comfortable. I do not see why they should not. The equipment, furniture, and that kind of thing varies from time to time, but why should not the school last? I do not know the age of the Blue Coat School in Newgate Street, but I should not be surprised to learn that it was many hundreds of years old.

2032. What about the voluntary schools built by the National Society in the thirties and forties—are not many of those in use still?—I see them.

2033. In fact, they are the schools we are going to deal with, I suppose, many of them?—I do not know what you are going to do.

2034. But

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2034. But large numbers of them in the provinces are still existing and used?—Yes.

2035. As indicating the opinion with regard to the life of buildings, what is the general term of leasehold in the North, in Lancashire and Yorkshire?—In Lancashire and Yorkshire 99 years leasehold. I think I have been hasty about Yorkshire. Lancashire I know, and Halifax, where I was I rather fancy it was freehold.

2036. I can give you a Yorkshire case at once—Huddersfield?—Sir John Ramsden, to be sure. A private individual thinks that the building lasts 99 years, and Lord Derby and the Scarisbrick trustees, and, in fact, it is the system in the North, and the covenants, as you know, being a solicitor, are all on the assumption that the building will last that period.

2037. And fall down at the end of it?—No, not fall down at the end of it, because you have to give it up in good condition.

Mr. Brigg.

2038. Are the Hesketh leases 99 years?—Yes. Southport is owned by two great landlords, the Scarisbrick trustees and Mr. Hesketh.

2039. They were only 60 a few years ago?—That may be so with regard to cottage property. I gave evidence before the Committee on Town Holdings, and I know that the Hesketh system has been for the last 21 years, at any rate, to grant 99 year leases. It may be that some of them have 60 unexpired. I am speaking of 21 years.

Sir Albert Rollit.

2040. What term is generally allowed by the Local Government Board in respect of land?—Various periods. Recently, after the movement with regard to the extension under the Housing of the Working Classes Act, 60 years have been granted for land for that purpose, but of course the Local Government Board itself cannot grant more than 30 when it is under the Municipal Corporations Act.

2041. What term is allowed in respect of the adaptation of land to its intended purpose?—They cut down the term. For instance, in a case where we had to fill up land that was below the level of the sea at high water, subject to the flow of the tide, the term was made 45 years instead of 50.

2042. In other cases, does the Local Government Board allow a reasonable term for the repayment of what you would be justified in doing?—I cannot say; I think it does.

2043. For instance, the lighting of Plymouth by gas?—That is the instance I have in mind. We took over from the Plymouth Gas Company the lamp pillars and lanterns which were used for lighting the streets. It was a perfectly voluntary matter of arrangement. Many of those lamp pillars had been in use from the early part of the present century. They were of iron. They had been constantly painted, and yet used more than 50 years. They were just as good as the day when they were put up. The Local Government Board granted us a five years' term for the repayment of the loan. There were lanterns which have a less life than the pillar. They granted five years. We did not take up the loan. Honourable Members will know, if they walk

Sir Albert Rollit—continued.

down Parliament Street, that there are lamp pillars of the reigns of William IV. and George IV., which are just as good as the day they were put up.

Chairman.

2044. And in use?—And in use outside your own offices.

2045. You mean to say those pillars are used? Have you seen them lighted?—Yes, they have lamps at the top of them.

Sir Albert Rollit.

2046. We have been told a great deal about municipal debt and so on; having regard to that, do you consider that it has been amply repaid by public works, and that those public works are justified by local feeling, and also by local and national advantage?—Yes; you cannot get a loan unless you have a local feeling in its favour, or in the alternative the Local Government Board supports the town council against local feeling. You want to go to Parliament for a loan; your Bill has to run the gauntlet of the meeting under the Borough Funds Act. You may have a poll.

2047. One ratepayer can demand a poll?—One ratepayer can demand a poll. You can have a poll on which not merely the ratepayers, but the owners, also vote, so that you cannot get to Parliament to tax people unless they consent. Now, the Local Government Board and the other Departments hold a local inquiry. They are very careful; they send down notices, which have to be published throughout your borough in every place where notices are generally posted—a long notice of the local inquiry. Anybody can come; anybody can speak; they are always patiently listened to, and I have not known a case in my experience where the Local Government Board have over-ridden the wishes of the inhabitants. There may be such cases, of course.

2048. Speaking for various parts of the country, you believe that local administration has local sympathy in the direction of these great public works?—Certainly; and if the local debt is wrong, Parliament has done wrong in sanctioning it, or the Government Department.

2049. According to the case being one of Private Bill or Provisional Order?—Yes.

2050. Or an application to the Local Government Board?—Precisely. We cannot borrow unless we get Parliament's consent, the Local Government Board's consent, or the Board of Trade's consent.

2051. It is most difficult to get the money to spend on too many public inquiries?—Under the Housing of the Working Classes Act—certainly.

2052. Not because you object to the inquiry, but because one inquiry would do?—Yes. That is only under the Housing of the Working Classes Act. We had one inquiry under that Act as to whether the scheme was a good one or not.

Chairman.

2053. Were your plans ready for that inquiry?—I am not sure. I am not sure whether they were asked for or not. At any rate, the scheme was approved; some plans were—I do not think the plans of the buildings—but it would be very simple indeed if we knew that the scheme had

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had to be prepared, and that the plans of the buildings must accompany it, to prepare those. We showed everything that was wanted, and quite as much as we have to show to Parliament.

Sir Albert Rollit.

2054. You heard the evidence of the Lord Mayor of Manchester?—Unfortunately, I did not.

2055. The Mayor of Barrow?—Part of it.

2056. I cannot ask you generally whether you concur. Have you read the evidence of Mr. Kershaw?—Yes.

2057. Would you like to say anything in respect of any portion of that?—There are one or two matters I should like to refer to; no doubt it is perfectly correct (of course it is) that only 91 of the authorities appealed to by the Local Government Board said that they objected to the short terms of repayment, but when I went into the reports of the Local Government Board as to the applications it had granted under the Housing of the Working Classes Acts, I found that 91 authorities had not applied for loans, and so had not had experience of the Act—very much less. Those who had had actual practical experience had objected to the short period, and, of course, you must either have rate-aided rents, which are objected to as much by the working classes as by the owners and ratepayers, or you must have a longer term for repayment, for this reason—that the 40 years' term for building involves for sinking fund a charge of 11 6s. 6d. per annum.

Mr. Brigg.

2058. At what rate?—Three per cent.—I am not quite sure that is a fair term to take now. I think it ought to be a little bit higher, but I am giving the term that is assumed. It is 11 6s. 6d. per cent. Well, you are fortunate if you get your money at 3l. 2s. 6d. per cent. at the moment. So that you have in round figures 4l. 10s., as your charges before you get anything for repairs, rent, rates and taxes, and things of that sort. The late Sir Edward Bates, and one of our mayors, did a very great deal (it was really charitable) to erect a large number of homes for the working classes, and I am assured by the late mayor that they do not get 3 per cent. for their money.

Sir Albert Rollit.

2059. He, if I remember rightly, was in the building trade?—Yes—thoroughly practical. He was a man who had raised himself from the joiner's bench and knew all about it. He was a most economical, far-seeing man, who did the very best he could. If that cannot be done by private enterprise, with no limitations at all, and they can only get three per cent., how can we be expected to get more? It affects us in this way, that the ratepayers will not let you go on.

2060. In fact, almost the directions of Parliament cannot be fulfilled?—That is so. Might I point out that the Royal Commission, on which the Act of 1890 was based, pointed out that it was desirable that we should have long terms of repayment.

2061. It is a mere momentary remembrance, but I think the Royal Commission of 1882 did the same?—Very likely, but I do not recollect that.

2062. Is there anything else that I have

Sir Albert Rollit—continued.

omitted in your examination that you would like to say in reply to Mr. Kershaw or Mr. Lithiby?—No, but upon that I would point out that in London, where the Home Office deals with this matter, we have an anomaly; the Home Office grants you 60 years.

Chairman.

2063. Do you mean the Home Office?—The Treasury.

2064. The London County Council?—The London County Council. You have 60 years in the richest place in the world, but struggling provincial municipalities cannot have the same term.

Sir Albert Rollit.

2065. As we are dealing with that point, under the Public Health Act there is no limit to the loan in respect of sewerage works?—Lands for sewage farms?

2066. Yes?—There is no limit.

2067. Is not that a precedent which carries with it a principle that where land, even in a rural district, is the subject of a loan, it may be regarded as a permanent asset?—I think it may be regarded as a permanent asset; but, as I said, I think we should have some sinking fund. I wish to be quite fair.

2068. Do you wish to say anything more with regard to Mr. Kershaw?—I do not think anything occurs to me at the moment, but unfortunately, I have not had the opportunity of going through these as critically as I should like to, because I have been so very much engaged in other matters.

Chairman.

2069. You have just been asked about sewage farms being treated as assets. Do you happen to know any case where they are so treated?—No; I was referring to the fact that they can be so treated. I do not see why they should not be.

2070. You do not know any case where they are?—I do not.

2071. Just before that you spoke of the hardship, apparently, in your opinion, that the richest place in the country should have a longer period for repayment than the poorer?—Yes.

2072. Is it your theory that the richer the place the longer it ought to have to pay its loan?—No.

2073. You want it the other way round perhaps?—No, I do not want it either way; I want a fair term, and I submit that the London term is a fair term. I allude to the anomaly, but I say that the London precedent might with advantage be applied to the country, and if it is sound for London, I know of no reason why it is not sound for the country.

2074. You are of opinion that a large local debt is rather a sign of a prosperous place?—Not necessarily.

2075. I gathered from your evidence that you thought a large amount of debt on a place was rather to its advantage than otherwise, considering the great wisdom of corporations in selecting the items?—No; considering that Parliament required these things, I thought it was right, if we are to have education, and as you cannot get schools without money, that the local debt should grow.

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Chairman—continued.

grow. If we could get them without money, well and good.

2076. Have you considered that the tendency of the short repayment of loan checks the increase if indebtedness?—Yes, in some respects that is so, and I gather that that was rather put forward by one of the witnesses of the Education Department. He said that in schools if they had very short terms they could not get on with the buildings, and so they had to extend them.

2077. Your opinion is that the increase of indebtedness ought not to be checked?—No, that is not what I say. Education ought not to be checked, and if by making a short term for repayment you are checking education, then you are wrong.

2078. Now with regard to housing, you say you have been very much hampered in Plymouth by the short term of repayment granted to you, and therefore the amount of the instalments. If you had not to pay any instalments at all, could you let those houses at Plymouth at a rent to make them pay?—I do not think we could, but it would be such a charge as we should be content to bear, having regard to the great sanitary advantage that has resulted.

2079. But in your reply to our questions about the housing of the working classes, you called attention to the fact that working men did not like having to pay anything towards their neighbours' houses?—Yes.

2080. Whether you had an instalment of repayment to make or not, you would lose on your houses, would you not?—We should lose a little, but, as I say, it is very insignificant in proportion to the benefits we have, because you will bear in mind, I am sure, that our local debt in Plymouth and the debt under this particular Act you are referring to is not merely in the erection of property, but in the demolition of a terribly insanitary slum. If the re-building stood by itself, I think we should be able to make ends meet.

2081. You think so?—Yes.

2082. I see that your receipts from the Prince's Rock dwellings were 919*l.* 18*s.* 11*d.* for the year ending March, 1900, but only 899*l.* in the next year ending March, 1901. Why is that decrease in receipts in rents?—I think we reduced the rents, but I will not be quite sure.

2083. I suppose you feel that there may be considerable pressure to continue to reduce the rents put upon the Corporation?—I do not think so; the pressure is rather the other way—to endeavour to get the return.

2084. With regard to the finance of this Prince's Rock scheme, what is the balance now due to the treasurer on capital account?—I do not know, but I think it would be considerable because we bought a big estate and the Local Government Board only let us have a temporary loan for that. It cost about 20,000*l.* The temporary loan ran out, so there is a big indebtedness.

2085. Temporary loan?—Three years, I think.

2086. I think it is five, but it may be three. It was temporary because you did not state what you wanted to do with the estate?—Quite true.

2087. That was the reason given?—I am not complaining of it in the least.

2088. Would you be surprised to hear that your

Chairman—continued.

overdraft on capital account in respect of these houses at Prince's Rock is 24,783*l.* 14*s.* 3*d.*?—Not the least.

2089. And yet you complain that you have to pay off your debt in respect to this matter too soon. Is it in the direction of paying it off when you overdraw to this extent upon your bankers?—No. As I say the land is not paid for. The temporary loan has expired, and we are using that land for other purposes.

2090. And borrowing from your bankers to pay for it?—Borrowing from our bankers to pay for it.

2091. Is there any fixed period when you are to repay your bankers?—No, there is not. With regard to that land, as it becomes utilised we shall have proper periods for repayment. We have one recently from Parliament enabling us to appropriate part of that land for streets. We have pending an application before the Board of Trade to enable us to devote another part of it for tramway purposes. It was originally stated to the Local Government Board that the whole of this land would not be required for the housing of the working-classes and that the balance of the land would be applied from time to time to such purposes as the Board or Parliament might think proper.

2092. You have private builders, I suppose, in Plymouth building houses?—Yes.

2093. I suppose they do that for profit, do they not?—Yes.

2094. And I suppose make a profit?—Yes.

2095. Can you tell the Committee how it is that the Corporation (putting aside paying any instalments) make a loss?—I cannot, unless it be this—that the private builder builds houses hardly for the class that we build houses for. It is the residuum that is the difficulty—the people who can ill afford to pay any rent, and that is the class that we are endeavouring to get. The private builder, of course, looks directly to profit; he has no considerations of sanitation which govern him in his expenditure.

2096. Do you know it was stated in the House this year by one of the members for Plymouth that the difference was that the Local Government Board compelled you to build such a class of property that you could not make it pay—is that your opinion?—I do not know, I am sure. I have heard from the surveyor that there were some restrictions as to building and that kind of thing which had materially enhanced the cost.

2097. You are not the official who this gentleman stated had shown him houses of which the cost had been put up 50 per cent. by the action of the Local Government Board?—No, certainly not. I have nothing to do with drawing plans and things of that sort.

2098. Then you do not object to these requirements which were made in your case for instance—that there should be ventilation of the water-closets, and that the drains should be trapped, and matters of that sort? You do not wish to raise any objection to those requirements of the Local Government Board?—I was not coming here with regard to the practice of the Local Government

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Chairman—continued.

Board in relation to the housing of the working-classes, but as to the repayment of loans. I do not know that those requirements are unreasonable at all. It seems to me that there ought to be ventilation, and that a drain ought to be trapped.

2099. It has been suggested from Plymouth that the difficulty is not only the short period of loan, but also the exaggerated requirements for the character of the building, but you do not wish to put that forward?—That is a matter I am not prepared to give evidence upon, and it would require a considerable time before I could qualify myself to give evidence on that point.

2100. As regards these buildings, I do not quite understand the return. I do not know if you do. It is what is called Mr. Hazell's Return on the housing of the working-classes. I will give you a copy of it, and you will find Plymouth at the top of the page. Do you see the amount of the outstanding loan of Plymouth in a column at the right-hand side. The outstanding loan on March 31st, 1900, is given at 79,316*l.*?—Yes.

2101. On the left-hand side you will see it is stated that that was to provide for 813 persons?—Yes.

2102. Is that accurate; was all that money raised (79,316*l.*) to provide for 813 persons?—I think not. This is my impression—that that expenditure involves the demolition that I have spoken of. I have not come prepared to give evidence on this point, but my recollection of it is nearly correct I think you will find—that the area we demolished cost us 30,000*l.*; that the land I alluded to just now cost us about 20,000*l.*, and the balance is for building. Our Treasurer is here, and says that it is so.

2103. How many people did you house for that money, that is what I want to get at?—I do not know, but I think about 800.

2104. 800?—I think so.

2105. Will you do this little sum in your head: If your loan is nearly 80,000*l.*, in your replies to our housing queries you told us that unless six or seven per cent. on the capital sum could be paid by the rents, the matter could not be entered into?—Yes.

2106. Now 6 per cent. would not be considered very much, I suppose, by a private builder for interest on his capital, for chance of not letting, for repairs, rates and taxes, management, and all those matters. It would not be considered a very great gross income for him to make on his capital?—No.

2107. 6 per cent. on 80,000*l.* is 4,800*l.*?—Yes.

2108. You house 800 people. I make that out to be about 30*l.* for a family of five, so that the rents of your buildings in Plymouth, quite apart from any question of repayment of instalments, would have to be 30*l.* for a family of five before you could pay your way?—Yes, but have not I made it quite clear that the 79,000*l.* includes the demolition of the insanitary property and includes the purchase of the undeveloped estate.

2109. That is the explanation?—I believe so; I believe that in the 70,000*l.* you will find close on 50,000*l.* for the acquisition of property.

112.

Chairman—continued.

2110. As that is a public return I thought it only fair to get from you the explanation of how Plymouth is in this peculiar position?—Yes. I think that is the explanation, and I think there is about half undeveloped to-day.

2111. With regard to the tramways, most of these undertakings are remunerative and you consider that there is no danger of the increase of the indebtedness. Are the tramways in Plymouth remunerative?—I think they are now.

2112. How long have they been open?—About seven years. We have had a deficiency each year. We took them over most reluctantly from a company that could not get on with them at all, and so we were obliged to take them over. We tried to let them but we failed; we could not get anybody to take them on any terms. Then we started to work them with horses, and we had to operate gradients of 1 in 14. By the aid of electric traction we have got them to paying point.

2113. The overdraft is 8,218*l.* in 7 years with regard to that?—Yes, that is so.

2114. I have been looking into your accounts, and you have this last year shown a loss of 7*l.* 12*s.* 11*d.*?—Loss?

2115. Yes?—Is that tramways?

2116. Yes, tramways?—Does that include the sinking fund?

2117. Yes, that includes the sinking fund?—I should respectfully submit that that is not loss; it is giving the tramway undertaking to the future ratepayers for nothing.

2118. You know the return about tramways showing what money they make?—Yes.

2119. And on that you appear to have made a profit of about 4,000*l.*?—Yes.

2120. But it does not include anything for instalments or anything for interest on borrowed money?—Quite so, and in a company there would be no sinking fund. The Board of Trade treats that as profit.

2121. Would you like to have your money in a tramway company that had not any sinking fund?—Certainly, if the depreciation fund were kept up, and there is not one that has a sinking fund; they have depreciation funds.

2122. What distinction do you draw between the two?—A sinking fund is established for the purpose of getting rid of the capital altogether; a depreciation fund is established for the purpose of maintaining the undertaking in a proper condition. Tramway shareholders do not have one-thirtieth back each year, but they retain the value of their undertaking.

2123. That is the distinction you draw?—Yes, and it was drawn in the case of water by Sir Frederick Bramwell the other day in my hearing in the committee-room. One reason why he urged that the Corporation should not take over a trading undertaking was that it had to establish a sinking fund, whereas a company does not do anything of the kind.

2124. It is very material as to the question of the period of loans whether the undertakings are remunerative or not—you will admit that?—Except what I said about the sanitary loans

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Chairman—continued.

You will bear that in mind. May I say that I have no objection whatever to the principles laid down by Mr. Kershaw, but I do suggest that each case should be dealt with on its own merits as Parliament deals with them, and if the useful life of a work is proved to be 50 years, 50 years should be granted.

Mr. Hutton.

2125. When you got these rookeries cleared and wished to provide the fresh houses for the poor, did you first endeavour to get them done by private enterprise?—No. We let the contract by private enterprise, but the scheme provided that we should ourselves house.

2126. It was your own scheme, of course?—Certainly.

2127. If you could have got them done by private enterprise, in that case, at all events, it would have been a great saving to the ratepayers?—Take it from me—if we could have got that done by private enterprise, I should have very greatly preferred it.

2128. But you did not attempt to get it done by private enterprise?—No; it would be hopeless to expect private enterprise to clear a slum and have a debt charge of 30,000*l.*

2129. But instead of rebuilding yourselves, could not you have got it done much cheaper and quite as effectively by private enterprise?—We did; we let the contract by tender.

2130. That is a different thing?—You mean by selling the land to an individual?

2131. Yes?—I do not think we could have done it.

2132. You think that the loans under the Housing Act should be not less than 60 years?—I think so, and I think the buildings would last the time.

2133. You spoke about assets at the beginning of your examination-in-chief. Do you think there is any limit to the safe borrowing of a Corporation. You said that it should be limited by its assets, did you not?—I do not think I said so. I said that I was not alarmed at the growth of local indebtedness provided the assets exceeded in value the expenditure.

2134. Exactly. How do you calculate those assets?—They are valued periodically.

2135. Do you take the rateable value into consideration?—No.

2136. Outside the rateable value altogether?—Quite. I say that the value of our waterworks, tramways, electric works, markets, and our profit-earning estates and land exceeds in value, and substantially exceeds in value the sum borrowed upon them without reference altogether to the additional security that the lender has of the rates of the town.

2137. But you think that no corporation would be justified in borrowing money in excess of the assets which you now mention?—I do not say that because I do not see how you can expect a sewer to be treated as an asset; it is not saleable.

2138. It is a question between the borrower and the lender?—It is a question between the borrower and the lender.

Mr. Hutton—continued.

2139. You think it would be safe to lend and right to borrow up to the extent of the assets that you have just mentioned and not further?—No. I think you should have a reasonable limit of the borrowing against the assessable value of the district.

2140. In addition to the assets?—Yes.

2141. To what extent would you take the assessable value for borrowing?—I think it should be substantially extended. In the case of the Housing of the Working Classes Act you have an asset against the loan; therefore there is no reason why that should not be excluded in the limitation of borrowing power. There is no limitation under the Municipal Corporations Act but only under the Public Health Act of 1875, and I say that that limit under the Public Health Act of 1875 ought to be left at least intact and not encroached upon as it has been by subsequent legislation. I hope I make myself clear.

Mr. Loyd.

2142. You do not substantially differ from the principles laid down by Mr. Kershaw as those which guide the Local Government Board?—No, only I want the practice of Parliament and of the Local Government Board and the Board of Trade to be brought into harmony.

2143. You complain of the want of uniformity?—I complain of the want of uniformity, and that the principles are not always applied.

2144. Have you anything to say about the attention of the Local Government Board not being sufficiently called to Private Bills before Committees and the consequent divergence of the periods that are allowed?—I think the Local Government Board carefully examines all private Bills, and, in my experience, reports always as to the terms of repayment to Parliament, but Parliament does not always agree with the Board.

2145. You agree that that is a beneficial power on the part of the Local Government Board?—I think it is right that they should call attention, but I do not think it right that their report should be taken in preference to the evidence.

2146. As I understand it is not, and Parliament does not consider itself bound by it?—Quite so.

2147. You are in favour of an impartial department like the Local Government Board having its attention brought to bear upon these applications for loans?—Quite so.

2148. You think that is desirable?—Certainly.

2149. When you speak of the assets as being some clue to the extent of the desirable exercise of borrowing powers, do you regard those assets as a security for the repayment of the loan or merely as an index of the solvency of the borough?—I think they are looked at as security for the repayment of loan; I have never seen a prospectus in which stress was not laid on the assets of the borrowing authority had any.

2150. There is no question of selling up the borough and applying its assets to discharging its debts?—No.

2151. Is it not rather as an index of its resources than as a security for the repayment that you speak

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speak of the assets of the Corporation?—I think it is both.

2152. The power of raising rates in the borough is material, because that is the source from which the repayments of the loan, whatever the methods adopted, are made?—Always you get the rates of the borough and the proceeds of your estates hypothecated to the lender.

2153. Do you draw any distinction between the purposes which Parliament has imposed upon the Corporation as a duty, and those which it has rendered merely lawful?—No.

2154. You spoke of education and sanitation as obligations which have been put upon corporations by Parliament, and you said "these obligations are put upon us, and there ought to be every facility for raising the necessary funds." Now, I say, do you draw any distinction between those purposes, where the corporation has been set upon work by Parliament, and those in which Parliament has said, "You may carry out these purposes if you think fit."?—No. I think those must be dealt with from time to time by the Committees as they arise.

2155. You draw a distinction in legislative pressure. Do you advocate greater facility and laxity in borrowing, if I may say so, in cases where Parliament has imposed a duty than in cases where Parliament has left it to the option of the borough to carry out works or not?—No.

2156. Not increased facilities in the former case only?—No. I advocate no difference, but I say as a matter of local administration that sanitation and education come before other matters.

2157. And housing?—That is partially sanitation, is it not?

2158. I agree; but housing has not been imposed upon corporations in any way at present?—I think it has. "It shall be the duty of the Local Authority to administer the Act." Those are the words of the Statute.

2159. But you have the option of adopting the Act, have not you?—That is only Part III., I think, but I will not be quite sure.

2160. It is hardly in the same position as education?—No.

2161. Did you hear the doctrine of posterity paying for experience that was put to the last witness and adopted by him?—No, I think not.

2162. That even supposing the undertaking proved failures and nothing was handed on to posterity, still posterity in paying the rate with which it was charged would have the satisfaction of having bought the experience?—If that was put it seems a bit hard.

2163. That you think is rather a strong doctrine?—I do. I think that if posterity is better off by sanitation—if we get a bigger and better man in consequence of sanitation—it has the benefit of it.

2164. The other doctrine would put posterity in a very strong position because it could not lose; either the undertaking succeeds or it fails, and in either event posterity has had value for the rate that is levied upon it?—Quite so.

2165. You do not go as far as that?—No.

0.12.

Mr. Brigg.

2166. The only point I want to make is one that Mr. Loyd has first touched upon, and that is as to indicating to you how far the extension of human life might be considered an asset in the valuation of the corporation assets of Plymouth?—I did not put it in, but I think it is a substantial asset to the community.

2167. The same applies to every other social institution, and applies to the nation at large?—Yes.

2168. Consequently, when all values are raised, one is not above another?—No.

Mr. Murray.

2169. Did I understand you to say that you would not draw a distinction between buildings and lands as an asset?—I do not think so, because I think it so very small.

2170. What is small?—The difference in 60 years and 100 years. It is only $\frac{1}{2}$ per cent. per annum—that is why.

2171. Your subsequent arguments seemed rather to tell against it. I think I understood you to say that cleared land is worth more than land with buildings on it. That would rather tend to prove that the land was the asset of value, and that the buildings, which after all at some time must come to an end or cease to have their annual value, are a less valuable asset?—Did I not put it in this way—that buildings and land which had cost 4,000*l.* were sold for 20,000*l.*, so that you had your 4,000*l.* back and 16,000*l.* to the good.

2172. That was a special case of a public market?—Yes.

2173. I am referring more to dwellings of the working classes, and the point of increased value being given to the land has been frequently brought forward. After your very clear evidence I wish to hear your opinion?—I think it is such a small matter that so far as the money is concerned, I would not draw any distinction. I do not mind 60 years for land and buildings, but the population makes value. Just as land in the City of London is more valuable than in Manchester, in Manchester than Plymouth, in Plymouth than the top of Dartmoor, so it keeps on growing; therefore, if you have houses and increase the population the value of land does not go back.

2174. You complained of too many inquiries with regard to the Housing of the Working Classes Act?—I am making no complaint against the department, but I suggest that its procedure should be altered so that when you come with your scheme for your Provisional Order it should be complete, and the one Inquiry should carry with it the sanction to the loan, so that you need not trouble after you have got through Parliament to come with another application.

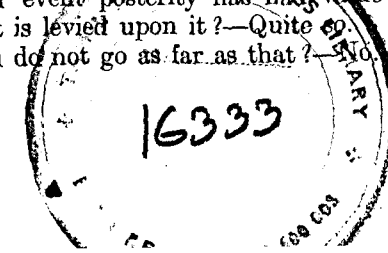
2175. How many inquiries have you had in these cases?—We have had two or three.

2176. With reference to the same subject?—Yes.

Chairman.

2177. Your debt is more than one year of assessable value, is it not?—Yes.

2178. You



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Mr. ELLIS.

[Continued.]

Chairman—continued.

2178. You are aware that under the Act of Parliament we cannot grant a loan in that case without holding an Inquiry—section 234?—Yes, I am not complaining. You asked for our suggestions as to modification of the law, and I said that I thought one of them should be amended, so that with one Inquiry you can give us what we want.

2179. You complained, not of the department, but of the law?—I thought I had made that clear—I hope so; I have always received the greatest kindness from the department and its officers, many of whom are personal friends of mine.

Mr. Murray.

2180. You raised the point as to the great expense of demolition; can you give any pro-

Mr. Murray—continued.

portion that the demolition bore to the whole cost of the carrying out of your scheme. Do I understand that your whole loan of 80,000*l.* referred to the matter?—I am not quite sure, but I think that 30,000*l.* of that 80,000*l.* is for demolished houses.

Chairman.] Yes, that is so.*Witness.*] The Treasurer tells me I am right.*Mr. Murray.*

2181. It is absolutely impossible to look on the demolishing of a house as any asset whatever, except as a more or less asset improving the state of the population?—I quite agree.

Tuesday, 22nd April, 1902.

MEMBERS PRESENT:

Mr. Brigg.
Captain Donelan.
Mr. William Jones.
Mr. John Hutton.
Mr. Bonar Law.
Mr. Grant Lawson.

Mr. A. K. Loya.
Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

MR. GRANT LAWSON IN THE CHAIR.

Mr. GEORGE TREVELYAN LEE, called in; and Examined.

Mr. Runciman.

2182. You are the Town Clerk of Dewsbury?—Yes, I am.

2183. And you are here at the request of the Association of Municipal Corporations to represent the views of non-county boroughs upon the question of the periods of repayment of local loans?—That is so.

2184. There is no distinction, I take it, between the position of the non-county boroughs and the other authorities involved?—There is no distinction except that, as the non-county boroughs have a comparatively small rateable value, they perhaps feel more acutely the necessity for some alteration of the present practice with regard to the fixing of the periods of the repayment of those loans.

2185. Have you taken any means for obtaining the opinions of other non-county boroughs as to the question before us?—Yes, I have communicated with the non-county boroughs with regard to this matter and have obtained replies from them.

2186. How many inquiries have you made?—I communicated with 212 boroughs, and I received 112 replies, or rather, I should say, I received 112 answers to the queries sent out. I received a few more replies, but in those cases they were small boroughs who did not appear to be very much affected by the question that is under consideration.

2187. Will you give the Committee concisely the result of your inquiries from the non-county boroughs?—Of the returns received 88 boroughs considered that uniformity was desirable in the practice of Parliamentary Committees and Government Departments in fixing the periods for the repayment of loans, and 16 expressed themselves satisfied with the present arrangements. That is on the main question.

2188. To deal with uniformity first, if the uniformity which they ask, uniformity between the practice of the Parliamentary Committees and the Local Government Board, were granted what advantages do you see accruing to the non-county boroughs?—There are a number of advantages. The first one would be that the period sanctioned for the repayment of loans would be extended if 0.12.

Mr. Runciman—continued.

the system adopted by Parliamentary Committees were also adopted by Government Departments. I think it is almost invariable that Parliamentary Committees are willing to grant longer periods than the Government Departments are prepared to agree to. It should, however, be observed that in that case sometimes the Government Departments are restricted by statutory provisions, and possibly could not give as long a period as they otherwise might be inclined to. Then there is another objection at present—that it is possible that some corporations might be rather tempted to go to Parliament for powers which they could in some instances obtain by Provisional Order for the sake of obtaining the longer period for the repayment of the debt. In the case of remunerative undertakings it frequently happens that the difference in the period means the difference between a profit and a loss.

2189. One of the results of the want of uniformity in your opinion is that the non-county boroughs would frequently apply for powers under private Bill rather than to the Local Government Board?—That has been the case, I believe, in some instances.

2190. What effect do you think an extension of the periods would have on your municipal enterprises?—The effect of the present system of giving short periods I think is often detrimental to the best interests of the borough, for it does happen that corporations are on the ground of expense deterred from carrying out works, such as sewerage works, which are an absolute necessity for the borough.

2191. Would you take the case of Dewsbury as being a typical example of a non-county borough?—With regard to Dewsbury I may say that the borough has a population of 28,060. It has a rateable value of 136,521*l.*, and an assessable value of 129,738*l.*

2192. What is your total outstanding debt?—The total outstanding debt on the 31st March, 1901, which, I take, owing to the fact that the accounts have not been made up to this last March, amounted to 774,223*l.*

2193. You have the figures for your original borrowings?—The original borrowings, of which that

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Mr. LEE.

[Continued.]

Mr. Runciman—continued.

that represents the balance, amounted to a total of 1,022,195*l*.

2194. So that you have repaid 247,972*l*. of the original loans?—Yes. We have repaid, I think, something like a quarter.

2195. Would you tell the Committee how much of the outstanding loan has been applied to remunerative, and how much to unremunerative, undertakings?—478,474*l*. is in respect of remunerative undertakings, and 295,749*l*. is in respect of unremunerative undertakings.

2196. Are you able to give accurately the value of the properties which now belong to the Corporation?—Those properties are valued at 850,000*l*. Of course, in addition to that, lenders have the security of the rateable value, which is not taken into account in those figures.

2197. Equivalent to these amounts you have a large number of municipal undertakings—I take it, all the principal undertakings?—Yes.

2198. Water, gas, electric light, and so on?—Yes.

2199. And these loans have been sanctioned over a very large variety of periods extending from 20 to 80 years?—Yes, that is so.

2200. Your gas works loan was to be repaid over the period of 80 years?—Sixty years gas works; water works 80 years.

2201. Electric lighting 25 years?—Yes.

2202. Burial ground 30?—Yes.

2203. Town Hall 30?—Yes; that is land and buildings, apart from the furnishing.

2204. Furnishing 20?—Yes.

2205. Public baths 30?—Land and buildings in that case.

2206. Public library 30?—Yes.

2207. Taking these as an example, what extended periods, and in what instances, does your municipality think it necessary that the loan should be repaid in?—In our case, a large number of our principal loans were sanctioned by local Acts, and consequently we are in a better position than some other boroughs might be in. There are one or two cases here where I should say the periods might very reasonably have been longer, and this would have effected a saving.

2208. Would you kindly give the specific instances?—The Town Hall. In the case of our Town Hall, for the building, a period of 30 years was allowed. That period, we suggest, should have been at least 60 years.

2209. The Town Hall, I take it, is a building of a permanent nature?—The Town Hall is a substantially-built erection of stone. I may say that the woodwork is solid oak, and there is every reason to suppose that that building will remain in existence, and in as good a condition as ever, for a very long period.

2210. And it is large enough to hold the whole of your local offices?—It is so.

2211. It is, in fact, a very large rent-saving building?—Yes. All the local offices and the School Board offices are contained in the same building, with the exception of electric light and gas, which, for convenience, are at the respective works.

2212. Kindly give us another instance?—In the case of the baths, a period of 30 years was allowed for land and buildings. That period

Mr. Runciman—continued.

should certainly have been at least 50 years, dealing with it as an equated period.

2213. Is that also a building of a permanent nature?—It is a permanent erection, stone built. In suggesting a period of 50 years, notice is taken of the fact that certain parts of the fittings, and so on, will not last longer; otherwise we should have suggested that the period for repayment for the baths should have been beyond 50 years.

2214. Have you any other instance?—The library is another instance—30 years was allowed. We suggest that 50 could have been reasonably allowed there.

2215. In each of these instances you think it would have been to the advantage of the borough, and not placing an undue burden on posterity, to have had a much longer period than that granted?—That is the case.

2216. On looking through this list I gather that you have a greater variety of periods than many of the larger county boroughs?—We have, owing to the fact, as I have already stated, that a number of our principal loans were sanctioned by local Acts of Parliament.

2217. Have you taken any steps to have these periods equated?—They have been equated on two occasions. In 1884 some of them were equated to 45 years; in 1898 and 1899 the loans borrowed under the Local Acts were equated to a period of 38 years, and loans borrowed under the Public Health Act to a period of 29 years.

2218. Let us take the rates. Can you say how much out of your total rate is payable in respect of interest on your loans. Your total rate is 7*s*. 11*d*. in the pound?—The total rate for last year was 7*s*. 11*d*. in the pound, but of that only 5*s*. 6*d*. in the pound was in respect of the expenditure of the Council. The total amount paid for interest on loans and contributions towards repayment, in the year ending 31st March, 1901, was 38,400*l*., which was equivalent to a rate of 6*s*. 4½*d*. in the pound.

2219. Out of 7*s*. 11*d*.?—Out of 5*s*. 6*d*. in one sense. Of that sum 23,370*l*. was payable in respect of remunerative undertakings. Consequently only 15,159*l*. was actually included in the estimate on which the rates were made, but that was equivalent to a rate of 2*s*. 5½*d*. in the pound out of the 5*s*. 6*d*. total rates levied in respect of the Council's expenditure—equal to 44.7 per cent.

2220. What do you gather from this?—It will be seen from those figures that the rates which the town is called on to bear are mainly due to the indebtedness which has been incurred in carrying out works, the benefit of the greater portion of which will be shared by succeeding generations. I might say that, if the period sanctioned by the Government Departments for certain of the loans, some of which I have already mentioned, had been of the length which might have been considered reasonable, having regard to the life of the undertakings, this burden which the ratepayers have to bear would have been to some extent lessened. I should like to go further, and say that, had it not been that in respect of original loans amounting to 596,088*l*. terms of 45 to 80 years were allowed for repayment, the burden would have been most seriously increased, and it must be remembered that in most non-county

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Mr. LEE.

[Continued.]

Mr. Runciman—continued.

county boroughs those long periods have not been obtained.

2221. Had you gone to the Local Government Board for sanction the period would have been much less?—The period would have been 30 years.

Chairman.

2222. For which works?—Water works, gas works, street works, depot and destructor, and sewerage works. I ought to explain with regard to sewerage works, that the original loan was sanctioned by the Local Government Board, and a period of 50 years was given, but that was about 25 years ago. The effect of the periods, if they had been fixed by the Local Government Board, would have been that the town would have had to pay an additional sum of 8,532*l*. per annum in respect of increased sinking fund.

2223. May I make this clear. Do you mean that this would have been by the administrative action of the Local Government Board, or by the fact that they are prevented by the Municipal Corporations Act from giving more than thirty years?—I think in respect of these particular items they are none of them borrowed under the

Chairman—continued.

Municipal Corporations Act, but they would all come under the Public Health Act. As regards the Town Hall, the Local Government Board were limited, as I explained.

Mr. Loyd.

2224. You can express no opinion as to what would be the administrative action of the Local Government Board?—I base this statement on the return they have put in specifying the periods which they at present allow for works of this description.

Mr. Runciman.

2225. From that point of view you are justified in the interests of the present ratepayers in having gone for powers under private acts rather than for the sanction of the Local Government Board?—Yes; that would have made a difference, as I have already said, of 8,500*l*.

2226. You have a table showing "increase of contribution to sinking fund if periods fixed now by the Local Government Board"?—Yes, and I have copies of the tables I will put in, if desired.

2227. As this is a good typical example, I suggest that it might be put in.

BOROUGH OF DEWSBURY.

Increase of Contributions to Sinking Funds if periods fixed now by Local Government Board.

Original Term.	Purpose of Loan.	Amount Borrowed.	Annual Contributions to Sinking Fund on basis of original term calculated at 3 per cent.	Annual Contributions to Sinking Fund 30 years term calculated at 3 per cent.	Additional Annual Sum payable.
Years.		£. s. d.	£. s. d.	£. s. d.	£. s. d.
50	Waterworks (balance outstanding at passing of 1876 Act).	79,126 10 5	701 10 -	1,666 3 9	964 13 9
80	Waterworks 1876 Act - - -	135,000 - -	420 1 5	2,837 12 -	2,417 10 7
60	Gasworks - - - - -	230,000 - -	1,410 11 3	4,834 8 7	3,423 17 4
45	Street Works - - - - -	21,000 - -	226 9 9	441 8 1	214 18 4
45	Depot and Destructor - - -	10,000 - -	107 17 -	210 3 10	102 6 10
50	Sewerage - - - - -	89,050 - -	789 9 5	1,871 15 3	1,082 5 10
45	Sewerage - - - - -	31,912 - -	344 3 6	670 15 4	326 11 10
	Total - - - £.	596,088 10 5	4,000 2 4	12,532 6 10	8,532 4 6

	£.
1 <i>d</i> . Rate realised—Borough	570
" " District	499
Cost of Land—Waterworks	31,950
" Depot and Destructor	3,296
" Sewage Farm	17,300

Did you hear the evidence given by the Lord Mayor of Manchester?—Yes.

2228. You will observe that he was in favour of local loans being subject to revision from time to time?—Yes.

2229. Have you considered that point?—I think there are cases in which that might be desirable, and I should be prepared, of course, to accept the fact that the revision would have to be on both sides, first as to whether the period should be extended, secondly as to whether the period should be reduced. I am quite satisfied

that, if that were done, the works carried out would be still in such a position as to prevent any possibility of reduction in the period, and to allow of the probability of an extension.

2230. So that in the case of your Town Hall, for instance, and your Public Library, you believe that the revision might have resulted in an increase of the period allowed for repayment?—I think so.

2231. To come to the suggestions which you are prepared to make, may I take first of all the instance of land?

O

2. What

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Mr. LEE.

[Continued.]

Sir Albert Rollit.

2232. What is the meaning of "On basis of original term" in the fourth column?—In other words, that is the sinking fund we at present pay.

Mr. Runciman.

2233. Under the Local Acts?—Yes. It is on the basis of the original term for the reason mainly that the periods have been equated since, and consequently the actual sinking fund now paid is not in every instance the same; but, assuming that the original periods had continued without equation, those would have been the amounts of sinking fund, which would have been payable at the present time under the Local Acts. Now, in the case of land, which will become part of the assets of the Corporation, or, in other words, which will possess a market selling value, I suggest that the period of 100 years for repayment is not excessive, with a proviso, of course, that, in the case of leasehold land, the period should not exceed the term of the lease. As regards other land, I think 60 years, the period allowed by the Local Government Board at present, will be reasonable—other land, including land thrown into the street for a street widening.

2234. You have no desire to make the loans on land permanent loans?—No, certainly not.

2235. As regards remunerative undertakings and permanent work, such as buildings?—In the case of those loans I would suggest that the probable life of the works should be taken as a basis in fixing the periods for the repayment of loans, with a maximum of, say, 60 years.

2236. Are you allowing there a margin of safety?—There may be an exception occasionally. For instance, some authorities are compelled to incur very heavy outlay in the provision of such a necessity as a waterworks undertaking, and in order to enable them to do that it might be desirable sometimes to exceed that maximum if the life of the works was sufficiently long.

2237. The maximum of 60 years?—The maximum of 60 years.

2238. With regard to non-productive undertakings you would not apply the same principle?—In the case of non-productive undertakings I would apply the same principle, but with a shorter maximum period of, say, 40 years.

2239. What is your ground for making a distinction between remunerative and unremunerative undertakings?—I think the ground is that remunerative undertakings are largely a source of revenue to the borough, and will not increase the burdens of future ratepayers, but will, on the other hand, ultimately become the profit-earning property of a generation of ratepayers who never contributed towards their establishment.

2240. In that you refer to gas and water?—Yes.

2241. Electric lighting?—Electric lighting and markets in our own case.

2242. And municipal buildings?—No, not municipal buildings.

2243. You leave them out?—Yes.

2244. Although they are rent saving, you do not consider them profit earning?—No; I have not included those in remunerative undertakings. Then, with regard to non-productive undertakings, a shorter period might be given on the

Mr. Runciman—continued.

ground that they may possibly increase the rates which a town is called upon to bear.

2245. You are aware that these properties may depreciate in value. Are you making due allowance for that?—I suggest that, as against any possible depreciation, you have the fact that the debt is being annually reduced, and that reduction is in all cases larger than the extent to which the asset will depreciate.

2246. "In all cases"—you mean with reference to the undertakings which you have in your own borough?—My statement is based on experience, not only in the borough in which I now am, but in other boroughs in which I have been engaged.

2247. Are you of opinion that in the case of gas works you create as you go along a goodwill which becomes of value to the borough?—I am clear as to that. I am also clear as to that in the case of water works, and I will give an example. The water works which supplied Dewsbury originally were vested in the Corporations of Dewsbury and Batley, and in the Urban District, or the Local Board, as it then was, of Heckmondwike. Some years ago the Batley Corporation decided to withdraw from this arrangement, and to construct other works of their own. This involved an apportionment of the value of the undertaking. That apportionment was settled by arbitration, and Dewsbury and Heckmondwike, the two authorities left, had to pay Batley a sum very considerably in excess of the proportion of the capital expenditure which the Batley Corporation had paid.

2248. Batley, in so far as these joint water-works were concerned, made a profit on the transaction?—They did.

2249. So far from depreciation there was an appreciation?—That is so.

2250. Then with regard to the cost of obtaining a local Act, do you object to the period, now usually allowed, of five years?—Yes. We think that, in the case of local Acts, which are for the permanent improvement of the borough, a longer period than five years might be reasonably granted.

2251. Say 10?—I should say at least 10. Many of the corporations feel that it is very desirable to obtain special provisions from Parliament, but owing to the cost they are deterred from doing so, and the borough is deprived of obtaining the benefit of those provisions.

2252. Are you of opinion that, in the case of works which take some long time to complete, the repayment of principal should not be begun until the completion of the works?—That is so in the case of remunerative undertakings only. In the case of those undertakings I think the boroughs generally feel that provision should be made for the postponement of the commencement of the setting aside of the contributions for the repayment of the loan. That principle has already been adopted by Parliament in the case of water undertakings, electricity works, and tramways, and we suggest that Government Departments should be entrusted with a similar power in respect of those undertakings, and also of gas and other similar undertakings.

2253. On the ground that an undertaking of this description is least remunerative in its early years?—

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Mr. LEE.

[Continued.]

Mr. Runciman—continued.

years?—That is the case. It earns no revenue at all until the works are completed and got into operation.

2254. Have you considered the principles laid down here by witnesses from the Local Government Board as guiding the repayment of local loans?—Yes, and I think we should not disapprove at all of the principles on which the Local Government Board act. It is rather in the application of the principles to facts that we think some alteration should be made.

2255. The principles you approve of?—The principles generally we approve of.

2256. When you speak of the application of the principles I take it that you mean the fixing of a definite number of years based on those principles?—I should say that, although the principle of the Local Government Board is to take into consideration the life of the works, the periods they allow do not extend far enough even after that question is properly dealt with.

2257. Have you in the country, in the municipalities themselves, found any considerable fear of the increase of indebtedness?—With regard to the increase of indebtedness, I think, if the facts are considered, it will be found that that increase is due mainly to two reasons—first, the extension in number of revenue-producing undertakings established or acquired by local authorities, which, generally speaking, will not increase the burden on future ratepayers; and, secondly, the fact that local authorities have been exceptionally energetic during the past few years in providing for the necessities, comfort, and recreation of their constituents. I suggest that the result of that rapid increase is to anticipate expenditure which would ultimately have been incurred, and consequently to reduce the capital expenditure which is likely to be incurred in succeeding years.

2258. Can you tell us whether due allowance has been made in the case of your own borough for depreciation of such works as gas works, and if so how that has been dealt with?—In the case of our gas works a contingency, or depreciation, fund has been established, and contributions have been paid to that fund annually, and out of that fund the Corporation have only recently expended 11,000*l.* in replacing certain retorts and retort buildings which were required.

2259. You constantly keep up your plant out of revenue?—In the case of our undertakings the works are kept in efficient repair and working order out of revenue, and I might say further, in the case of our gas works, that all extensions of mains are paid for out of revenue as well as replacements.

Chairman.

2260. You are speaking, you say, for the non-county boroughs, and you say that the difference between the non-county boroughs and the larger boroughs is that they have a comparatively small rateable value. Are they not for that reason also more affected by alteration in the assessable value of property?—Proportionately that would be the case.

2261. I mean the security that they have to offer is not so good as that of a town like Liverpool or Manchester?—I think frequently the security that a small borough has to offer is

Chairman—continued.

better than the security that a large borough has to offer.

2262. You think the life of a small borough is more security than the life of a big city?—I think that depends entirely on the nature of the trade, and so on, of the respective towns that are being compared.

2263. You mentioned that there were 16 boroughs that answered your circular that were satisfied with the present condition of things. Would you oblige us with the names of some of those boroughs?—I have the returns here, but it would take me a few minutes to find them.

2264. Perhaps you would communicate to the Committee the names of the 16 who were satisfied?—I will, with pleasure. (*See Appendix No. 16.*)

2265. You mentioned the outstanding debt on the 31st of March, 1901, 774,000*l.* odd. Does that include your overdraft at your bankers?—That does not include our overdraft at our bankers.

2266. Do you happen to know what the overdraft of Dewsbury at its bankers is at present?—I cannot say what our overdraft is, but, with regard to the question of overdrafts generally, I think that one fact has been overlooked. In our own case we borrow a considerable portion of our debt on mortgage. Mortgages are constantly falling in and have to be repaid on the dates, of course, specified for repayment.

Mr. Runciman.

2267. Mortgages on the security of the rates?—Mortgages on the security of the rates. In order to provide for the repayment of those mortgages we invariably borrow the money in the shape of an overdraft at the bank, and therefore any overdraft there may be will probably be largely, if not entirely, in respect of loans which have been repaid in that way.

Chairman.

2268. Has that been the case in regard to your gas works; have you borrowed the money for those on mortgages?—Yes, it varies. Roughly, about half our borrowing is in the shape of stock, and half our borrowing is in the shape of mortgages. I think the loans in respect of every undertaking will be represented by both classes of securities.

2269. You cannot give us, you say, what the total overdraft at the bank is?—I cannot.

2270. But anyhow that has to be added to the 774,000*l.*?—No, not to the extent that it represents loans repaid. That is an authorised borrowing, although borrowed temporarily from the bank instead of upon a mortgage.

2271. You say that the local authorities have been afraid to borrow on account of the short period of repayment. You have borrowed five times your assessable value already, have you not?—Yes, that would be so, no doubt.

2272. Then there has not been any great fear of borrowing with you, has there?—No, because as I have already explained, the bulk of our loans have been authorised by Parliament, and we have obtained the longer periods which other boroughs are unable to obtain without going to Parliament.

2273. The long terms, you think, explain the

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[Continued.]

Chairman—continued.

size of your debt?—As regards our debt it ought to be remembered that a large proportion is in respect of remunerative undertakings, and the local circumstances also ought to be taken into consideration. Dewsbury is the centre of a very populous district, and if we provide a park, for instance, it must be large enough not only for Dewsbury but for all the surrounding population. The same thing applies in the case of a newsroom, or public baths, or even a town hall, and, consequently, in order to secure these undertakings, we are obliged to make them large enough, not only for ourselves, but for the surrounding population.

2274. My question was, do you consider that a desire to borrow has been promoted in Dewsbury by having long terms of repayment?—I think that if those long terms had not been obtained possibly some works might not have been carried out. Our sewerage works entail a rate of 1s. 2d. in the pound. We obtained a long period for those works. Unless we had done so possibly they might have been carried out by now, but I feel satisfied that there would have been more delay.

2275. You say, for instance, with regard to the Town Hall that if you had got 60 instead of 30 years it would have effected a saving. Do you mean a saving to the present ratepayer?—A saving in the amount of the annual sinking fund to be paid.

2276. A saving, in fact, to the present ratepayer?—A saving to the present ratepayer. Of course, after the end of the period of 30 years the succeeding generation would have to pay their share, and my Corporation consider that it is only reasonable that they should.

2277. Have you considered that, if the loan was extended from 30 to 60 years, the total amount paid for instalments and interest would be vastly increased?—The total amount paid in respect of interest would be increased, and of instalments, but do not forget that you are paying for the use of the money in the meantime.

2278. The ratepayers of Dewsbury, either of this present day or of years to come, would have had to pay very much more for this town hall. Have you considered that?—They would have had to pay more, but I think they are rather in the position of a man who may have 100l. a year, and has to incur a capital expenditure of 1,000l. He is willing to pay something per annum in order to borrow that money.

2279. He would have to repay all that himself would he not?—He probably would never repay it at all; it would be a permanent mortgage.

2280. On the property?—On the property.

2281. Anyhow he could not put it on to a future generation, like you can put it on to a future generation of ratepayers?—That would be the case, but we say that future generations are sufficiently provided for by the fact that we maintain all these works out of revenue, and by the further fact that, even if the extended period be granted, ultimately they will become possessed of very valuable institutions which will have cost them nothing.

2282. I notice, amongst other things you have borrowed for, that you have borrowed for a destructor under your local Act?—That is so.

2283. How many years have you got to repay

Chairman—continued.

the money borrowed for the destructor?—45 years; that included the land.

2284. 45 years for the money you borrowed for the destructor. Now has there not been a vast alteration and improvement of late years in the whole character of destructors?—Our destructor is efficient.

2285. Is yours a high combustion destructor?—I am afraid I hardly appreciate the difference.

2286. But you know that the improvement in destructors has been very great of late years, do you not?—Yes. Our destructor possibly is one of the more modern ones, and it is found to be very efficient.

2287. Do you fancy it will be up to date in, say, 40 years?—I cannot say that it will be less efficient in 40 years than it is now, because, as I have already pointed out, it is kept in working condition out of revenue.

2288. It may be, but the type of it is not altered out of revenue, is it?—The type has not been altered out of revenue.

2289. You mentioned that the amount of interest on loans and contributions towards repayment were equivalent to a rate of 6s. 4½d. in the pound. How much of that is for interest?—I am afraid I have not the figures here.

2290. Will you take it from me that about 25,000l. is for interest and 13,429l. for sinking fund—repayment of capital?—Yes, no doubt your figures may be somewhere near right.

2291. I suppose you would propose to pay interest on the money you borrow?—I am afraid we cannot help it.

2292. So that your real grievance is against the amount of instalments of repayment of capital?—Yes.

2293. May I suggest to you that that 13,429l. which you pay for repayment of capital is only equivalent to 2s. 1d. in the pound?—Possibly.

2294. And not 6s. 4½d. in the pound?—Possibly.

2295. To take your second calculation as to what the rate is equivalent to, if you deduct the profits you make from the total amount of repayment, the sinking fund in respect to that is only equivalent to a 10d. rate?—I daresay those figures are right; I have not worked them out; I will take them from you.

2296. You mentioned a very profitable transaction with Batley in the matter of water works; how are the gas works at Dewsbury?—Our gas works have been very profitable, except so far as last year was concerned, when, owing to the price of coal, all gas works suffered very materially. Taking the previous year, I believe I am correct in saying that a larger profit was earned by the gas works than in any year up to that date.

2297. That profit was 2 7-10 per cent., was it not?—I have the figures here. The profit amounted to 5,403l., but that profit does not take into account the fact that all the public lighting was done free of charge, which is in addition.

2298. From the return, it did not look as if you were making a very large profit, and I wanted to know what the explanation was. Then you think that the period for repayment of the costs of a local Act ought to be spread over a short period of years. Do not you think that the fact of having to pay the cost of the Act themselves is a check on the tendency to ask for these local

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local Acts on the part of boroughs?—I do not suggest an unreasonable period. Taking a period of 10 years, I think that, if that limit were given, it would be a check on unnecessary applications, but at the same time I think that these applications, generally speaking, are eminently desirable in the interests of the borough.

2299. Local Acts are very expensive, are they not?—I am afraid they are expensive.

Sir Albert Rollit.

2300. You would prefer, I think, a great deal of simplification with regard to obtaining powers, would you not?—We should, most decidedly.

2301. In other words, the applications to Parliament for local Acts are a very great burden on the municipalities?—That is so.

2302. May I suggest that, either by an extension of the Provisional Order system, or by devolution in some form, the municipalities would be only too glad to get rid of the burden of applying to Parliament in individual cases?—I think if that system were adopted, then, of course, the question of the period for the repayment of the cost would not be so important; the cost would be so much reduced.

2303. In other words, the system is, in itself, a great burden, involving the necessity of longer periods of repayment?—That is so.

2304. Do you approve of the suggestion that municipalities should have a check upon them, or be deterred from borrowing for as long periods as they can reasonably obtain for good public works?—My objection is that they are deterred, perhaps, more frequently from carrying out works that are necessary than they are from carrying out works that might be considered to be a luxury. I could give instances, but would rather not, of sewerage works which were delayed many years merely on the ground of expense.

2305. But assuming the works to be good, do you at all accept the suggestion that it is desirable or proper that there should be any check upon municipalities in carrying them out on reasonable terms of repayment?—No check beyond, of course, either the application to Parliament or the general supervision of the Local Government Board.

2306. And I suppose also the security of local knowledge and experience?—That is so.

2307. Will you tell the Committee whether these public works are of very great value to the community?—I am sure there is not a single undertaking in Dewsbury that the ratepayers would be content to do without. They regard them all as very valuable, and although they, like all ratepayers, complain of the rates they have to bear, I am convinced that there is not a single institution that they would give up.

2308. And they are in full sympathy with the expenditure?—That is so.

2309. Getting, as they firmly believe, a very adequate return for it?—That is so.

2310. Is not the same case also with the consumers?—The consumers of water and gas, and so on, you mean?

2311. Yes.—With regard to gas the price has been reduced very largely since the works were taken over by the Corporation.

2312. When you are asked whether that is not a small percentage (2 and some fraction),

Sir Albert Rollit—continued.

is it not right to take also into account, over and above the public lighting, the disposition of corporations to consider the consumers?—That is the case. As I stated, in our gasworks the price of gas originally, when the Corporation took over the undertaking, was 4s. 6d. a thousand cubic feet. It has since been reduced to 3s. and 2s. 6d., for lighting and heating.

2313. So that really, if you made it what is called municipal trading, you could earn a much higher profit?—If the Corporation put the price up to the extent it was before, there naturally would be a larger profit, even allowing for a certain number of consumers who might cease to use the gas.

2314. With regard to sanitary and sewerage works, has anything been done beyond what is absolutely essential to the health of the community?—Absolutely nothing. The sewerage works are efficient, and, I might say, received the approval of the Royal Commission on Sewage Disposal. The cost incurred cannot be in respect of any part considered to be unreasonable or unjustified.

2315. They will avail largely for the benefit of posterity, both physically and in the improved health and strength and wealth of the community?—That is indisputable.

2316. With regard to your expenditure upon education, for instance, technical and secondary—the same remarks apply in quite as strong a form?—Yes, particularly as Dewsbury is a manufacturing town.

2317. I believe that you have had a highly developed system of technical and, as far as the law would permit of, secondary education?—That is the case.

2318. Very successful?—Very successful.

2319. In your opinion productive of a most ample return for posterity?—Yes. I ought to explain, as regards our technical school, that there has been no capital expenditure, owing to the fact that it was erected by public subscription.

2320. But the Council has, I believe, advisedly and on principle, done its utmost within reasonable expenditure for education?—They consider it is very important.

2321. In the interest of both to-day and to-morrow?—Yes.

2322. I should like to ask you a question about housing. I do not myself suggest any limitation of the terms in other cases, but do not you think that, in the case of housing, with all its social advantages, there is room for almost exceptional liberality as to the term of repayment?—I think that might very well be treated as one of the exceptions that I contemplated. I gave water works as an instance of an undertaking which might have to be carried out at a tremendous expense, and which was a necessary work. I think housing might certainly be taken as a similar case, and might be treated as an exception from the general rule.

2323. On social grounds?—On social and sanitary grounds.

2324. And essential in the interest of posterity?—That must be so; posterity will gain a permanent benefit, of course, by the abolition of insanitary dwellings.

2325. Do not you know that, owing to these sanitary

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sanitary and other undertakings, it is now comparatively very possible to arrest the progress of epidemics and the like by isolation hospitals (I mean, of course, sanitary and sewage works), and inspection and disinfection and the like. Is not that all rendering it possible to arrest and prevent epidemics?—That has been proved in our case within the last two or three months. Small-pox has been twice introduced into the borough, and on each occasion it has been restricted to the first outbreak.

2326. That is especially the case with zymotic diseases, which are being gradually almost extirpated—at any rate, reduced largely?—Yes; they are being reduced.

2327. With reference to the honourable Chairman's examination of you upon the increased cost of a long term of repayment, I understood you to say, and is it not your opinion, that, without that long term, though it may be more onerous, many of these works could not be had at all?—I am certain there are many necessary works which are not carried out on the ground of expense, and if these long periods are given the cost would be so reduced that the hindrance would be abolished.

2328. And, as a matter of fact, although you pay more during the longer term, you get both the Town Hall and the use of the money?—Yes; you get the works in the meantime.

2329. And the use of the money?—That is so.

2330. Taking the case of the Town Hall, what length of life has such a building as you speak of?—I should say that our Town Hall will last 200 years at the very least.

2331. Is it in the centre of the town?—It is.

2332. And do you act on the assumption that Dewsbury will gradually evaporate?—The Corporation have never contemplated that up to now.

2333. Do you think it would be a wise principle to contemplate the gradual vanishment of towns?—No.

2334. But to go on the contrary principle of probable progress?—I think that some of the towns may temporarily be reduced owing to various causes, but I think that in judging a question of that sort it would perhaps be fairer to judge by what has happened in the past, and I think that on the basis of the past there are so very few cases of any town which has entirely vanished that if those few cases are to regulate the system, the system will be regulated by the exception to the rule.

2335. And with only one result to the country at large if that were so?—Yes; we should stop.

2336. You were asked about the character of your destructor. Can you tell me whether the by-products of the destructor (if I may so term it) are applied to the generation of electricity, as in Blackpool and some other places?—No; but our system of destructor generates steam, and the steam is utilised for the grinding of the clinkers and the manufacture of mortar.

2337. So that it is not merely destruction, but it is really production as well?—Yes, it is so.

2338. I understood you to say that you would not regard land as a permanent asset, but on principle, or on financial grounds, do you see any objection to land in the centre of a community, with little or no risk of depreciation, being regarded as a permanent security?—I did not sug-

Sir Albert Rollit—continued.

gest that land would not be a permanent asset. I suggested that there should not be a permanent loan on land. That is rather the point I had in giving my answer.

2339. But do you see, yourself, any objection to the suggestion of land being regarded in itself a permanent asset? A man cannot run away with an acre of land?—I should regard land as a permanent asset. A man cannot run away in the value of land is provided for in the annual reduction in the capital that is expended in the purchase of the land.

2340. At any rate, I may take it that, in the case of land, you would be in favour of a considerably lengthened term of repayment?—I suggest that, in the case of land which is not thrown into the street, and, so to speak, done away with, 100 years would not be excessive.

2341. Have you read the proofs of Mr. Kershaw and Mr. Lithiby?—I have.

2342. Do you concur in their view of corporate action and Mr. Lithiby's view, at any rate, that corporate action should be restricted as to the length of term, and that the indebtedness is too great, and that sort of thing?—I think, if that principle were carried out you would not only stop works that might be regarded as, to some extent, a convenience, but you would also stop the carrying out of works which are an absolute necessity.

2343. In the interest, therefore, of corporations and of public health generally you would not accept any such proposals?—No, I should not.

Mr. Hutton.

2344. Does your debt of 774,000*l.* include your School Board debt?—No, I have excluded the School Board debt.

2345. Is it guaranteed by the Corporation?—Some of the money expended by the School Board has been advanced by the Corporation, and some has been borrowed from the Public Works Loan Commissioners.

2346. But on the security of the rates?—Yes, on the security of the local rates.

2347. What is the figure of the School Board debt; is it 9,000*l.*?—I cannot give you the School Board debt, but the amount advanced by the Corporation, which would not be the same figure. The Corporation have advanced 9,745*l.* to the School Board, and on the 31st March that had been reduced to 7,172*l.*

2348. Your outstanding debt is really over 780,000*l.*?—Yes, adding that on.

2349. Are you of opinion that there should be any limit at all to the borrowing powers of a corporation?—I think it is impossible to fix a limit to the borrowing powers of a corporation. I think it certainly is desirable that Parliament should consider each application on its merits.

2350. But is it your opinion that there is no point at which a corporation can borrow, so as to lose its credit financially?—I think, judging from our experience, we have no difficulty in borrowing the money that is required for any expenditure, and that rather is some criterion of the regard which is had by the lender to the expenditure.

2351. You say that your remunerative debt is 478,000*l.*, and that on the whole it is a paying investment. Do your electric works pay you?—

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you?—On the electric lighting undertaking, for the year that I have taken throughout, there was a loss of 55*l.*

2352. And the previous year?—I have not the figures by me for the previous year, but you may take it that the electric lighting works have not yet paid.

Mr. Runciman.

2353. You light your own buildings, I think?—The public library is lit free of charge.

Mr. Hutton.

2354. With regard to water works, what do you say?—In the case of our water works there is a loss on the water works undertaking. This loss is due to the fact that water is so absolutely essential to the manufacturers that the Corporation are willing to supply them at a less cost than they could charge, and to bear a loss, but the loss on the electric lighting and on the water works is paid out of the gas profits, and if you take the undertakings as a whole there is a very substantial profit.

2355. I understood you to say that the profits on gas went into a sinking fund, out of which you spend large sums in repairing the gas works?—Before that profit is arrived at a certain sum is set aside towards this depreciation fund. It is a contingency fund.

2356. How do you work your sinking fund? What does it consist of?—The sinking fund for the repayment of loans?

2357. Yes; do you buy Consols?—No; in the case of our sinking fund we have obtained special provisions. Our sinking funds are applied in the repayment of the short-date mortgages as they fall due; the consequence is that we do not invest any sinking fund at the present time; we actually extinguish our debt. In the case of the Stock Loans Fund, which is the sinking fund in respect of the stock, the same principle is now adopted, and we think it better, instead of owing money on one hand, and having money invested somewhere else on the other, to actually extinguish a part of our debt, and that is the principle adopted.

2358. Your population last year was 28,060?—Yes.

2359. What was it in 1891?—29,800.

2360. And in 1881?—29,637.

2361. The population now is actually diminishing in Dewsbury?—The population at the last census was slightly less than the previous census, although the number of inhabited houses is larger.

2362. Are there many houses standing empty?—There are houses standing empty. I am told there are no more than there were at the previous census. I was not there at the time of the last census. I think this is explained by the temporary depression in trade, which has been due, to first of all, the American tariffs, and, secondly to the war.

2363. The debt per head of your population is very large, I believe?—No doubt it would be, taking the remunerative undertakings into account as well.

2364. Nearly 25*l.* a head. It was 24*l.* 10*s.* last year, so it is over 20*l.*, at any rate?—It would be about that.

Mr. Hutton—continued.

2365. In your opinion the decrease in your population has nothing to do with the increased burdens of the town with regard to the rates, and with regard to the very enormous debt that you have?—No, and that is shown by the fact I have already stated, that the number of inhabited houses was larger at the last census. The reason we think for this is that the people have smaller families.

2366. A large number of the houses, you say, are standing empty?—When I say the number of inhabited houses I mean the number of occupied inhabited houses.

2367. Do not you fear that, in course of time, if you go on increasing your liabilities and debts, and keep on increasing your rate, that may have in the course of 20 or 30 or 40 years a very serious effect upon your population by driving them out?—In our case that could not very well be so for this reason—that in less than 28 years all our debt under the Public Health Act will be paid off. In 27 years all our debt under the Public Health Act will be paid off, and in 36 years all the rest of our present debt will be paid off.

2368. Have your rates increased in the last few years?—The rates have varied. They have increased during this last year, but not at all owing to increased expenditure, but entirely owing to decreased receipts in the case of the gas works mainly.

2369. Decrease in the gas profits?—Decrease in the gas profits.

2370. Not due to any shrinkage in the rateable valuation?—The actual expenditure is practically no more than in the previous year.

2371. But is the necessity of the rate being higher not only due to the fall of the gas profits, but also to some shrinkage in the rateable value of the town?—The rateable value has increased.

2372. Then it is entirely due to the lowering of the gas profits?—The increase of the rates just levied is entirely due to decrease in gas profits. There may be one other small item, but that is the bulk of it.

Mr. Loyd.

2373. You say you quite accept the general principles adopted by the Local Government Board and the principles as expressed by the evidence of Mr. Kershaw?—Yes.

2374. Your objection is that those principles are not applied in a proper manner?—That is so.

2375. In what way do you say that those principles are not applied in a proper manner?—I say particularly with regard to the question of the life of the works, the Local Government Board do not consider the life of the works is as long as in our opinion they should consider it.

2376. Do you object to the distinction between the physical life of the works and the useful life of the works?—I think the Local Government Board are entitled to take both into consideration, and I would take both into consideration, and I suggest that, even when both are taken into consideration, the Local Government Board could very reasonably allow a longer period.

2377. Then you think it is ignorance on the part of the Local Government Board as to how long materials are likely to cohere or undertakings to last?—I do not suggest that it is ignorance

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norance, but I would suggest that it is over-caution.

2378. I suppose you know that they are advised by practical men?—No doubt that is the case.

2379. You would suggest increased study on their part as to the duration of the works which are brought before their consideration?—I think, judging from what was given in evidence, the Local Government Board are rather governed by some remote exception. If you consider the number of loans which the Local Government Board sanction, and the number of works which have failed within a period less than the period granted, you will find that they are so very exceptional that I suggest they might fairly be ignored. The Local Government Board, I noticed, last year alone, from their annual Report, sanctioned 2,400 loans.

2380. Do you think it is a question of probabilities that they ought to act upon?—I think so. I think they might reasonably also consider the circumstances of each case.

2381. The circumstances of each case ought, in your opinion, to be taken into consideration?—I certainly think so.

2382. Is the want of uniformity of system one of the matters that you complain of?—We certainly think that there should be uniformity.

2383. What do you mean by uniformity?—I mean that, in respect of works of the same description and under the same circumstances, the same period should be allowed, both by Parliamentary Committees and the Local Government Board.

2384. Is not that precisely what they have been doing in laying down these periods which, in the absence of special circumstances, shall be allowed in given cases?—As against that the fact is clear, I think, that for work of a similar nature a Parliamentary Committee will allow a longer period.

2385. But you are asking for uniformity, and then you say for work of a given class a fixed period should be allotted so as to create that uniformity?—Yes; where the circumstances are the same.

2386. How can you get uniformity if the circumstances of each particular case are to be taken into consideration?—You can get uniformity as a general principle; for instance, take sewerage works, for argument sake. In that case there could be a general principle that for sewerage works a certain period should be granted, but there might be exceptional cases where the period ought to be extended, and, on the other hand, where it should be reduced.

2387. Is not that exactly the effect of Mr. Kershaw's evidence? The periods he specifies are those which are *prima facie* allowed in the absence of special circumstances?—I think the Local Government Board fix a period for one class of work, and never depart from that period in any case.

2388. Now your claim for extended periods applies more especially, I understand, to what are known as remunerative undertakings?—That is the case.

2389. With regard to unremunerative works, the period may well be shorter, because they may become a burden on posterity?—Yes; but in

Mr. Loyd—continued.

the case of unremunerative works, I suggest that the maximum period might be extended from 30 to 40 years.

2390. You are in favour of more liberality, even in the case of the unremunerative works?—Yes; and a longer period in the case of the remunerative works.

2391. With regard to remunerative works, I understand that you are of opinion that there is hardly any reason for caution at all with regard to their becoming a burden on posterity?—I do not suggest that. I think that, in my evidence-in-chief, I stated that in fixing the period I should have regard to the life of the works, but have a maximum period, which maximum period would be put in especially for the purpose of securing future generations.

2392. That maximum period being the life of the works?—No; not the life of the works. Take water works, for example. In the case of our own water works, I consider that they will last for almost an indefinite period, kept up, as they are, out of revenue; but I do not suggest that, even in the case of water works of that description, more than 60 years should be given.

2393. You do not propose that the life of the works should be the limit in the case of remunerative works, but that there should be some period short of that, but sufficiently long to encourage the undertaking?—Yes. I suggest that the period should be fixed on the basis of the life of the works, with a maximum of 60 years. The effect of that would be that if the life of the works exceeded 60 years, 60 years would be granted. On the other hand, if the life of the works was less than 60 years, the less period would be granted for repayment. It does not, perhaps, arise out of your question, but I might say that in any case, even if a certain period is fixed for repayment, there is nothing whatever to prevent a local authority, if they choose, paying off within a less period.

2394. With regard to the remunerative undertakings, do you suggest that all those that come under a general class of remunerative undertakings should receive this liberal treatment?—I consider that they might fairly do so.

2395. Do you regard it as certain in all cases of gas works, water works, and sewerage works, that they will be productive?—For gas works and water works I think a term of 60 years can be very fairly given, and I think it will be found that, in those 60 years, those works will be productive if kept up, as they always are, out of revenue.

2396. But put yourself in the position of the Local Government Board. Is it not a matter of probability?—I cannot conceive that water works will ever cease to be useful.

2397. Have you never known a case of water works not paying?—With regard to water works not paying, in our own case, in one respect, our water works may be said not to pay, inasmuch as there is an annual loss, but then the water works pay in another respect, because the trade is dependent on them, and the Corporation are prepared to supply manufacturers with water at a low rate in order to assist them, even although there may be some slight loss on the water works.

2398-9. You bring in a question of general and collateral benefits in deciding whether a thing is remunerative?—

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remunerative?—I think it only fair to do so. With regard to gas works, you have not only the fact that they may or may not pay, but you have the fact that in almost every instance the price of gas is reduced. Therefore the consumer, who is generally a ratepayer, gets the benefit, not only of any profit there may be on the undertaking, but the benefit of the reduced cost at which the article is supplied to him.

2400. You have given us your experience with water and gas and sewerage works, and do you say that in some instances within your knowledge all those sorts of works have proved unremunerative?—Sewerage works in respect of pecuniary profit are always unremunerative. As regards the others, I have known waterworks where the receipts have equalled the expenditure, but I think that in the case of water works, it is almost invariably the rule that there shall be no profit made; that has been my experience.

2401. But you are challenging the methods of procedure of the Local Government Board, and I want to know exactly what you mean by "remunerative." Do you mean that if an undertaking is beneficial to the community generally, and to posterity, you are entitled to regard it as a remunerative undertaking?—No, I regard as a remunerative undertaking an undertaking that earns a revenue.

2402. That is what I wanted—and a revenue applicable either in reduction of rates or in supplying the commodity at a reduced charge?—Yes, that would be so.

2403. Does it not depend upon the way in which that concern is managed?—I think that these undertakings are always managed to the best advantage. I can only, of course, judge by my own experience, but that has been my own experience.

2404. Quite so. Then the difference between you and the Local Government Board is the degree of faith which you have in the permanence of good management in the municipal borough?—I have sufficient confidence in the councils of the boroughs of the country to believe that that will continue.

2405. Is it not a question of faith between you?—Yes. I am not complaining as to the action of the Local Government Board except as I suggest, that they are over cautious, and I think if they have regard to facts they will find that any cases of failure were so very very exceptional that it would be fairer to regulate their decisions by the general rule instead of being governed by these very rare exceptions.

2406. Do you say that there are no motives in municipal life which might disturb the balance of proper caution on the part of the administrators of the affairs of the Borough—are there not political considerations?—Councils change from time to time, but I think that those matters are regulated by the ratepayers ultimately.

2407. Do not local politics sometimes turn on gas and water works and public undertakings?—I suppose so, but I have not had much experience of that.

2408. Is it not reasonable that there should be an independent department, free from those disturbing motives, like the Local Government Board, to bring its mind to bear on these matters?—

Mr. Loyd—continued.

ters?—I have already recognised the fact that it is desirable that schemes of this sort should be approved by Parliament, or by the Local Government Board.

2409. Have you ever heard of a case of the accounts of a borough being so conducted as to show a profit on undertakings by not allowing anything for depreciation?—I have not heard of such a case.

2410. Have you heard of any recent discussion on that subject in the Local Government journals?—As to the allowance for depreciation?

2411. Yes?—It depends entirely on the nature of the works; take land for instance. I say that the sinking fund is a depreciation.

2412. Do you mean an allowance for depreciation?—It represents really a provision for depreciation.

2413. I do not quite understand that?—In this respect, that land is bought at a certain price. The money expended in the purchase of that land is annually reduced, and I say that the annual reduction of that capital represents a depreciation.

2414. That may be so with regard to land, and I think Mr. Kershaw recognised that, because he says he always considered that though the value may fluctuate it is never likely to be less than the outstanding balance of the loan sanctioned in respect of the purchase of the land, and that is the view you are now putting forward?—Yes.

2415. Now with regard to the works, does your Borough make no allowance for depreciation, other than by sinking fund, for the natural shrinkage in the value of the plant by the lapse of time?—Take sewerage works as an example; there is no allowance for depreciation, but all these works are kept up and replaced out of revenue.

2416. That is another point. The repairs and the keeping up you say are efficiently done, but with regard to the shrinkage in the value of the plant itself, which will ultimately have to be met by a renewal altogether, is there no allowance for that?—That may be so in some cases, but I have already recognised that the life of the works should be the criterion; therefore, in the case of sewerage works a period is fixed which is taken as the life of the works. The debt is annually reduced. In every case the sewerage works will extend at all events beyond the period of the loan, and therefore at the expiration of that period, although the works may have become valueless, the debt has been paid off and extinguished, and consequently that represents a depreciation fund.

Mr. Brigg.

2417. I am not sure that I understood what you said in reference to the present high rate of your debt, or rather the rates that you pay. Did you say that was due to the long time that has been given for borrowing in the past?—No; it was rather the other way round. I suggested that if it had not been for the fact that we had obtained long periods for the bulk of our debt we should have had to make a much greater annual payment.

2418. But I understand you said in the first instance that your present debt was due to the

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Mr. LEE.

[Continued.]

Mr. Brigg—continued.

long period on which you formerly borrowed?—No, that was not so.

2419. Then I misunderstood you. Now I should like you to emphasise a little more forcibly than you have done your opinion that you should have a longer time for repayment of loans intended to be remunerative. You do not admit that a profit-paying concern should have a short time?—No.

2420. Would you allow the debt to fall on a future generation, as you would describe it, because they would then be deriving profits which would continue after our time?—Yes, that is the case.

2421. Now you spoke very confidently about the gas always being a source of revenue. Have you considered the possibility of the erection of electric works and works for Mond gas, and things of that kind, and the possibility of the present form of gas works becoming obsolete?—I cannot conceive at present a time within a reasonable period when gas works will cease to be of use.

2422. I do not mean cease to be of use, but to a large extent superseded?—As regards that, I have already referred to the fact that my Corporation spent 11,000*l.* out of their depreciation fund in replacing retorts. I might have explained more fully that it was putting into the works a system of inclined retorts, which was an improved system, and that was done out of the depreciation fund.

2423. The inclined retort is only a small thing, and should be done out of revenue?—The cost was 11,000*l.*

2424. You say that the present generation is very active, and that that activity is likely to be continued?—Yes. I think that they have been active in providing works which would otherwise have had to be provided in the future.

2425. Have you considered the possibility of new works which they would have to borrow money for—that is to say, education, subways, old-age pensions, sanatoria, and so on. I want you specially to consider the question of water in the Dewsbury district. Do you feel quite sure in your own mind that you will not have to have large extensions and large expenses in future, providing that Dewsbury, as we believe it will, remains as the principal manufacturing centre of that locality?—I have taken that into consideration, and although there is no doubt that works will have to be undertaken which have not been contemplated, they cannot correspond in magnitude to those which have been carried out during the past 25 years. As regards water, it ought to be borne in mind that if an extension of the water supply became necessary, it would be owing to increased consumption, and increased consumption would mean increased receipts, which would be set against the increased expenditure.

2426. I do not want to go into great detail about the matter, but you are quite aware that within a large area, a long distance from Dewsbury, there is very little of what you may call unoccupied land to serve as a gathering ground for a fresh water supply?—That is so.

2427. Therefore you would have to do, like Manchester or Liverpool—go to Wales or somewhere else for your water?—In our own case

Mr. Brigg—continued.

we could make provision without being under that necessity.

2428. You perhaps know what Leeds had to do. They had to buy up agricultural land on purpose to prevent its being used for agriculture?—That is so.

2429. Now you spoke of not making a profit on water. Are you aware that it is possible to make a profit on water, or that, if it is not possible in your case, that must be because the cost of your water is too much. Have you an idea of what it would cost you per 1,000 gallons to provide a further supply?—And to abolish the deficiency.

2430. Suppose that you increased the supply of water, what question would you ask your engineer when you sent for him?—We have under consideration at the present time the extension of our water works. I am not quite sure that it will be necessary to carry it out just now, but if it were carried out on the estimates that have been prepared it would not necessitate any increase at all in the charges for the supply of water.

2431. What price is that?—Taking manufacture, water is supplied at 6*d.* a thousand gallons.

2432. That is what I thought. Now you spoke about the war having brought bad trade, but instead of bad trade I should have thought that the war would have brought good trade to Dewsbury in regard to blankets and so on?—It does to some departments, no doubt, but in other cases we have suffered severely.

Mr. Murray.

2433. I gather from the list which you have given that you have not any great experience of industrial dwellings?—No.

2434. With regard to the stress that you have laid on the present activity of municipalities in beneficial objects, you used an expression which I should like to call your attention to. You said that one effect was to reduce the capital expenditure which is likely to be incurred in succeeding years. Now as we are, or consider ourselves to be, in advance of those who went before us, is it not likely that in 20, 30, or 40 years to come our successors would rather select for themselves the objects of capital expenditure?—I recognise that there will be capital expenditure, of course, but I cannot conceive that it will be as much as it has been in the past.

2435. You think that we are at a period in the history of the nation when we have taken more upon ourselves for the benefit of our fellow-creatures than either our ancestors or those who will come after?—I think so. It is difficult to prophesy as to the future, but we know the past.

2436. If it is difficult to prophesy as to the future, is it not sometimes unwise to lay too long a period of liability on the future?—Yes; and I would suggest that the future is sufficiently protected by the limitations that I have spoken of. They are not excessive, having regard to the position of the future.

Mr. Bonar Law.

2437. May I ask whether the bulk of your loan is derived from the public or from the Loan Commissioners?—We have a very small proportion borrowed from the Public Works Loan Commissioners. The bulk is from the public.

2438. Why

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Mr. Bonar Law—continued.

2438. Why did you go to the Loan Commissioners at all?—We have not applied to them for a good many years for loans. We went to the Public Works Loan Commissioners two or three years back for a small loan. At that time the main reason was that we could obtain it at slightly less than from other sources.

2439. That is exactly the point that I want to put. If the Public Works Loan Commissioners give it on better terms than the public do, does not that prove that they are not unreasonable?—That was the only case. Since then we have been able to borrow in the open market at as low a rate, so that we have not gone to them again.

2440. Would you still think that the period of loans should be extended, if you had the belief that the population would not continue to increase. Suppose you thought that 20 years hence Dewsbury would only have its present population, would you still think it wise to extend the period for repayment?—I think so.

2441. Is it not the fact that every five years or ten years there are increasing expenses, apart from capital expenditure, on education and sanitary arrangements, and things of that kind, and has not experience always been that those expenses increase?—Yes; that is so; but at the same time, what we feel is that the present generation are bearing too great a burden for the benefit of posterity, and that posterity will gain benefits in the shape of these undertakings free of debt, which are sufficient to compensate for any increased expenditure which they may be put to in other works.

2442. So that you think that, even if the town does not increase, and if your assessable value does not increase, you still might have the period extended?—I think so. Of course, if the town does not increase, a number of works will not have to be carried out that would have to be carried out if it did increase.

2443. The profits of your remunerative work depend also on the increased population. Tramways and gas and electricity cannot make larger profits unless you get a larger population to supply?—There again I was rather speaking in general terms; but in our own case, our gas and water works supply, not only Dewsbury, but a large district outside, and a district which has increased in population. I was endeavouring to speak in general terms, using Dewsbury as an example. The population in the surrounding districts which are served has increased, although our own has not. In other words, the population is living outside the boundary, the limits of the borough being very small.

Chairman.

2444. Are the rates lower outside the limits of the borough?—The rates outside are lower, for the reason that we supply everything that they want, and they do not pay for it.

Captain Donelan.

2445. Am I right in assuming that, in the case of sanctions for loans for the purposes mentioned in this return which you have handed in to the Committee, the most extended period of repayment has been availed of in all cases?—Yes, I believe so.

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Captain Donelan—continued.

2446. And the most extended period of repayment has invariably been applied for?—Yes; I think that that will be the case.

2447. Does not that imply that, if a more extended period of repayment was permissible, it would be availed of?—I think it would be as regards a number of the works. Taking the water works as an example, I do not think that we should go to Parliament and ask for a longer period than we have already had, but with regard to loans sanctioned by Government Departments, I think that we should ask for a longer period than we have been allowed.

2448. You expressed the opinion, in reply to Sir Albert Rollit, that Parliament ought to consider each application on its merits?—I think that it must have some regard to local circumstances. A general principle can only be a principle, and I do not suggest that there will never be an exception. I think that there will be cases sometimes when works of necessity have to be carried out by a small district, and unless special consideration is given to them, those works will not be carried out.

2449. You think that in a matter of that kind it should be referred to Parliament?—We rather prefer the system that Sir Albert Rollit hinted at—a devolution of powers, so that the expense of applying to Parliament might be saved.

2450. Do you not consider that local authorities might safely be entrusted with a very wide discretion in deciding upon the term of repayment of loans?—I think that the views of the local authorities should have great weight, but I would not suggest that they should absolutely fix those periods without any supervision from anybody.

Mr. Runciman.

2451. The Chairman referred to the fact that your destructor in 45 years might possibly be worth nothing. May I put it to you that, if you take 40 years, it will be then standing in your books at the value of 540*l.*, which would cover not only the destructor, but the land upon which it stood. Can you imagine its being conceivable in that district that neither the land nor the material would be worth 540*l.* 40 years hence?—I think that it will be worth the capital outlay. Forty-five years was an equated period, taking into consideration the land and the works. I do not suppose that a period of 45 years would be granted for a destructor, and I do not think my Corporation would ask for 45 years for a destructor alone.

2452. In thinking the Local Government Board over-cautious, you do not think that a lack of caution in your enterprises has been shown by your local authority?—I do not, and as regards all these periods obtained by special local Acts they have all been approved by Parliamentary Committees who have gone into the circumstances of each case.

2453. You find your Corporation cautious in these undertakings?—Yes. They hesitate a great deal before they carry out works.

2454. Now is it not within your experience that large municipalities are more extreme in the periods which they ask for than are small municipalities, such as your own town?—I am not quite sure that I am in a position to answer that question. I should certainly say that large municipalities

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municipalities would ask for as long a period, and of course large municipalities who carry out large undertakings are inclined to use the argument that it is a very big undertaking as a reason why they should have a specially long period for repayment.

Sir Albert Rollit.

2455. You have been asked about the debt of Dewsbury being exceptionally large. On the other hand, is it municipally a highly-equipped town?—It is, as will be seen by the works that we have carried out, and I should like to emphasise the fact that although our debt may be large, our properties are worth more than the whole amount of our debt, apart from the rateable value of the town.

2456. With regard to new undertakings which will arise, they equally, it is to be assumed, have their term for repayment, so that they will be distributed further towards posterity?—Yes.

Mr. Brigg.

2457. Do you find that the present large amount of debt that you have in any way militates against your borrowing powers, obliging you to pay a higher rate of interest than other places, larger corporations than yourselves, would have to pay?—We do not pay any more interest on our loans than any corporation of either similar or larger size, and I am not sure that a large debt does not mean that you borrow rather less. You are more advertised.

Mr. ROBERT HARRY SMETHURST BUTTERWORTH, called in; and Examined.

Mr. William Jones.

2463. You are clerk and solicitor to the Wimbledon District Urban Council, and have held that position since January, 1900?—I am.

2464. What is the rateable value of your urban district?—360,228l.

2465. And the population at the last census?—Last census, 41,604.

2466. What is your outstanding debt?—313,455l.; that is the outstanding debt to date.

2467. Have you been negotiating loans to the Council since 1900?—Since my appointment.

2468. To what amount?—To about 155,000l. in round figures.

2469. You are also a member of the Executive Council of the Urban District Councils Association?—I am.

2470. You can produce resolutions that were passed at the meeting of the executive on April 17th—Thursday last?—I have them here.

2471. Would you mind reading them?—First, "That in the opinion of the Council it is desirable that the periods for the repayment of loans by local authorities as fixed by the Local Government Board should be made similar to the periods usually allowed by Committees of Parliament. (2) That distinction should be made between moneys borrowed for (a) purchase of land; (b) revenue-producing undertakings; (c) unremunerative undertakings. (3) That this Council is satisfied with the periods at present sanctioned by Parliamentary Committees except with regard to loans for the purchase of land and

Chairman.

2458. You say that the outside districts do not pay—that you supply them with these advantages without their paying. I suppose that you charge for water and electricity in the outside districts?—In that answer I had in my mind the Town Hall, the park, the library, the baths, and institutions of that nature, all of which have to be provided large enough for these other districts, although they do not contribute towards the cost.

Mr. Runciman.

2459. But is it not the case that you charge more to outsiders for gas, for instance, than to those within the borough boundary?—For gas a higher charge has been made during the last twelve months. It was not so until then.

Mr. Hutton.

2460. And for water?—The principle upon which we supply water outside our district is to supply it in bulk, and it is distributed by the authorities. The usual price that we get from them is 6d.

2461. Is that a higher charge than you make inside the borough?—No, not for water.

2462. Your ratepayers are actually paying for that supply outside?—We charge 6d. a thousand gallons, but we have not the distribution of the water. We supply it from a point in our own mains. In the case of water to our own town we have to carry it to the mill or premises.

Adjourned for a short time.

Mr. William Jones—continued.

schemes for the housing of the working classes, as to which they are of opinion that the period should be (a) Purchase of land, 100 years; (b) schemes for the housing of the working classes, 60 years. They are satisfied with the periods sanctioned by Parliamentary Committees, such periods being assumed to be as follows."

2472. Then they further passed resolutions in connection with the periods as regards remunerative undertakings and unremunerative undertakings?—Yes. With regard to remunerative undertakings they are satisfied with the periods sanctioned by Parliamentary Committees, assuming those to be what I shall read: In respect of water undertakings, 60 years; gas undertakings, 40 years; tramways, 40 years; and electrical undertakings, 30 years.

2473. Then in connection with the unremunerative undertakings, what do they say?—Sewage schemes 60 years, street improvements 40 to 60 years, and building of offices, hospitals, etc., and similar institutions 60 years. Fourth, "that the invariable adoption of one fixed period in respect of works of a similar nature in all cases and in all towns would be unsatisfactory."

2474. Then there is another one?—"That it is desirable that separate sanctions should be granted for two separate periods in respect of land and works, on the ground that land is imperishable."

2475. Those are resolutions passed by the Executive

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Executive of the Urban District Councils' Association?—That is so.

2476. What is your opinion with respect to the periods of repayment of loans authorised by the Local Government Board and Parliamentary Committees?—My opinion is that there should be a uniformity of period for repayments.

2477. You go in for uniformity?—Yes, there are reasons. To my mind possibly the strongest is the one which was urged by the Town Clerk of Dewsbury, that where a local authority is about either to acquire or constitute some undertaking of a large and important nature they look naturally to the period within which they will have to repay the money which they borrow for the purposes, and the Local Government Board do not allow that period which they can obtain by Parliamentary sanction; consequently the local authority very often goes to Parliament for a Private Bill. That is in itself a very expensive matter.

2478. You think that should not be so?—I do not think it should, because Private Bill legislation at the present day is exceedingly expensive, and there should be either, as I suggest, uniformity of period between the Local Government Board and Parliamentary Committees, or there should be some machinery invented which will enable local authorities to acquire what they desire rather than incur the expense of a Private Bill.

2479. For that reason you think that local authorities should be able to obtain sanction for their loans from the Local Government Board rather than incur the heavy expenses of a Private Bill?—Undoubtedly that is the simplest method.

2480. What criticism have you to offer on the short period allowed by the Local Government Board for the repayment of certain loans?—My opinion is that it impedes to a large extent local authorities carrying out undertakings which would be for the benefit of the community.

2481. Can you instance works of public improvement?—Public improvements, not only sanitary, but from an educational and recreative point of view. Parliament is at the present time imposing so many duties on local authorities, and the age is so advanced with regard to sanitation, recreation, education, etc., that those duties become exceedingly onerous and difficult.

2482. Taking sanitary questions, and recreation questions, and educational questions, the local authorities have great difficulty in supplying those requirements without imposing heavy rates?—They become a great burden on the ratepayers owing to the shortness of the period during which they have to repay their loans.

2483. In connection with works of a permanent character, what is your view? Do you consider that the present generation should unduly object to carry out the burdens and cost of improvement and undertakings?—No; by my answer I mean this, that where there is an institution established by a local authority that is of such a character as to serve two or three generations, the burden of the cost of that should not fall entirely on the present generation; future generations should pay towards it. They will have the advantage of it.

2484. Could you explain better what you mean by taking the case of your own District Council.

Mr. William Jones—continued.

What have they done in the way of constructing institutions or having undertakings?—Take the case of our own public baths, which we have just recently erected; they have cost about 12,000l. The period of the loan granted by the Local Government Board was 30 years. We have borrowed that money at varying rates of interest, and the repayments at the present time amount to 620l. 18s. per annum; that is on a 30 years' basis.

2485. What is the estimated annual cost on the rates?—About 1,500l.

2486. If you had erected those baths by Parliamentary sanction, what would probably have been the term of years you would have had for repaying?—We should have got certainly 50, and possibly 60 years. In that case we should have repayments of 476l. 15s. 10d., and 445l. 6s. 8d. respectively, based on the same rate of interest that we are paying now.

2487. What saving would that be of the rates?—A saving of nearly 200l. per annum.

2488. Now can you give the Committee another instance in connection with your Council?—I can give the Committee the Infectious Diseases Hospital. I may say at once that the land we already had; it was acquired for another purpose, but with the sanction of the Local Government Board we used it for hospital purposes. The cost of the building of the hospital was 21,000l., and the period granted was 28 years, so that our repayment amount at the present day is 1,103l. 2s. 9d.

2489. Supposing you had had an extended period, say 50 years, for that loan, what would the repayment have been?—The repayment then would have been about 801l. We also have other instances.

2490. Please give us another?—Take the library. There we have only a period of 30 years granted, and within the last month we have had a sanction for a technical institution, which will be a joint institute with the Surrey County Council. Our contribution at the present date is 4,000l. For that we have only had 30 years granted. The library has been up now, I believe, for something like 18 or 19 years, and it is certainly quite as good to-day as when it was erected. The technical institute will be a large place, and will certainly see more than one generation out, although the Local Government Board have only allowed for one generation only.

2491. Take your recreation ground. The period granted by the Local Government Board for repayment of the purchase money of those grounds was 50 years?—Yes.

2492. Do you consider that sufficient?—I do not, because the land is there. Take particularly a district like Wimbledon. The land is constantly increasing in value. While dealing with the question of land take the question of our own sewage farm. When we purchased that it cost about 300l. an acre; we added on something like 100l. an acre for legal and other expenses, bringing the total cost to 400l. an acre. That land to-day is estimated to be worth at least a thousand pounds an acre.

2493. Your council some time ago considered a scheme for the erection of dwellings for the working classes?—Yes.

2494. Will you give the Committee an account

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Mr. William Jones—continued.

count of that?—Several schemes were considered by the council, for the reason that in Wimbledon the rents run very high, and the working man could not get anything, possibly except a very small flat, under eight, nine, or even ten shillings a week. In some cases, if he wants a house, he will have to pay at least eleven shillings a week.

2495. What would be his wages?—Five-and-twenty to thirty shillings a week, so it is a serious matter. The council then considered whether they could produce a scheme under which they could erect houses at a reasonable rent for these men; inquiries were made with regard to several sites, and as to one particular site the council had a scheme prepared, and the whole details of it were very carefully gone into. We made inquiry from the Public Works Loan Commissioners at what rate we could have the money, and we found then that houses could be erected to let at 7s. 6d. a week. The council thought that rather too high, and they were not satisfied with it. We have worked out the same scheme on the basis of: Land, a hundred years; building and sewerage, 60 years, and roads 10 years. Then we could have got houses at 5s. or 5s. 6d. a week for a four-roomed house, or 6s. for a five-roomed house. We have some houses for our own workmen, and these are really four-roomed houses with a small garden attached. We had the land and we put up the buildings. The loan was granted, not for workmen's dwellings, but for sewerage purposes, and the houses are let to the men who work on our sewage farm and in our press houses. These houses were erected cheaply, but we cannot let at under 7s. 6d. a week, or, rather, as we are not allowed to let them, we have to make a deduction of 7s. 6d. a week from the men's wages, and they only just pay their way.

Chairman.

2496. How many years did you have for that loan?—Thirty years.

Mr. William Jones.

2497. Have you any other suggestion you would like to bring before the Committee?—No; except a matter that was generally discussed by the Urban District Councils' Association Executive on Thursday last, and that was with respect to the cost of Private Bill legislation. The council thought that where a Private Bill is promoted for the purpose of acquiring or constituting an undertaking, five years or even ten years was too small for the repayment of the costs of the Bill. They looked at it in this way: That the costs of the necessary land for the undertaking would practically fall as part of the costs of the acquisition, and as such, the loan would run for the same period as for the actual undertaking, and they felt that the costs of the private Bill were costs really within the same purpose, and should run for the like period.

2498. Regarding the cost of the Bill as as much the cost of the undertaking as the cost of the acquisition?—Certainly.

2499. You believe that a similar period should be granted in this respect?—Yes, I think so.

Chairman.

2500. As regards the cost of the Bill, you are aware that this matter has been considered by Parliamentary Committees, Select Committees, Public Bill Committees, and Police and Sanitary Committees, and that the number of years has been cut down, and not increased?—Yes; but I understand that Parliamentary Committees even now vary: For instance, the ordinary Select Committee from the Police and Sanitary Committee.

2501. So the tendency of Parliament has been rather to go the other way to what you suggest, has it not?—Yes, it has; I quite admit that.

2502. You say that your association will be satisfied with certain periods; for instance, 40 years for tramways. I suppose you mean an equated period?—Yes.

2503. You do not suggest that tram-cars would last 40 years?—Oh, dear, no.

2504. Has your association taken into consideration motor-cars?—No; I cannot say that we have.

2505. Have you ever thought of the effect of the competition of motor-cars on tram-cars?—Do you mean the ordinary motor-car?

2506. The motor-bus and the various forms of motor traction?—I can only speak personally upon that, and as far as I am concerned, I should certainly prefer the tram-car.

2507. You should prefer it?—I certainly should.

2508. But have you ever taken into your consideration that at the end of 40 years from now there may be very considerable competition by motor-cars with tram-cars?—There may be, I grant.

2509. You propose this long term, I suppose, because tramways are likely to prove remunerative?—In some districts. To take my own district, I do not think tramways would prove remunerative at all to us in Wimbledon; but then that is a particular case.

2510. You spoke of the saving of the rates. Of course, you are only speaking of the saving of the rates of the present generation?—It is a saving for the present generation, I grant; but still, the burden ought not to fall entirely on the present generation.

2511. You gave as an example the Infectious Diseases Hospital. I think that you had 28 years to repay the loan?—Yes.

2512. The repayments came to 1,103l. 2s.?—Yes.

2513. Whereas if you had had 50 years you would only have had to pay 801l. 8s. 4d.?—Yes.

2514. May I put it to you that to pay 28 times 1,103l. only means a burden on the locality of 30,886l., whereas if you have 50 years to pay 50 times 801l., it is 40,070l., so that the district would have to pay for the Infectious Diseases Hospital 9,184l. more if you had the longer period than if you had the shorter. Have you considered that?—I grant you that; but you use the words that the district would have to pay it. My point is that the ratepayers of the present generation should not have the entire burden of that, but that people who 30, 40, or even 50 years in the case of the hospital will have the benefit of that hospital should bear some portion of the burden.

2515. But

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[Continued.]

Chairman—continued.

2515. But my point is that you are increasing the burden that will have to be paid by the ratepayers of Wimbledon very largely by the prolonged period?—I grant you that, but if we take that basis then we may have our loans cut down to 10 years.

2516. As regards your housing, you say that houses can only be obtained, and those had and small, at 8s. to 9s. 6d. a week in Wimbledon?—Yes.

2517. But you have a scheme by which you can supply them at 5s. 6d. a week?—If we get our loans for the period I mentioned.

2518. A private builder would have to pay interest on his capital and make a profit too?—Yes.

2519. Do you think that a private builder could produce cottages at 5s. 6d. a week in Wimbledon?—I do not know what a private builder can do, but I know he does not.

2520. If he can produce them at 5s. 6d. a week, and they are now going at 8s., do not you think he would go into the business?—Not so long as he can get the rents he is getting.

2521. But do not you think that a fresh builder would come in when he finds that your rents are 8s., and that you can build cottages for 5s. 6d. a week on certain terms as to your capital, and do not you think that the private builder would build them if the figures are right?—But you have to consider this, that a private builder, assuming he purchases the land, does not let out his capital on a basis of 100 years, if I might say so. Our basis of 5s. 6d. rent is upon 100 years' repayment.

2522. But you do not want to make a profit?—No.

2523. But a private builder would want to?—Yes.

2524. His profit would be about the amount you would pay to replace your loans in 60 years, would it not?—Possibly it would be so.

2525. Have you any houses in Wimbledon that were built about 40 years ago?—Yes.

2526. Do you know some of them?—Yes, I think I do.

2527. Are they up to date?—Yes; some of them let at about six or seven hundred pounds a year.

2528. I am speaking of cottages?—I beg your pardon.

2529. Do you know any cottages that were built 40 years ago?—That I cannot answer; my knowledge of the district is not sufficiently large.

Mr. William Jones.

2530. I suppose practically then it was of quite a suburban character. There was no town there, but Wimbledon was quite a country place, with only villas and detached houses?—A few years ago it was only a village; the rateable value has increased, and is increasing, at the rate of 22,000l. a year.

2531. Owing to its character?—Owing to its character. We have some very old cottages which have been up for something like 100 years.

Chairman.

2532. Have the Urban District Council condemned them yet?—I grant you they are pulling them down.

Chairman—continued.

2533. You do not want to go to Parliament with these Private Bills on account of their heavy cost?—That is so.

2534. Perhaps you speak rather feelingly. Did not you propose a Bill in 1901 which your ratepayers refused to endorse?—We promoted a Bill, but that did not reach the ratepayers.

2535. Did not they refuse it under the Borough Funds Act?—It was never put to them.

2536. How was that?—Because the Council decided not to proceed before that stage had been reached.

2537. The Council dropped it?—I think I may make an explanation there. It was due in a very great measure to feeling on the question of tramways, and not upon any other question, why the Bill was dropped.

2538. You say that local authorities come to Parliament in order to get these longer periods. May I suggest that they also go to Parliamentary Committees because the inquiry is not so strict as it is before the Local Government Board inspector?—I do not think so. The Local Government Board inspector who comes down and holds the inquiry on the spot, and you there have to face your ratepayers, who in all probability would not come to oppose you in a Parliamentary Committee.

2539. That is just my point—that it is easier to get the Bill through a Committee if it is unopposed, and the ratepayers are not present, than to get your loan through the Local Government Board, where an inspector holds inquiry on the spot?—But before you can get to the Parliamentary Committee you have to go through the procedure of the Borough Funds Act, and face your ratepayers, and any one ratepayer can demand a poll on any question.

2540. The meeting under the Borough Funds Act proceeds on its own local knowledge, not on any inquiry. It is an uninstructed meeting as compared with a technical man from the Local Government Board holding an inquiry?—I do not think so. It has been held by Parliamentary Committees that at the meeting under the Borough Funds Act you must have your Bill there, and have it thoroughly explained, so if you go by Private Bill procedure your Bill is bound to be explained to the ratepayers, and they can vote upon it at the meeting, and if any single ratepayer is dissatisfied he has a perfect right to demand a poll on any portion of the Bill, so that you have to face your ratepayers even on going to a Private Bill Committee.

Mr. Hutton.

2541. What did you say your rateable value was?—360,000l. in round figures.

2542. You put the housing loans in the category of remunerative loans?—No, I do not know that I do that.

2543. Housing, water works, tramways, and electricity, you put all into one group, did you not?—I may have done so in the Resolutions, but I do not take personal responsibility for these resolutions. I am putting those forward as the resolutions of the executive of the Urban District Councils Association.

2544. Had you bought or procured a site for building in Wimbledon?—No, we had a site under consideration.

2545. Supposing

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[Continued.]

Mr. Hutton—continued.

2545. Supposing you had bought the site and then offered it to the ordinary outside contractor to build upon, did you inquire at all whether you could have got the cottages built then at a reasonable rate instead of building them for yourselves?—No, I think we merely made inquiries about the site, and then got our detailed drawings for the erection of cottages by ourselves.

2546. You did not try to see what the effect would be of selling or leasing your sites out to the builder, and seeing what an outside con-

Mr. Hutton—continued.

tractor would have built them for?—We could not do that because the site was in private negotiation.

2547. You went so far as to consider plans and cost of building yourselves, but you did not at the same time consider the alternative scheme of leasing or selling the sites off to the private contractor, and seeing what he could have built the cottages for?—No.

2548. And at what rent he could have let them?—No.

Mr. CHARLES E. BAKER, called in; and Examined.

Mr. William Jones.

2549. You are a Parliamentary agent, and have practised in Westminster for 23 years?—That is so.

2550. You have also been a member of the Beckenham Urban District Council for 14 years?—Yes.

2551. Chairman of all its committees and vice-chairman of the Council for three years and chairman for two years?—Yes.

2552. Beckenham has a population of over 26,000, and a rateable value of 250,000l.?—Yes.

2553. You are also secretary of the Urban District Councils' Association, which you founded in 1890?—Yes.

2554. The association has a membership of 435 urban councils, I believe?—Yes.

2555. As secretary you have gained an extensive knowledge of the affairs of urban district councils?—That is so.

2556. There is no need for me to ask you to read the resolutions passed at the meeting of the executive on Thursday, April 17th. Mr. Butterworth has already read them. What do you consider the period for the repayment of loans should be? What is your view with regard to their extension?—My view is that the present periods which are allowed by the Local Government Board should be extended, so as to be more similar to those which are allowed by the general Committees of Parliament.

2557. You have heard some evidence given by the Town Clerk of Plymouth, and do you concur in the evidence given by him?—I generally concur.

2558. Have you any point of your own that you wish to bring forward?—Yes; there are one or two matters which I should like to mention to the Committee. Generally, I would say that in some respects the term even of 60 years is rather an arbitrary limit. There are many works which last considerably over that term, and in respect of loans for those works, I think that even 100 years might be allowed.

2559. Do you know of any towns where temporary works have been adopted because the expense of permanent works would have been too serious for the ratepayers?—I know many instances of that.

2560. Can you give us them?—I can give you the instance of Workington, where the cost of a reservoir which would have lasted for ever was refused by the ratepayers in favour of the duplication of a pipe at something like a quarter of what the cost of the reservoir would have been:

Mr. William Jones—continued.

that is to say, a cost of 60,000l. instead of a cost of a quarter of a million. There are many other cases, of course, where, in one's profession as a Parliamentary agent, one finds that the local authority will not, when it knows the expense which is going to be incurred, undertake the work.

2561. You have read the evidence given by the Government officials, and you have seen that the object they have in view of reducing the period is to prevent local authorities borrowing money too readily. What criticisms have you to offer with regard to that?—My criticism is that I find that local authorities do not borrow so readily as they ought to.

2562. That is, that it prevents some local authorities borrowing at all?—That is so. I should like to give instances supporting what I say. The most recent instance that I can give is that of Falmouth. I believe that a correspondence is going on at the present time between the Board of Trade and the Local Government Board. The Falmouth Corporation will not face the expenditure of a large sum of money which the Local Government Board considers necessary for sewage and other purposes. It has presented a scheme to the Local Government Board which the Local Government Board does not altogether approve of. Falmouth at the same time is applying to the Board of Trade for powers to improve its quays and one of its streets, and the Local Government Board refuse to allow the Falmouth Corporation to charge its local rates for the carrying out of these proposed works. The ground of that refusal is that, "having regard to the numerous sanitary improvements which ought to be carried out in the borough, and for which a large expenditure must inevitably be incurred, the Board are of opinion that no charge on the rates should be imposed in respect of any of the matters referred to in this application." The result of that is that the Falmouth Corporation will only be allowed to borrow the necessary money upon the revenue which will be derived from those quays and other works, and will consequently have to pay a considerably higher rate of interest than if they could borrow the money with the rates behind them.

2563. Have you ever found any desire on the part of local authorities to increase their debt?—No, rather on the contrary. Of course, there are exceptions to the rule. There are authorities that are very progressive and are constantly borrowing

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Mr. William Jones—continued.

borrowing money and constantly promoting Bills in Parliament for that purpose; but my experience is all the other way—that local authorities are frightened to incur any great expense in connection with local matters for fear of increasing the rates. It may be a very wholesome dread, but it is a dread which is prevalent throughout the country.

2564. Do you know of any instances that will confirm that statement?—I can give many instances. I can give the instance of Biggleswade, an urban district in Bedfordshire, which has for years past refused to grapple with the subject of water supply to the district. The water supply was obtained from shallow wells, very often within a yard or two of the cesspool appertaining to the house, and the inhabitants stated that what was good enough for their forefathers was good enough for themselves. They refused to do anything with regard to the water supply, and when a company came offering to give them that supply they opposed the company coming in on the ground that it was not wanted. The chairman of the Urban District Council gave evidence before a Committee of the House of Lords, and pledged his council to give the necessary supply, and on that the Bill was thrown out. On his going back to his council and reporting what had happened he was somewhat criticised, and he stated that the pledge was given to carry out the works if it was found necessary to do so, and it has only been in consequence of the very great pressure that has been brought to bear upon the council through the County Council that a supply is about to be given. The necessary works have been authorised. With regard to Staines, it is common knowledge that the council declined for many years to incur the debt for carrying out sewage works in connection with their district. In the case of Stratton and Bude, the council (it was a rural district council then, but it has since become an urban district council) declined to carry out sewerage works, with the result that the Local Government Board obtained a mandamus against the authority to compel them to spend the necessary money. In order to do so in an efficient way the Urban District Council, when they were created, promoted a Bill asking for various powers in connection with the water-works and harbours, as well as the sewage works, and they were promptly opposed (through their report) by the Local Government Board, who objected to their having these further powers, and who reported that the periods which were proposed to be given by the Bill were too long.

2565. So you gather from those instances, and other experiences that come within your experience, that there is really in ordinary matters a wholesome dread of the ratepayers?—I was promoting a Bill for the Urban District Council of Newport, in Shropshire, this session. There are in that town some Improvement Commissioners as well as the Urban District Council, both bodies performing somewhat the same duties for the benefit of the district. The Improvement Commissioners have a revenue, and the Urban District Council sought to take over that revenue and the property of the Commissioners, so that there might be one administration and one expense in connection with it. They

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Mr. William Jones—continued.

held their Borough Funds meeting, with the result that the Commissioners, who were objecting, suggested that the cost of the Bills would be something like 2,000l., and the ratepayers declined to sanction the expense.

2566. In Parliamentary matters local authorities are safeguarded by the Borough Funds Act?—That is so.

2567. And in many cases the Local Government Board allow no loans at all?—That is so.

2568. What about the working capital?—Working capital is a thing which has in recent years come very much before Parliament, and also in local matters. I have just come from an unopposed Committee where the Deputy Chairman has allowed a period of 20 years for working capital, but the working capital has been separated specially from the other moneys which are authorised to be raised under the Bill. I may say that the Lord Chairman had allowed 40 years for the same purpose.

Chairman.

2569. Darley Dale?—Yes, Darley Dale.

Mr. William Jones.

2570. What about Beckenham?—My personal opinion has always been that under the Public Health Act each local authority ought to make both ends meet for each particular year, and that it has no right to levy from the ratepayers more money than is necessary to carry them on through that year. That opinion is not agreed to by the Local Government Board, for within recent years they have, in consequence of the overdrafts which many of the local authorities have had to incur in order to carry out that rule or principle required those authorities to have what is called a working capital, and, in the particular case of Beckenham, we had nineteen applications for sanctions which were made to the Local Government Board withheld for a period of two years until we had complied with that requirement of the Local Government Board.

2571. That is until the working capital was provided out of the current rates?—That is so. We had to raise a 2d. rate throughout the district in order to provide 1,500l. or 1,800l. for that purpose. Working capital, of course, is the one thing that does not depreciate. The working capital that you start with you use throughout the year for various purposes, but at the end of the year the working capital remains as working capital. I can produce the estimate of expenditure of our Urban District Council. The working balance at the end of last year is a sum of 3,045l. That money was received from the ratepayers about six or seven years ago, and that money will be carried on year by year, and will never be paid back to the ratepayers from whose pockets it came. In this particular case it was raised by an express rate levied in one particular year. In some cases of Parliamentary Bills a period of 10 years for the repayment of money raised for working capital is allowed. In the case of Darley Dale 20 years was allowed, but the amount of working capital, as I say, does not depreciate, and in my opinion the working capital ought to be allowed as long a period as the rest of the works which are authorised by the Bill.

2572. Do you consider that short periods are also

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[Continued.]

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also a great hardship to owners of property?—I should like, first of all, to call the attention of the Committee to this. So much has been said about the enormous indebtedness of local authorities, but it has not been mentioned that a large amount of that is incurred in respect of private improvement expenses. Those ought not really to come under the head of local indebtedness. Under the provisions of the Public Health Act, Section 150, the owners of property, where streets are in bad repair, are liable to do the repair, and if they do not do the repair, then the local authority can, as it were, as agents for the owners, do the repair for them at their expense, and that is not only a charge on the land, but it can be recovered in three different ways from the owners; therefore the money is bound to come back. In our district we make a profit on that particular account. We have seldom had a loss, and what loss we have made has always been recouped from the additional interest which is charged. The hardship to the frontage owners is that the local authority can, for the construction of these works, very often costing several thousand pounds—I have one in my mind that cost over 8,000l.—

2573. Can you give us a case from your experience in Beckenham, because a concrete case would be better?—I have the statement of our loans account, giving the number of the loans (there are 62 altogether), and it gives the periods which have been sanctioned. We have no Act of Parliament, and all these sanctions are sanctions of the Local Government Board. In only four cases do they exceed the 30 years. There is one case I might particularly call attention to, and that is the Technical Institute, for which we have borrowed altogether about 15,000l. We have got 30 years for that, and in many Bills for a similar purpose 60 years has been allowed. The total money which we have borrowed is 221,000l., of which we have repaid 67,320l., or one-third of the total. There are some loans which have been paid off altogether. The point that I was on with regard to private improvement loans was that the Local Government Board used to sanction for the purpose of carrying out these private improvement works loans for a period of 10 years, and that was extended by us as the Beckenham local authority to the frontagers themselves; that is to say, we used to make an order authorising them, instead of paying the sum required from them in one amount, to spread it over 10 years at 5 per cent. interest, or 4 per cent. I can give you instances where, under the Public Health Act, Section 150, the apportionment on a house has been of equal amount (I was going to say in some cases of greater amount) than the actual value of the house, and therefore it comes extremely hard upon people of the lower class if they are obliged to have to pay either a lump sum or within a very short period, and considering that the money is a charge upon the property, and is in our opinion absolutely safe, there seems to be no reason why 20 to 25 years should not be allowed for the repayment of such loans, whereas the Local Government Board have gone the other way, and as they used to sanction 10 years, they now only sanction seven.

2574. You think that there is no reason for limiting the period, and that the Local Government Board sometimes impose certain conditions one amount, to spread that over 10 years at 5 per

Mr. William Jones—continued.

which seem to be unfair?—Yes, fair to their minds, of course, but they work unfairly towards the owners of property, and particularly people who have bought their own houses to live in. To have a claim made upon them equal to the value of the house in order to put the street in order is a very great hardship, and one that ought to be made as light as possible.

2575. That hardship is relieved by Parliament giving longer periods than the Local Government Board, and even extending the periods given by them?—That is so. It is well known that Parliament gives longer periods for the loans, after evidence is given, than is given by the Local Government Board. I admit readily that, if the Local Government Board extend the periods which they are now prepared to sanction, the result will be that there will be less applications for private Bills. I shall be very glad to see that, because I think that it is, in many cases, unfair to drive the smaller urban authorities to Parliament in order to get a better financial arrangement. May I mention some cases?

2576. Yes; mention some cases in which Parliament did come to the relief?—East Ham is an extreme case. In the case of East Ham, the urban authority applied to the Local Government Board for a loan for a town hall, and the Local Government Board sanctioned a sum of 5,000l., repayable in a period of five years. The East Ham Council applied to Parliament by Bill, and, after evidence had been given, Mr. Bryce said this: "We gave sanction to the borrowing of the sum of 5,000l. for the purchase of land for the purpose of public buildings; the Board have decided to comply with the application. Their formal sanction is forwarded to you," and the Committee, having heard the evidence upon it, allowed the Council 50 years to repay the amount.

Chairman.

2577. Was it an opposed Bill?—It was a Police and Sanitary Bill, and therefore every clause was taken by itself.

Mr. William Jones.

2578. In what year was that?—1898.

2579. What was the time allowed by Parliament?—Fifty years. I will read from the Act itself:—"For and incidental to the purchase of land (shown on the plan signed by the Honourable Sir Stafford Northcote, Baronet, the Chairman of the Committee of the House of Commons to which the Bill for this Act was referred) as a site for the erection thereon of public offices and police court, public library and technical institute, fire engine station, public baths, sanitary offices, coroner's court and mortuary depot, and dwellings, five thousand pounds." Section 87 gives the period of 50 years from the date of borrowing the sum. That, of course, is a very extreme case.

2580. Can you give us a Welsh case?—I can give you the case of Rhyl. The Rhyl Urban District Council, in the year 1891, obtained a clause in an Act of Parliament promoted by the Rhyl Gas Company, authorising the Council to purchase the undertaking of the company, and they went to the Local Government Board for the purpose. The Local Government Board granted

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granted a sanction under which the local authority were to repay the money within a period of 25 years. The local authority found that this would involve a very serious expense to the ratepayers, and consequently they came up to London as a deputation and, with the assistance of the Member of Parliament for their division, they were successful in getting the period increased to 30 years, but for a similar undertaking—the purchase of the Rhyl Water Company—they got, I believe, 60 years.

Chairman.

2581. Do you say that that is a similar undertaking?—Somewhat similar.

2582. The supply of water and the supply of gas?—Yes. In 1891 and 1892 50 years was a very usual period to give for gas loans. It has now in some cases been reduced to 40 years.

Mr. William Jones.

2583. Would you like to give us another case?—In the case of the Rotherham Corporation (a Bill promoted in the year 1900) the Corporation had power to borrow money for gas purposes, subject to the consent of the Local Government Board, and, as they were promoting a Bill, they sought powers to obtain that in the Bill. The Local Government Board in its Report says: "As regards the proposed borrowing power of 35,000l. for the purposes of the gas undertaking, the Board would point out that a Provisional Order was issued by the Board on the application of the Corporation so recently as 1899" (the previous year), "enabling the Board to sanction the borrowing by the Corporation of such sums as might from time to time be necessary for the purposes of the gas undertaking." The Corporation applied to Parliament for 35,000l., and the Report was before the Committee of the House of Lords, and, on evidence being given, Lord Jersey sanctioned not only the 35,000l., but a further sum of 30,000l., making 65,000l. in all, and allowed 40 years for the repayment of that amount.

2584. Would you like to make any remarks on the periods granted on Bills other than police or sanitary?—The Local Government Board with the Reports which they make to all the Committees of Parliament issue what is known as an appendix, which contains extracts from the Reports of the Police and Sanitary Committee, and does not deal in any way with the reports of other Committees, so that any Committee which is considering the subject of the period of repayment of loans has before it only the decision of the particular Committee—that is, the Police and Sanitary Committee, before whom the Local Government Board is represented.

Mr. Lloyd.

2585. Is not that the Committee appointed by Parliament expressly to bring about uniformity in these matters of loans?—Yes.

2586. So it is rather an important Committee for that purpose?—I quite agree, but the Committees of Parliament do not have before them, unless the promoters bring them before them, the decisions of other Committees on similar Bills.

2587. There is no difficulty in counsel calling

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Mr. Lloyd—continued.

attention to these other instances in the course of their speeches or in the evidence?—There is no difficulty beyond the fact that they are not generally known.

2588. Is that not continually done in advocacy?—Yes, it is done; but this, of course, is an official document, which comes before the Committee with a great deal of force, and a great deal of attention is paid to it. My comment is merely that the other decisions are not in any way included in that appendix. For the year 1899 I have taken out the periods which were allowed in Bills which were not before the Police and Sanitary Committee, and of course the periods in those cases are longer than the periods which were allowed by the Police and Sanitary Committee; for instance, one important difference is this—that in these Bills a period of 10 years was the common period allowed for the payment of the costs of the Act.

Chairman.

2589. Can you distinguish between the Bills before the Unopposed Committee and Bills that were opposed?—No, I cannot, unless one knows all the circumstances; I have only the Acts. Of course, I know some of the circumstances of some of the Bills, but not of all the Bills. I have only got this from the Acts themselves.

Mr. William Jones.

2590. Have you anything else you would like to add?—I should like to say that, even before the unopposed Committee we have the greatest difficulty in getting any very extended period allowed. It is not a matter of the Bill being opposed or unopposed, but in each case the period has to be justified, not only before Lord Morley, but before the Chairman of Ways and Means.

2591. As the secretary of the Urban District Councils' Association, representing over 400 Councils, is it your experience that increased facility should be given for the development of these various localities by an extended period of loans?—I think so; that is the general conclusion to which I have come.

2592. Does anything else occur to you?—No; the ground seems to have been gone over so fully that I do not think I have anything to add.

Chairman.

2593. With regard to Falmouth, you cast some doubt on the decision of the Local Government Board in that case. You are aware that the Local Government Board is a health authority, I suppose?—Yes.

2594. And that it is our business to attend to such matters as sewage and drainage and other health purposes?—Quite.

2595. Are you also aware that there was strong opposition in Falmouth itself to the proposal to put this charge for the quays on to the rates?—No, I am not aware of that. I have read the proceedings at the local inquiry, and I was not aware that there was serious opposition upon that point.

2596. Do you know what the rates in Falmouth are now?—They are high.

2597. And the people are not very keen to have them higher?—I agree; that is my point.

2598. You say that there is a great dread of increasing debt?—Yes.

Q 2

2599. You

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[Continued.]

Chairman—continued.

2599. You instanced Biggleswade and Staines. Do you think that Biggleswade and Staines are checked from carrying out necessary improvements by the period which would be allowed to them?—Partly. My point there was rather that there is a dread, on the part of local authorities, of increasing the rates.

2600. As regards Biggleswade and Staines, can you quote any instance in which they asked for a longer period than they got?—No.

2601. Then we shall not disagree about that. Would you like me to quote you two cases where we gave them more than they asked? Have you heard of those?—It has never been done with regard to Beckenham.

2602. Perhaps Beckenham asks a great deal more than it ought to have?—I do not think so, and I say that for our technical institute we only have 30 years.

2603. You claim, with regard to Beckenham, that 19 sanctions were withheld until you provided working capital out of the rates?—Yes.

2604. That was some little time ago, was it not?—Yes.

2605. 1891 or 1892?—I was Chairman of the Committee.

2606. Was there not some little difference about the appropriation of balances of loans to current expenditure?—No; the accounts were all kept at the same bank, and there was from time to time an overdraft, as in Bromley and various other suburban places, and it was to get rid of the overdraft that the Local Government Board required, at Beckenham as at other places, that we should have a working capital, and we, the ratepayers of that year, had to find that working capital for the benefit of posterity.

2607. You found it all, did you?—Yes.

2608. Have you ever known any other case in which the Local Government Board have refused to allow a loan for working capital?—I have never heard it suggested that they would give a loan for working capital.

2609. Where have they power to do it? The Public Health Act only allows loans for permanent works?—Yes.

2610. Your contention is that working capital is a permanent work?—I think that it is appurtenant to permanent work. In Parliamentary Bills it is regarded as part of the permanent works. It has been recently divided up into the amount of the estimate, the future extension and improvement of the works, and the working capital. It used always to come under one head.

2611. Any way, your contention is that working capital is a permanent work under the Act?—Yes, and it does not depreciate.

2612. As regards gas, have you known the Local Government Board to allow a loan for working capital there. Perhaps you have not been before us in a gas matter?—No. I know of some circumstances, but I am not prepared to specify a case.

2613. You say that Workington went in for temporary works instead of for a reservoir costing a quarter of a million, but have you any reason to suppose that that was on account of the period of the loan which would have to be granted?—No. I do not think it was.

2614. In other words, the ratepayers of Workington refused to go to Parliament for a Private

Chairman—continued.

bill and to pay the expenses of that Bill for this quarter of a million?—They went to Parliament, but the question was the amount of the debt which they would incur, and rather than rush into a big debt they chose the smaller work, although it was less efficient.

2615. But I understood you to say that the ratepayers rejected the Bill?—No, not in that case. That was another case. I was merely dealing with the fear expressed by a former witness that urban councils inasmuch as they were not dealing with their own money were therefore more inclined to run the authorities into considerable debt, and I mentioned the case of Workington, where instead of incurring a large debt for a very efficient work they spent a much less sum for a sort of temporary work, merely duplication of pipes.

2616. How long ago was that?—1898 or 1899. Workington sells water at a 1d. a thousand gallons for some purposes, and therefore it was essential to have a full supply.

2617. Your experience is that, against the desire of the local authorities to increase their debt, they are very anxious not to?—I do not go the whole way with you there. I say that there are exceptional cases, where a progressive district does spend large amounts of money, but as a general rule it is not the case that local authorities desire to increase their debt.

2618. Then how do you account for the increase of the debt from 180,000,000l. in 1881 to 207,000,000l. and upwards in 1901?—By the modern sanitary requirements of the Local Government Board, and also the fact of these private improvement works, which form a very large proportion of the local debt. I think you will find they do in the case of Beckenham.

2619. You mentioned Stratton and Bude, and said that the Local Government Board objected, by their Report, to that Bill?—Yes.

2620. Do you know what the assessable value of Stratton and Bude is?—Yes, I have it here. It is quite small.

2621. You may take it from me that it is 7,000l.?—No, that is not so. It is about 12,000l. or 13,000l.

2622. What was the amount of money which they wanted to borrow?—I cannot say. I know that they purchased a canal which cost 130,000l. for 8,000l., and used the canal as a water aqueduct.

2623. My recollection of the Bill is that they wanted to borrow many times the rateable value of the whole place?—That would be so, but the water works would be remunerative. Stratton and Bude wanted to borrow 20,000l., including water.

2624. I should like to put to you another case that I think you are very familiar with, as illustrating that there is not this reluctance to get into debt amongst local authorities. Take the case of Shipley. Shipley brought in a very bulky Bill last Session with a good many clauses in it?—Yes.

2625. What was the borrowing power asked for there?—This is an instance of a local authority incurring a large indebtedness for the benefit of future generations. The result of promoting this Bill was to put the present ratepayers at a considerable disadvantage for the benefit

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benefit of those to come. The Bill was promoted for the purpose of taking over the Salt Schools, close to Shipley, because those Salt Schools would otherwise have had to be closed, and to levy rates for the purpose of carrying on technical instruction throughout the district. The Bill also proposed to borrow money for the purpose of tramways and for the purchase of the gas undertaking.

2626. I do not know that the Committee would desire to go through the Bill. What I put to you is a finance question. What is the rateable value of the district?—94,000l. is given in the Report.

2627. The outstanding debt before you brought this Bill in was 257,000l.?—Yes.

2628. The total debt of that place, with a rateable value of 90,000l. odd, is 706,500l.?—Yes.

2629. And yet you tell us that you notice an aversion to incurring debt on the part of your clients, the local authorities?—The water, the gas, and the tramways were remunerative undertakings.

Mr. Hutton.

2630. Mr. Butterworth gave us a list of various works in which the Urban District Councils Association approved of the terms of loans?—I have that list.

2631. None of them exceeded 60 years, did they?—Except purchase of land.

2632. That I have not got?—That is 100 years.

2633. He also stated, as other witnesses have done before, that it is very desirable to have a fixed rate for loans so as to make it unnecessary for local authorities to come to Parliament for Bills. Do you agree with that proposition?—I have so stated, however much it may be against my personal interest.

Mr. Loyd.

2634. Have you happened to look at the evidence of Mr. Kershaw that has been given before the Committee?—I have read it through in the "Times." I have not had an opportunity of reading the Minutes.

2635. Perhaps I might call your attention to one part of his evidence from the shorthand notes, which are fuller than the "Times" report. He told us that upon a calculation it was found that each decade of extended time in the term of repayments gave a constantly decreasing amount of relief to the ratepayers, and he took, as an instance, a loan of 10,000l., to be repaid at 3 per cent. in 10 years. I will just read to you the different amounts of relief given according to a decade of extension. The annual payment with the loan repayable at 10 years is 1,172l.; if that is extended to 20 years the annual payment is 672l., giving a relief in the first decade of extension of no less than 500l.; then the second decade of extension gives a relief of 162l., and the third extension gives only a relief of 77l. The fourth decade of extension gives only a relief of 54l., and the fifth extension (that is up to 60 years) gives only a relief of 28l. You have no reason to differ from these conclusions, I suppose?—No. I think it is accounted for (and I think it was so stated) by the additional interest that would accrue on the extended period. But

Mr. Loyd—continued.

there is a great benefit to be derived from extending the loans, as is shown by the fact that corporations and local authorities by Bill equate the periods of loan. I have known it to work out to as much as a saving of 10d. in the £. I think that that was the case in Rotherham. I went into the figures with regard to the Corporation of Bedford, for whom I am promoting a Bill, and I know that there the saving would have been 350l. to 400l. a year.

Mr. William Jones.

2636. By extending the period?—By equating the loan, which is to a certain extent the same thing.

Mr. Loyd.

2637. I put this before you because I thought that you would be familiar with the method of reasoning?—I agree with Mr. Kershaw.

2638. Do you think that that is a legitimate thing to be taken into consideration—that, while you are increasing the risk of leaving posterity with something to pay for which they do not get value, you are giving a decreasing amount of relief to the present ratepayer by extending the loan?—That is so. But the whole matter depends on whether the future generation does not get full value.

2639. The function of the Local Government Board, as I understand it, is to weigh probabilities. The Local Government Board is acting at the outset?—Yes.

2640. And not by the light of experience at the end?—No.

2641. Therefore, in making its calculations, it has to guard against those two evils—one, the undue pressure on the present generation, and the other the undue charge upon posterity. So in its calculations do you agree that it is right to take into consideration that fact that, while you are increasing the risk that you want to avoid by every decade that you add, you are decreasing the benefit that you wish to confer?—Yes.

2642. That is fair argument?—Yes. All I say is that the Local Government Board err on the side of too great caution.

2643. Are these points of general principle urged in the Private Bill Committees, or is it more a question of general probabilities?—General probabilities.

2644. They avoid as much as they can anything like a mathematical calculation in Committee?—I think so. The Committee would rather avoid it just as much as the people on the other side of the table would.

2645. Therefore, one can very well understand that a municipality might have a better chance before a Committee of having a broad view taken of their case than if they went before a Department which had all these actuarial calculations at its fingers' ends, and may that not be the reason why there is this divergence between the disposition of the two authorities, the Department and the Committee?—That is so; but we say that the line is drawn a little too hard.

2646. It is desirable, in an inquiry of this kind, to know where the differences are really reconcilable, or where there is contradiction on any question of fact. You think that that goes far

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far to account for the difference in policy between Department and Committee?—Certainly.

2647. You rather think the more rough and ready, the more liberal methods, of the Parliamentary Committee are advisable, than the cautious and mathematical methods of the Department?—I know cases where there has been very great hardship.

Mr. William Jones.

2648. You think, with regard to the law of probability, as worked out by actuarial calculations, that the Department, having those things in view, is apt to forget the valuable and permanent assets that might be developed in the working out of municipal resources which a Committee, more practicable perhaps, and coming more into touch with tangible facts than the Department, would be alive to?—We desire that the Local Government Board should take the broad view which the Committees, after hearing evidence, take.

Mr. Loyd.

2649. It has been suggested that the number of instances in which works have been badly constructed, or have failed, or in which undertakings have failed, is so small that it ought not to affect the judgment of whatever tribunal it is which fixes the time, do you agree to that?—Yes.

2650. What consolation would it be to the ratepayers of a particular area if they found themselves surrounded by the wreckage of various undertakings, and with a heavy rate to pay, that it had not happened in many other cases? Would it be any consolation at all?—No. There are exceptional cases in all matters.

2651. Is it not necessary for the Local Government Board to arrive at some principle which should protect each locality from a risk of that kind?—No, I do not think that the risk is one which need be protected against.

2652. Do not municipalities differ in experience and enterprise, and in the capacity of the men who form the corporations?—Yes, certainly.

2653. Does not one see every day thoroughly well-managed, up-to-date municipalities, and have an opportunity of comparing them with other places, where they are only just groping for their experience?—Yes, that is so, but that does not affect the financial position of the local authority. It does not lead to unnecessary expenditure of money, or to loans. The local authority has to obtain the sanction of Parliament or of the Local Government Board.

2654. But there is as great a variety in the capacities of those who govern as there is between individuals?—Yes.

Mr. Brigg.

2655. You did not seem to give us the final conclusion with reference to Workington. You spoke of putting in a pipe for 60,000*l.* instead of doing something which would cost, say, a quarter of a million. You left us to infer that putting in a pipe for 60,000*l.* was not so good as going through the whole scheme. Do you mean to say that the spending of 60,000*l.* relatively was not so good as the spending of 250,000*l.*?—That is what I mean.

Mr. Brigg—continued.

2656. You did not tell us that; you left my mind with the impression that you might have got all you wanted for 60,000*l.* It was a dearer thing to do?—Yes.

2657. You said that Falmouth refused to entertain a scheme that came before the Local Government Board, and afterwards they obtained the money privately. Did they obtain the money privately for that purpose?—I said that the Local Government Board refused to allow them to charge the local rates to raise money for quays and other purposes because they had not carried out a proper sewage scheme, that the Corporation had laid before the Local Government Board a sewage scheme, but the Local Government Board did not think it was sufficient. Under these circumstances Falmouth, having sanitary matters to attend to, was not allowed to charge its rates for public improvement purposes.

2658. You mean not allowed to borrow?—They could borrow the money on the revenue which was derived from tolls, and so on, at the quays, but the result of the action of the Local Government Board was to put a heavier charge upon the authority because it had not done what, in the opinion of the Local Government Board, it ought to have done.

2659. In reference to Darley Dale we have heard several times in this Committee about the possibility of widely extending the time of loans for water purposes to a considerable extent. I think you spoke to us when you came into the room of having been in a Committee Room where only 20 years was granted?—That was for working capital.

2660. It was not simply a question of the money required for the purpose?—No, that was allowed at 60 years.

2661. You said that the Local Government Board only report with regard to the Police and Sanitary Committee, the allowances of time made in their committee, and the time allowed by ordinary committees is not stated in that return. Now you do not want to suggest that the Local Government Board wilfully conceal from the public anything which might be useful to them?—Oh, dear, no. It is stated at the head of the appendix, "Extracts from the Reports of the Select Committees on Police and Sanitary Regulations," and comes with great weight from the Local Government Board, and great attention is paid to it by the committees, but they have not before them in an appendix, or in a Government return, the periods allowed by other committees, and when you take out the periods allowed you will find in many cases 60 years is allowed as against 30.

2662. Would it be a wise and proper thing for the Local Government Board to furnish a return of the time allowed by ordinary committees?—I should be sorry to impose so serious a task on the Local Government Board. The work which they now do in this direction is extremely onerous and very well performed.

2663. But that would be a convenience I suppose you think?—It would be a convenience.

2664. If you had it in the same way as the returns are furnished from the Police and Sanitary Committee?—Yes.

2665. You

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Mr. Charles Murray.

2665. You suggested that, in some cases besides land, work should be given over 60 years?—Yes. For instance, take the Workington reservoir, which they could not construct because the estimate was so great. It consisted of the dam up on Lowes Water in the Lake District and would have lasted in perpetuity; it was a masonry dam.

2666. Do you include any buildings of a permanent nature, such as the Town Hall?—No.

2667. You are speaking more of matters of a remunerative nature connected with reservoirs?—And purchase of land.

2668. Land not excluded?—In my district we got 50 years for a recreation ground, but for all other works in Beckenham we have got 30 years.

2669. Do you foresee at all that the adoption of some of these borrowing powers may limit future generations who should wish to carry out their own improvements, and that in that sense they may not be "progressive," which is the word you used?—It is a difficult thing to work out, but I will give you the instance of Becken-

Mr. Charles Murray—continued.

ham. We have borrowed 220,000*l.* since 1882; that is in 20 years, and the larger proportion of that debt has been incurred within the last two or three years in respect of public swimming baths, electric lighting works (about 80,000*l.*), and a technical institute, and we have already paid off one-third of the amount. A case occurs to me in Cumberland, where they have entirely paid off the debt in respect of their gas works, and they own those gas works without any debt at all.

2670. You gave an instance of a canal which somebody at one time thought a useful and successful undertaking?—It was constructed in 1808.

2671. At a cost of 130,000*l.*?—Yes, and sold for 8,000*l.* It had been derelict for many years—the Bude Holsworthy canal.

2672. There would have been a period when people would have pledged their reputation that that canal was a valuable undertaking?—Yes.

2673. Just as tramway and electric lighting works?—Yes.

Mr. JAMES WILSON, called in; and Examined.

Chairman.

2674. You are Clerk to the Croydon Rural District Council, are you not?—Yes.

2675. You have sent out, in your capacity as secretary of the Rural District Councils Association, circulars to the various members of the Association?—The secretary to the Association sent the circular; I am the chairman.

2676. How many Rural District Councils belong to your Association?—About 200. There are 667 Rural District Councils in the country.

2677. You hand in a resolution passed by your Association, which exactly corresponds with that of the Urban District Councils' Association, does it not?—Yes, it was passed a fortnight beforehand, and the Urban District Councils, we are pleased to see, adopted the resolutions passed by the Rural District Councils' Association.

2678. The part of your resolution which it did not adopt, or which has not been put before the Committee, is in three paragraphs. "That, following the practice of Parliamentary Committees, it is desirable that Councils should obtain authority, to postpone the commencement of the contributions to the sinking fund in cases of revenue producing undertakings; (7) that the restrictions imposed by Section 234, Public Health Act, 1875, with regard to the period for the repayment of loans should be removed; (8) that in Acts of Parliament authorising the construction of works the same period should be allowed for the repayment of the loan for the construction of the works." You have heard the evidence given on those points, and I assume that you concur in it?—Yes, I concur in it generally.

2679. You wish to lay before the Committee some instances where sewage works in rural parishes have been delayed?—Instances in my own district, and in every part of the country, are daily brought to one's notice where sewage works have been delayed for many years. Coming to

Chairman—continued.

the parish of Coulsden, near Croydon, as long ago as 1880, the Local Government Board Inspector urged the necessity of a system of sewerage for that important parish, and it was delayed in one way or another. Schemes were produced, and the expense was shown to be great, and, owing to the limited period allowed for the repayment of loans (it was attributed to that), the works had not been carried out until within the last two years, when they were carried out at a cost of 25,000*l.*, and were then only carried out in the face of very strong opposition on the part of the parishioners.

2680. Had they before that time ever arrived at a consideration of what period should be allowed?—Yes, because in other parishes with which they were connected, where works were being carried out, the period allowed was 30 years. The rateable value of the parish of Coulsden has increased since that period to which I first referred. It was at that date 33,000*l.*, and it is now over 70,000*l.*—77,000*l.* They are in a better position to pay for such works at the present time.

2681. In your opinion, if a rural district is going to increase its population, it ought to have longer to pay its debts?—Not only that, but works that are absolutely necessary from a sanitary point of view are absolutely delayed and stopped altogether by the very short period which is allowed for them.

2682. Stopped altogether?—Stopped altogether. In the case of Addington, for many years the Medical Officer of Health and the Local Government Board have called attention to the need of a comparatively not very costly system of drainage, and that has not been carried out up to the present time.

2683. You are aware that the Local Government Board could compel it?—I am quite aware of that, but they have not done so.

2684. You

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Mr. WILSON.

[Continued.]

Mr. A. K. Loyd.

2684. You say that you attribute the delay in these works to the terms of repayment of loans?—Yes.

2685. Have you ever heard that put distinctly as the reason at any of the meetings of rate-payers?—Yes. When the estimates have been produced, they have looked upon them as altogether too large for them to undertake at the present time, and have expressed their desire to wait for the increased rateable value which is sure to come in all large rural districts near to towns, like my own district. With regard to the housing, a scheme was prepared and was, for the same reason, thrown out, the County Council refusing to grant the certificate. They admitted the absolute need of workmen's dwellings under the Housing of the Working Classes Act, but refused to give the necessary certificate in order that Part 3 might be adopted, because of the already existing debt on the parish, and the fact that a scheme could not be worked without a very slight loss to the parish.

Chairman.

2686. That was before the Housing Act of 1900?—That was before the Housing Act of 1900, but the consent of the county council is still necessary. A certificate was required then, and I see very little difference between the certificate and the consent of the County Council.

Mr. Nannetti.

2687. Your contention is that the limitation of the period for loans tends rather to prevent local authorities, such as you are connected with, from carrying out beneficial schemes?—Yes, absolutely necessary works.

2688. In reference to the housing of the working classes, although it would be absolutely necessary and desirable to carry out a scheme, you are prevented in consequence of the limitation?—I see no chance of the Rural District Councils being able successfully to carry out the provisions of that Act with the present period of repayment of loans.

2689. You do not anticipate any serious loss to future generations by extending the period?—I cannot conceive that there can be any loss, except in some special case. May I say here that I heard the question asked as to the life of houses. I am acquainted with many of the cottage class that are more than 100 years old, and many are between 60 and 70 years of age. I purposely put the question to our surveyors and

Mr. Nannetti—continued.

experts in the matter, and they assured me that the life of cottages in our parishes was frequently 100 years.

2690. Your Council take into consideration the fact that a future generation would benefit by those schemes of housing in the health of the people who live in them, and consequently a better generation would spring up?—A better standard of life altogether.

Mr. A. K. Loyd.

2691. Have you, in these discussions at which the terms of repayment have been mooted, heard the consideration put on the other side, that it is the first two or three decades of delay of repayment which really grant the bulk of the relief?—It has never been put so clearly as you put it to a previous witness, but I think I understand the point.

2692. Do you accept it?—I am afraid that I must, but should like to further consider.

2693. It is one of the hard facts that you cannot get over?—It is one of the hard facts that I cannot get over now.

2694. But you have never heard it put before?—Not in the same way as to-day.

2695. Has it never been urged that, in extending the period to a greater length, you very greatly increase the total amount which has to be paid by the ratepayers as a body from beginning to end?—That has been put in several discussions, and the answer is, that you might as well say that the same thing would apply to anything beyond a period of five years.

2696. No, because I have already explained that the first few decades of extension have a very mitigating result on the severity of the repayments, and therefore there is a strong reason for extending up to 30 or 40 years. But, considering the very great increase in the total payment taken out of the pockets of the ratepayers, is it not most undesirable to incur that increased aggregate outlay when the relief given is in constantly decreasing proportions?—I have heard the answer given to that frequently. An ordinary builder intending to carry out works takes no such thing into consideration. He is quite content to get his rent as his profit. He asks for no return of the capital. He looks upon it as an asset in itself, that will be an asset 100 years hence. He is content with the rent as his profit, and he does not expect the house to return him sufficient to pay off that which he paid for it, as well as the rent.

Adjourned until Friday next, at 11.45.

Friday, 25th April 1902.

MEMBERS PRESENT:

Mr. William Jones.
Mr. John Hutton.
Mr. Bonar Law.
Mr. Grant Lawson.

Mr. A. K. Loyd.
Mr. Charles Murray.
Mr. Wodehouse.

MR. GRANT LAWSON IN THE CHAIR.

The Hon. SAMUEL CHISHOLM (Lord Provost of Glasgow), called in; and Examined.

Mr. Bonar Law.

Mr. Bonar Law—continued.

2697. You have the honour of being Lord Provost of Glasgow and Lord Lieutenant of the County and City of Glasgow?—That is so.

2698. For how many years have you been a member of the Corporation?—For the last 14 years.

2699. You think that the sinking fund is made for a shorter period than necessary in a number of your Acts?—I think so. I think the period allowed on the whole is too short.

2700. Will you give an instance of that?—The instance that I would like to give is one which is in an Act of Parliament, although not within our own experience. One reason why we have not adopted it is because the sinking fund is of so brief a period. I refer to the Burials Ground Act of 1855, which requires that the money borrowed for the purpose of laying out burial grounds should be repaid in 20 years, and the result of that has been that the provision of cemeteries in large towns has been left entirely, or all but entirely, to private companies, and it makes, consequently, the cost of burial to poor people very much larger than it might otherwise have been. Then the sinking fund under the Housing of the Working Classes Act for the cost of effecting necessary improvements by removing congested areas and building suitable houses is a 30 years' sinking fund, and that is one reason why Glasgow has never adopted the Housing of the Working Classes Act, but has preferred to conduct any operations in that direction under private Acts of their own, whereby they have obtained more liberal provisions than that Act confers upon them.

2701. What length of time did you get under your local Act of 1897?—In the local Act of 1897 we obtained 60 years for the repayment of the entire sum borrowed, covering both land and buildings.

2702. There is a resolution of a conference at Glasgow that you wish to speak to?—The question of the housing of the working classes has occupied the attention of municipalists, and certainly of Glasgow, for a very considerable time; and the outcome of that has been that the Corporation of Glasgow summoned a meeting of representatives of municipalities throughout the three kingdoms, Scotland, England, and Ireland, in September last, and after a lengthened conference.

ference and discussion a unanimous resolution was arrived at to this effect: "That any sinking fund required to be set apart for repayment of monies borrowed for such purposes" (as we had been discussing) "should apply to the cost of buildings only and not to land, and should be extended over a period of not less than 60 years."

2703. What is the main idea that you think should dominate the period of the sinking fund in municipal enterprises?—Remembering the difference, of course, between sinking fund and depreciation fund, the main idea is that of the public advantage that would accrue by the expenditure for which the debt is incurred. It is, of course, desirable that the debt should be paid off as quickly as possible, but most undesirable that by an unduly short period for paying off that debt enterprises of an important and beneficial character should be cramped and hindered.

2704. Will you give us some example of the way in which that might operate?—In connection with the subject of which we have been speaking, a town council might see its way—Glasgow certainly has done so—to purchase a congested area filled with insanitary buildings, demolish the buildings and re-erect thereon suitable houses for the working classes, but it is naturally hindered from doing so to the extent that they would, by the very short period which is allowed to them to repay the amount borrowed. The Town Council is tempted rather to let things alone than face the difficulty and the odium connected with the imposition of a tax necessary not only to maintain the buildings, but to pay off, within a limited period, the entire debt, so that you have a free asset at the expiry of this comparatively brief period.

2705. Would you give the Committee the experience of Glasgow in 1866?—The first Improvement Act which Glasgow had was in the year 1866 when, by Act of Parliament, we were empowered to expend 1,250,000*l.* in purchasing congested areas. We scheduled something like 90 acres of ground. Under that Act we formed 39 new streets; we widened and improved 12 existing streets, which were narrow and crowded, and made them wide, open, airy spaces. We cleared away existing buildings, and erected new ones. Under that Act we were, of course, compelled, and we very cheerfully accepted the obligation,

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Mr. Bonar Law—continued.

ligation, to redeem the debt to the extent of the price obtained for any land that we might resell after we had purchased it, but, so far as a sinking fund was concerned, we were not called upon to lay aside any sinking fund. The Act provides that, when the work of the Improvement Trust is completed, and the property has been all realised, then, if there is any deficit, a sinking fund should be set aside to pay off the deficit within a period of 20 years.

2706. What was the rate at one time imposed on account of this Act?—For the first year after the Act was passed the Town Council imposed the maximum rate which the Act of Parliament permitted them to do, namely, 6d. per £ on the rental of the city, and that was payable entirely by occupiers—not by landlords—but wholly by occupiers.

2707. Since 1896 there has been no further assessment under this Act?—No. The rate was gradually reduced, and just in proportion as the Corporation proceeded to erect on the ground which they had purchased buildings suitable for the locality, did the rate decrease until, in 1896, there was not only no deficiency, but there was a surplus, and each year since then there has been a surplus, the revenue exceeding the expenditure by a considerable number of thousands of pounds.

2708. Do you think that the improvement scheme has been a great advantage to Glasgow?—It has been of very great advantage to the city. It has not only opened up crowded thoroughfares and narrow streets, and opened new streets altogether, but its effect on the health and morale of the community has been very large. It has been one of the factors which have contributed to the reduction of the death rate during that period to a very considerable extent.

2709. You think that the history of this Act should be a guide on general principles as to the length of loans?—I think so. I think that the success of that Act in its more recent history shows that there is no necessity for imposing an obligatory sinking fund of a large extent, when the enterprise itself is more than meeting its way, and when the condition of the subject is maintained in a high state of efficiency.

2710. You think, therefore, that Parliament should give powers at least as wide as those in that Act under similar circumstances?—Under similar circumstances.

2711. You wish to make some observations on the principle recommended by the Local Government officials as guiding them in these matters?—Yes. It seems to me that the officials of the Local Government Board do not recognise the essential difference between a sinking fund and a depreciation fund. They fix the rate of the sinking fund at their estimate of the life of the subject. Now, provided what is done in Glasgow is done everywhere, as I assume it will be done, provided the subject, be it a street in regard to its paving, or be it houses with regard to their structural condition and surroundings, is maintained in perfect efficiency all through, then it seems to me that to insist on the paying off of the entire debt within a limited period by a sinking fund, in addition to its depreciation or maintenance (you may put it the one way or another as you choose) is imposing an altogether uncalled for burden on the present ratepayers, and is compelling them to hand over a free and a very valuable asset to their

Mr. Bonar Law—continued.

successors, which their successors do not seem to me to be at all entitled to.

2712. The bulk of the Glasgow debt is in remunerative employment, such as gas, water, etc.?—The great bulk of the debt is remunerative.

2713. Even in these matters you think that the period allowed is too short?—I think so.

2714. Can you give, as an illustration of that, the history of the water works in Glasgow?—Yes. In 1855 Glasgow felt the necessity of obtaining a fresh supply of water. The water supply was then in the hands of private companies; and, in 1855, the Corporation were empowered by Parliament to acquire the existing works from the companies, and to bring in a fresh supply from Loch Katrine. The cost of the initial undertaking was over a million sterling, but at that time Parliament permitted us to proceed with our enterprise for 15 years without any sinking fund, and no sinking fund was imposed until 1870. In 1870 a sinking fund at one per cent. was imposed, and thereafter a sinking fund of one and a-half per cent. The equated period was 85 years. In 1885 the supply we had was found to be insufficient, for the prospective requirements at all events, and an additional aqueduct was authorised in that year, and the sinking fund on this was also one and a-half per cent., with a postponed period of five years equal to 71 2-3rd years for repayment. During that period the sinking fund we have paid in is considerably over a million sterling, and the water works to-day are, to say the least of it, as valuable, perhaps more valuable, than ever they were, and they are certainly in as good a condition as ever they were, and have the prospect of lasting for centuries.

2715. You think that it would have been very unjust to have imposed a higher rate?—Very unjust. We do not grudge the rate we have paid of one per cent., and one and a-half, but to have imposed a 30 years' period for wiping off that entire debt would have been, not only absolutely unjust to the ratepayers of that day, but it would have gone a very great length in hindering and restricting the growth, welfare, enterprise, and industry of the city.

2716. You think that what you have said about waterworks will apply also to other similar undertakings, such as electric lighting?—Electric lighting is not absolutely parallel, but in many respects it is similarly situated, and ought to be dealt with on principles of the same kind. I do not say with equal liberality. There is a difference between electric light and an absolutely necessary light, but I think it ought to be dealt with much more liberally than according to the proposal of the Local Government Board.

2717. You think that a short period makes the price too high to make it profitable?—It makes the price too high, and therefore restricts its use, and that becomes a very important matter.

2718. You think that, in dealing with these questions, the Government officials take a wrong view of the subject?—I think so, because we are carrying on these enterprises, and at the same time are setting aside a depreciation fund—writing down the book value of the subject, or maintaining it to its fullest efficiency, and to ask us to do that, and to pay off the debt at the same time is, I think, very uncalled for.

2719. You think also that the municipality should

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[Continued.]

Mr. Bonar Law—continued.

should look ahead, and that they are hampered in doing so by a short period. Will you give me an illustration of that?—Yes. For example, I think it is clearly the duty of every progressive municipality—of a municipality that is conscious that the city is growing; that its industries are expanding, and that people are crowding into it—to anticipate the future. I think it is obviously its first duty to anticipate the future as far as it possibly can, and in regard to such a vital subject as the provision of public parks, it is obvious that, if a municipality does not look ahead, and make provision to-day for the possible requirements of 20 years after this, there either will be none of those open spaces in the city, or, if they have to be acquired, they will have to be acquired at an enormously additional value for the ground, and consequently the city of Glasgow has bought during these last 20 years on every side of the city. Wherever it could find available ground for public parks it has bought it, and I think it very unreasonable, and very much fitted to injure the future welfare of the city, to injure the future ratepayers for whom the officials seem so anxious to provide that there should be imposed such a burden upon a municipality that is providing these parks for the future as would hinder them doing it. To ask the present generation to provide, by a sinking fund, for the full payment of the park, the value of which is practically all in the future, is imposing an absolutely unjust burden on the present ratepayers.

2720. You feel strongly that the difference between sinking fund and depreciation is not sufficiently appreciated by the Government officials?—Yes, I have the idea that that is not sufficiently understood, or appreciated rather let me say, by the officials. I do not know, but I fancy that when the English Local Government Board fixed a period of 15 or 20 years, say, for the repayment of debt incurred for machinery or cars, or such articles as are liable to wastage, they proceeded on the assumption that at the expiry of that period during which the sinking fund has been operating and wiping out the original debt there will be a re-borrowing in order to replace the subject, whatever it may be, the debt on which has just been wiped out. Now, if that is so that is not the way we proceed in Scotland. If the life of a subject, such as cars, machinery, or anything of the kind, is presumed to be five, 10, or 15 years, we lay aside a depreciation fund, or write down the value, which is equal to the same thing, and have the cost wiped out by our depreciation fund within the period that is regarded as the estimated life of the subject, in addition to the sinking fund which is paying off the debt. The payment of the debt seems to me to be a different thing from the depreciation, and altogether unconnected with the length of the life of the subject. That is provided for by a continuous depreciation fund, which meets, at the expiry of the period of life, the original cost, and to ask us both to set aside a depreciation fund to extinguish the original cost, and at the same time to pay the debt incurred in it is out of the question.

Chairman.

2721. Are you required by law so to do?—We are not required by law, I presume, to lay aside 0.12.

Chairman—continued.

a depreciation fund, but, as a matter of fact, and as a matter of business prudence, we do.

Mr. Bonar Law.

2722. You do not take any profit in Glasgow until the depreciation fund is made up; you do not assume that there has been any?—No. The depreciation fund is just as regular a charge against the revenue of any of our enterprises as is the payment of a debt. It is regarded as a debt due.

2723. In your Corporation you have laid aside large sums for depreciation, in the gas department, for instance?—We have laid aside very large sums for depreciation. In the gas department we have laid aside, apart altogether from sinking fund, 1,177,266l. for depreciation alone. That entire sum has been applied in writing down capital. Mere renewals, as they were rendered necessary, were made out of revenue and the depreciation fund has gone to reduce the debt in addition to the sinking fund.

2724. In the tramway department?—In the tramway department we have 428,972l. set aside for depreciation. Of that sum 154,193l. has been applied in writing down capital, and the balance stands at this moment available for renewals.

2725. In the electricity department?—In the electricity department we have laid aside for depreciation 47,555l. 17s. 7d.

2726. The water department is slightly different?—Yes, in the water department there has been no writing down of capital and no setting aside for depreciation, but all renewals, maintenance, etcetera, which, of course, are not very great in our water enterprise, have been met out of revenue as they arose, just in the same way as railway companies regulate their renewals of rolling stock, so that approximately an equal amount falls to be paid from each year's revenue.

2727. In the improvements department?—In the improvements department we have altogether a depreciation fund of 17,779l. on the lodging-houses. That is under the old Act of 1866.

2728. In addition to what you have already stated you have 10,000l. put to the reserve fund?—10,000l. have been put to the reserve fund.

2729. In the police department?—In the police department we have no depreciation fund. All repairs and renewals are paid out of assessment as they arise. It has been our habit to charge against capital the first expenditure on paving new streets with what we call square dressed granite setts. That has been charged against capital, but it has been maintained at its highest maximum condition out of revenue year by year, and where that it so I think the sinking fund should be the longest period that is possible. Where the debt is paid off altogether at the end of 50 or 60 years, and the subject in perfect condition is handed over to our successors, I think we have done extremely well.

2730. Do you wish to sum up now the result of the evidence that you have given?—In such schemes as the Housing of the Working Classes Act contemplates, what we call city improvement schemes, where we have always proceeded under private Acts, and in regard to parks and open spaces, a large number of which we have provided, there should be a minimum sinking fund

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Mr. Bonar Law—continued.

of one per cent. I think 100 years should be allowed for the sinking fund, always remembering the difference between sinking fund and the depreciation fund, and, in addition to that, the one per cent. should be applied in the repayment of debt, and wherever any of the property belonging to the department, Improvement Trust, or parks, or open spaces is sold, the proceeds should, of course, be applied also to the repayment of debt.

2731. With regard to remunerative undertakings, what do you say?—I think, first of all, with regard to remunerative undertakings, the application of the sinking fund should be postponed during the period of construction until it is in full swing. I have already narrated our action with regard to the water scheme and the allowance which Parliament made to us in connection with it, and that illustrates my views with regard to these remunerative undertakings. It might vary from five to 15 years for water works, five, perhaps, for such works as electricity works. Then I think it should be provided that all renewals should be paid for out of revenue, that renewals and maintenance should be scrupulously looked after, and that the sinking fund should be wholly dissociated from the supposed life of the subject. That is a question which only affects the depreciation, and the sinking fund deals only with the payment of debt, and if the subject is maintained by a rigorous and conscientious renewal or depreciation fund, then I think the longest possible period should be allowed for the sinking fund, wholly separated from the idea of the life of the subject. I think, further, that, with regard to such places as cemeteries and parks, where land has to be acquired for these purposes, the Corporation should be encouraged to acquire land in excess of present requirements, and no sinking fund should be paid until the land is used for public purposes. I think that the normal sinking fund for a municipal debt repayable out of the rates should be not less than 50 years. Personally, I would be disposed to make a longer period than even that. I mean, of course, that the present sinking fund for subjects chargeable on the rates, which require a debt to be repaid in 30 or 40 years, should be extended to 50 years. Of course, I make these suggestions on the supposition that Parliament will provide for the minimum sinking fund charges, and that municipalities will, in their own interest, wherever they can afford it pay whatever the enterprise enables them to pay in excess of minimum requirements, just as we have done in Glasgow. With all our long period sinking funds, we have paid in every case more than Parliament enacted.

2732. And to a considerable extent?—To a very considerable extent.

Chairman.

2733. You actually, in Glasgow, are paying off your debt more rapidly than you are required to do by law?—We are.

2734. So that your complaint is not against the periods in which you have to repay it, but against such periods being made obligatory—is not that so?—That is so.

Chairman—continued.

2735. I do not quite understand about your depreciation fund. Let us take a simple object like a tramcar. You borrow money for tramcars, and then you pay off that sum by a certain number of yearly instalments, but do you also have a depreciation fund to write down the capital by which that tramcar was bought?—We have, at this moment, a depreciation fund of 154,193*l.*; we have a permanent renewal fund of 91,350*l.*, and we have to the credit of our revenue account, ready to be applied either to depreciation or renewal, 183,428*l.* altogether.

2736. But my question is, why do not you use the first figure you have mentioned (your depreciation fund) for paying off the debt?—Because we reserve it for such objects as might possibly require capital expenditure, and would require our coming back to Parliament for fresh powers to borrow. We have that writing down of the book value of the subject.

2737. You propose, then, to use that at some future period for some fresh capital expenditure, without requiring to come for sanction to Parliament?—Yes.

2738. On what system do you pay off your loans? Do you pay them off by equal instalments of principal with interest on the outstanding money, or do you pay them off by what is called the annuity system?—We pay off our debt by our regular sinking fund, as the Act of Parliament authorising the debt to be incurred compels us.

2739. But is it in your Acts—say the loan is for 50 years—that you must place one-fiftieth of the principal to the sinking fund and pay the interest on the outstanding instalments?—Yes. In our Improvement Act of 1897 we got 60 years, and we lay aside one-sixtieth part of the money we have actually borrowed to the repayment of debt, and pay the interest, of course, as well on the debt we have incurred.

2740. So that, in the first years of the debt, the payment is heavier than at the end of the period in consequence of the interest on the outstanding debt at the later period being smaller?—Not quite in the first years of the enterprise, because we have authority to borrow 560,000*l.* under that Act, but we have not borrowed it all yet, so that the maximum period will come when we have borrowed the whole of it, and the full one-sixtieth of the entire amount authorised falls to be paid.

2741. All your evidence, I take it, is practically based on there being a proper depreciation account?—Yes.

2742. Are you aware that, in England, the depreciation account is only one-tenth of one per cent. on the money borrowed?—I saw something of that kind, and I was amazed at it, in a statement made in this Committee.

2743. You, I suppose, think that local authorities who practically have no depreciation account ought to pay off their loans in a shorter period?—I think they ought to have a depreciation account.

2744. But if they do not have depreciation account?—Then they should be compelled to have it; that is what I would say.

2745. Or should be compelled to pay off within a more limited number of years than an authority like yourselves, who do keep a depreciation account?—Yes. It is obvious that if they have

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Chairman—continued.

no depreciation account, they ought to pay off the debt sooner.

2746. As regards burial grounds in Scotland, your period is only 20 years for repayment. Have you approached the Scotch Office on that subject?—We have not.

2747. Mr. Dodds told us that the Scotch office raised no objection to that period being extended, but you have not approached them?—We have not approached them.

2748. Most of your money apparently has been borrowed under private Acts?—Yes.

2749. Can you tell the Committee whether Parliament gave you the length of time you asked for?—I think they did with regard to the tramways. I am not sure whether we asked for more—certainly we would have liked more, both with regard to the tramways and the telephones.

2750. You do not remember whether you asked for more and were cut down by Parliament?—We were not cut down by Parliament. Whether or not the Scotch Secretary put in his oar and kept it down I cannot for the moment say.

2751. The Scotch secretary could only report to the Parliamentary Committee, and the decision would rest with the Parliamentary Committee?—Yes, but he exercises all his influence to get us to reduce the period that we ask.

2752. You have put before us, as an ideal to be aimed at, the state of things under the Glasgow Improvement Act, 1866. There was no sinking fund there you told us, did you not?—There is a statutory sinking fund provided at a period when the entire enterprise has been completed, and the property sold, and then the sinking fund is to apply only to the deficit, and not to the entire amount borrowed.

2753. That is to say that, if you sell off any of this land, you are to put that money to capital account?—That is true, but that is not my point at the moment. If we sell the whole of what we have; if we dispose of it all, and there is a deficiency, if the proceeds of our sales do not meet the debt, and there is a deficit of 50*l.* or 100*l.*, or 1,000*l.*, or 10,000*l.*, then we have to institute a sinking fund to pay off that deficit.

2754. That will not come into force until you have sold off all that property?—It will not come into force until we have sold off all the property.

2755. How much of the 1,250,000*l.* is outstanding?—Of the Improvement Trust?

2756. Yes?—It is all outstanding.

2757. You still owe 1,250,000*l.*?—Yes. We went to Parliament for further powers, and there is at present due, under the 1866 Act 16,500*l.* on mortgage and 1,270,524*l.* on loans.

2758. So that, instead of that debt having become smaller since 1866, it appears to have increased?—Yes; because we have erected very valuable buildings. Instead of having either empty ground, or slum property, we have very large and valuable rent-producing subjects, and the revenue from the Improvement Trust, which at one time required a rate of 6*d.* per pound on the rental of the city to make it meet the expenditure, now without any rate meets the expenditure and leaves a considerable surplus annually, which is laid aside, one half to depreciation fund, and one half to a reserve fund.

2759. So that you really have established a

Chairman—continued.

Sinking Fund though the debt apparently is higher than it was in 1866?—We have; the estate is much more valuable than it was when we bought it.

2760. But you will agree that the case of the Trust is a very exceptional case, and it would not be likely to occur with many local authorities. We can hardly form a general rule on that particular Trust of yours, can we?—That is a question of opinion.

2761. As to your housing, you propose that we should not have a Sinking Fund of more than 1 per cent. for the land?—Yes; and 60 years on the buildings.

2762. Have you any buildings in Glasgow of the cottage type that were erected about 60 years ago?—Yes.

2763. What sort of condition are they in?—Quite as good condition as ever they were. We have no experience in Glasgow of houses, unless built by jerry-builders, that do not last for 60, 80, or 100 years.

2764. Take your Waterworks Act. No Sinking Fund was provided in that Act in respect of the annuities to the old company, was it?—No.

2765. But have you not established one?—Yes; we have established one to a limited extent.

2766. Because you have seen the advantage of a Sinking Fund, I suppose?—Yes; we admit the propriety of paying our debt, and the enterprise has been very successful.

2767. It has been suggested to us that some of these annuities represent practically exhausted reservoirs. Now is that so?—Very possibly. Very much of what we took over from the old companies does not exist now.

2768. So that practically you are paying for what is of no use?—We have paid that off over and over again in other ways, although these annuities still exist, and we cannot get rid of irredeemable annuities.

2769. But the result of there being no Sinking Fund in respect of those annuities in the 1855 Act, is that you are now paying for something for which you get no advantage?—Of course, you might class the annuities in the liabilities which we have paid off. We distribute them over the whole enterprise, and do not apply the annuities to this part or that part, but to the whole and, taking it as a whole, we have paid off all the liabilities for those subjects.

2770. What are your Sinking Funds invested in?—They are invested in the enterprise.

2771. The cash is not invested in securities but is in the enterprise?—In the enterprise.

2772. That is the Sinking Fund?—The Sinking Fund.

Mr. Bonar Law.

2773. Do you not mean that you have paid off part of the debt?—Yes; of course, we have paid off part of the debt; it has reduced the liabilities of the enterprise, whatever it may be.

Chairman.

2774. So that, when you spoke in your evidence about the water works, and of a Sinking Fund

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Fund now amounting to 1,075,000£., you did not mean that you had that cash in hand as against the debt, but that you had paid off that amount of debt?—Yes; paid off that amount of debt and lessened the liabilities of the enterprise.

2775. I did not quite understand that. Now is land increasing in value round Glasgow on every side?—It is difficult to answer that question categorically. If I am to answer it categorically I would say "yes," but, of course, it fluctuates. There are periods of depression, and there are many people who, having bought land at what might be called an inflated price, could not realise a profit or, perhaps, what they paid for it, but nevertheless, the normal procession is advance in value.

2776. But I suppose in different rates in different directions east or west?—Yes.

2777. You said you have to look ahead in making these municipal speculations in land. I do not know whether that is a very accurate expression, but how do you know you are looking in the right direction for a period of 50 or 60 years hence?—Only by the analogy of the past.

2778. You may make a bad speculation in that respect and buy land which may depreciate in the next 60 years?—That is very possible, but I have no more fear of that than I have of the British Empire depreciating.

2779. It is possible that future generations may have to pay for some unfortunate investment in land?—That is a very remote contingency.

2780. You think you have such prophetic powers in the Glasgow Town Council that you would not make a bad bargain?—By no means. Unless that is a joke do not let it go forward.

2781. But it is a matter of prophecy, is it not?—Scarcely any more than with regard to a business man who anticipates the future of his business by the history of the past and the appearance of the present, and, with a city growing at the rate of 10,000 or 12,000 every year, and extending out on all sides, I think it is the bounden duty of the Corporation, when it sees such an opportunity as is provided by an open space which it can secure, to seize that opportunity, to prevent its being built on, and to provide a park for what is obviously to be a centre of population in the years to come.

2782. I quite agree if it is obviously going to be a centre of population, but if you spread every year to that extent you will cover the whole of the county. How do you select which parts will become centres of population?—Glasgow has extended on all sides, and we have bought parks on the north and the south, on the east and the west. We have bought, within comparatively recent years, large parks. The last we bought was outside of the city in the neighbourhood of a borough which is also growing rapidly in population. The borough of Govan at this moment is getting practically the advantage of it. Bellahouston Park is more contiguous to Govan than to Glasgow, but the Corporation is cheerfully paying the interest on the money and the sinking fund, though Govan is getting the advantage of it, believing that the Glasgow people (for Glasgow and Govan are practically the same) will continue

Chairman—continued.

to increase and grow and surround the park in years to come. We have only the past by which we can guide ourselves.

2783. You have great faith in the future of Glasgow, and make these investments for the future?—We have, and we see what our predecessors did. If they had not set a-going the water works 50 years ago the industry of Glasgow, which is so dependent on an abundant supply of cheap water, would not have been what it is, and the Glasgow of to-day is largely owing to the foresight of our predecessors 50 years ago.

2784. Do not you wish that your predecessors' foresight had extended to paying off more of their debts?—No. Our predecessors paid 1s. 4d. per £ for their water; we to-day only pay 5d. The enterprise has been so successful, and has extended so rapidly, that we are getting to-day for 5d. what they paid 1s. 4d. for, and I think our predecessors paid more than enough for sinking fund. They have handed it down to us at one-third of the annual charge they themselves had to pay.

2785. Your view is then that your predecessors paid off too much of the debt?—I am quite pleased that they did what they did.

Mr. John Hutton.

2786. I think you have invested about two millions, have you not, in housing?—We have invested in the city improvements nearly two millions, but I would like to say that I have never placed the city improvements and the 1866 Act as a housing scheme. I feel that when Glasgow is spoken of as having spent that money in a housing scheme there is a misunderstanding. It was instituted for the purpose of clearing out insanitary areas without any real idea of housing the people, but simply removing plague spots.

2787. Do you, as a matter of fact, build many houses?—We have built on certain spots—certain portions of ground which we have acquired—houses for the people.

2788. Quite recently?—Quite recently, but the scheme itself was not a housing scheme, and the larger portion of it is in a commercial centre, where we have erected commercial premises.

2789. I only wish to ask you about the success of your housing scheme for the working classes. Do you consider that the rents pay the interest that is due on the houses of the working classes?—There is only a limited portion of the two millions applied to workmen's houses, but that portion does pay itself. It pays 3 per cent., or whatever the interest charged by the Loans Fund is. It maintains the houses in perfect condition and contributes its quota to that surplus which we have each year.

2790. Are these houses in the centre of the town, or are they outside?—They are all in the town.

2791. Are you thinking of building any outside the town?—In the 1897 Act we had power to purchase 25 acres of ground for the erection of houses for the poor, either within or without the city. We have availed ourselves of these powers to their full extent, but all the ground we have bought has been within the city.

2792. Does not private enterprise in Glasgow provide a sufficient number of houses for the working

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working classes?—For the artisan classes it may, but not for the humblest and the poorest.

2793. Have you any opinion yourself as to what extent a municipal authority can incur debt. Is there any limit to its debt?—I am not prepared to lay down any principle which should guide Parliament in permitting a municipality to borrow.

2794. You have not formed any opinion yourself?—No, I have not. I think the nature and character of the object in view in borrowing money must always be taken into consideration.

2795. I assume, as you are a very enterprising city (everyone knows that) there is every prospect of your finding it necessary to borrow large sums of money during the next 40 years, as there has been during the past 40 years?—I have no doubt that we will require to borrow, but at present I do not foresee the same likelihood of large enterprises as there has been in the past.

2796. If your debt goes on increasing as it has done in the past 40 years, in about 40 years time it might amount to as much as 40 or 50 millions, might it not?—Yes, that is, of course a possibility, but one does not know; I do not foresee that.

2797. Supposing it did, would you feel alarmed about credit?—It would depend on what the assets on the other side were.

2798. You have no difficulty in raising money at the present time I suppose?—None.

2799. Is that partly due to the fact that Corporation stock is allowed as an investment for Trust funds?—There is no doubt that contributes to the stock being more easily floated.

2800. If that permission was withdrawn do you think you would have upon your own credit any difficulty in raising the money?—I do not think so.

2801. Not at the same rate of interest?—Not at the same rate of interest.

2802. Have you power to issue bills for short periods?—Yes.

2803. It is a new power, I take it?—Comparatively new.

2804. Do you find it a satisfactory method of raising money?—We do.

2805. With regard to your sinking funds, do you ever use any portion of those sinking funds for new works? You said that you generally paid off debt with them. Do you always do that, or do you sometimes use it for capital purposes?—The debt may have been incurred for work which might be called new—that is to say, a renewal of old work; but if we came to Parliament with an absolutely new piece of work, then of course we erect that with the money which we get power from Parliament to borrow.

2806. And you do not use your sinking fund as capital to be used without the trouble of coming to Parliament?—No, not the sinking fund. We use the depreciation fund.

2807. Have your rates been increasing, or are they much the same as they have been for some time?—They have been increasing of late years.

2808. Not so as to alarm you?—No, not so as to alarm us. The main increase has been because we have entered on a very large enterprise for purifying the Clyde, and that has mainly contributed to the advance.

Mr. A. K. Loyd.

2809. The financial position of Glasgow which you have described is one that you are quite satisfied with, as thoroughly sound, and has been arrived at, I need not say, after very careful consideration?—I think so.

2810. I want to get the advantage of your experience on this point. As I understand, you have the sinking fund, which is entirely concerned with the repayment of debt?—Yes.

2811. And in sound finance that must be kept perfectly distinct from the question of depreciation?—That is our opinion.

2812. Then you have the depreciation fund, and then the reserve fund?—In some cases there is a reserve fund. In the tramways we have a renewal fund, and so forth; but there is not a reserve fund in all our departments. We have one occasionally.

2813. Is the depreciation fund solely devoted to setting aside out of revenue a sum equivalent to the shrinkage in value of the plant?—That is so.

2814. Is that quite a distinct question from the maintaining of works by repairs? Is there a shrinkage or deterioration in value which will ultimately call for renewal quite apart from the necessary repairs and maintenance?—It is quite apart from the sinking fund, but the depreciation fund is for renewal and maintenance.

2815. But is it not also to provide for the necessity of ultimately doing the whole work afresh, as it were, renewing it when it is entirely worn out?—Yes. Of course, where it is completely exhausted, it renews it.

2816. Do not you contemplate the possibility that I put to you?—In regard, for example, to the paving of a street, we annually expend so much in maintaining the street at its highest efficiency.

2817. Perhaps I was wrong in using language which was not applicable to all classes of undertakings. But take the case of a perishable undertaking where you speak of the "life." Is not that contemplated as ultimately requiring renewal?—Yes. Take the tramcars; they are continually renewed out of this depreciation fund.

2818. And some sorts of works, like sewage works or water works?—No.

2819. Pipes, for instance?—The pipes are renewed continually out of revenue.

2820. And what I may call the plant and everything, except the land, of sewage works ultimately requires renewal?—The sewage works and the water works as a whole we regard as built for centuries.

2821. No doubt the bulk of the work is done for all time. Now it is your opinion that, supposing that works became obsolete, by the progress of science, for instance, the depreciation fund would be available to posterity to replace the superseded system by a modern one?—It would be available, of course. In such an eventuality there will first of all have been a very considerable sinking fund which will have accumulated and reduced the debt, and then the depreciation fund will be available for such renewals and alterations as may be required.

2822. Is it your opinion that, where that sound method is adopted of having a depreciation fund, posterity is safeguarded against being left with

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a heavy charge and no equivalent value?—I think it is very well safeguarded indeed.

2823. By that process?—By that process.

2824. But supposing no depreciation fund is created, I understand you to say that there will be a great risk of posterity being left with money to pay and no equivalent?—It is obvious.

2825. Am I right in taking the effect of your evidence to be that, supposing the sound system of finance is adopted and the depreciation fund duly kept up, increased facilities may be given with regard to the period of paying off the debt by the sinking fund?—I think so, most clearly. I feel, for example, with regard to such a provision as a large infectious diseases hospital which we have built at the cost of something like 300,000*l.*, a hospital up to date, perfect and complete in its equipment—that to call upon the ratepayers of to-day to pay the interest upon that sum, and not only to pay the interest, but also to pay off the debt within 30 years, for buildings and land, and to have five or six years of that 30 during which the building is being erected, and so of no use to the present ratepayers, is an absolutely unjust burden to lay on the ratepayers of to-day, and is very much fitted to hinder municipalities from doing such necessary work.

2826. But in order to obtain that extension of time for paying off the debt by the sinking fund, do you strongly hold the opinion that there must be this system of the depreciation fund?—Clearly there must be the depreciation fund.

2827. A witness was here to whom I put this question: "With regard to works, does your borough make no allowance for depreciation other than by sinking fund for the material shrinkage in the value of the plant by the lapse of time?" and the answer was: "Take sewage works as an example. There is no allowance for depreciation, but all these works are kept up and replaced out of revenue." Does that in your opinion involve a confusion of these two funds—the sinking fund and the depreciation fund?—Yes. Of course, I acknowledge that, in such works as sewage and water, there is ample room for a large extension of the period for the sinking fund, but there ought to be a depreciation fund.

2828. Even then?—Even then.

Mr. Murray.

2829. With regard to the first example that you gave us, which was burial grounds, I understand that your complaint chiefly applies to land, and not to any expenses that may be incurred?—I merely gave that as an illustration. For our own part we have not adopted the Burials Act. We have no municipal cemeteries in Glasgow, but I merely illustrated the difficulty that a corporation had in doing what they might think a necessary thing by reason of the very short period.

2830. In considering such a subject, I presume that you would not object to paying for what I may call the preparatory work—the laying out and organising the cemetery out of a short loan if you had a longer period for the land?—No. It might be shorter than for the land, but of course the laying of it out is in itself an addition to the value of the land, and makes the land itself more valuable, and I would not be disposed to argue

Mr. Murray—continued.

for a very short period even for those expenses. The preliminary expenses of acquiring it and so forth should be paid off very shortly, but the expense of laying out might be very fairly given a longer period.

2831. With regard to housing purposes do I gather that you are in favour of distinction between the periods with regard to land and dwellings?—Yes. I have no objection, of course, to "equating" them. I see that phrase has been used in this Committee.

2832. What is the period you suggest?—Not less than 100 years for the land, and 60 for the building.

2833. And then equating them?—I do not object to one or the other; it does not matter.

2834. When a sinking fund comes into operation at a future period are you, under the private Act to which you alluded, obliged to sell the land, or are you allowed to build on it and charge rent?—The sinking fund does not come into operation until we have sold it.

2835. Are you under obligation to sell it?—No.

2836. Therefore there is no reason why the sinking fund should ever come into operation if you prefer to build and sublet?—No.

2837. This particular scheme includes rent-producing buildings. It is not confined to a scheme for housing the working classes?—No.

2838. Therefore we cannot take it as an example for other towns who have applied for purely housing of the working classes projects?—No.

2839. Is it not the case that in Scotland the working classes have not the same objection to what we may call the flat system—living one above another?—I think they prefer it.

2840. With regard to the system of renewals, which appears to work so satisfactorily in Glasgow, supposing it were proposed to extend it over the country, would you suggest that such renewals should be under Government supervision, or would you be inclined yourself to accept Government supervision as to the extent to which you carry out this depreciation or renewal fund?—Well, we do not care for too much Government interference.

2841. But my point is that, if extensions are given which may be financially not so sound as the present system, there may be some risk that a municipality, having a great project in view, might reduce its renewal fund, so as to carry out some new scheme which was temporarily very popular?—I should hope our public men are all above that.

Mr. Wodehouse.

2842. In the earlier part of your evidence you spoke of a representative gathering which decided unanimously that the sinking fund should be applied to buildings only and not to land?—That is so.

2843. Will you tell me, as I did not catch it from your evidence, of whom that conference was composed?—Representatives were invited from every municipality in the three kingdoms—Scotland, England, and Ireland—and there was a very large attendance of representatives from all the great cities both in England and Ireland, as well as Scotland.

2844. Was

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The Hon. S. CHISHOLM.

[Continued.]

Mr. Wodehouse—continued.

2844. Was that recently?—September last—at the exhibition time.

2845. Has the death rate of Glasgow been very materially diminished by the improvements you have effected?—It has very materially been reduced during the last 20 years.

2846. Is the death rate now low in comparison with other great cities?—It is lower than a considerable number of other great cities. Edinburgh is always lower than Glasgow. We have a very large industrial population and many crowded districts in the city.

2847. Have you noted within your own experience a general improvement in the aspect of the people which you ascribe to the improvements effected?—I would not like to speak too strongly on that point. There is undoubtedly an improvement; there is a great improvement in the general appearance of the streets, and of the city.

2848. As regards health and vigour?—Yes.

2849. Which you have distinctly noted in your own lifetime?—I have not spent all my life in Glasgow and I would not like to say. We could still stand a good deal of improvement in the physical vigour of our citizens, and we are doing all we can by gymnastics and athletics and open-air sports to train our young people physically, but I would not like to say that I could distinctly put down two periods with an obvious difference between them.

2850. You bore witness just now in your evidence to the advantages you had received from the expenditure of a past generation with regard to your water?—Yes.

2851. Have you no desire to emulate their example for the benefit of a succeeding generation?—I think we are doing it, and I think we are doing it very largely—much more largely than they did. That was practically the only municipal enterprise Glasgow had 50 years ago. Now we are paying the same sinking fund that they did on the water and the gas, and, in addition we have the enormous sinking fund and depreciation fund on all our health and general

Mr. Wodehouse—continued.

improvement schemes, and we are anxious to do all that they did, but it is distributed over a much wider area now—I mean to say a much larger class of subjects.

2852. You are satisfied that you are doing all that you need to meet the requirements, in reason, of a future generation?—I think we are.

Chairman.

2853. Let me ask you about the resolution of that conference at Glasgow. They asked for 60 years for buildings. Would you opinion be that that ought to be accompanied by an arrangement for depreciation account?—In one shape or other most undoubtedly there should be a depreciation account.

2854. Did you find the representatives of the English municipalities were in favour of having a depreciation account?—I cannot say that I remember that that subject was specifically debated.

2855. It was not raised, certainly, by the English people?—I do not think it was; indeed, I may say it was not. I was in the chair most of the time.

2856. Would you approve of people who only put by one-tenth of one per cent. of the money as a depreciation fund having 60 years to repay their loans?—No, that is not a depreciation fund at all.

Mr. Bonar Law.

2857. With regard to what you are doing for posterity, as a matter of fact, I understand that, in Glasgow, a good many of your loans will fall due within a few years, and the sinking funds will come to an end?—Yes.

2858. Therefore, even if you have much larger expenditure in other directions, the rates will probably be lower than they are now?—Yes; within a few years some of our earlier sinking funds will fall in, and will not require to be continued, and then the asset which they represent will be free and unburdened.

Mr. ROBERT CRANSTON, Treasurer of the City of Edinburgh, called in; and Examined.

Chairman.

2859. You have been for 10 years a member of the Edinburgh Town Council?—I have.

2860. And you are now City Treasurer?—That is so.

Chairman—continued.

2861. You are Chairman of the Finance Committee?—I am.

2862. You have prepared a statement, have you not?—I have. It will perhaps facilitate matters if I hand it in.

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Mr. CRANSTON.

[Continued.]

TABLE A.
EDINBURGH CORPORATION.

STATEMENT showing the Debt for Various Purposes under the control of the Town Council at the close of the Accounts for 1900-01, the period in which the Debt is being repaid, and the Estimated Charge in 1901-02 for Sinking Fund Contribution and Interest in respect thereof.

	Total Debt.	Of which Repayable over							Estimated Charge in 1901-02 in respect thereof.		
									Sinking Fund.	Interest.	Together.
		5 years.	20 years.	25 years.	30 years.	33 years.	50 years.	60 years.			
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
POLICE DEBT (at 15th May 1901):											
Unremunerative:											
(a) General Police Purposes:	5,928 17 3	2,574 17 10	1,791 17 10	—	1,562 1 7	—	—	—	1,210 13 —	190 —	1,400 13 —
(b) Streets:	37,953 19 4	—	7,486 19 4	—	30,467 —	—	—	—	2,362 1 6	970 —	3,332 1 6
(c) General Improvements:	741,035 12 1	—	50,075 16 6	1,388 15 8	632,544 11 1	1,020 —	56,006 8 10	—	31,500 7 8	22,265 —	53,765 7 8
(d) North Bridge Improvement:	62,880 4 1	—	—	—	—	—	62,880 4 1	—	1,375 16 4	1,705 —	3,080 16 4
(e) North Bridge Street Improvement:	136,685 9 10	—	—	—	—	—	136,685 9 10	—	2,883 6 3	3,910 —	6,793 6 3
(f) Sewers and Drains:	53,792 12 11	—	14,308 17 10	—	38,931 5 1	552 10 —	—	—	4,300 18 1	1,620 —	6,010 18 1
(g) Dwelling House Improvement:	125,994 10 5	—	—	—	125,994 10 5	—	—	—	4,881 3 5	3,910 —	8,791 3 5
(h) Burial Grounds:	385 —	—	385 —	—	—	—	—	—	27 10 —	10 —	37 10 —
Remunerative:											
(i) Tramways:	1,164,656 5 11	2,574 17 10	74,048 11 6	1,388 15 8	829,499 8 2	1,572 10 —	255,572 2 9	—	48,631 16 3	34,580 —	83,211 16 3
(j) Electric Lighting:	1,090,746 — 5	—	—	—	1,090,746 — 5	—	—	—	32,800 —	25,970 —	58,770 —
	641,212 1 6	—	—	—	641,212 1 6	—	—	—	23,484 16 2	19,420 —	42,904 16 2
	1,731,958 1 11	—	—	—	1,731,958 1 11	—	—	—	56,294 16 2	45,390 —	101,674 16 2
Total Police Debt	2,896,614 7 10	2,574 17 10	74,048 11 6	1,388 15 8	2,561,457 10 1	1,572 10 —	255,572 2 9	—	104,016 12 5	79,970 —	184,886 12 5
(k) PROPER MUNICIPAL or COMMUNAL GOOD DEBT (at 1st August 1901):											
(l) Non-remunerative:	89,583 6 8	—	—	—	—	—	—	—	1,666 13 4	2,687 10 —	4,354 3 4
TOTALS	2,986,197 14 6	2,574 17 10	74,048 11 6	1,388 15 8	2,561,457 10 1	1,572 10 —	255,572 2 9	—	106,583 5 9	82,657 10 —	189,240 15 9

The charge for sinking fund and interest in respect of the above noted unremunerative debt is equal to a rate of about 8d. per £. on the rental of the city.

(a) The portion of the debt which is being repaid in five years is for the acquisition of properties adjoining the Public Library. The remainder of the debt is for erection of Police Station Houses, &c.

(b) The capital expenditure under this head is for construction of roads, &c., and for the commutation of a contribution to the County Council towards the cost of maintaining roads within the county in the neighbourhood of the city.

(c) The debt under this head which is repayable in 20 years is principally on account of capital expenditure for general improvements prior to 1893. The debt repayable in 25 and 33 years is on account of loans taken over from the late Burgh of Portobello and the debt repayable in 50 years is for public parks recently acquired. The remainder, which is repayable in 30 years is on account of various improvements, including erection of municipal buildings, fire engine stations, public baths, public hospitals, &c.

(d) The capital expenditure includes the cost of acquiring and clearing sites to be left as open spaces, as well as the cost of acquiring sites and erecting thereon new houses for the working classes.

(e) This is the amount outstanding at 1st August 1901 of Corporation 3 per cent. Stock raised in 1895 to enable the Corporation to redeem 3 per cent. Perpetual Annuities granted in 1888 to various parties who had previously to 1833 lent money to the city.

City Chambers, Edinburgh,
23 April 1902.

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Mr. CRANSTON.

[Continued.]

Chairman—continued.

2863. This statement which you have handed in shows the debt for various purposes under the control of the Town Council at the close of the accounts for 1900 and 1901—Yes.

2864. The period in which the debt is being repaid and the estimated charge in 1901-2 for the sinking fund contribution and interest in respect thereof?—It does.

2865. In the very first item, "General Police Purposes," I notice that you are repaying part of that sum in five years, and that you have a note, "The portion of this debt which is being repaid in five years is for the acquisition of properties adjoining the public library." Am I to understand from that that you are repaying a loan for the purchase of land or buildings within five years?—That is so.

2866. At your own request?—At our own request. You will see on this paper five, 20, 25, and 30 years, 33, 50, and 60 years. There is one exception. The 60 years is the Proper Municipal or common good debt. That is explained in this way: the City of Edinburgh was not in a very good state at one time, and we compromised the whole affair, and that is virtually paying off that debt. I need not go into details at all.

2867. No, you need not as you have handed in the paper. Prior to 1893 your maximum period for repayment was 20 years?—You are quite correct.

2868. In that year you got power to extend it to 30 years?—Yes.

2869. In 1894 you came to Parliament for a loan for 50 years, but that was for a very big work?—It was.

2870. Last year you got a Provisional Order for housing purposes?—We did.

2871. What was the period allowed there?—I think that you will be better satisfied with the evidence of the City Chamberlain upon that question than with the evidence that I can give you. We have arranged between us, simply to facilitate matters, each to give certain evidence so as not to delay you.

2872. I want to ask you about a debt of Edinburgh which was incurred in the year 1833?—That is what I referred to a moment ago. We were unable to pay our debts at that moment, and we compromised the whole affair. There is a statement published in regard to it, which I do not care to trouble you with. We are now paying that off under the 60 years' arrangement.

2873. So that, although there was no sinking fund provided for with regard to that debt, you have deliberately established a sinking fund to pay off that old debt of your predecessors?—We have.

2874. So that I may take it the Town Council of Edinburgh are in favour of paying off their debts by instalments?—The Town Council of Edinburgh are distinctly in favour of paying off their debts generally within a 30 years' period. They have, in exceptional circumstances, 50 years, such as, for example, the North Bridge case which you will find in the paper. The North Bridge Street improvement is 136,685l. It is a 50 years' debt. Now with regard to that, taking up the entire work, we had to do it a little earlier than we anticipated, otherwise it would have cost a great deal more money. The railway company were forming a new station, and we took advantage of the place being cleared to put up the abutments of a bridge, etc., etc., and widen it, and we applied for 50 years for redemption and interest.

Chairman—continued.

2875. As regards your electric lighting and tramways you have 30 years for repayment. Do you find any fault with that maximum?—The tramways, the streets, rails, motor power, and buildings connected with motor power, are the property of the City of Edinburgh. The tramway cars and the cable are not the property of the City of Edinburgh. We lease all the buildings, rails, and streets to a company, who pay us 7 per cent. interest upon total capital expenditure. They find their own tramway cars and their own cable.

2876. You purchase all the solid part of the undertaking, the lines and the buildings, and in how many years are you paying off that?—30 years.

2877. Do you object to that period?—Not at all.

2878. Do you think it quite sufficient?—We think it quite sufficient. Then, with regard to electric light, that is a 30 years' payment as well. We have no depreciation fund with regard to our electric light, but we compel them to make all renewals out of revenue to keep the works in proper and good order, and then we make them pay their interest and sinking fund upon a 30 years' principle. Our principle is instalment, not annuity.

Mr. John Hutton.

2879. Your total debt does not amount to more than your rateable value?—The total debt over the whole city of Edinburgh for remunerative and unremunerative purposes is 3¼ millions, of which three millions is under the control of the Town Council. The remainder, three-quarters of a million, we have loaned to the School Board, the Gas Commission, and the Water of Leith Purification and Sewerage Commission. The Town Council's unremunerative debt is 1,164,656l.; the remunerative debt is 1,731,958l. The total debt in that case is 2,896,614l.

2880. And your rateable value is 2,588,838l.?—Yes.

2881. So that your debt is very nearly the same as your rateable value?—Yes.

2882. Can you tell me how much a rate of 1d. in the £ produces?—10,000l.

2883. It is your opinion, I take it, in Edinburgh that it is very desirable to pay off your debts as rapidly as possible?—We hold that. Do not misunderstand me. There are certain circumstances that alter it altogether. That is to say, a large public park purchased on the outskirts of the city may be taken at 50 years as a fair time, because we do not really get the value of it until that time. But I should say that anything within the City of Edinburgh that yields a benefit at the moment should certainly be paid off in 30 years. I am only representing what we believe to be the fact.

2884. With regard to your housing, you have adopted the Housing Act, have you not?—We have.

2885. With what success?—Do you mean financially?

2886. Yes, financially?—It is not a success. It does not pay—I mean to redeem it in 30 years, s 2 to

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Mr. CRANSTON.

[Continued.]

Mr. John Hutton—continued.

to pay interest to keep it in proper order, find caretakers, and so on, there must be a certain sum of money charged each year against the rate-payers to virtually subsidise the rental of those houses.

2887. That is the case now?—That is the case now.

2888. As the houses depreciate it will be more so?—I do not put it in that light. It comes from the fact of your sinking fund. You pay off the total building in 30 years.

2889. Have you had any difficulty in getting private enterprise to build a sufficient number of houses for the working classes?—That is a difficult question to answer. We are supposed to do away with the slums and to build for the poorer classes. Now it is rather a better class of people that takes the houses which we build, the persons whom we really were supposed to build for falling back into the houses that they have left. That is my own experience.

2890. It raises the standard of houses in Edinburgh?—Undoubtedly.

2891. Although you may not get the right class. Are you going to spend any more money on housing?—We have a very bad treasurer just now—myself; I keep down the capital accounts if I possibly can. I do not spend more than I possibly can help for the time being. I want my rates to stand as they are and not to increase the rating.

2892. You do not consider that there is special need at the present time in Edinburgh for building?—We are building now in one part of the city and reconstructing in another.

2893. Is private enterprise going on?—That is going on the same as usual, but in the centre

Mr. JOHN MATHIESON, called in; and Examined.

Chairman.

2899. You are Treasurer of the Burgh of Paisley, I understand?—That is so.

2900. Is it your opinion that, in considering the period of terms, the local circumstances of each burgh should be considered?—I think so.

2901. For instance, Paisley had certain difficulties to contend with, had it not, in regard to its streets?—Yes; Paisley is an old town, and it is only within this last 25 years that they have been making rapid progress both in regard to population and valuation; and necessarily they have had to go in for a great many new works, especially improvement of streets, and I think the improvement of streets in particular should be extended to not less than 60 years for repayment.

2902. You mean that is where the town is an old town and the streets are narrow?—Yes, where they are very narrow and the traffic requires them to be made a good deal wider.

2903. You would have a maximum of 60 years, but within that, by the law of Scotland, the Corporation might select what period they would repay in?—I might explain that about 25 years ago, when Paisley began to move, they got a Bill for street improvement and they were allowed 60 years to repay in. At that time they were allowed to levy up to 5½d. per £ in order to meet that

Mr. John Hutton—continued.

of the city they cannot afford to let houses to the working classes to-day.

2894. Have you formed any opinion as to the limit of the borrowing powers of a municipality?—I should think they are like a man. As long as he can get good credit he will get as much as he possibly can for his requirements.

2895. Would you limit him at all by the amount of rateable value?—I should not think so. We have no difficulty; we are in such a very excellent condition, and we are very careful people, you know, in Scotland.

Mr. Murray.

2896. With regard to the housing question that you allude to, you heard it suggested perhaps that an extension of time should be given in future for land, and also an extension to 60 years with regard to houses. Have you formed any opinion as to whether, if that were done, you would be able to carry on the present work which you have already done without a loss or without a subsidy?—I would not like to gainsay what the Lord Provost said. He is a man of more experience than myself perhaps, but I certainly think that land should not exceed 50 years. That is equal to 2 per cent. virtually. I should say 30 years—that is my own opinion. I heard him say the contrary, but, with all due respect to him, I simply say 30 years is quite sufficient, although he knows probably better than I do.

2897. In your scheme were you put to any considerable expense with regard to demolition?—No, I cannot say there was any undue expense.

2898. But you cannot say what the proportion was?—I could not. I think that Mr. Paton, the City Chamberlain, will be able to give you very full information.

Chairman—continued.

amount. The amount was limited to 80,000l. under the Act, and it took 5½d. per £ to meet that, but now we can meet the interest and sinking fund from a rate of 2½d. Since that time they have been improving slowly under the 1862 Police Act, but now they feel they must go on far more rapidly and they have entered on a large improvement scheme which is to cost over 100,000l., and it is that which is pinching them now. They think that 33 years, as allowed under the Act, is far too little time.

2904. Do you mean the Burgh Police Act?—Yes, the Public Act. There is a clause in the Act that allows us to levy 3d. per £ for street improvements. We find that is not sufficient to carry out these improvements unless the time is extended to 60 years.

2905. There is a double limitation that you must not raise more than a 3d. rate, and that you must not repay it in more than 33 years?—We are tied down under the Act to repay in 33 years, also to a 3d. rate. We are tied doubly.

2906. So that the thing may become impossible?—It has become impossible in that particular case.

2907. You came before this committee rather with the object of preventing the terms being shortened

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Mr. MATHIESON.

[Continued.]

Chairman—continued.

shortened, did you not?—Yes, and possibly to get the terms lengthened in some cases.

2908. The *precis* of your evidence before me urges that the terms should not be shortened?—Certainly.

2909. Was there an idea in Paisley that the result of this inquiry would be that the terms would be shortened?—We did not know what the result might be.

2910. At any rate, it was present to the minds of the Council of Paisley that it was possible that some people might take the view that the terms ought to be shortened?—It may have been in their minds, but that was not our object.

2911. For your own part, you are in favour of paying off loans as far as possible, and as quickly as possible, are you not?—Yes.

2912. For instance, as to waterworks, what term do you think ought to be given?—Under our various Water Acts we have 60 years, and we are quite satisfied with that. They are all done under local Acts.

2913. Do you have depreciation funds, like the Lord Provost of Glasgow has told us of?—No; we have no depreciation in any of the trusts, but, on the other hand, we make it a rule to maintain and renew from revenue. For example, in the gas trust, we not only maintain and renew, but we have spent about £30,000 from revenue in extending the works, which would probably have gone to capital debt in any other town. The reason was that the gas was a very good paying concern, and we had no further borrowing powers. Therefore we extended for some years, up to about £30,000. In that case we do not see any necessity for the depreciation. The extension goes against depreciation, or instead of depreciation.

2914. Those are two points you wish to bring before us—the street widenings and this difficulty under the Burgh Police Act?—Yes, those are the main difficulties that we have. I might say that we voluntarily arranged to pay, and have been doing up to now, in 30 years, while, under a Public Act, we could have taken 50.

2915. You deliberately decided to repay in 20 years less than you need have done?—Yes, and we also decided a few years ago to reduce the time with regard to the water works. Under our earlier Acts we could have taken far longer than 60 years, but we voluntarily agreed to arrange the sinking fund on that basis. Just about that time the Government sent out a circular, intimating to local authorities pretty plainly that 60 years would be the maximum, but we did it voluntarily previously to the circular coming to us.

Mr. A. K. Loyd.

2916. Do you say that the fact that you extended these gas works out of revenue entitles you, as a matter of book-keeping, to abstain from having a depreciation fund?—That is the system we have been going on.

2917. Is there not some danger in mixing up the accounts in that way?—We have found it to work very satisfactorily.

2918. You have had no complaint up to the present from the ratepayers?—No, and our debt bears a very small proportion to the value of

Mr. A. K. Loyd—continued.

the gas works, which have been a thorough financial success.

2919. The gas system has been extended, and in the extended form it goes down to posterity. When the time comes for renewal of that system of gas works, will there not be a very heavy outlay necessary?—We are repaying the whole of the capital debt in 40 years. We voluntarily arranged to pay it in 40 years, and asked Parliament to fix that. Previously we had 100 years to pay it in, and we also maintain and renew. I say, for these various reasons, we do not think a depreciation fund is required in that particular trust.

2920. Supposing a municipality embarks upon what is called a remunerative undertaking, and does not set aside any depreciation fund, is it in a position to say what its net profits are?—Yes, certainly.

2921. Would a private person be in a position to say what his net profits were without having allowed for depreciation?—If they renewed and maintained their works up to the full capital value or more, I think so.

2922. You consider that there would be no danger of confusion as to what was the net profit available for division to be applied in reduction of rates, or to be applied in reduction of gas?—I do not think so. We have reduced our gas rate very much. We sell the gas about as cheaply as any town in Scotland, or cheaper, perhaps, with the exception of Glasgow.

2923. You do not think there is any danger from the accounts getting confused?—I do not think so, because our debt bears such a very small proportion to the value of the works, and we intend to wipe the whole thing out in 40 years.

Mr. William Jones.

2924. What are your municipal undertakings in Paisley?—I have a table here showing a statement of loans.

2925. Have you gone in for short period loans or an extended period as a rule?—For water we have 60 years, for gas we have 40, and for a good number of the other trusts 30 years.

2926. What has been the general desire and the trend of your thought with regard to the period of loans in Paisley?—It depends on the particular trust. For example, electric lighting, I should say, should be paid for sooner than a street improvement, which is to be for all time. It is mainly the street improvement that we find any fault with with regard to our Acts.

2927. Has it anything to do with the facility that you have for getting the loan?—No; we can borrow very cheaply.

2928. Do you find that is so in connection with other towns? Have you experience with regard to other local authorities in Scotland?—No, not specially.

2929. You find, as far as your town is concerned, that you have great facility for borrowing?—We can borrow as cheaply as almost any town in Scotland.

Mr. Murray.

2930. Do you repay on the instalment system, or on the annuity system?—We have both systems. Under the Burgh Improvement Act of 1877,

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Mr. MATHIESON.

[Continued.]

Mr. Murray—continued.

1877, for instance, we pay on what we may call practically the annuity system. It is laid down in the Act that we are to pay such a sum as will, in a certain number of years with compound interest, wipe it out—say in 60 years. Under the Burgh Police Act for street improvement we are bound down to pay one thirty-third, that is to say 3 per cent., of our debt.

2931. Can you express any opinion on the advantage of the two systems?—I have gone into them pretty fully. I think, on the whole, the annuity system is the fairest, but it does not cost the ratepayers any more in the long run.

Chairman.

2932. How is that?—It comes to the same thing in the long run when the period for paying off the debt arrives; it has not cost them more money.

2933. But it has cost more in interest?—Yes. You begin with a smaller sum, and you pay interest on the sinking fund, and the calculation is to bring it out clear at the end of the time just as if you paid 1-30th or 1-60th part in each year.

2934. The amount of the debt which you pay off will be the same, but the amount of interest

Mr. ALEXANDER MURRAY, called in; and Examined.

Chairman.

2939. I understand that you are a chartered accountant?—That is so.

2940. You have been a member of the Corporation of Glasgow for a good many years, have you not?—For 10 or 11 years.

2941. And have taken a personal interest in the question of municipal finances?—Yes.

2942. Do you agree with what the Lord Provost has said to us as regards the necessity for a considerable depreciation account?—Yes, if you allow me to say depreciation or maintenance.

2943. You think that that ought to be taken into consideration in fixing the term for the repayment of the loan?—Yes.

2944. What is your own view about the repayment of municipal debt?—If you allow me to assume that the community is a growing one, and the city is progressing, I think that a considerably longer period might be given for the repayment of loans on such subjects as land, parks particularly, and improvement schemes, and I would also say such a building as the large fever hospital, to which the Lord Provost referred.

2945. I take it that generally you agree with what the Lord Provost has told us?—Yes, generally I do.

2946. Are you professionally engaged in connection with the accounts of any land companies or any house-building companies?—I happen to be the secretary of a land feuing company, as we call it in Scotland—that is, the owning of land and giving it off in feus for building purposes.

2947. As you are an expert, I want to ask you what do you suppose a private company writes off for cottages which it erects for the purpose of

Chairman—continued.

you pay for the use of the money will surely be greater under the annuity system?—The amount of interest will be something more the longer the period you have.

Mr. A. K. Loyd.

2935. Who have been the lenders in the cases where you pay off on the annuity system?—We can borrow from the general public.

2936. Do you find that the general public prefer having their debt redeemed to being paid off in instalments?—No; on the contrary, the favourite investment in Paisley is the water works, and that is the longest period for redemption that we have.

2937. So that the lender gets a very substantial part of his capital back every year, and has to look out for a fresh investment?—We borrow generally on mortgages for five years, and renew or pay off at the end of the time. Lately we have issued stock for a limited amount of the debt, gradually bringing it into that system, instead of by mortgage.

2938. Gradually bringing the whole of the debt into the annuity system?—As soon as the financial position of the country allows it, we intend to bring in the system of issuing stock.

Chairman—continued.

letting them?—I have had no experience in cottages.

2948. You cannot help us in that?—I cannot help you in that.

Mr. A. K. Loyd.

2949. I understand that Glasgow regards borrowing as an expedient to be resorted to in the first instance for carrying out improvements?—Yes.

2950. Then it seeks, by its sinking fund, to provide for the debt, and by its depreciation fund, to provide for the maintenance and ultimate renewal, if necessary, of the works themselves, so as not to have to come for further borrowing powers?—Yes.

2951. Is that a sound way of conducting business, in your opinion?—Yes.

2952. Where that is done, you think posterity is sufficiently protected to enable you to have a considerable extension of time with regard to the payment?—Yes.

2953. I understand the Lord Provost to confine his suggestion to extension of time for the sinking fund?—Yes. He assumes that the subject is being all the time maintained, or where maintenance is impossible a depreciation fund is provided to provide for such a case as a subject being superseded or becoming obsolete.

2954. I put that case to him, with which he agreed and you agree?—Yes.

Mr. Murray.

2955. With regard to the probable life of buildings, is it not the fact that in Scotland a man does not like, if he proposes to build a house, the English

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Mr. MURRAY.

[Continued.]

Mr. Murray—continued.

English system; he insists on getting a feu or permanent possession of the soil?—Yes.

2956. It looks as if he intended his building operations to be permanent?—Yes.

Mr. Law.

2957. Supposing there is no depreciation fund at all, and that the English system is that nothing is written off for depreciation, you would not think that the term allowed now is too short?—For what subjects?

2958. Almost any that we have been dealing with?—Will you give me the term that you say—30 years?

2959. Yes, provided that there is no depreciation fund at all?—For some subjects I think 30 years too long, and for others it might be too short. If you will allow me to give an illustration with regard to a bridge, for instance. Assuming that it is substantially built, there is really no maintenance there, because the bridge, prac-

Mr. Law—continued.

tically is good until some day it is found to have a weakness, and then you require a new bridge. There should be then either a shorter sinking fund or a depreciation fund to provide the new bridge when that is superseded.

2960. Therefore your views about the longer period are all based on the idea that there is a depreciation?—Yes.

Mr. John Hutton.

2961. You issue short bills in Glasgow, do you not?—We do.

2962. Do you find that a successful mode of raising money for short periods?—We have found them very useful.

2963. And a cheap way?—And a cheap way.

Chairman.

2964. Is there anything you wish to add?—I am not aware that I have anything special to add.

Mr. ROBERT PATON, called in; and Examined.

Chairman.

2965. You are the City Chamberlain of Edinburgh?—Yes.

2966. And Treasurer of the Police and Treasurer of the Corporation Loans Fund?—Yes.

2967. In fact, you have the official responsibility for the whole financial operations of the Town Council, have you not?—Yes.

2968. You attend to the book-keeping, accounting, and the preparation of the annual budgets?—Yes.

2969. You are familiar with the details of the Corporation indebtedness and the periods over which its loans are spread, and have probably seen the paper handed in by another witness?—Yes, I have.

2970. Your system is to have a loans fund account, is it not?—Yes.

2971. Into which I suppose any money which you are empowered to borrow is paid?—Yes.

2972. And then lent out again for spending purposes?—That is the practice.

2973. The loans fund authorities insist on the instalments being repaid by the spending departments?—That is the practice which has been followed in Edinburgh in all cases.

2974. So there is no fear of there being any deficiency in your repayment account, because one particular department of the Corporation watches that the other departments pay the instalments?—That is the effect of it.

2975. What is your system of repayment?—The instalment system in all cases has been followed hitherto—that is to say, equal amounts of principal are paid each year, with, of course, a diminishing amount of interest. That has been adopted both for remunerative and unremunerative undertakings.

2976. Do you approve of the system?—I do; I think it is the best system. I think it is superior either to the annuity system or the accumulation of a sinking fund, at least so far as unremunerative expenditure is concerned.

2977. It puts the greater part of the debt on

Chairman—continued.

those who authorise the expenditure, I suppose?—Yes, that is the effect of it.

2978. Do you consider that that is too great a check to put on municipal enterprise?—I think it is a salutary check.

2979. I suppose, if the principle was universally adopted of paying by that system, you might give a longer period for loans than for loans to be paid off on the other system?—Yes. For example, paying by the instalment system over 50 years would mean the same charge in the first year as paying on the annuity system over 30 years.

2980. You say that you think it ought to be always adopted for unremunerative purposes, do you think in remunerative purposes it could also be used?—I think there is not the same reason for using it in remunerative purposes, in fact, there may be reasons against it being used. For example, a tramway undertaking, where the possibilities are that the revenue of the undertaking may increase very considerably in the later years, I think it would be imprudent and unjust to saddle the first years with the instalment system of repayment, which really means the larger burden, because in the later years the undertaking might probably find itself in a more favourable condition to pay off the debt, whatever that debt may be.

2981. But in Edinburgh have not you adopted it in the case of tramways and electric lighting?—We have up to this point.

2982. And you have done that voluntarily?—Voluntarily. I may explain that, in as regards tramways, what I said a few minutes ago does not quite apply to Edinburgh, because in the case of the Edinburgh tramways, they have been leased at a fixed rent, so that the revenue coming to the Corporation is the same in the first year as it will be in the last year of the lease.

2983. Do you consider, as far as Scotland is concerned, that there is any necessity for the extension of the period for the repayment of loans?—I do not think so. I do not think as far

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Mr. PATON.

[Continued.]

Chairman—continued.

far as Scotland is concerned, there is any good reason for extending the periods that have hitherto been given.

2984. You have taken out some figures on the increase of debt in Scotland, have you not?—I have.

2985. Is it your opinion, that in the last 20 years, while the rateable value within the burghs in Scotland has increased by 50 per cent., the total loans outstanding have increased 200 per cent.?—That is what I find.

2986. A large portion of these loans in Scotland is for remunerative purposes, is it not?—A large portion. In burghs in Scotland the proportions are something like 15 millions for remunerative purposes at present, against 10 millions at present for unremunerative purposes.

2987. There has been considerable increase in the rateable value, too, I suppose?—Yes; very considerable. It averages $2\frac{1}{2}$ per cent. per annum over the last 20 years—the increase in rateable values in Scotland in the burghs.

2988. What is the assessment required to meet the capital debt in Edinburgh at present?—About 8*d.* per £ at present.

2989. What was it, say, 20 years ago?— $2\frac{3}{4}$ *d.* per £ 20 years ago.

2990. So you have an increase, in 20 years, on the amount of the charge for the debt of $5\frac{1}{4}$ *d.*?—That is so; an average of about $\frac{1}{4}$ *d.* each year.

2991. During that period what is the total increase in the burgh assessment?—The total increase was 11*d.*; that represents an average of $\frac{1}{2}$ *d.* per annum, which covers the ordinary and the capital requirements. The $\frac{1}{2}$ *d.* includes the $\frac{1}{4}$ *d.* for the increase in capital charge.

2992. So that, while your charge for the debt has gone up $5\frac{1}{4}$ *d.* in these 20 years, your other charges have only gone up $\frac{1}{2}$ *d.*, or how is it?—The whole charge has increased by 11*d.*, of which $5\frac{1}{4}$ *d.* may be said to be in respect of capital debt, the other $5\frac{3}{4}$ *d.* representing the increase in the ordinary expenditure for wages, upkeep, &c.

2993. As to the housing of the working classes, has there been any demand as to the extension of periods for loans in that matter?—I believe there has been throughout the country generally.

2994. Do you think that the difficulty of providing these houses without being a burden on the rates has stimulated that demand?—I believe that has been the principal reason.

2995. Do you know of any consideration besides the desire to keep any charge from falling on the rates, which ought to guide us in this question?—In my opinion the maximum period should be not more than that in which the rents of the houses let to decent poor people at market valuation would redeem the loan if the houses were provided and managed by private owners.

2996. You mean the net rents?—Exactly.

2997. After providing for repairs the chance of their being unoccupied, insurance, and rates and taxes?—Yes.

2998. You consider the period should be the period which the margin which is left would take to pay off the debt?—Yes; assuming the houses

Chairman—continued.

were in the hands of private owners, and managed in a business-like way.

2999. The private owner would want profits. What would you suggest the municipality should do with profits?—The municipality should not make any profit out of the houses; that is to say, the period for the repayment of the loan should be as near as possible that period which the net rents received by the corporation would enable the loan to be repaid in.

3000. Then how would you fix the gross rents—would there not be a pressure on the Corporation to put the rents very low?—I do not think so. The gross rents ought undoubtedly to be the same rents as would be derived for similar property in the hands of private owners.

3001. Would you consider it unfair to private owners to let for less than that?—I should certainly consider it unfair.

3002. And likely to lead, by driving the private owner out of the market and the private builder out of the market, to a worse state of things than before?—I think it would, not only drive the private owner out, but I am afraid it would induce rural people to come to the town. As a matter of fact I know that, within recent weeks, the people who manage the houses put up by the Edinburgh Corporation have found, in several cases, applicants for these houses who have come in from the country, induced to do so by the good houses at low rents, and that of course is the very evil that the Corporation wants to avoid—the evil of bringing people in from the country to swell what is already possibly too crowded a population in the city.

3003. The erection of these houses very often is connected with clearing out slums and improving health conditions, is it not?—That is so.

3004. Do you consider that the part of the debt attributable to such purposes as that should also be paid for out of the net rents?—No; I think that ought to stand on its own legs. I think that a considerable amount of misapprehension on this question has arisen through not making that quite clear. I can give you an example in Edinburgh, and a very pertinent one possibly in one way. In one area in Edinburgh the approximate cost of acquiring the site was 20,300*l.* It was all demolished, and then houses were built on the site, but a large part of the area was simply thrown into what you might call light and air space. As a matter of fact out of the 20,300*l.* that was paid for acquisition it is estimated that the value of the ground on which the houses have been erected is only something like 5,775*l.*, and what I fear is that this may be a case typical of the following—that sometimes, when they are calculating what the net result of the operation has been, they include in the original cost what I call dead-weight expenditure, which has really been for light and air apart altogether from the actual provision of houses themselves.

3005. In how long do you think, if such extraneous matters as that were taken out of the accounts, the net rents would pay off the loan?—Of course it will vary possibly with the kind of house which is put up, and with the way in which it is managed, but if it is managed properly I believe that, seeing that private companies

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Mr. PATON.

[Continued.]

Chairman—continued.

panies are getting a return of something like from $3\frac{3}{4}$ to 4 per cent. out of them, if corporations could do the business equally well, and obtain a return of 4 per cent., that would enable the original loan to be paid off in 47 years. If they obtained $3\frac{3}{4}$ per cent. that would enable the

Chairman—continued.

loan to be paid off in 55 years. I have prepared a statement.

3006. You have been good enough to prepare us a table showing what would be the result of the principle that you suggest?—Yes (*producing the same*).

TABLE B.

CITY OF EDINBURGH.

NOTE of the Number of Years in which a Loan applied in the Acquisition of a Dwelling-House Property at a certain number of years' purchase of the Annual Rental can be redeemed out of the Yearly Rents after deducting a percentage for Repairs, Insurance, Taxes, &c., Interest being taken at 3 per cent.

	£.	£.	£.	£.	£.
Gross Rental, say	100	100	100	100	100
Allowance for Repairs, Taxes, &c.	20	25	30	35	40
Net Rental	80	75	70	65	60
Acquired at 15 Years' Purchase:—					
Percentage of Net Rental to Cost	$5\frac{1}{2}$ per cent.	5 per cent.	$4\frac{2}{3}$ per cent.	$4\frac{1}{3}$ per cent.	4 per cent.
Redemption Period (Years)	28	31	35	40	47
Acquired at 16 Years' Purchase:—					
Percentage of Net Rental to Cost	5 per cent.	$4\frac{1}{2}$ per cent.	$4\frac{2}{3}$ per cent.	$4\frac{1}{3}$ per cent.	$3\frac{3}{4}$ per cent.
Redemption Period (Years)	31	35	40	46	55
Acquired at 17 Years' Purchase:—					
Percentage of Net Rental to Cost	$4\frac{1}{2}$ per cent.	$4\frac{1}{4}$ per cent.	$4\frac{2}{5}$ per cent.	$3\frac{4}{5}$ per cent.	$3\frac{3}{5}$ per cent.
Redemption Period (Years)	35	39	45	52	65
Acquired at 18 Years' Purchase:—					
Percentage of Net Rental to Cost	$4\frac{2}{3}$ per cent.	$4\frac{1}{3}$ per cent.	$3\frac{4}{5}$ per cent.	$3\frac{4}{5}$ per cent.	$3\frac{1}{2}$ per cent.
Redemption Period (Years)	38	44	50	60	78
Acquired at 19 Years' Purchase:—					
Percentage of Net Rental to Cost	$4\frac{1}{4}$ per cent.	$3\frac{4}{5}$ per cent.	$3\frac{1}{2}$ per cent.	$3\frac{1}{5}$ per cent.	$3\frac{1}{5}$ per cent.
Redemption Period (Years)	43	49	57	71	102
Acquired at 20 Years' Purchase:—					
Percentage of Net Rental to Cost	4 per cent.	$3\frac{3}{4}$ per cent.	$3\frac{1}{2}$ per cent.	$3\frac{1}{4}$ per cent.	3 per cent.
Redemption Period (Years)	47	55	66	87	Perpetuity.

City Chambers, Edinburgh, 23rd April 1902.

Robt. Paton, City Chamberlain.

3007. You consider yourself from the experience of private companies that 47 years would be about the right term for a loan for houses if you did not consider town improvements as well?—For the best class of houses that are being put up. Of course, in some cases there is a house put up for the poorer class, and in that case the cost of up-keep may be greater, and therefore the net 0.12.

return may be under 4 per cent., but even if it be only $3\frac{3}{4}$ per cent. then the loan should be paid off in 55 years.

3008. What has been the period in Edinburgh for the housing loan?—Last year we obtained 50 years. Prior to that it had been 30.

3009. In the Provisional Order there was also something for acquiring houses condemned as uninhabitable.

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Mr. PATON.

[Continued.]

Chairman—continued.

uninhabitable, was there not?—Yes, that was obtained last year, and I believe that the Edinburgh Corporation is the only corporation that has obtained such a power. They look upon it rather as a valuable power. Prior to that time houses had been condemned as uninhabitable, and unless the proprietors made them habitable they were simply closed up and the people, of course, had to go out, and in many cases the houses or tenements stood vacant in that condition. Last year the Corporation obtained power, in cases of that sort, to virtually put the Housing of the Working Classes Act provisions in force and acquire compulsorily these houses from the owners, with a view to reconstructing them, making them sanitary, and letting them to people at reasonable rents.

3010. And with a 50 years' period you consider that can be done?—I believe that it can be done without making any charge on the rates.

Mr. John Hutton.

3011. I do not quite know where you got your figures from just now about the local debt of Scotland. We have had an official paper put in this morning which shows that from 1881 to 1900 the local debt of Scotland has risen from 20,162,000*l.* to 42,638,000*l.*, an increase of 22,476,000*l.* in the 20 years or an increase amounting to 111·5 per cent.?—I was dealing with the loans so far as the burghs are concerned.

3012. Seeing that the outstanding debt of Scotland has more than doubled in 20 years, have you any observations you would like to make with regard to that very important fact?—A large part of it is undoubtedly debt for remunerative purposes which pay for themselves without making any charge on the rates, and as it is the increase in a charge on the rates that is often the reason for drawing particular attention to this, I think it fair that in all cases it should be pointed out that a large part of the increase in the debt is for remunerative purposes, and therefore no charge on the rates.

3013. At the same time local rates have increased in the same period by 55·6 per cent. How does that tally with what you suggest?—I have taken out the total burgh rates, and I find that the approximate average burgh rate 20 years ago, excluding poor and school rates (which are levied by the parish councils), and water rate would be about 1*s.* 9½*d.* per £, and last year it would be 2*s.* 4*d.* It is an increase of about 33½ per cent. so far as the burghs are concerned.

3014. Does it strike you, you being conversant with regard to local credit and local debt, as anything very special to be remarked upon that the debt has increased to this enormous amount, beyond the fact that a great part of it is remunerative and that the annual valuation of Scotland at the same time has only increased by 22·4 per cent.?—I think in this connection we ought to distinguish between burgh and county, because it is in burghs undoubtedly that the large increase in the debt has mostly occurred. Against that you ought to put the increase in the burghal rental, and while the rental all over Scotland may have increased by 22·4 per cent., I find that the rental of the burghs in Scotland has increased by 50 per cent.

Mr. A. K. Loyd.

3015. Is it by special Act that you are empowered to create this loans fund?—By a special Act.

3016. What is the reference to it?—The Edinburgh Corporation Stock Act, 1894.

3017. From whom do you borrow?—We issue Corporation Stock; we discount bills, and we borrow largely from the public on deposit—that is to say the public deposit large sums of money with the Corporations, especially with the Edinburgh and Glasgow Corporations, instead of depositing with the Scotch banks, and the inducement is that the Corporations give a half per cent. more, as a rule, than the Scotch banks give, and the depositors look upon the one security as quite as good as the other.

3018. To whom do you lend?—In addition to lending to ourselves, virtually, or, as the Chairman put it, to our Spending Committees we lend to the Gas Commissioners. (We have power to do so. The Gas Commissioners are separate from the Town Council of Edinburgh, because they represent the burghs of Edinburgh and Leith.) We lend also to the School Board of Edinburgh, and a small trust called the Water of Leith Purification and Sewerage Commission, and we have power to lend to the parish councils.

3019. Have you power to lend to private undertakers?—Not at all.

3020. You lend to other local authorities or yourselves?—That is so.

3021. Do you find that the general public like the system of being paid back by fixed instalments with a constantly decreasing amount of interest?—The instalment system does not affect the public. In our loans fund we may raise the money either by stock or promissory note, or loans from the public. We lend it to the Spending Account, and the Spending Account must provide repayment by the instalment system, and that means that it is simply paid back into the loans fund.

3022. It is the Corporation that is paid back on the instalment system, but on what system do you repay your lenders?—With regard to Corporation Stock, that is redeemable at 30 years as a rule.

3023. The public prefer having the capital redeemed at the end of an interval, to having it paid off every year?—Corporation Stock is a popular investment, and we may presume that the public prefer it to mortgages, for example. With regard to the deposits, these are at a month's notice on either side.

3024. More like a deposit account at a bank?—Yes.

3025. You merely utilise a floating fund that happens to be left in your hands for the time being?—Yes. It is pretty much a temporary borrowing. It suits us in this way: That we can borrow from the public, and use the money until the amount is sufficient and the conditions are favourable to warrant our issuing Corporation Stock and putting the matter on a permanent basis.

Mr. William Jones.

3026. What do you regard, generally speaking, as a satisfactory period for the repayment of loans

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Mr. PATON.

[Continued.]

Mr. William Jones—continued.

loans for schemes of housing the working classes?—I think 50 years, as we have in Edinburgh, is a satisfactory period.

3027. Have you ever gone in for any extension at all?—That was an extension which we got last year from 30 years.

3028. Why did you go in for an extension? Did you consider 30 much too short a period for the scheme?—We did consider 30 much too short a period for the scheme.

3029. And so you went for an extension to 50 years?—Yes.

3030. With regard to the rents of these houses you said you considered that the rents fixed by private owners a practical standard for municipalities. Is that your view?—Not in all cases, but in a certain class of house. I am afraid it applies to the only house yet provided by the Edinburgh Corporation, and as the other witness from Edinburgh explained, there is not the least doubt that the people unhoused do not get the new houses. We make it a *sine qua non* that they must be decent and provident people; we do not take in the improvident, the thriftless, or the destructive.

3031. Supposing you went in for increased facilities to deal with a lower strata, what would be your standard then of fixing rents?—I can imagine a stratum low enough to warrant only a standard of fixing such rent as that stratum can pay, and, if the house entails a loss, putting that on the rates undoubtedly.

Mr. Murray.

3032. In regard to the cost in connection with working class dwellings, have you calculated at all what comparative cost goes towards the expense of demolition in insanitary areas?—Yes, I have some figures with regard to that. I find that in the whole of the operations under the Housing of the Working Classes Act in Edinburgh, the cost of demolition has been 6,600*l.* on a capital cost for acquisition of 114,000*l.*, and a cost for erection of new houses of about 50,000*l.*

3033. Practically about 4 per cent.?—Yes, about 4 per cent.

3034. In dealing with the sums which are raised for housing schemes, you have given us very clear views as to the term of years for the houses erected. What term do you consider would be suitable for what you have mentioned—the light and air space?—In Edinburgh hitherto the period for that class of expenditure has only

Mr. Murray—continued.

been 30 years. As an official, of course, I am glad to see that period adopted.

3035. With regard to your new scheme of compulsory acquisition of insanitary houses, do I understand that you are able to take possession of one single house in an insanitary area?—We could take possession of one house in an insanitary area. As a rule, of course, houses are condemned *en bloc*—a whole tenement, as a rule, is uninhabitable, and declared to be so.

3036. Have you considered what has been put before us by some of the witnesses, the suggested distinction between land and work, and do you prefer the equated period?—I prefer the equated period.

Mr. Bonar Law.

3037. Mr. Hutton asked you if you could explain why the rate has risen, although so much of the debt is in remunerative enterprises. It occurred to me that possibly one reason might be that the length of time for paying off these sinking funds being short, the whole enterprise becomes soon free of debt, and the rate on that account is high. Do you think that is probable?—I think that the reason probably is that within the last decade the desire of municipalities to do what is necessary to bring their cities up to modern requirements is really at the bottom of the increase in the rate, because of the increase in the debt.

3038. Then you said you did not think there was any need to extend the period at all in Scotland. Are you not judging from special Acts rather than from the rules of the Departments?—I am judging principally from Edinburgh experience, of course.

Mr. Wodehouse.

3039. As regards remunerative and unremunerative debt, can you state the relative proportions at the present time?—In Edinburgh?

3040. Yes, in Edinburgh?—I should preface my reply by saying that the gas and the water are not under the control of the Town Council; they are under the control of separate trusts, representing the Burghs of Edinburgh and Leith, and therefore I am not officially connected with them, but I think I am not far wrong when I say that the unremunerative debt may be taken at a million and a quarter, and that the remunerative debt may be taken at 4,500,000*l.* I am giving water and gas as well. That is the round figure; I cannot say that it is absolutely right.

Adjourned to Tuesday next at 11.45 o'clock.

Tuesday, 29th April 1902.

MEMBERS PRESENT:

Captain Donelan.
Mr. William Jones.
Mr. John Hutton.
Mr. Law.
Mr. Grant Lawson.

Mr. A. K. Loyd.
Mr. Charles Murray.
Sir Albert Rollit.
Mr. Runciman.
Mr. Wodehouse.

MR. GRANT LAWSON IN THE CHAIR.

Mr. AUSTIN TAYLOR, called in; and Examined.

Sir Albert Rollit.

3041. You are Chairman of the Housing Committee of the Liverpool Corporation?—Yes.

3042. What is the principle upon which you would think the term for housing repayment should be settled?—I think that it should be settled on the principle of making the duration of the loan correspond to the life of the buildings, treating land, as far as possible, as a permanent asset.

3043. I think you are of opinion that the demolition of insanitary areas is one of the most pressing needs of the day?—Yes, I think so.

3044. And the corollary to that in your opinion is that the rehousing in sanitary dwellings of those dispossessed has an ethical aspect which differentiates it from ordinary town improvements?—Yes. I consider that the demolition of insanitary areas is now admittedly followed by a policy of rehousing. The Local Government Board themselves enforce that.

3045. You are of opinion that anything tending to these ends should be willingly conceded by the Local Government Board, or by Parliament, as the supreme authority?—Yes.

3046. You would advocate of course an adherence to sound financial methods?—Yes, sound financial methods, as against unduly rigorous methods.

3047. In relation principally to this question of housing and rehousing?—Precisely.

3048. Upon moral and physical grounds accruing to the benefit of the whole community?—I consider that the demolition of insanitary property is a kind of duty which the municipalities have undertaken of late years. They have suddenly woke up to the necessity of it.

3049. In Liverpool you have done your utmost I believe to carry out what you believe to be the intentions of Parliament on that matter?—Yes—that is rehousing those actually dispossessed.

3050. Do you feel that that is a duty imposed upon you by Parliament?—A duty which we should have undertaken even if Parliament had not imposed it.

3051. Do you consider that the Local Government Board have offered all the facilities they

might have offered?—I think the Local Government Board have done what they could, but I understand that they are bound in some way by statute, and in any case I think that they might give a little longer term if they have the discretion to do it.

3052. I think you also object to the limitation of the borrowing powers for rehousing as well as for housing?—The statutory limitation?

3053. Yes?—Yes; but that does not affect Liverpool. I understand that it affects other municipalities—two years' rateable value.

3054. With reference especially to land and buildings do you think that the statutory term should be lengthened?—Yes. I think that the term for buildings should be 60 years, and the term for land 100 years.

3055. I believe that your opinion is that the larger the town the greater the tendency of land to increase in value?—That is so.

3056. And the less the risk of depreciation?—Yes—depreciation of land.

3057. Is it your opinion that the principle applies both to the outskirts and also to the centre of the town?—Yes I think equally.

3058. Taking Liverpool?—We have done no building in the outskirts at all.

3059. No, but I am speaking as a general principle?—As a general principle I think it applies equally. If a town is not growing on the outskirts obviously it will not improve in value in the centre.

3060. Have you any doubt about the fact in Liverpool?—None whatever.

3061. What do you say about the areas after demolition; are they capable of being utilised by existing owners for business purposes?—Yes, the demolition areas in some cases in Liverpool where they are sufficiently large are commercially valuable. Of that there is no doubt, and the Corporation, in putting them to the purpose of rehousing dispossessed people, is to that extent sacrificing the value of the land temporarily or otherwise.

3062. I believe that where you have acquired sites gradually, the commercial value has, in your opinion been, greater than the price paid?—In

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[Continued.]

Sir Albert Rollit—continued.

—In some cases, yes. In the Adlington Street area, which was gradually cleared and acquired under our local Act, the cost price was something over 30s. You have it in my evidence.

3063. Yes?—And when cleared our deputy surveyor valued it for commercial purposes at from fully 35s. to 40s.

3064. In that case the tendency of your opinion is that the land might well be regarded as a permanent asset?—As a permanent and increasing asset.

3065. Supposing that it were proved on inquiry that more had been paid for the land and buildings than the market value of the cleared site, how do you think the excess might be treated?—I think the excess might be subject to a sinking fund for a shorter term.

3066. With regard to buildings, does the length of life affect that question equally in your opinion?—Yes; the length of life of the buildings; but I think that 60 years is not at all an undue period. As a matter of fact, the court property that we are pulling down in Liverpool to-day as unsanitary in many cases is structurally not out of order; it is perfectly habitable, and, of course, must have been built 60 to 70 years ago, before any bye-laws came into force; but as far as the structural condition goes, many of these so-called insanitary houses are not so bad. There is life in them, only technically structurally they have become insanitary on account of the advance in the standard. The condition is not bad.

3067. What class are you particularly seeking to rehouse in Liverpool?—The class we turn out.

3068. Yes, but what class are they—in what condition of life?—They are universally, I think, not only in Liverpool but all over the country, the poorest of the poor—people whose wages average 15s., or perhaps even 12s. to 18s., a week, who, in my judgment, form the most legitimate objects for municipal enterprise.

3069. How does the condition of that class affect the structural character of the buildings for them. Having regard to that class, what particular provision has to be made in relation to the buildings?—Of course, they have to be of a substantial character, vermin proof, with iron joists and concrete floors, so that a hose could be turned on them, if necessary. In fact, they have to be built in the most substantial way, and plain.

3070. And they are proportionately costly?—Yes, they are proportionately costly.

3071. What is your estimate of the life of the buildings you erect in Liverpool—how many years?—Do you mean structural existence?

3072. Yes, structurally I mean, first?—100 years.

3073. At the end of 100 years could they be still adapted to continuing life?—At the end of 100 years, as far as their structural condition goes, in my judgment they would be perfectly habitable.

3074. But supposing there had been some change and development in ideas, and so on, would they still be, after 100 years, more or less adaptable, not merely structurally?—It is impossible for me to forecast the standard of requirements 100 years hence.

3075. How are the buildings kept in repair, apart from the sinking fund?—Out of income.

Sir Albert Rollit—continued.

3076. What is the longest term that has been allowed to you in respect of buildings of this class?—Ordinarily, we have only had 30 years. The very longest period we have had, I think, is 60 years in one case.

3077. It may be a typographical error, but it is put here as 40?—Yes, 40 years is the longest we have had for buildings.

3078. You are clear of that now?—Yes. I remember now the particular case where we got 40 years for buildings and 60 years for land, which is the longest we have had, was the Newsham Street and Kew Street area, now in course of erection.

3079. Only in one instance have you got 40 years?—Only in one instance, 40 years.

3080. The Treasury, as a matter of fact, allow the London County Council 60 years?—Yes.

3081. How many years should, in your opinion, be allowed in respect of such buildings as you erect?—60 years.

3082. At least?—At least.

3083. Do you think that the market values would be maintained during the length of life which you have been speaking of of the land and buildings?—Yes. I can quite imagine that in 60 years the increase in the value of the land alone would be sufficient to cover the liability.

3084. Do you think that the generation during the latter part of the period would be prejudiced or not, and for what reason?—No, I think they will be immense gainers. In fact, I think, with regard to the housing question, that we have a peculiar claim upon posterity.

3085. Will you give reasons to the Committee?—The reason is that the existing generation, who are now being turned out of these rookeries and forced by the action of the municipalities into sanitary dwellings, will themselves, I think, only receive a slight benefit from the change, but their children, who grow up under these improved conditions, are really going to improve the community as a whole, and it is the next generation who will get the benefit of that.

3086. And succeeding ones?—And succeeding ones.

3087. I want to ask you whether you think that the houses and land at the end of that term will still be an income producing asset available for future generations?—At the end of 60 years? years?

3088. Yes?—Yes, I think so. If the purpose for which they have been used has been served, you can use the land for commercial purposes.

3089. What will be the effect upon municipalities of making the terms more onerous with reference to the work?—Practically, this class that is now being turned out of the insanitary property cannot be rehoused on a commercial basis in Liverpool or anywhere else.

3090. Do you think that will deter the municipalities from doing the work which Parliament intended?—Yes. Unless the problem is met in a spirit of compromise between the commercial spirit and what one may call the social reform, you cannot get any further with it.

3091. I believe that one of your objects, and a general object, is to keep the rents as low as possible to meet the particular class intended to be benefited?—That is so.

3092. What would be the effect of raising the rents—to attract a better class, like the artisan class?—

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[Continued.]

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class?—The present position in Liverpool is that the Committee will not admit to their buildings any but those who have been dispossessed. To make that a reasonable policy the rents are fixed approximately at what these people can pay. If we withdrew that line and threw open the houses to anybody and everybody the better class artisans would probably be attracted from the outskirts of the city and would pay us very much better rents.

3093. I believe that you have some figures which you can lay before the Committee to show the effect of high rent?—I do not know that I have.

3094. Your proof says that you wish to lay a few figures before the Committee which will demonstrate the impossibility of providing sanitary dwellings for the poorest of the poor without throwing some burdens on the rates?—I have not those figures with me, but I may say that, taking two areas in Liverpool, the Kemsdon Street block of dwellings and the Newsham Street and Kew Street block of dwellings, and putting the land in at 12s. a yard (writing it down to 12s. a yard), we found that the sinking fund in the Kemsdon Street area, where we had 30 years, was thrown on the rates entirely—slightly more than the sinking fund. In the Newsham Street and Kew Street area where we got that exceptional extension of period to which I referred before, the sinking fund was not altogether thrown on the rates. Practically it means that, if you want to rehouse this class, and I am sceptical as to the benefit of rehousing any other, you must face a certain loss, as regards the rates: in fact you have to throw the sinking fund on the rates.

3095. In other words one class will pay for another class being housed, or rather rehoused, in the case you mention?—The whole community will help.

3096. What has the land cost you in Liverpool, as a rule, on which you have erected your buildings?—About 21s. is the average—20s. to 25s.

3097. The figures given to me are 26s. to 40s.?—I have not my proofs with me, but 26s. to 40s. is about it; it varies very much.

3098. Per square yard?—Per square yard.

3099. What has it been written down to for housing purposes?—12s. 6d. or 12s.

3100. 12s.?—The Victoria Square and Juvenal dwelling sites cost how much per square yard?—About 47., I think.

3101. 37., I may remind you?—Yes.

3102. What were they written down to?—25s., approximately.

3103. The figures given to me are 22s. 6d. and 24s.?—Yes.

3104. How may the difference between the cost of the ground and the reduced figures be regarded? May it be regarded in your opinion as a sanitary charge, and so treated?—Absolutely.

3105. How long ago is it since the demolition and reconstruction of insanitary areas was begun in Liverpool?—About 30 years.

3106. It has involved the pulling down of how many houses?—8,000 approximately by the Corporation.

3107. Is it a fact that the present assessment

Sir Albert Rollit—continued.

for demolition and housing purposes covers all charges of interest and sinking fund in connection with these schemes, less net rents, or 21,300£. per annum or thereabouts?—That is so.

Chairman.

3108. What rate in the pound?—1½d.

Sir Albert Rollit.

3109. What is the return on the properties. Victoria Square averages over 10 years I am told 27. 6s. 2d. per cent.?—Yes.

3110. Juvenal Buildings average over 10 years, 37. 3s. 10d.?—Yes.

3111. Gildart's Gardens dwellings average over three years 37. 12s. 1d. per cent.?—Yes.

3112. Arley Street dwellings average over three years 47. 10s. 2d. per cent.?—Yes.

3113. What is your deductions from those figures?—That if you want to rehouse the poorest of the poor you can get interest on your money but you cannot get sinking fund.

3114. How does that compare with the position of the private builder?—The private builder will not touch this class at all; he cannot.

3115. Your opinion is that, under such circumstances, the sinking fund is, and must be, a charge on the rates?—Yes, I think so.

3116. Why are you forced to assume the writing down of the land to 12s.?—We are forced to assume the writing down to 12s. because that is the most that, for that particular purpose, it is worth.

3117. Having regard to sanitary and social reasons?—Yes.

3118. But even so, is it the case that, although you cannot avoid throwing the reduced sinking fund, so calculated, upon the rates while that is so, yet the value of the land is really there if at any time it should revert to business purposes?—Yes.

3119. And, as I understand you, even the buildings structurally?—Structurally, Yes.

Chairman.

3120. The alteration of the structure from housing to, say warehousing, would be very expensive, would it not?—The same structures?

3131. Yes?—You could not do that.

3122. You do not mean that they could be structurally put back to commercial purposes at the end of 60 years?—No.

3123. As to the loss on writing down the value of the land, do you propose that that should be paid by loan?—It has been paid by loan before you start.

3124. How long would you propose to pay that off in?—The position is this: You apply for a loan to clear a particular site for demolition purposes. You borrow for that purpose; that is as regards the land. When you come to rehouse, you do not borrow again for the land; the borrowing is done once for all when you buy the insanitary property and clear the area.

3125. Part of the expense is incurred for sanitary purposes for clearing the area?—Yes.

3126. And that you arrive at by writing down the land to its housing value?—12s.

3127. So that there is a balance of money expended

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[Continued.]

Chairman—continued.

expended which is expended for sanitary purposes?—Yes.

3128. How long do you think such sums ought to be paid off in?—I think they ought to come under the same conditions as may be fixed for land for general sanitary purposes. The operation of demolition to my mind is the same as any other sanitary improvement for the City.

3129. Do not you find in Liverpool that if you rehouse the artisan class it leaves houses which they have occupied for the poorer people to live in; I suggest that you help the lower strata by leaving houses which the artisans have occupied for them to move into?—Yes, that is known generally as the levelling up policy. In Liverpool I may say that I do not believe in it. The conditions in Liverpool, with the river and the docks, are such, with regard to casual labour, these poor people must be rehoused somewhere within reasonable distance of the docks. If you undertake to rehouse that class you know what you are doing. They go into the houses; you do not take anybody else in. You get them there and they are under the eye of a caretaker, and their condition is likely to improve. If you adopt the other policy of building houses suitable for the artisan classes, and attract the superior artisan, as it were, from a distance, it is quite true that he may vacate houses, but it does not at all follow that the same people that you have dispossessed will have any opportunity of going into them. There may be a general levelling up, but it is a policy about which I am not clear.

3130. But have you not an application before the Local Government Board to rehouse at some considerable distance from where you are clearing a space?—Yes.

3131. How far are your new houses from this area?—Perhaps half a mile at the outside.

3132. You appreciate the fact that you cannot rehouse the very poorest on the most valuable land in the centre of the city without loss?—I do.

3133. So that you are really letting these people houses at less than cost price?—That is so.

3134. That, in fact, makes them more or less, almshouses does it not?—I do not think it is quite that. The way I look at it is this: One of the conditions of the question is this—you have these people to-day living in insanitary houses with which they are perfectly content. They may be dirty and they may be insanitary and a danger to the community, but there they are, and people are satisfied. A man is paying perhaps 3s. 6d. a week for an insanitary house in a court for himself, his wife, and possibly eight children; the municipality steps in and turns this man, or 100 or 1,000 of such families out. I do not think it is, strictly speaking, an almshouse, if the man is asked to pay 4s. 6d. a week by the municipality for less accommodation than he has been getting.

3135. I am not objecting at all to the policy. I am only asking you whether it is not the case that these men are receiving something out of the rates?—There is no doubt of that.

3136. And if you spread your loan over a very long period might it not be considered that you were doing this kindly act at the expense of future generations?—As I have already said, I

Chairman—continued.

think it is future generations who are going to get the benefit. It is the children of these people who are really going to make the change from disease and insanitary conditions to healthy ones.

3137. Under your present operations this is only costing you a 1½d. in the £. Does Liverpool object to that for all these advantages?—Not in the least.

3138. So that you do not come before us suggesting that you should have a longer term so as to save you from a 1½d. rate?—No, but because we have a good deal more to do.

3139. And do not you think future generations will have a great deal more to do in this line?—No, I do not.

3140. Houses in Liverpool are becoming every year insanitary?—No; the structurally insanitary houses in Liverpool are all known, tabulated and located. We have a complete record of them, and we have certain definite work to do. I do not think that, when the structurally insanitary houses are cleared out there will be the same need for help as there is to-day. We want to overtake arrears.

3141. You do not think that the successors of the present Council will have wider and wider duties to perform involving more and more loans?—Not in this direction.

3142. But in other directions? I am only here to speak for housing.

3143. As regards your periods, are they all fixed by Local Act in Liverpool?—The Local Act only deals with demolition. All building has had to be done either under the Artisans' Dwellings Act, or under the Housing of the Working Classes Act, part 3.

3144. But as regards demolition, the Liverpool Town Council, I think, in 1864, fixed the period of 30 years for loans for the purchase of land and demolition, did it not?—I think so.

3145. And the Local Government Board has kindly stepped in within the last year and increased that to 60 years for land?—But I do not think it has under the Local Act; I think it is under the Housing of the Working Classes Act that we have obtained 60 years for land.

3146. There was a Provisional Order last year amending your Local Act of 1864?—Yes.

3147. Are you aware that one of the provisions was that, in future, the term for loans under that Act, instead of being 30 years, is now to be 60 years?—Has that passed Parliament?

3148. It passed last Session. You are perhaps not aware of it?—No.

3149. With regard to these houses being a valuable asset for posterity, you say that the houses you are now pulling down are about 60 or 70 years old?—Yes.

3150. And that, although structurally sound, they are such as you cannot allow the people to live in?—That is so.

3151. Do not you think that, 60 years hence, there may be wider requirements in the way of sanitation, and so on, than there are at the present day?—Well, I hardly think so. I hardly think that they will have increased so as to make these present houses that we are building insanitary. Such questions as ventilation and sanitary accommodation, water closets, and that sort of thing, are all provided for in such a way as would satisfy most people, even in the better classes

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classes, on those heads to-day. I cannot conceive that in 60 years the very poorest of the poor would be judged to be living in insanitary houses, because they were living in these tenements.

3152. Do not you think that 60 years ago the people who built those houses thought they were building for a longer period than 60 years?—I do not think they thought anything about it. There was no supervision in those days, and they did what they liked.

3153. They did not build them out of loans, did they?—No.

3154. As regards the length of the useful life of these buildings, I gather that your design, and a very proper design, is to let them to the very poorest of the poor; but do not you find them very bad tenants as regards keeping the place in repair?—They are not the best, certainly; but we have found an improvement.

3155. Do not you find that a bad tenant makes a bad house?—When they do not pay their rent we turn them out.

3156. I am not speaking of their rents, but of the way in which they damage the houses?—It is not open to them to damage these houses very much. They do not admit of it.

3157. Because they are iron and concrete?—Iron and concrete; and I am bound to say in not a few cases we see signs of improvement in the habits and thoughts of these people. Under brighter conditions they do attempt something better.

Mr. Hutton.

3158. Where do these poorest of the poor go to when you have turned them out?—Our aim is to get them into the houses that we have built.

3159. When you have turned them out of the houses that you have built on account of their not paying their rents, as you have just told the honourable Chairman, where do they go?—We only turn a certain percentage out.

3160. But where does that percentage go?—They will go back into such insanitary houses as are left in Liverpool.

3161. As are not yet pulled down?—Or they will overcrowd houses structurally sanitary.

3162. You said that the private builder will not touch this class of property at all; do you mean houses which the poorest of the poor can live in?—Yes.

3163. Are you surprised at that?—No, he cannot. These people are living in houses that are absolutely insanitary, bought for a mere song by the landlords, and to which no repairs are done.

3164. I am speaking of the new houses for this class which you are building?—No builder can possibly compete with that sort of thing.

3165. With you?—No. No private builder could possibly compete with the insanitary houses in which these people are living to-day. They have been bought in all probability for a mere song; no repairs are done; they are in a filthy state, and, of course, a new building built up by a private builder would cost a great deal more than they.

3166. Do you admit that your sinking fund is entirely to be found out of the rates?—I admit that, at the present cost of building, unless in some way it can be reduced, or some method

Mr. Hutton—continued.

found of putting up a special house for these people, the sinking fund, or the major portion of it, must be thrown on the rates, at present terms.

3167. In other words, it is a matter of pure philanthropy on the part of the Liverpool City Council?—I should prefer to call it self-preservation by the community.

3168. Do you place a rateable value on these houses and collect rates from them?—Yes, we do; they pay rates.

3169. The tenants pay the rates?—The rates are in the balance-sheet.

3170. You mean the rates are paid out of the rents?—Out of the rents.

3171. A proportion of the rent is laid aside for payment of rates?—No; the rents are put on the credit side, and the rates and repairs are put on the debit side. The rate figure is part of the outgoings on the property.

Mr. Murray.

3172. You have spoken alternately in your evidence of land having a permanent value, and also being subject to repayment at the end of 100 years?—Yes.

3173. Do you consider those practically convertible terms?—There is a fine distinction. I think it is sounder finance to treat it as an asset for 100 years. I think there should be a provision to pay it off in 100 years.

3174. You do not object to 100 years for land?—No; I do not think it ought to be neglected altogether. I think it should be paid back.

3175. With regard to 60 years for housing, would you prefer to keep that distinction, or would you accept an equated period—60 years for the housing and 100 for the land?—I think they should be kept distinct.

3176. Supposing that suggestion of yours were carried would the rent then enable you to pay off the sinking fund?—No.

3177. Not even then?—No, it would merely mean that the sinking fund would be spread over a longer period.

3178. You pointed out, I think, that at present there was a considerable amount thrown on the rates by the present incidence of the sinking fund, owing to its being paid off in a short time?—Yes.

3179. You suggested that the present rents paid the cost of building, but that the sinking fund was thrown on the rates?—Yes, that is so. Perhaps I did not make it plain just now. What I meant was that the amount of sinking fund thrown on the rates from year to year will be lessened annually if you increase the term.

3180. That we understand, but not sufficient to enable it to be paid out of rent?—Obviously not. Once you admit that the only thing that can be paid is 3 per cent. interest; if you spread the sinking fund out for a thousand years it will be still thrown on the rates, but it will be less per year than if the term is 30 years.

3181. You do not foresee in the future that the rent may be increased?—No, I think this is a temporary state of things—I hope so. I think the municipalities incur a great responsibility in turning these people out of their houses, and I think they are bound to make provision in the interests of the community which will rehouse them and rehabilitate them sanitarily. When that

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that work is done, possibly the whole state of things that we are dealing with will pass away.

3182. You take strict measures in rehousing to put those actually dispossessed into possession of the new rooms?—Yes; we do not admit any but those from houses pulled down by the Corporation, or areas of overcrowding.

3183. We know that persons of that class sometimes object to strict rules, enforced cleanliness and so on. They are of course at liberty to leave at any time and retire to such slums as may be left?—Yes.

3184. In that event I presume any person could come in?—No.

3185. If you have housed those dispossessed and any considerable portion of them retires who will come in?—The victims of fresh demolition operations.

3186. Of future demolition operations?—Of future demolition operations. In that way we restrict our operations. If you once begin building for anybody and everybody I myself do not see any limit to it. I do not really see where you are going to stop. If you lay it down as a rule that you intend to build for those that are dispossessed you know the end of it.

3187. It has been said that the larger the town the less risk there is of loss of site value in the future?—Yes.

3188. But do you come here to advocate uniformity of treatment on this question, because I presume that a Government department has to treat with large towns and small towns, or do you come here simply to advocate special treatment in your own case?—Uniformity on the housing question.

3189. If it is suggested to you that a bad tenant makes a bad house, is it not your experience that continuously living in bad houses might have made a man a bad tenant?—I think so distinctly.

3190. And if he lives in good accommodation he will become a good tenant in the end?—Yes, I think so; I think it gives him a chance.

3191. The present insanitary houses to which you are referring, which are perhaps only 60 or 80 years old, I gather from you were not built originally with any view to sanitation at all?—No; they were built before the bye-laws and general supervision took place. They were simply back to back houses without light and without ventilation. They are the most horrible things imaginable.

3192. Simply built as rent producing subjects?—Absolutely; they are pig styes.

3193. You do not wish to found on them any argument as to the useful duration of the lives of your houses?—I think you cannot. They were built absolutely without supervision at all.

3194. Have you worked out at all what proportion of the expense demolition occupies?—As against rehousing?

3195. Yes?—I have statistics here. We found on the Adlington Street area that the cost of the land with the insanitary buildings on it was 16,000*l.*, and we have just made a contract for the building of 251 tenements on that site for 34,738*l.*, so that the cost of the land in that case was a little less than half the cost of the buildings.

3196. My point was rather this: You have 0.12.

Mr. Murray—continued.

dealt with rebuilding and you have dealt with the land. In addition to that there comes what I look upon as sanitary work—the expense of taking down the old houses?—No; there is practically no expense in that.

3197. You do not look upon that as material?—No, it is not material in this way.

3198. Then I will not carry it any further?—It is not a material matter; the cost of the land is the thing.

Mr. William Jones.

3199. You say that the private builder could not touch this class that you are rehousing, and consequently you are bound to make some sort of compensation out of the rates. You are bound to put practically the weight and the burden on the rates?—I do not know that I connected the two matters.

3200. You said the sinking fund must be charged on the rates?—Yes, that is so.

3201. These private builders who built these houses long ago thought of nothing possibly except the rents?—I do not think the owners of them to-day think very much of anything but the rents.

3202. But now you are building having regard to supervision which was not in existence then, having regard to certain bye-laws and scientific conditions and sanitary conditions?—Yes.

3203. So you think that structurally, these will be all for the benefit of posterity?—Yes.

3204. The Chairman touched upon alms and charity. Of course you know something about school work in Liverpool, and School Board Buildings?—I do.

3205. The parents of the children who go there receive something out of the rates, do not they?—Free education.

3206. Would you consider that in the nature of alms or charity?—According to present day light it is a necessity.

3207. And your parks as well. Therefore, practically, if you say it is a necessity to educate your children in the schools out of the rates, and if you have parks kept up by the rates, you think it is the logical sequence that you should house the parents of those little children and charge something out of the rates too. Is that your argument?—No. I think not, because if you took that far enough you would say that the whole of the artisan class is entitled to houses free of charge.

3208. Where do you draw the limit; that is what I want to know?—I will tell you where I draw the limit. The excuse to my mind for the intervention of the municipality in the housing operations at all lies in their demolition work. I cannot conceive that, if there had been no demolition, any municipality would have undertaken rehousing—in fact it would not have been rehousing.

Chairman.

3209. Then you do not approve of Part III. of the Housing of the Working Classes Act?—Is not Part III. intended to facilitate rehousing?

3210. Demolition is Part I. and Part II.?—Yes, but I look upon Part III. as the natural and legitimate sequence of Part I.

3211. But you can rehouse under Parts I. and II. as well as demolish?—Yes.

3212. But

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Mr. William Jones.

3212. But your point is that you cannot rehouse them on a purely commercial standard, is it not?—You cannot rehouse this class on a purely commercial standard.

3213. You take a higher view—that the children of the people turned out would benefit more and more and posterity will, socially and ethically, benefit—that the standard of life, the condition of life, the character of the people and their personality will change?—That is so.

3214. As far as I can gather that is the trend of your evidence with regard to meeting the fact that you will surcharge the rates?—That is so.

3215. I am glad to hear that. Now this is the point: You think that the personal factor in a community like yours in Liverpool will more than compensate posterity commercially and financially, because you will have a well-conditioned citizen?—I look upon it that the existence of these slums, according to present day lights, is an impossibility; that is my position. I do not think it is desirable to launch out too widely into argument. I think the duty of a practical man is to deal with the problem before him as he sees it. The slum, either in Liverpool or any other large city is a danger to the community. It is the home of disease and may be the home of drunkenness and crime. It is the duty of the community, according to present day lights, to get rid of it. The community gets power, and gets money and gets rid of it. It does not get rid of the human beings who inhabit it. The primary obligation to my mind is that the municipality should deal with that class, if it can, first, and not with any other, and in dealing with that class, if it can get them into sanitary conditions, the benefit arising to the children of that class will re-act upon the whole community.

3216. That is that it will raise the whole standard?—It will raise the whole standard.

3217. And you think that the Local Government Board, as well as Parliament, should consider those points when you ask for a loan and for a longer period?—I do. I consider it exceptional altogether. I should like, if I might, just to say one thing. I do not want to be understood as condemning in any way the building in the outskirts of the City that is being carried out by some municipalities—I think in London for instance—that is not apparently connected with demolition operations. I have an open mind on the question. It may be that it is desirable for municipalities to take up land outside the City and build upon it for a different class from those who are dispossessed, with a view to remedying the overcrowding in the centre of the City. I do not want to be understood as expressing any condemnation of that because I have an open mind upon it.

Mr. Law.

3218. You confine your housing operations strictly to replacing those dispossessed, I understand from your evidence?—So far.

3219. Do you find any difficulty in identifying them at all?—No. Our outdoor manager follows these people up and we see their rent books.

3220. You say that these houses are under the care of caretakers?—Yes.

3221. Do you find that people who have come

Mr. Law—continued.

from slums object to that?—Originally they have an objection to anything like supervision, but needs must when the devil drives.

3222. And you think they are submitting to it now?—Yes, and I think increasingly they will.

3223. I was much interested in what you said about the scope of your building operations. May I put it in this way—that in your opinion the only justification for these houses is the demolition, or that if it is done on another scale it ought to be done in a way that will pay?—Yes, absolutely. That is just my point. In the centre of the city, where you demolish insanitary dwellings and, owing to the necessity of these poor people, have to rehouse them *in situ*, more or less, I think you should absolutely restrict it to them. If you want to deal with the general conditions of overcrowding, and think that the municipality can remedy those by relieving the pressure on the centre by building houses on the outskirts, I express no opinion at the moment on that. I am not here to say anything on that. We are not doing that in Liverpool. We may do it. The point on which I want to concentrate is the rehousing of the dispossessed in the centre of the city, for that, I think, is more important. I do not believe you can get the people who are dispossessed in the centre of the city to the outskirts. The theory that you can, by traction and locomotion, get these poor people to the outskirts of the city, so far, I am quite sceptical about.

3224. In reference to what Mr. Jones asked you, you do not believe in a system of housing, except for those you dispossess, which is not intended to pay?—I do not believe in that at all. Anything that is not intended for the dispossessed must be on a purely commercial basis, and it is a very easy and comfortable way of doing the thing. I think that in London it must be a very nice business.

Captain Donelan.

3225. In cases in which private owners demolish houses occupied by the working classes in Liverpool for the purpose of substituting a better class of building, what steps are taken by the local authorities in Liverpool to rehouse these people?—Where houses are demolished for commercial purposes we are under no obligation to rehouse them. That is to say, that if a block of insanitary dwellings is pulled down in order to make room for a warehouse by a particular owner, we do not feel the same obligation as if we had pulled down the houses ourselves.

3226. But are any steps taken by the local authorities to make inquiries in such a case?—In the case of the street widenings, for instance, where insanitary houses are pulled down for street improvement, we should think that the tenants of those houses have a claim upon the corporation dwellings.

3227. Would the occupiers of such houses have any claim whatever to the houses built by the local authority under the schemes that you have referred to?—Where the land is thrown into the street, for street improvements which involve the

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the demolition of insanitary property, those people would have a claim.

3228. But in the case of houses occupied by these poor people to which you have referred being demolished by private owners for the purpose of making a better class of building, are any steps taken to provide houses for them?—I do not think so. We feel that we have enough to do to look after the results of our own operations.

3229. Is any investigation made in such cases as to what becomes of the poor people who may be dispossessed?—I cannot say as to that. We know more or less what is taking place. We know the number of houses that are being pulled down for commercial reasons.

3230. But these people have no claim whatever to occupy any of the houses built by the local authority?—No. We take the responsibility for our own actions as a municipality.

3231. You mentioned that in cases where occupiers did not pay their rents, they were turned out?—Yes.

3232. Could you give me any idea as to what percentage of the total rents is written off for bad debts annually?—It is very small. I could not give you the exact percentage, but the arrears are extremely small. We have found that these people pay their rents on the whole fairly well. The smallness of the arrears has surprised us.

3233. You have already stated more than once that such schemes as are carried out in Liverpool, for instance, are of very great public benefit?—Yes.

3234. Is it your opinion that, if loans could be obtained on easier terms, these schemes would be more largely carried out than they are at present?—What we feel in Liverpool is that we ought to have every assistance in dealing with the present social problem from the authorities, and that, if we are to do what we think a necessary work, and we have to throw some portion of it on the rates, and future generations are going to get more benefit from it than we are immediately, some portion of it might very well be thrown on them. That is our position.

3235. You consider that the extension of the period of repayment together with the corresponding repayment of interest would assist you in this matter?—I think so; there is no doubt of that.

Sir Albert Rollit.

3236. I want a clear understanding on one point. You have been asked whether these are not almshouses, and whether it is not pure philanthropy, and you said that the only justification was rehousing the dispossessed, and that but for that the houses ought to be made to pay. That is what I understood?—Yes.

3237. But I want to put this to you. Housing and rehousing, I take it, are not merely for the benefit of the class housed or rehoused, but for the benefit of the community and the protection of the community?—Yes.

3238. Against epidemics and the like?—Yes. I think it is an act of self-preservation of the community. That is the point. In these particular

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Sir Albert Rollit—continued.

cases there is no doubt about it. You might argue the point with regard to other classes, and so on, but with regard to this particular class there is no argument.

3239. So that, for physical health reasons, both housing and rehousing are desirable in the interests of the community?—That is so. I should prefer to say both demolition and rehousing.

3240. I am bound to put it to you that both rehousing and housing are in the interests of the community?—I think so.

3241. And socially they are equally in the interest of the community?—Yes.

3242. And will not both of those considerations avail for future generations quite as strongly as for the present one?—As I have said, I think they avail much more for the following generation than for this generation. This generation is having all the bother of it and I think the next generation will get all the benefit.

3243. Both physically and socially?—Yes.

3244. I want to put a parallel case to you and ask you whether you agree with my point. You are probably familiar with the Equalisation of Rates Act in London, by which a universal rate is made on the metropolis, and the proceeds of it are distributed among the various boroughs now (parishes it was) for sanitary work?—Yes.

3245. Do not you agree with me that the justification for the Act in protecting the poor from disease for the sake of the whole community proceeds *pari passu* with what may be said about housing and rehousing?—Yes, I think so.

3246. So that if an extension of term for either housing or rehousing promotes such ends, that is a justification for it?—Yes, I think so. In the evidence that was given here by the School Board representative, Mr. Lindsell, he plainly admitted that, at the commencement of the Board of Education's operations, they had given lengthier terms than they were disposed to do to-day (he harked back a little, but I think he practically said that), on account of the arrears to be overtaken. So in this case, you have arrears to be overtaken?—It is a case for exceptional treatment.

3247. Arrears to overtake and future generations to benefit?—Yes.

Mr. Bonar Law.

3248. It seemed to me that in your answer to Sir Albert Rollit just now you almost contradicted what you said before. He meant you to say that you thought it was as necessary to house people as it was to rehouse them. Now, I gather from your evidence that you thought the only justification for a municipality interfering was when the slums were so bad that you had to demolish?—I corrected myself afterwards. The main justification (that is the way I put it) in a crowded centre for the rehousing operations of a municipality is, in my judgment, its demolition operations. I do not think myself that, had it not been for the existence of these slums and the admitted necessity for clearing them out, the housing problem would be as acute or as well understood in its necessity as it is to-day. At the

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Mr. Bonar Law—continued.

same time if a municipality said: "We consider that we ought to give the centre of the city air by building on the outskirts—we consider that the true solution of this problem, in addition to clearing out the slums and rehousing *in situ* those dispossessed, is by doing what private builders are not doing properly, namely, building on the outskirts" I would not condemn them.

3249. But I understood you to say that you would only consider that justified if it were done in a way that would pay?—I think so. We have not tried it in Liverpool, but I think, if it does not pay, it is not worth doing. It ought to pay. We have not considered it in Liverpool. It appears to me that, if you are going to let houses to anybody and everybody, and get what rents you like, it ought to be possible to do that on a commercial basis on the strength of the cheap rate at which municipalities borrow money.

Sir Albert Rollit.

3250. But I limited my question to the class intended to be protected from epidemics and the like. It was based on the poor?—If you mean that you are to take the poor from the centre of the city and house them in the buildings on the outskirts, then obviously it is the same thing as housing them *in situ* in the centre of the city; you will have to throw the burden on the rates.

Mr. HARRY EDWIN HAWARD, called in; and Examined.

Chairman.

3256. You are Comptroller of the London County Council?—I am. [The Witness handed in a Statement of Evidence which was ordered to be printed, *see* Appendix, No. 17.]

3257. You are the head of the Finance Department of the London County Council, and responsible for the Council's financial administration?—I am.

3258. You appear before us in a dual capacity, as representing a body that controls the loans of the Borough Councils, to a certain extent, and also as representing a body whose loans are controlled by the Local Government Board and the Home Office and the Treasury?—Yes. The loans of the London County Council are really under the control of the Treasury, not the Local Government Board or the Home Office.

3259. Are none of them under the Home Office or the Local Government Board?—None.

3260. As regards your capacity as a lender and comptroller of loans, you have put in a paper (*see* Appendix, No. 18) and the Committee have it before them. When you are settling the period of loans in the cases in which you settle it you mention that you inquire into the probable life of the work, and you also inquire into the financial state of the borough, as to whether it justifies the proposed increase in the indebtedness?—Yes.

3261. May I ask you if that is with a view to protecting the future borough from too heavy a load of debt?—Yes, certainly.

3262. You take that into your consideration,

Sir Albert Rollit—continued.

It is rather difficult to define the exact class you are going to cater for. It is very necessary, and until you have defined the exact class you are going to cater for, it is impossible to speak of the result on the rates.

Chairman.

3251. Your definition is the dishoused?—My definition, so far, is the dishoused.

Mr. William Jones.

3252. You keep rents as low as possible in order to induce the very poorest to come to those houses?—Yes.

3253. You rehouse as a rule in Liverpool within the sphere of their labour. If you take the very poor outside you take them outside the sphere of their labour?—Yes.

3254. You know that the very poor like to live practically where they have always lived?—They like to live where they can get within easy reach of their work, where they have not to pay a tram fare and afterwards tramp five or six miles along the docks.

3255. So practically you rehouse them where they have nearly always lived and worked?—Within a certain radius, say, of half a mile. We do not bind ourselves to rehouse them in the same place absolutely.

Chairman—continued.

as well as the probable useful duration of the works?—Yes. We have before us from the borough council a statement of its rateable value and of its outstanding debt up to the latest possible date, and then we form a conclusion as to whether the borough has been borrowing too extensively or not. In considering that point, of course, we have regard to the fact that other debt besides that incurred by the borough itself is charged on the rates of the particular parish. For instance, a proportion of the whole debt of the central bodies and the debt incurred by the guardians is charged on the rates of the parish as well as the debt incurred by the borough council itself.

3263. In any case you think that it is a material element in settling whether you should encourage the loan by giving a long period of repayment how much the borough already owes?—Not quite that, I think; it is rather whether the money should be borrowed at all—I do not think we should take that factor into consideration in determining the length of the loan, but rather whether the loan ought to be borrowed at all, because if you were to give the borough a shorter period because they are very heavily in debt at the present time and are suffering from a heavy annual charge for interest and repayment of their existing loans, you would be increasing the burden on them by making the loan shorter than it might otherwise have been.

3264. Quite so, but you feel, do you not, that if

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Chairman—continued.

if you make the terms easier they are more likely to want to borrow than if you make the terms heavier—that your giving a very long term would encourage the increase of indebtedness which you wish more or less to control? Do you take that into consideration?—Not quite in that form, I think.

3265. I wanted to know what your principles were on that point. The London County Council, as I see in your *précis*, has no suggestions to offer as to any relaxation of the present conditions for repayment of its loans except as regards loans made for the purpose of providing dwellings for the working classes?—Yes.

3266. How do you differentiate between the period that ought to be granted for a loan, say, for sewage and the period that ought to be granted for a loan for housing purposes?—In the first place, we should regard a loan for the purpose of providing dwellings for the working classes as being for a remunerative purpose as distinct from an unproductive purpose such as drainage. The way in which we arrange the finance of these working-class dwellings is that we endeavour to so adjust the outgoings that there shall be no charge upon the county rate; consequently the interest and the sinking fund instalment for a loan raised for the purpose of providing dwellings for the working classes are defrayed out of the rents of the dwellings, and no charge falls upon the ratepayers.

3267-8. Do I understand you to say that the London County Council consider that the term of repayment for a remunerative undertaking, that is to say, one in which the loan can be repaid out of revenue coming in, ought to be longer than that for a unremunerative purpose?—I do not think that I should be prepared to say so for every remunerative purpose, but in this particular remunerative purpose, I think so, for a variety of reasons, apart from the fact that it is remunerative. The London County Council places very great stress upon the point that these dwellings shall not cause any charge on the county rate. They have laid down the rule for themselves by their Standing Orders that dwellings shall not be erected which involve a charge on the county rate, and therefore they strain every nerve in the way of economy of management and economy of construction and so on in order to prevent any such contingency. But there are a number of cases in which they find it is impossible to build without involving a charge on the county rate under the existing financial restrictions, and what is desired is that those financial restrictions should be somehow relaxed so as to enable the dwellings to be erected without any charge on the rates.

3269. You find that you cannot reduce your cost of erection, I think?—Of course, it is very difficult to say that it is impossible to do it, but one can say that every device has been tried in order to enable the Council to make a reduction in the cost of construction.

3270. So that you have really no margin to fall back upon except the difference between a

Chairman—continued.

shorter and a larger period for the repayment of your loans?—That is really what it comes to.

3271. You do not wish to make a charge on the present ratepayer, so that the suggestion is that the ratepayer of the future, in consideration of advantages received, should take part of the burden upon himself?—No, we do not think that if the period for repayment were extended he would have to take a charge upon himself.

3272. Because of his getting the assets you mean?—Yes.

3273. What period do you get now for your houses?—Sixty years.

3274. Is that an equated period including building and land?—Yes.

3275. You spoke just now of economy of construction and every device to obtain economy. Do you think that with that economical construction these buildings will be in a good state of repair and condition in sixty years time?—Our architect has advised the Council that the block dwellings which we put up have a life of from 120 to 150 years. When I speak of economy of construction, I mean only such economy as is consistent, really, with the highest sanitary standard of building, because the plans for all these buildings have to be approved either by the Secretary of State or by the Local Government Board, and I think I may say that they exact from the Council a very high standard of building.

3276. For instance, what thickness of partition walls between two tenements?—I am afraid I cannot answer that question.

3277. You speak of the high requirements of the Local Government Board. Have not you had some little difficulty about partition walls made three inches thick and made of coke breeze and cement with no iron? I should like to refer you to a speech of your assistant architect, Mr. Fleming, before the Institute of British Architects. Have you studied that speech?—No, I have not seen it.

3278. My point is that, assuming that these partitions walls, which are really party walls, between two tenements, are only three or three and a half inches thick and made of coke breeze and cement, do you think that in sixty years time they will be as good as new, even with all the repair that you can put in?—I am afraid I cannot express an opinion upon that. I am really not prepared to go into such details of construction.

3279. You are a financier, of course, not a builder?—Yes.

3280. I am not to take it from your evidence I have before me that you blame the Local Government Board for the strictness of its requirements?—No. I wish to be quite clearly understood about that. The Council does not complain of being compelled to build to a high standard. Naturally the Council cannot complain of that, because the Council is the central health authority of London, and is desirous of putting up the very best buildings it possibly can. We recognise that we must be almost looked upon as model builders; but, that being the case, it becomes very difficult, having regard to the financial restrictions on the other side, to make both ends meet.

3281. You

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3281. You mentioned just now, I think, that futurity will have a valuable asset in these dwellings. I think you have calculated out what will be the net income from them sixty years hence that posterity would come in to?—With reference to the buildings actually erected at the present time there will be a profit income of £27,500 a year.

3282. Do you know what rate in the £ on the present value of the county town that is. Will you take it from me that it is about one-sixth of a penny in the £.?—Yes, that would be about right.

3283. So that for the purpose of acquiring a property worth one-sixth of a penny in the £ sixty years hence, you would propose that the future generations should continue to pay interest and instalments for another twenty years?—No, we do not contemplate that the ratepayers of that time will have to pay the interest and sinking fund of the loan. It will continue to be paid out of the rents of the tenants.

3284. I only meant to get it plain. At any rate your Council's opinion is that it ought not to fall on the ratepayers?—Certainly; both parties on the Council are very strongly of that opinion.

3285. Have you considered the increase in cost of repairs as years go on?—Yes, that matter has been very carefully considered by the Council, and we make an annual provision for repairs and renewals on the basis of what will be probably required during the sixty years' term. We set aside each year not an amount sufficient to meet the repairs of the year or of the next year or two, but an amount which will be ample according to the advice we have received to defray the average cost of repairs throughout a long period of years. Some people think we set aside a good deal too much.

3286. Are you accumulating a depreciation fund?—Yes.

3287. You say that the repairs and renewals are to come out of income?—I say further with reference to the position at the end of the loan period, "Any provision then necessary for eventual rebuilding, over and above the full provision already made out of income for repairs and renewals would not exceed the sum set aside annually for sinking fund." Perhaps it is not as clearly stated as it might be, but it is a fact that the Council accumulate repairs and renewal fund on a very liberal basis.

3288. Have you read the evidence of the Lord Provost of Glasgow given here the other day on the subject of depreciation fund?—Yes.

3289. Do you agree with him?—I do not recollect for the moment the particular point he raised with reference to depreciation fund.

3290. As regards artizans' dwellings companies and trusts for providing working-class dwellings, you say they invariably treat their freehold land as an asset; is that quite so? Do not they put aside anything at all?—No. I believe I am absolutely correct in the statement that no artizans' dwellings company sets aside anything by way of a sinking fund except for its leasehold property with the single exception of the East-End Dwellings Company, which provides a sinking fund for rebuilding based on a hundred years' term—

Chairman—continued.

nothing for land but for rebuilding in a 100 years.

3291. You set out on the last page a very interesting illustration of the result of your building operations with regard to the Reid's Brewery Estate. You show by your figures here, which are no doubt perfectly correct, an estimated annual deficit of 33*l.* 6*s.* 9*d.* on that scheme. I notice on the other side of the interest and sinking fund account that you take interest on the money expended at 3 per cent. May I ask you if the London County Council pay 3 per cent. for money?—At the present moment money is costing us a little more than 3 per cent.

3292. What do you suppose is your average for money?—Our average for the last seven or ten years would be, I should say, a trifle under 3 per cent.

3293. 2½?—No, I should think not.

3294. It would not give so much as 2½?—I should think it is nearer 3 per cent. over the last ten years, but the Finance Committee came to an arrangement with the Housing Committee in regard to these estimates, which the Finance Committee have to submit from time to time to the Council, that in the calculations which they submit the rate of interests should be assumed at 3 per cent. as being the rate that, taking one year with another, is likely to obtain over a series of years. The rate of interest which will be charged in the accounts against the dwellings will, of course, be the actual rate at which we borrow the capital which is expended on the dwellings. This rate of 3 per cent. here is merely assumed in these calculations.

3295. But may I point out to you that if it is an ½ per cent. wrong on the assumption that that is the rate you are paying that would turn a loss of 33*l.* into a profit of over 70*l.*?—Yes, that would be so.

3296. Take the next item, "Sinking Fund to replace capital raised in fifty-nine years by accumulative annuity at 2½ per cent." Where is your sinking fund? Is not a great deal of it lent out to the borough councils and other bodies?—It is.

3297. What do you charge them for it?—At the present time we are charging them 3½ per cent., but a little time ago we were charging them 2*l.* 15*s.*, and the School Board we were charging 2*l.* 12*s.*, I think.

3298. At any rate, for your accumulative sinking fund you are getting more than 2½ per cent.?—Yes, but we have adopted the 2½ per cent. table as being a prudent one over a very long series of years. Of course, we are at the present moment, as you point out, getting 3½ per cent. We have to pay certain expenses of management, and so on; but twenty years hence we may not be getting more than 2*l.* 15*s.* The 2½ per cent. rate would be the average rate we reckon on throughout the term of the loan.

3299. This specimen balance-sheet on the Reid's Brewery Estate would be entirely different if you allowed 2½ per cent. as your sinking fund rate?—Yes.

3300. It would entirely alter the whole complexion of the case, would it not?—It would not very much alter the complexion of this case, because

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Chairman—continued.

because this is a case in which we considered that the proposal might go forward, inasmuch as on the whole area of Reid's Brewery Estate there was a slight surplus shown. It is true that on these particular blocks there is an estimated deficit of 33*l.*, but we saw our way to a small surplus on the figures we had before us relating to the whole area.

3301. Would you like to add anything?—Yes, I should like to supplement my evidence in one or two particulars. I find that at the top of page 5 I say that the Council some years ago laid down for itself by Standing Orders the rule that the erection by the Council of dwellings for the working classes should not involve any charge upon the county rate. That really wants a little amplification. The Standing Orders providing that there shall be no charge on the county rate really relate to the Council's rehousing operations under Parts 1 and 2 of the Housing Act and in connection with street improvements. The Council, by a resolution, at a later stage, decided that they would not erect dwellings under Part 3 except there should be no charge on the county rate. So the matter, so far as it affects Part 3, is not regulated by a Standing Order, but only by a resolution of the Council. Then, with reference to the life of the buildings, I should like to mention to the Committee a case which came before us only the other day in Chelsea. This is a case in which the Metropolitan Borough of Chelsea applied to us for our sanction to borrow 13,500*l.* for the purchase of land and artizans' dwellings. The architect was directed to report on the condition of these dwellings which had been erected forty years ago in the year 1862. It is interesting to note that he reported as follows: "The buildings, with few exceptions, are in very fair condition. The brickwork is executed in stocks with quoins of bull-nosed gault bricks. A considerable portion of the brickwork needs pointing. The roofs are slated," and so on. "The stone staircases and balconies are very much worn. The internal floors are of wood, and the general state of the woodwork is in fair condition. The buildings are well maintained. There is a man constantly employed in repointing, etc., and my representative was informed that each tenement was renovated, on the average, once in three years. The pointing to the balcony railings is, however, badly in need of renewal. The drainage is apparently in good condition; it was remodelled about five years ago. I estimate the value of the buildings on the site at £11,700*l.* The life of the buildings may be estimated to be at least forty years."

3302. And they had been up about forty years?—They had been up about forty years. It is interesting as bearing on the point that these block dwellings in London last for a very considerable period. Then I should like to say a word about the question of land as an asset against debt, and as to the reason why, in the case of housing loans, I think it would be fair to take it as an asset against debt. I am not in favour of taking land as an asset against debt generally, but think that in these housing loans there is a special

Chairman—continued.

reason why it may be taken, because it really is a liquid asset in this sense, that the local authority has the power of sale. In fact, with regard to dwellings erected under Parts 1 and 2 of the Housing Act, the local authority is bound to sell the dwellings at the end of ten years, unless the confirming authority otherwise directs.

3303. I should like, on that, to ask you, did you not pass a resolution a year or two ago, that you would not sell any land belonging to the County Council? Am I right in thinking that I remember that?—I do not think so, but I may say it is not the policy of the Council to sell land. In this particular case of dwellings erected under Part 1 and Part 2 of the Housing Act we have to go to the Secretary of State and ask for his permission to retain the buildings, and then with reference to dwellings erected under Part 3 of the Housing Act the local authority has the power of sale after seven years, should they consider that the dwellings are unnecessary or too expensive. So that really, with regard to the land on which the dwellings are erected, I should like to point out that it is a liquid asset, an asset capable of being realised, and, therefore, in my opinion, is one that can fairly be taken as an asset against debt. In that respect it differs from land on which a town hall is erected or waterworks are constructed.

Mr. John Hutton.

3304. Have many of the boroughs applied to you for loans for housing?—Up to March 31st, 1901, we had not a single application from a Metropolitan Borough Council for a loan under Part 3 of the Housing Act. Of course the Metropolitan Borough Councils had no power until the London Government Act of 1899 to adopt Part 3?

3305. That is what I mean?—Since then we have given our sanction to five loans with regard to Metropolitan Borough Councils amounting in total to 79,300*l.*

3306. In making your inquiries and agreeing to these loans, do you make the same conditions with regard to the houses with the Borough Councils as with regard to the London County Council?—No; we have no power to make such conditions.

3307. May I take it that the housing is going on now by the London County Council plus the Metropolitan Boroughs?—Yes, so far as the Metropolitan Borough Councils have adopted Part 3. It is only certain borough councils that have adopted Part 3 of the Housing Act.

3308. The repayment of the loan will come out of the borough rate, I suppose, where they build houses?—Unless they can get the sinking fund instalment out of the rents of the tenants as we do.

3309. But they pay out of their limited area of rating, while, if the London County Council build, they pay it out of the whole London County rate, I suppose?—The principle on which we go is that nothing shall be paid out of the rates, but all charges that shall be paid out of the rents.

3310. But the liability falls on the rates?—The liability falls on the rates.

3311. You mentioned with regard to the housing

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[Continued.]

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housing that you could not reduce the cost in any way except by suggesting a lengthening of the loan. How do you build your houses now? Do you ask for tenders for building the houses?—Recently the Council has asked for tenders for the erection of these dwellings. The usual procedure is for the architect to prepare an estimate of the cost; that estimate is referred to the Council's Works Department for their consideration. If the Works Department are not satisfied with the estimate, and if they do not think they can erect the dwellings at that figure, the dwellings are put out to contract.

3312. Tenders are asked for?—Yes.

3313. You mentioned that now there is some change of plan. How lately has this custom been changed with regard to asking for tenders?—The same practice has been obtaining for a number of years; but I should perhaps have said that the result of that practice has been recently that a larger number of dwellings has gone to contract than formerly. In other words, the Works Department have expressed their dissatisfaction with the amount of the Architect's estimate in a larger number of cases recently than they did in former years.

3314. Have any buildings actually been erected, and are they now occupied, which have been built by contract?—Yes, a number.

3315. And you think it impossible to lessen the price of the building?—I think so; we are so advised by our Architect.

3316. With regard to loans to boroughs for remunerative purposes, do you make inquiries as to the chance of the work being remunerative that they want the loans for? For instance, if application is made for electric lighting works, do you make inquiries as to the necessity for having municipal works, or whether it can be done equally well by private contract?—We should not go into that point; we should assume that that was a matter for the local authority to decide.

3317. What are the exact points that you inquire into to which you referred just now?—First of all, whether they can legally undertake the expenditure; secondly, whether the amount of the proposed loan represents the fair and reasonable cost of the work; thirdly, we look into the financial position of the Metropolitan Borough.

3318. In what way do you look into the financial position of the borough?—We have before us a statement of their rateable value, and of the amount of debt charged upon that rateable value; we see how much of that debt is of a reproductive character, and how much is unremunerative, and we consider those figures in relation to the rateable value or the assessable value of the borough.

3319. Have you laid down any rule or come to any conclusion with regard to the solvency of a borough either in connection with rateable value or in connection with the assets of the borough?—We have not laid down an absolute rule, but we rather look upon a limit of two years rateable value as being the maximum amount of indebtedness which the Metropolitan Borough Council should have. Supposing the outstanding debt charged on

Mr. John Hutton—continued.

any parish amounted to two years' purchase of their rateable value, the matter would require carefully looking into, in order to see to what extent the debt was reproductive and what their immediate liabilities were likely to be. So far, I may say that there is no case in London where the outstanding debt on a parish is equal to two years' purchase of the rateable value.

3320. If you found a municipality in debt to the extent of five or seven times its rateable value, what opinion would you form upon that?—Of course, we should want to know the facts of the case. We certainly should consider that it was a matter that wanted looking into if it were one of the Metropolitan Boroughs who proposed to come to us for our sanction to a loan; if the Borough Council could point to the fact that $\frac{1}{3}$ ths of its debt had been incurred for remunerative purposes involving no charge on the ratepayers, that would be a very material fact in considering the other fact that their debt was equal to five times the rateable value.

3321. You consider that, as the authority that grants the loans, it is your duty to ascertain the amount of debt which a borrowing authority has before you consent to the loan, and I assume you could conceive it possible in certain circumstances that it would not be right of you as the loan authority to grant a loan to an authority which was very greatly in debt?—Yes, one could conceive of such circumstances, certainly.

3322. With regard to your sinking fund as a matter of fact, I take it, it is simply a matter of account, is it not? Have you any actual fund set to one side as a sinking fund for your debts?—We have a sinking fund of upwards of 20,000,000*l.* set aside. We have not 20,000,000*l.* in our banking account, of course; the bulk of it is lent out to the local authorities in London.

3323. None of that money is borrowed from any public authority, but it is entirely raised from the public by issue of stock?—Yes, with the exception of a few loans which we took over from the former counties of Surrey and Middlesex and Kent at the time of the passing of the Local Government Act, 1888.

3324. They are very insignificant?—They are very small.

3325. You also issue Treasury Bills to a considerable extent?—They are London County Bills.

3326. They are in the nature of Treasury Bills?—Yes.

3327. As your sinking fund accumulates, you immediately use it as fresh capital, and you are not paying off any debt at all?—We use our sinking fund in order to prevent further borrowing. If we did not use our sinking fund in that way we should have to create further stock in order to make loans to local authorities or to provide for our own capital expenditure. I may say it is only to a very small extent that we use our sinking fund for our own capital expenditure; we have power to do it, but we only use it for the moment to a very small extent.

3328. As a matter of fact, you pay no debt off out of the rates, do you?—We do not actually pay off

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off the stockholders; we have not so far. There have been one or two small purchases of stock for cancellation made with the monies of the sinking fund, but the Council has not gone in largely for purchase and cancellation of its stock. We think that the most economical way of dealing with our sinking fund at the moment is to lend it to the local authorities in London with considerable advantage, we think, to them.

3329. Your debt is increasing very largely every year now?—I should not say very largely; it is steadily increasing.

3330. But it is nowhere near a point at which you would look upon it as dangerous or alarming?—No, certainly not.

3331. You only raise money by rates for the purpose of meeting your needs, and not for the purpose of paying off stock or bills?—We do not raise money by rates for the purpose of paying off our bills because the bills are paid off out of the proceeds of the issue of stock.

3332. But you do not pay your bills out of the rates?—No, but if there are any bills outstanding at the end of the Council's financial year we have to make provision out of the rates for the repayment of a proportion of those bills, just as if the money had been raised by the issue of stock. The bills are really treated as part of our capital debt.

3333. And that is a very convenient form you find, do you not, for raising money for short terms?—Very convenient.

Mr. A. K. Loyd.

3334. With regard to housing, is it now pretty easily ascertained beforehand what rent you will have to charge for the houses before you embark on a scheme?—I think so.

3335. So that a local authority now is not likely to find itself suddenly at the end of the works with a property which it cannot let?—I think not.

3336. Have you ever had any cases where the class originally intended to be benefitted has been found unable to pay the rent which you have had to charge, and where a class slightly more well-to-do than they have taken your houses and made room for the class that you originally intended to benefit?—We have had very many of such cases.

3337. I suppose those were at a time when you did not know beforehand precisely what would be the result as to the rents and the capacities of the people you intended to benefit to pay them?—No, I think, on the contrary, that that process is still going on. One of the features of the Council's housing work is the difficulty of actually accommodating in the new houses the persons who are turned out of any insanitary area by a clearance scheme.

3338. So that when you embark on your scheme you know that that class will not be able to pay you a commercial rent, but that somebody else will leave houses and make room for them in the houses they vacate?—That is so very largely—not entirely, but very largely.

0.12.

Mr. Murray.

3339. Do you in any case limit the rehousing to those who have been dispossessed?—Do you mean that we will not accept as tenants any except those who have been turned out?

3340. Yes?—No, I do not think there has been any case in which there has been an absolute limitation. The Council does its best to put the old tenants into the new dwellings, but I do not think I could say that there has been a case in which absolutely we have succeeded in doing that in every instance.

3341. Do you find that under the terms you have indicated you can provide for the very poor?—Not for the very poor.

3342. You gave us a case with regard to Chelsea; was that with reference to houses by a public authority with a view to sanitation or by a speculative builder?—No. These particular dwellings were erected in 1862 by a private individual.

3343. Have you in any case refused to the boroughs any application for a loan on purely financial considerations?—I cannot recall one for the moment. No doubt in years gone by some such cases have occurred, but, personally, I have only been dealing with this matter for about eight or nine years, and I cannot recall a case in which we have absolutely declined to sanction the borrowing for financial reasons.

Mr. Runciman.

3344. It has been stated that the London County Council is asking for longer periods for the repayment of its own loans, especially in respect of housing than it is prepared to grant to the Municipal Boroughs. Is that the case?—I do not think that is so. I think that if we could get the term extended for our own loans we should, realising the extreme gravity and urgency of this housing problem, be prepared to sanction the borrowing by the Metropolitan Borough Councils for the same period.

3345. May I put it in another way—that you have thought it necessary in the case of making loans to the Metropolitan Borough Councils to fix a shorter period for the repayment of their loans than you as a County Council think should apply to the loans which you yourself have for your own purposes?—I do not think that that can be said as a general rule. On the other hand, I do not think the Council would quite admit that in every case the period for its loans should be the same as those for the Metropolitan Borough Councils. We have always recognised that the Council as successors to the Metropolitan Board obtained very favourable terms from Parliament with regard to its loans for improvements and so on owing to the fact that we had a large amount of leeway to make up, and therefore that we occupy to some extent an exceptional position; but I do not think I could admit that we should refuse to borough councils at any rate in a case of this kind what we claim for ourselves.

3346. I take one instance. In cases of the purchase of freehold land by a Metropolitan Borough Council, you allow a term of sixty years. Have

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you

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[Continued.]

Mr. Runciman—continued.

you powers to allow a longer period than that could you allow one hundred if you so wished?—I do not think we could. I say, “I do not think,” because the provisions of the Act of 1855, under which we give our sanction to these loans of the Metropolitan Borough Councils are to some extent obscure, that is to say, the various sections are not quite consistent one with the other. The Act says that the borrowing of the Metropolitan Borough Council is not to take place except with the sanction of the London County Council; the Act also says that the Borough Councils are to set aside a sinking fund of not less than 2 per cent., which, if interest is not reckoned in, would be equivalent to repaying the loan within fifty years, or, if interest is reckoned with the instalment of the sinking fund, would be equivalent to paying the loan back in something like thirty years or a little over, but there is no absolute limit in the Act of 1855 to the time for which money can be borrowed, as far as I am aware.

3347. The Committee may take it that the suggestion that your Council is harder on the Borough Councils than you wish Parliament to be in respect of your Council is a baseless suggestion?—Yes, certainly. I think the Council would repudiate that suggestion.

Captain Donelan.

3348. May I ask whether the Finance Department of the London County Council exercise any supervision over the erection of these tenement dwellings while they are being built?—No supervision over the construction of the dwellings; that is a matter for the Architect's Department of the Council.

3349. Does any department exercise any supervision?—The Council's Architect is responsible to the Council for the erection of the dwellings in accordance with the plans that have been approved by the Home Office, where the Home Office approval is necessary, or by the Local Government Board where their approval is necessary.

3350. Then, if any defect is discovered in these buildings the Architect is alone responsible?—Yes.

3351. I presume that these buildings are chiefly occupied by the working classes?—That is so.

3352. Do you find that the rents are regularly paid as a rule?—Very regularly paid; in fact it is surprising to note the small amount that is written off annually for non-recoverable rents.

Friday, 2nd May 1902.

MEMBERS PRESENT:

Captain Donelan.
Mr. Grant Lawson.
Mr. A. K. Loyd.
Mr. Charles Murray.

Mr. Nannetti.
Sir Albert Rollit.
Mr. Runciman.

MR. GRANT LAWSON IN THE CHAIR.

Lord WELBY, G.C.B., called in; and Examined.

Chairman.

3353. You are the Chairman of the Finance Committee, are you not, of the London County Council?—I am.

3354. And I suppose when you were at the Treasury you had considerable experience of the periods granted for loans?—Yes. In fact I may say I was assisting at the time when Sir Stafford Northcote made all the present arrangements under which the Public Works Loan Commissioners lend to the local bodies.

3355. At that time did the Treasury sanction the period for loans to any authority?—The original policy of the Treasury with regard to loans to local bodies was that it was not the part of the State to lend to the people who had perfect security—that it was the State's business to find money only in the cases where the security was good but not marketable, and so firm were they at that time—(I am now going back, I am sorry to say, 40 years)—that they charged 5 per cent. Then about 20 years after that the Education Act and the Sanitary Acts were passed under which a very large demand was made by public bodies on the market, and pressure was brought in Parliament on the Treasury to make their terms easier in order that these bodies might obtain the loans on reasonable terms. The sums which the local bodies had to raise were so great that that was desirable. Eventually Sir Stafford Northcote, as he was then, reformed the whole business of the Public Works Loan Commission, and he dealt with it in this form: He gave comparatively easy rates of interest as interest was then; 3½ per cent., 3¾ and 4 per cent., but in order to induce the local bodies to borrow for shorter terms he arranged it so that the lowest interest was paid by those people who came for the short term.

3356. It was the policy of the Treasury then to encourage loans for a short period?—The policy of the Treasury was to encourage loans for a short period distinctly.

3357. The result of your experience in this

Chairman—continued.

matter has been that 60 years granted to the London County Council is sufficient for all ordinary capital expenditure?—I certainly think so. I do not think with regard to ordinary capital expenditure that there has been any wish on the part of the Finance Committee to ask for more.

3358. But you distinguish the case of loans for dwellings for the working classes, do you not?—I do, and for this reason; I look at public opinion and I look at the extent to which public opinion has now, I may fairly say, pledged itself to the policy of housing or rehousing the working classes. That being the case, and the London County Council having entirely adopted that policy, the Finance Committee have thought it their duty to look at the question very closely and, as far as possible, consistently with sound finance, to aid the policy that has been laid down rather than by adhering to the strict rules which have hitherto prevailed to take a line which might impede that policy.

3359. Would you tell us what are the canons of sound finance laid down by your Committee?—I say that we think, first of all, that the term of the loan should fairly correspond with the duration of the buildings. Then we ask, that land should be treated as an asset; we think the land in London will always command such value that, in the event of the buildings being given up for the purposes of housing, the Council will get the money back. We consider also the fact that as far as rehousing goes, the value of the land for that purpose is so much below what the original cost was, and what the commercial value is, that in reality the Council is quite certain, under any circumstances, of being able to get its money back.

3360. You distinguish the case for rehousing because you rehouse within densely-populated parts of London?—Yes; that is the case, and I also make the distinction that in the case of rehousing, the value of the land charged to the scheme

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[Continued.]

Chairman—continued.

scheme is very small. When we are under Part 3 of the Housing Act in reference to a housing scheme, the actual cost of land is the basis on which the calculation is made. Therefore, in the case of Part 3 the particular point on which I have laid stress, namely, the low value of the land taken for housing purposes, does not apply.

3361. But you have a rule as regards the charge on the rates, have you not?—Yes; the London County Council has laid down what I might call a self-denying ordinance, and the Finance Committee have always felt that it is a most important point of sound finance to maintain that rule. There is considerable difficulty in maintaining that rule if schemes are to be carried out which the Council might approve, and which might be good in themselves, but which cannot get the imprimatur of the Finance Committee upon them.

3362. I do not think you have stated to the Committee what the rule is?—The rule is this: The Housing Committee makes its scheme; it then submits that scheme to the Finance Committee, and the Finance Committee have to lay the scheme before the Council and show to the Council that they are satisfied that, under it, there will be no charge upon the rates; that is to say, that the scheme will be self-supporting.

3363. No charge upon the present rates, or on rates for all time?—Or on the rates for all time. Of course, the Chairman will understand it is an estimate.

3364. You estimate what the cost of repair will be in the future, say, 50 years hence?—No; I will not say we go as far as that. We take the case as it is now. Samples have been laid before the Committee. Taking the expenses as reckoned by the Housing Committee, the rents, with certain allowances on the other side, and then taking what the interest and sinking fund upon the capital laid out would be, we have to show that there is a surplus.

3365. That surplus would be treasured upon, I suppose, if repairs became heavier in future years?—The Committee makes a calculation as to what ought to be laid aside for repairs, and that calculation is in excess of the repairs that are required in new buildings.

3366. You make a calculation; do you make a depreciation fund?—No; I do not think we make a depreciation fund. It is reckoned somewhat in this way: The manager reckons, for instance, that painting comes once in three years, and that other repairs come periodically, and having gone through what are the necessary repairs that a building has to undergo over a series of years, he fixes a sum that will fairly represent an average of that.

3367. But do you make any provision at present for providing that sum in the future?—Yes.

3368. How is that done?—Every year this sum is put aside out of the receipts.

3369. That is what I should call a depreciation fund?—We call it the repair fund. I thought

Chairman—continued.

you were asking me whether, in addition to the repair fund, there was a depreciation fund.

3370. No; I meant was there any fund? There is the repair fund?—Yes.

3371. Where is that fund?—It is in our balances. Of course, there are separate accounts kept. The actual money would be found in our balances.

3372. Which balances are being used for further operations?—Of course, we work, like the State does, practically from one balance.

3373. But there is no money actually in hand anywhere for the purpose of repairing these houses, except as a book transaction?—It is due from the balance. It is available, and would only have to be drawn out whenever it was wanted. An account is kept of it, and if at any time the amount became sufficiently large for that purpose, no doubt it would be invested.

3374. In making this calculation as to the probable result of the operation, the question of rents is a very serious one?—Yes.

3375. Have you any rule as to rents?—That is a calculation made by the manager, and I am not able to say how he calculates them.

3376. Have not you a standing order on the subject of rents that they are not to exceed those ruling the neighbourhood?—That is part of the standing order under which the fund is administered.

3377. Do you read that standing order to mean that they may be under the rents ruling in the neighbourhood, but not over?—There is no veto put upon their being under, but I have never been a member of the Housing Committee myself, and therefore I can only speak from what I believe to be the case. The idea of the County Council has been that they were not to fix the rents in such a manner as to make it a charity, but that is included in the fact that there is not to be any charge on the rates.

3378. You will agree with me in considering that to let these houses at less than the rates ruling for similar houses in the neighbourhood would be a charity?—It would be in the form of a charity. I give that reply to a certain extent in a guarded sense, because, as I say, I have never been a member of the Housing Committee itself.

3379. Could you supply the Committee with copies of the Standing Orders relating to this matter which are set out on your *précis*, so that I need not take you through them?—Certainly I will. (See Appendix, No. 19.)

3380. You consider as a financier that there is no item on which money can be saved except the Sinking Fund?—And the land.

3381. Yes, but I mean there is no other item on which money can be saved—for instance, in the cost of erection?—I do not think so, and I do not think that the Housing Committee has been able to hold out any hopes of doing so. Very rightly the requirements upon the London County Council as to building are very strict. The requirements of the Home Office and, under certain circumstances, the Local Government Board are strict, and the rules of the London County Council itself

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[Continued.]

Chairman—continued.

itself are strict—that is to say, buildings should not be open to being flimsy or badly put up or insanitary, and so forth. Therefore I do not think that the Housing Committee can hold out any hopes of the building being cheaper. Of course, we have had to deal with a matter that made our schemes much more difficult, namely, that during the greater part of the time that the Council has been carrying out any of these schemes, wages and materials have been rising in price. Just now I think I may say that there is a check—I do not say as regards wages, but as regards materials—in the other direction, but until very recently it was almost a continuous rise.

3382. Finding that you could make no reduction in other ways, and being compelled to keep to schemes that showed a margin of profit, you press for some alteration of the terms of repayment?—We do.

3383. I think you have laid your views before two Chancellors of the Exchequer—Sir William Harcourt and Sir Michael Hicks-Beach?—We have.

3384. Could you tell the Committee what they said to you?—I am speaking from memory about Sir William Harcourt. A very considerable time ago the Finance Committee of the Council waited upon him, and he looked at it purely from a financial point of view. The question of the housing policy, I think, at that time was not so generally adopted as it is now, and, if I remember rightly, the view he took was: "I am not prepared as Chancellor of the Exchequer to use my authority in altering these terms. If you want a change you must go to Parliament." That, I think, was the basis of it. As the authority that regulated or controlled our finance he was not ready to use it to reduce the terms.

3385. You got no encouragement from Sir William Harcourt?—We got no encouragement from Sir William Harcourt.

Mr. A. K. Loyd.

3386. What was the date of the interview with Sir William Harcourt?—1894. I think I am right.

Chairman.

3387. As to Sir Michael Hicks-Beach, what do you say?—Sir Michael Hicks-Beach held rather strongly to the view that you could not calculate on the future—that you had no guarantee that land would maintain its price. I think he based his refusal very much on that.

3388. So that you got even less encouragement from Sir Michael Hicks-Beach. You are going to speak of Mr. Ritchie, I understand?—Both in Parliament and in municipal affairs the question since then has become a much more pressing one. It has been more generally adopted in all quarters. The consequence is that we thought that the question had taken a rather more serious form than it had at the time when we went to Sir William Harcourt and Sir Michael Hicks-Beach. What we noticed was that the Chancellors of the Exchequer had entirely regarded the

Chairman—continued.

question from what I call the financial point of view. They did not enter with us upon what I call the policy of the question. Then the Finance Committee thought that it would be their duty to lay the case before the Home Secretary, who had so much to do with the schemes under Part I., calling his attention to the policy of the question, in the hope that he would probably, in conference with the President of the Local Government Board, discuss the question with the Chancellor of the Exchequer, and urge the pressing nature of the policy. We hoped that perhaps what they might represent to the Chancellor of the Exchequer would somewhat modify his very strict views with regard to finance.

3389. Your proposals to-day, I may take it, will be based, not on strict rules of finance, but on those coupled with some question of policy?—I put the policy first, and I only say that I think it lies with us in pressing that policy to show that the policy of extension is not inconsistent with sound finance.

3390. Would you kindly tell the Committee what your proposal is as regards the buildings?—At present the loans required for land and buildings have to be repaid in sixty years. As far as the buildings go, we put it before the Committee that we think that the loan on buildings might fairly be extended to 100 years. The ground upon which we do that is that these buildings are substantial, that undoubtedly the buildings themselves will have a substantial value at the end even of the 100 years, and that at the end of 60 years from the present time they will be of very real value, a value probably of half, or at least a third, of their initial value. That being the case, and looking at the policy which is adopted, we think that, on the ground, we might fairly ask for an extension which would not be inconsistent with sound finance. That is with regard to the buildings. With regard to the land, I take first the land taken for rehousing purposes, and I say that that land, having been written down to the price for which it could be sold under the condition of building houses for the working classes upon it, is so much below the market price of land that it is impossible to conceive that if the blocks of buildings were to be given up, the land would not fetch much more than the housing value.

3391. Then your proposition is that you should not be required to replace the housing value of the land?—No.

3392. What would happen to the rest of the money that you had given?—That has been charged on the rates. I am talking now of rehousing.

3393. Has that been charged on the current rates?—On the current rates.

3394. But surely you raise a loan?—I beg your pardon. It is paid out of the loan, but it becomes a charge on the rates because so much of the loan is not repaid from the sale of land.

3395. How long would you take to repay that? What would you consider to be a fair period for repayment?—

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repayment?—That would run for 60 years at present.

3396. The proposition is that, as regards money borrowed for land, you would propose that you should repay the difference between the commercial and housing value in 60 years; but that you should not be required to replace the housing value at all?—We have not entered on the question of what should be done with the sum that is laid out in buying the land, which is in excess of the housing value, but I think I might agree with your statement.

3397. I understand that the policy of the old Metropolitan Board of Works was to sell the land into which they came into possession under Parts 1 and 2 of the Housing Act to building companies?—Yes.

3398. That policy you have given up, I understand?—Yes, we have. One reason, among other reasons, for it was that in rehousing we very often were under statutory compulsion to build, and while the Metropolitan Board of Works did not find much difficulty in selling the good sites, they left the bad sites on hand.

3399. You had to rebuild on the worse sites?—Yes, we had.

3400. And that probably was the reason why some of your first building schemes turned out very expensive?—Yes, that was one reason; and, of course, we had to learn by experience.

3401. So that there are expensive building schemes under the control of the London County Council at the present moment?—Do you mean on which we are losing?

3402. Yes, on which you are losing?—If you look through our schemes under Parts 1, 2, and 3, you will see that there is not at the present moment any deficiency. There have been deficiencies, but there are not any at the present moment.

4003. I am speaking of schemes before you passed the Standing Order to which you refer. Some of these schemes do not pay their way I gather?—What I had in my mind was this: On the operation of our schemes as a whole we have our accounts show at present a surplus, but the Comptroller tells me that on some of the early schemes to which the Chairman has been alluding there is still a loss, but they were undertaken before the Standing Order was passed.

4004. Are sums now being paid off, and to be paid off in the next twenty or thirty years, for schemes which were, in the opinion of the Council, extravagant?—Yes, or I will not say extravagant, but they were undertaken under those circumstances of difficulty. The Chairman was asking me a question about the communications with the Government. He took me through the communications with the two Chancellors of the Exchequer, but we had a further communication with the Government, and I do not know whether you would like me to mention that?

4005. Yes?—Allusion has been made to it. In 1901 we approached Mr. Ritchie with a view, as I said before, of getting him to support the policy which we were advocating, and we wrote to him to ask him if he would allow us to bring a deputation to him. At the same time we placed before

Chairman—continued.

him the grounds on which we desired and hoped we might get his assistance. I asked him privately if he would have a deputation, and he asked me to put it off till the autumn. Before we actually asked him again if he would see us the fact that the Government contemplated such a Committee as this was made known, and then we thought that our action should be stayed until this Committee had had the opportunity of considering the question. But the Committee, perhaps, might like to see the letter which we wrote to Mr. Ritchie which sets forth the grounds.

4006. If you hand that in we will have it printed with the appendix, because that is more or less the father of this Committee. (See Appendix, No. 20.) Could you hand us any copies of the specimen calculations made by the London County Council before they enter into a housing scheme, I understand that you had careful calculations made of what is likely to be the result on the rates?—Yes.

4007. Mr. Haward handed us in one last time; will you hand in one for the information of the Committee to show how very careful you are?—Yes, certainly. (See Appendix, No. 21.)

4008. You have found some difficulties, have you not, in keeping within your financial requirement that there shall be no charge on the rates?—Yes, very considerable difficulty. I am afraid that several schemes that otherwise might have been good schemes, the Housing Committee have not been able to carry out.

4009. You have had some difficulty with your architects, too, in getting a proper scheme to come within your financial arrangement?—Quite so, and very often the Housing Committee have had to send back the scheme two or three times in order to get the *imprimatur* of the Finance Committee.

4010. Have you found it necessary to charge on the rents?—Where it has been very desirable to carry out a scheme, and we could not make both ends meet, it has been necessary to revise the rents with a view of making it possible, but the Housing Committee have always been bound by the fact that they were not to exceed the rents ruling in the neighbourhood.

4011. I suppose they charge rents which they can get, and do get?—Yes, but here again I am answering for a Committee, of which I am not a member. They would be bound by the Standing Order to have before them the rent for a one, two, or three-roomed tenement, and not charge in excess of that.

4012. But they do actually get all their places let, do they not?—Yes, very generally.

4013. So it shows that they ask for rents which can be paid?—Which can be paid.

4014. If they asked less than that would not that be *pro tanto* the gratuitous housing of those particular tenants?—It is rather difficult to state the case exactly, but to whatever extent it occurred, I should say it would be a gift to the tenant.

4015. How do you propose to select who should be the recipients of this gift?—I think you would find that the Housing Committee would not admit that they made that gift.

4016. It

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[Continued.]

Chairman—continued.

4016. It is proposed that we should give a longer term for repayment, so that you could let them at cheaper rents than you do now. You now let them at rents which they will command; if you let them cheaper than that, I suggest you make a present to somebody?—But some schemes which we cannot carry out at present we might be able to carry out then.

4017. But I am speaking of present schemes. You would be able to let more cheaply if the term was extended?—To a certain extent, but the Chairman is aware of the statement that has been made that the people who come for these rooms are people above the class of the people displaced.

4018. But you see the difficulty with regard to supplying houses at less than they can command in the market by deferring the repayment. Do you think it is desirable to do that?—Perhaps the Chairman will allow me to read a letter which the Comptroller has just put in my hands. It comes from the Manager of the Housing Schemes, and it deals with the question of the extension of the Sinking Fund period. It says:—"Referring to my conversation with you on Friday last I have considered the point you raised as regards the effect of the extension of the Sinking Fund period from sixty years to one hundred years on the reduction of rents, and I am of opinion that if a longer period could be obtained it would be possible to let the rooms from 8d. to 1s. per tenement per week less. This would not, however, have the effect of reducing the rents below those ruling in the district, as there is always a wide margin in such rents according to the situation and character of the accommodation provided. In older houses it is even now possible to obtain rooms in some districts at about 1s. 3d. per room, whereas in the same district the rents charged for rooms in new buildings are such as vary from 2s. 6d. to 3s. 6d. per room per week."

4019. If you could reduce it by 8d. per week you would be supplying them with new rooms at very much the price of old rooms. That is what it comes to?—At present we are giving a better article at a reasonable price.

4020. If you give a better article at a less price, or the same price, you create a position of benefit for somebody. How do you propose to select who that somebody is to be?—In the competition for the rooms?

4021. Yes?—It must be first come first served with regard to reasonable tenants.

4022. I should like your opinion on the subject of the burden on future generations which has been pressed on this Committee. What do you say to the argument that, if these periods of loans are extended, future generations, in addition to the heavy burdens which will fall with regard to new municipal duties will still be paying off debt incurred by their ancestors?—That comes within my limitation of sound finance. They will have an asset, which is a good asset. Take the case of a loan paid off in 60 years. At the end of that time the ratepayer of that day will step into the possession of the asset with the whole of the debt paid

Chairman—continued.

off. I have ventured to lay before the Committee first of all that, at that moment, the rate-payers of that day will have the land free. I am now speaking of present conditions. The land, at all events, cannot run away, and I think we may fairly put it forward that, within the middle of London the housing value of land is certainly not likely to diminish, and that the price will not be less than the housing value. In addition they will be in possession of solidly and well-constructed buildings to which, though they are 60 years old, a very considerable value will still attach, and that is an asset which quite compensates an extension. Supposing the term were extended, they would still be getting value.

4023. You draw a great distinction, I notice, between land in the City itself and on the outskirts?—Yes. Undoubtedly our case is stronger with regard to the rehousing within the City than it is with regard to housing under Part 3, in which we take land outside.

4024. You have spent a great deal of money in acquiring land for housing purposes, have you not?—Yes.

4025. A sum of 218,000l.?—Yes; that is on housing. We have spent £190,000 besides on rehousing.

4026. I will take that first, please. Under your proposal to this Committee how much would you save a year?—Taking what has actually been done, we should save upon the 190,000l. for rehousing 1,443l., and on the 218,000l. we should save 1,655l.

4027. You pay less in the Sinking Fund?—Yes.

4028. And in interest, I suppose?—Perhaps I might be allowed to add, in addition to that, that, with regard to the past we have actually spent, or are spending, or the Council has agreed to spend, taking the whole of our transactions, four millions altogether in order to house 80,000 persons. If that were carried out the Sinking Fund, which at 60 years is 30,372l., at 100 years would be 9,500l. These are schemes which we are actually engaged in carrying out. Therefore the building would be considerable.

4029. Does that include the saving which would be made by not replacing the housing value, or are you only speaking of buildings?—4,000,000l. is the whole cost. With regard to the housing, if that was off, that would be extra.

4030. If the housing value was not replaced you would save even more than the figures you have stated?—I think so.

4031. What reduction would you be able to effect in rents by that saving of 9,500l.?—You see it is more than 9,500l.; it is 20,000l.

4032. I mean by that reduction of 9,500l.?—It has been put before us that it might enable a reduction of 6d. per week per tenement.

4033. You desire to lay considerable stress on the difference between housing under Part 3 and rehousing under Parts 1 and 2?—We think it right to draw the attention of the Committee to the fact that there is a very considerable difference between the two.

4034. I should

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[Continued.]

Chairman—continued.

4034. I should like your opinion, as a recognised authority on finance, on the difference between repayment by the annuity system, equal sums for each year, and repayment by instalment of capital with interest on the outstanding part. Which system have you adopted in the Finance Committee?—During all the time that I was in the public service, and my service there began between 40 and 50 years ago, it was a moot question. The Treasury always urged the instalment system by which the charge diminishes year by year, inasmuch as the interest diminishes as the capital is paid off, and that, I may say, has been, in the main, the policy of the Council, and is the policy of the Council now. The Finance Committee prefer repayment by instalment, and I think I may say that the larger part of our loans are repaid by instalment. But pressure was brought to bear on the Treasury by Parliament when those large loans, of which I have spoken, were inaugurated. At the time the Education Act of 1870 was passed, and the Sanitary Acts of 1874 and 1875, and other Acts also involving loans were passed, the charge on the bodies that would have to borrow, in order to comply with the requirements of the Act, were, of course, heavy, and I think my recollection is right that the Treasury was beaten by the House of Commons, and the House of Commons approved the principle, at all events in these cases of the payment by annuity.

4035. Could you give me the reference to the date of the debate?—I shall have to look it out. I am speaking purely from memory, but I think I am correct in saying that the Treasury were beaten. Perhaps I ought to modify it in this way: In some cases I think the Treasury was over-ruled by the Cabinet, and I think in other cases by Parliament. However, it was distinctly thought necessary, under this great demand for loans, that the loan charge on the existing generation should be made somewhat lighter—as light as was consistent with good finance, and the consequence of that was that, after that time, a considerable amount of money was lent by the Public Works Loan Commission on annuity. But as long as my experience at the Treasury lasted, while of course, bowing to the policy as it had been laid down, the Treasury tried to keep, as far as possible, within the rule that they considered sound.

4036. So that in the very fount and source of sound finance the principle of the repayment by instalments is favoured?—It is favoured, and I think I may add that that is the principle which the Finance Committee have always favoured in the Council, and I think also I am right in stating that, by far the largest part of the loans that the Council has made are on the instalment principle, and I can put that before the Committee if they like. All except housing loans are repaid by instalment.

4037. As regards housing loans I want to put this to you: You recognise that the expense of the repair of a house increases very rapidly with the increasing age of a house. Do not you think that, if the money was repaid on the instalment

Chairman—continued.

system, and so the amount of annual payment to be made for instalment and interest gradually sank, as the amount of repairs rose, that might be a sensible system of providing for the protection of posterity?—Do I understand the Chairman to mean that, suppose (I will take any figure) the cost of repairs rose 1 per cent. every 10 years; then there should be some modification in the terms of repayment.

4038. No, my proposition is that, if you repay by the instalment system, the amount that you have to pay each year falls?—Yes.

4039. Whereas, with regard to houses, the expense of repairs of those houses rises every year, and do not you think it would be a good plan for the protection of posterity to set those two things against one another and have repayment by instalment?—I prefer very much the repayment by instalments. The only point against it is that I look upon this housing policy as such an important one at the present moment that, so long as I see a solid asset in the possession of the ratepayer of the future, I venture to think that the end in view is obtained, and that the terms might be made easier without any injustice to the ratepayer of 50 or 60 years hence.

4040. But although you can manage now, when the houses are new and the cost of repair light, to prevent any trouble falling on the rate, if the amount to be paid for repayment of Sinking Fund and interest continues the same throughout the whole 60 years, do not you see that, in 60 years time, it will be impossible, owing to the great increase in cost of repairs, to prevent some loss falling on the rates?—But if we put aside a fair sum for repairs, ought that not to enable the buildings to be kept, from year to year, in such a state that there is no accumulation of repairs to be done at the end of so many years.

4041. But I would suggest on that that we have no absolute security that the sum will be put by, whereas, if you repay by the instalment system, you are providing a fund for repairs by the smaller amount repaid each year. That would secure that the depreciation fund was made. Do you think that is a possible solution?—Of course, I admit that what the Chairman puts forward would have that effect; on the other hand, I do not want to do anything to hamper the feasibility of these schemes. Of course, everything that makes the charge higher makes them more difficult.

4042. Of course, putting by the depreciation fund makes the charge higher?—Yes. I would maintain that that was the prudent course and that, when we do that, we have really made, and are making, provision against the increase of repairs.

4043. Would your repairs fund replace the houses at the end of 100 years?—

Sir Albert Rollit.

4044. A depreciation or repairs fund, to replace the houses at the end of the term of 60 years would in reality be a duplicate Sinking Fund, and double the burden on the present and on the next generation?—

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generation?—So far as it actually replaces the houses.

4045. That is the basis of the suggestion of the Chairman?—What I suppose Sir Albert means is that, supposing the repairs fund were of such an amount, and so laid out that, at the end of 100 years the buildings were exactly in the position of new buildings, that would have been a second Sinking Fund.

4046. A duplicate Sinking Fund, imposing an absolutely unnecessary burden?—I think that what we are bound to do is to put aside a fair sum for repairs, calculated as it is now, not on the repairs that will fall in this particular year, but on the average of repairs. Take the condition that you have in many London houses—repainting in three years. The repairs fund would take on every year one-third of that, and that is the form in which this repair fund is built up.

4047. As compared with the Sinking Fund for such a purpose it would be a comparatively small amount?—I think so. With regard to the repairs fund, about which the Chairman has asked a question, I have not the paper here, but I can say that the repairs fund amounts altogether to about 7,000*l.* now.

4048. I put it to you that, as compared with the capital sum invested, it is really a question of *de minimis* comparatively?—The repairs fund?

4049. Yes?—Yes; I think I may say so. On what appears to be a liberal principle of calculating the repairs, a sum is put aside yearly. I think the Chairman has some doubt about the existence of that sum. Pending any settlement as to investment of it, it is in our balance; but you will understand it is there, and at any time the Council chose to invest it, there it would be.

4050. But at the present moment it is invested in your own general assets?—In our own general assets. I have before me the account, and I must rather correct what I said before. The actual sum accumulated now is very nearly 9,000*l.*, but the repairs and renewals set apart in the year 1900-1901 were 4,818*l.*, which is very nearly 11 per cent.

Chairman.

4051. That does not mean expended in repairs, but set aside for future repairs?—Yes. It is not exactly a case of *de minimis*.

Sir Albert Rollit.

4052. The second figure you gave us is actual expenditure in repairs?—No; amount set aside.

4053. I will withdraw *de minimis*—*ex abundante cautela*. Is 60 years, in your opinion, sufficient for the repayment, in general cases?—I think so. The Finance Committee have never wished to put forward any claim or any petition for a longer period than that in ordinary cases.

4054. You are abundantly cautious in dealing with the Metropolitan Boroughs. For instance, take the case of town halls, you only give a term of 30 years?—Yes; the full term is only taken for land.

4055. But in the case of town halls, I see that, for the buildings, it is 30 years?—Yes.

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Sir Albert Rollit—continued.

4056. Surely a town hall, as a general rule, would justify a much longer term for repayment than 30 years?—Yes.

4057. And as a civic centre for offices for public purposes, it would equally justify a longer term?—That argument may be put forward, and there is force in it; but I like to be upon the safe side, and I am only pressing for a concession in a matter of great public importance.

4058. I suggest to you whether, housing being exceptional, you might not also call mansion-housing exceptional, for that is what it comes to? However, that is not the point before us. Now you say that, in relation to housing, both because of the policy of Parliament and its own intrinsic social importance, it justifies exceptional treatment?—That is our view.

4059. I believe there are instances from foreign countries where that exceptional treatment is accorded?—So I am told.

4060. Of course, if the 100 years were conceded, treating land as a permanent asset the land would be excluded from any Sinking Fund, and to that extent there would not be a burden?—To that extent.

4061. Do you think that those houses would be available, if not as dwelling houses, for conversion for warehousing and the like?—That would be the case. They are solidly built houses, and certainly at the end of that period they would have a very considerable value.

4062. I believe that, in dealing with the accounts of dwelling-house companies and the like, land is generally treated as a permanent asset?—I believe so.

4063. May I put it that if these reductions were made in the Sinking Fund, the capital outlay might be increased by 16 per cent. without increasing the annual debt charge?—Yes.

4064. So that you could either have a much better dwelling or be able to reduce the rents?—That would be the result.

4065. While you regard sixty years as a proper general term, and would increase it to 100 for housing, may I suggest to you, and do you concur, that the period generally allowed to the large provincial boroughs of forty years is a very inadequate one—Manchester, Liverpool, and Hull?—It is not my business to speak for Manchester and Hull, but if I were representing Manchester or Hull for these particular objects, I should feel that very strongly.

4066. I put it to you, as an independent authority, with, of course, a general knowledge of the country?—We are only asking for this on account of the importance of the policy, and, I think, the London problem, the honourable Member will admit, is a more difficult one to deal with, owing to the enormous population.

4067. Somewhat, but you will concede that a term of forty years in the provinces under the same obligations imposed by Parliament, undoubtedly is very nearly an equally difficult problem?—It is a difficult problem. Of course, the same rule applies that, at the end of the forty years, as at the end of the sixty, the ratepayer of

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of the future is benefited by having a very good asset free of liabilities.

4068. Quite so, and also, if I may suggest to you, exemption from the necessity of providing works of a similar character, at any rate to a large extent?—Do you mean that every one of these buildings taken by itself is *pro tanto* a making good of the deficiency of decent accommodation.

4069. Exactly, and that will again, to some extent at any rate, be an asset for posterity?—I suppose the honourable Member means that, if this was vigorously carried out, and slum dwellings were abolished, the municipality would only have then to deal with growing slums?—Yes, that is exactly what I mean.

4070. Now you spoke of a charge. I believe that, when the term was originally fixed by Parliament, and when the Treasury was disposed to reduce it very much, that was the perion rather of unremunerative sanitary works and the like which were in contemplation than the reproductive works of modern times, including housing?—Yes, the loans that were in question then were not reproductive in any sense.

4071. And that might account for the undoubted change in the policy both of Parliament and of ministers?—Yes, I think it would. Undoubtedly what led to that change of policy and the Treasury view being over-ruled was the fact that Parliament was imposing upon the local authorities very heavy expenditure for public objects.

4072. I suggest to you that the Home Secretary knew the problem and the Chancellors of the Exchequers did not, but I will come to that in a moment. Of course, there is a very large amount of what I may call intangible benefit to posterity apart from the physical and corporeal benefit in land and houses?—You mean the improvement in the moral condition of posterity?

4073. Yes, in physical and moral conditions, in health and strength?—Yes.

4074. If I understand you rightly the problem presented by Parliament to the municipalities is an insolvable one to a large extent, unless there is some relaxation of the terms, or unless the municipalities are content to treat with a different class to that probably intended by Parliament?—Yes, I think I should agree on that. Taking the very strong expression of public opinion on the matter I think that effect will not have been given to that public opinion unless all reasonable means are taken to make the provision of decent accommodation possible.

4075. As to the policy of Parliament and statesmen, I need not ask you whether Sir William Harcourt and Sir Michael Hicks-Beach were Chancellors of the Exchequer at the times you referred to?—Yes.

4076. Is not the action of Parliament and the Departments very frequently the resultant (I will not say of the conflict) of the two forces—Parliamentary policy on the one hand and financial possibilities on the other?—What does the honourable Member mean by possibilities?

Sir Albert Rollit—continued.

4077. I mean financial practicabilities?—Certainly.

4078. So it is quite consistent that both the Chancellors on behalf of the Treasury might approve the works, but feel that they could not, at the moment, afford the money?—The honourable Member is speaking now of the two refusals which we received?

4079. Certainly?—I do not think it was a question of the money, because they had not to provide it; they were only discharging that general superintendence over London finance which years ago was imposed upon the Treasury, under which measures of large extent could not be undertaken without the consent of the Chancellor of the Exchequer.

4080. It was Treasury controlled?—It was Treasury control, and they preferred to be on the absolutely safe side. They did not make the distinction I have been placing before the Committee to-day—viz., that we are dealing now with a great question of public policy, which, we venture to think, would justify some relaxation of the very stern rules of finance.

4081. They approved a policy which, in its application, was considerably below the maxima authorised by Parliament?—I do not think I quite follow the honourable Member.

4082. You said that the Treasury policy was to reduce the term of repayment, and to give encouragement to rapid repayment?—We are on different epochs at the present moment. I thought you were, first of all, speaking of our two interviews.

4083. I was, but now I say that the Treasury attitude has been always rather in the direction of reduction even of the Parliamentary maxima?—Yes. The Treasury policy in ordinary cases has been to give encouragement to the borrower to pay off as early as possible.

4084. The Home Secretary, Mr. Ritchie, is, first a London man?—Yes.

4085. And a London Member, or was a London Member?—Yes.

4086. And in close touch with the labouring populations of London—at one time, at any rate?—No doubt that is the case.

4087. And his department equally is brought into close touch with these very problems?—Very much so. They lay down these conditions. They know what the conditions are which make the building of dwellings for the working classes expensive, about which the London County Council make no remonstrance.

4088. But still the Minister probably best acquainted with the actual problem in its application was the Minister who favoured relaxation?—The Home Secretary?

4089. Yes?—We hoped he would.

4090. And I think he did in speeches?—I think so; but I have not been in actual communication with him, and have not discussed the question with him, but I say we hoped he would.

4091. Did not he give you some distinct idea that those were his views?—We did not wait on him. I think it must have been some other bodies that waited upon him. We were to wait on him in November last, but the announcement of this Committee led us to postpone asking him to receive us.

4092. If

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4092. If by the restriction of the term of loans you are forced to get higher rents, is it not the fact that you are serving probably a different class from what Parliament intended?—Of course, the higher the rent the better must be the class that comes in, but we have to know first of all what class Parliament meant. The idea generally, I think, is that opportunity should be given to the persons actually displaced to get accommodation.

4093. And especially those displaced from slums?—Yes.

4094. In other words, probably the poorest?—Yes.

4095. Do not you think that the policy of Parliament, if that were it, is displaced by a system which requires rents to be raised?—I think the intention of our Standing Order, which says that the rents are not to exceed those ruling in the neighbourhood, governs that very much. For these very poor neighbourhoods the rents of the rooms are low, bad accommodation as it is.

4096. I understand you that, if these concessions were made, you would be able to reduce the rents, which would bring them much nearer the class of which we have been speaking as intended to be benefited by Parliament?—If we were able to reduce the rents. First of all, it would make our schemes easier—that is number one—and therefore it would enable an extension of the general policy to be carried out. Of course if we were able consistently with our rule to give a lower rent, it would give an opportunity to a somewhat poorer class to come in, or, at all events, to compete.

4097. In any case, I take it you would hardly seek a commercial profit?—No, certainly not.

4098. So that the policy of the Council would be to reduce to the minimum the rents consistently with what they have to repay?—In answering that I might allude to an answer I gave to the Chairman. So long as there is no charge upon the rates. I think the Council is at liberty to reduce the rents even, which is not very likely, if they fell below the rents ruling in the neighbourhood. The Council is free to do the very best it can for the working classes it accommodates so long as it does not make a charge on the rates.

4099. I should have suggested that to you—that the rents should be reduced to a minimum consistently with the obligatory repayments and the like?—Yes.

4100. You have been asked whether there might not be cases of charity and gratuity. Do you follow my suggestion to you that these works are not merely in the policy of Parliament for the benefit of a class at all, but they are for the benefit of the community?—That is taking the broadest view of the duty of Parliament.

4101. And the intention of Parliament?—And the intention of Parliament, taking it that the existence of these slums, is, so to speak, a disgrace to the State and to the community, and it is the duty of Parliament, and the duty of the community, to remove that disgrace.

4102. I agree with you with regard to disgrace, 0.12.

Sir Albert Rollit—continued.

but I put another word to you—a danger to the community?—Yes, a danger.

4103. The principle underlying this is the principle of the equalisation of rates—that no portion of London is independent of any other portion, but, for health and other purposes, all ought to be, as far as possible, in a similar sanitary condition?—I would rather not bring in, with regard to this, the equalisation of rates. Parliament is interested in London as a whole.

4104. I said the principle underlying. What I want you to emphasise with me is that this is not class legislation, but in the end legislation for the community as well?—Yes, I think I can admit that.

4105. Therefore I take it that, if there were slums dangerous to the public health, even a rent below the normal rent in the neighbourhood might be justifiable in the common interest, although there might be economical objections?—I think that opens a further question, because it opens the question as to whether the working class dwellings should be allowed to be a charge on the rates, does it not?

4106. I distinctly suggest that in exceptional circumstances in the common interest?—I am not prepared to go as far as that; I am not prepared to say that I think the charge on the rates would be justified. In the first place I do not think it necessary.

4107. Now, when ministers and others speak of being trustees for posterity, do not you think that, in addition to the physical and corporeal advantages, one may speak of the probable extirpation of zymotic disease, the possibility of warding off things like the plague and infectious complaints, and that posterity enjoys a real residuary advantage from present expenditure in those directions?—Of the kind that we are now speaking of?

4108. Yes?—Yes, I think so.

4109. And may not that fairly be taken into account in seeking to lighten some portion of the burden on the generations which are placed under the obligation by Parliament of doing the work which is to be followed by these results?—No doubt that is the case, but I rather prefer to rest myself, at all events in the first instance, upon this—that posterity will be in possession of an asset which amply compensates for the prolongation of the term during which a charge remains upon it.

4110. But I put it to you that, apart from that, there are incorporeal, intangible benefits which will result to posterity from these works?—I think so.

Mr. A. K. Loyd.

4111. But those intangible results, I understand, are hypothetical, and not, in your opinion, safe to be taken into consideration?—I would rather not enter on a point upon which there might be discussion. That is my own view on the matter. Speaking here from the financial point of view I would rather not enter on that point.

4112. You think it safer rather to deal with more tangible questions?—Yes.

4113. Accepting those benefits, if they arise, as a distinct advantage?—Yes.

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4114. Yuo

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Mr. A. K. Loyd—continued.

4114. You were telling us that you remembered when the policy of lending by the State to public bodies was first entertained?—Not exactly first entertained, because the principle of the State lending dates from the beginning of the last century, but the practice developed very gradually. It began with the idea of, in times of commercial depression, the State lending to the great merchants of London. In England that was the first instance of State loans. Then that developed. In order to carry it on the Public Works Loan Commissioners were created.

4115. What was about the date?—In the two great crises of 1793 and 1809 or 1810, or thereabouts, at the time of the great war.

4116. I was referring to the Public Loan Commissioners?—It was a great aid given by Mr. Pitt to the distressed commercial classes in London, and in order to distribute that aid and to secure the public against loss of money some of the leading merchants of London were created Public Works Loan Commissioners, because they would know the condition of the person to whom the relief was given in the shape of loans.

4117. The Public Works Loan Commission was started originally with a charitable object?—Not so much that. It was to secure that those people who were in distress but were solvent might get aid, not as a gift from the State, because they would repay it. With the end of the war and the desire to extend commerce, and to enable useful works to be carried out, various Acts were passed, which encouraged loans, and the Public Works Loan Commissioners, being a body in existence then, were made use of to distribute the money.

4120. You told us that about forty years ago it was regarded as sound doctrine by the Treasury that it was not the business of the State to lend to those who had perfect security, but only to those who had a good but not marketable security?—Yes, that is embodied in a Minute of the Treasury of Mr. Gladstone in 1859.

4110. That is the point I wanted to come to? It was modified in 1870 with the great Education Act. That was followed almost immediately by the Public Health Acts of 1874 and 1875, and then took place what was a revolution, namely, that the State, from being a very restricted lending body, opened its purse to almost all comers sanctioned by Parliament.

4120. You told us that about forty years ago it was regarded as sound doctrine by the Treasury that it was not the business of the State to lend to those who had perfect security, but only to those who had a good but not marketable security?—Yes, that is embodied in a Minute of the Treasury of Mr. Gladstone in 1859.

4121. That is a consideration which affects the readiness of the lender to lend to the borrower, and have you any reason to think that there has been any checking of local enterprise from the unreadiness of the State to provide funds as distinguished from the terms as to repayment?—I could not say that. That rule was first broken down by a measure taken immediately afterwards

Mr. A. K. Loyd—continued.

to facilitate the creation of Harbours of Refuge. That preceded the Education Act, which I said was the great breakdown of the old system.

4122. That question is simply concerned with the readiness of the lender to lend to the borrower?—Yes.

4123. Are not we concerned here more particularly with the terms of repayment which really affect the security of the ratepayer of the future?—Yes, I think that is the case.

4124. So that really what you are, if I may say so, complaining of is that undue importance has been given to the interest of the ratepayer of the future as against the ratepayer of the present time?—In this particular instance, where we want to give the utmost extent to the policy which has general approval, I think it desirable to relax conditions as far as it is compatible with sound finance. I do not complain in the slightest of the terms, because I think they are liberal, and were it not for this most important public policy I, for one, would not plead for a day more than the terms already given.

4425. As I understand, your evidence is merely concerned with the onerous terms of repayment of loans, which terms are supposed to be in the interest of posterity?—Yes.

4426. Separate accounts, I suppose, are kept by the London County Council of their building schemes?—Yes, and published.

4427. Would you tell me roughly about how many schemes there would be on the account—about how many housing and about how many re-housing?—I put before the honourable Member an account which I think gives the different schemes carried out. (*See Appendix No. 22.*)

4428. It mentions them by name. It is pages 30 and 31 of the London County Council Report on the Working Class Dwellings and Lodging Houses. It is November, 1901. As I understand, the earlier undertakings were those which resulted in financial loss?—Yes.

4429. And those you state were before the Standing Orders were passed?—Before that Standing Order was passed, and therefore when there was no prohibition on the Committee of the Council against creating any charge on the rates. But I should like to say that, even after that we still manage, as you will see at the foot of the account, to bring the two ends together.

4430. Yes, plus 6,900*l.* That is actual expenditure.

4431. Summarising it, there is a loss of 1,243*l.* odd upon the dwelling account generally and upon the dwellings erected upon unsaleable sites; then you have a profit shown of 2,557*l.* upon the better sites on the more successful undertakings, showing a net surplus of 2,213*l.*?—Does the loss include the whole sum taken out for repairs?

4432. Yes?—Yes, that is the surplus on the whole transaction.

4433. For the year?—For the year.

4434. Then, that account would show us the schemes upon which you must have had a considerable profit in order to make up for the substantial loss which you had on the less profitable schemes?—Yes.

4435. In making out those accounts I think you

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you have told us that you consider this matter so very urgent, on sanitary and social grounds, that you think every point ought to be stretched in favour of the scheme?—So long as it can be done to be not inconsistent with sound finance.

4436. The value of the land taken for re-housing you would reckon subject to the obligation to put that particular class of house upon it?—Yes, if it were sold.

4437. Although you may have to buy land for the purpose which you would buy at a price not subject to any such obligation?—Do you mean that you might buy land elsewhere?

4438. Supposing you rehouse on a wider area than that which you demolish, you would have to buy land which, as far as the vendor was concerned, was not subject to that obligation?—You buy at a higher price, certainly.

4439. So you write down the value of it in your account by annexing to it this statutory obligation, which it only acquires on coming into your hand?—Certainly. It is rather an that, first of all, the honourable Member looking through this notices what the surplus in the year is. I think the Committee should bear in mind that this is a surplus upon buildings opened, and on which actually the rents are being received. With regard to the time when schemes are being carried out, and before the dwellings can be let that is an expense upon the council which, when we are taking the whole of the transactions together, should be borne in mind as a set-off against that surplus.

4440. I do not think I need go with great detail into that, but my object was to ascertain where we could find a list of the schemes which had been successful as distinguished from those which you said were not successful. You mentioned the point about the valuation of land purchased for a scheme and the value at which it is placed in the accounts?—Yes.

4441. Then, as I understand, in order to comply with your standing order that the rents to be charged for the dwellings shall not exceed those ruling in the neighbourhood you put on the most liberal interpretation. If any substantial number of similar rents are found in the neighbourhood you do not inquire too closely as to whether they are for precisely the same quality of house?—The Housing Committee endeavours to supply a better article at a rent calculated upon that which is the ruling rent.

4442. The letter which you have read to us of the 15th April from the Housing Department contains this passage: "I have considered the point you raised as regards the effect of the extension of the sinking fund period from 60 years to 100 years on the reduction of rents, and I am of opinion that if a longer period could be obtained it would be possible to let the rooms from 8*d.* to 1*s.* per tenement per week less. This would not, however, have the effect of reducing the rents below those ruling in the district, as there is always a wide margin in such rents, according to the situation and character of the accommodation provided." So that the writer would consider that if he found any rents in the neighbourhood about the level to which those

Mr. A. K. Loyd—continued.

in question would be reduced by the Council, that would satisfy the requirements?—I think so. I put in that letter because it came from the Housing Committee, but as I say I have not been myself a member of the Housing Committee.

Mr. Nannetti.

4443. I take it that you would be of opinion that it is the duty of local authorities to clear away insanitary and slum property?—I think it a duty, the principle of which has been adopted by Parliament.

4444. Anything which will interfere with or militate against the carrying out of that object is not to the advantage of the community?—I say yes, always provided that the conditions are consistent with sound finance.

4445. If limiting of the repayment of loans which are asked for for that purpose tends in that direction you would not agree with it, but you would think that it is a bad policy?—I would only advocate an extension commensurate with the value of the work itself.

4446. You say that the extension of the time should be based on what you say is a sound financial policy?—That is the case. That is to say, I say that at the end of 60 years the ratepayer of the day will find himself free of all charge of debt and in possession of a very valuable asset. Therefore to ask him to bear a charge for a certain period longer on account of it is consistent with sound finance.

4447. With the object of carrying out that policy and keeping in consideration the financial policy of the matter you would be inclined to extend the period for repaying such loans to as long as possible consistently with sound financial policy?—That is what I have come here to advocate. The Finance Committee put a term to it. They say 100 years.

4448. You do not see any danger to a future generation by extending it to 100 years?—I do not.

4449. So long, I take it, as substantial houses are erected for the working classes and the value of the land is always there as an asset?—Yes.

4450. And I take it you agree that a future generation will benefit by the work which is being carried on at the present time?—Yes, I may take as an instance which I have not mentioned before one case: Here was land which, with the clearing away and so on, cost the Council 310,000*l.* Its commercial value is reckoned by our valuer at 180,000*l.* For housing purposes the sum to be repaid is only 63,000*l.* If at the end of any period it was no longer thought necessary to keep those as working-class dwellings the land in the middle of London, we say, would nearly be worth 180,000*l.* It is not likely to fall

4451. You were asked with reference to making a profit on the scheme, would the fact of not making a profit stop you or your Council in carrying out such a desirable scheme as this? Would you think it would be to the advantage of the ratepayers to stop simply because you could not make a profit?—I should not wish to see a scheme carried out that created a charge on the rates.

4452. Even

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Mr. Nannetti—continued.

4452. Even although that property might be slum and insanitary property?—It is a new policy so far as the Council is concerned. I am here to advocate a change on sound financial principles, and in accordance with the standing orders of the County Council. I think we should enter upon a new set of ideas, and I should have to argue it from a different point if the question was that the scheme should be carried out involving a charge upon the rates. I see a great objection.

4453. The point I want to put before you is that although there may be a small charge on the rates when the scheme is carried out, is it taken into consideration that, while this slum property and insanitary property is in existence, the local authority have to pay a large sum, and the rates are debited with a large sum in consequence of the supervision which has to be kept over this insanitary property, and, consequently, that should be put as against the small loss that is made when the scheme is carried out?—Of course, there is a great deal to be said for the policy, as I understand it, which the honourable Member advocates, but at the present moment I can see so many inconveniences and so many objections to admitting a charge on the rates with the fact that that involves a charity out of the rates, that personally I should not favour it. Of course, at the present moment, I appear here as the chairman of the Finance Committee, bound by the Standing Order, and therefore we of the Finance Committee under the Standing Order cannot put our imprimatur upon the estimate which we lay before the Council from the Housing Committee unless the Standing Order is complied with, and we can see reasonable grounds for supposing there will not be a charge on the rates.

4454. But if you have insanitary property, and the tenants in this insanitary area are paying the same rent which you, when you build the proper houses will charge them, surely you cannot say that that is charity?—No, certainly not, if the scheme is self-supporting; but it becomes charity if a charge is put on the rates.

4455. But do you take against the scheme not being self-supporting what had to be paid before the scheme was carried out for the purpose of looking after the property. The property is productive of a great deal of sickness, and the people have to go to the workhouse, with consequently a charge on the rates. They breed epidemics, and these things have to be taken into consideration, and when you put one against the other, do not you think that the ratepayers, although the scheme may seem to be carried out at a loss, benefit in the long-run?—I see so many objections to making a charge on the rates that I should not be prepared to adopt that, especially as I do not think the necessity for it arises, and I think fair and proper scope for the mission of wholesome dwellings may be found in judicious relaxation on the lines that we re-estate.

4456. Your opinion is that, by extending the bond, it would lessen the possibility of a charge on the rates, and would help the local body in the schemes which they hope to carry out for the purpose of building?—I think it would give fair scope for our energies, and at the same time enable us to maintain what I believe to be the

Mr. Nannetti—continued.

sound policy of the Council—namely, that there should not be a charge on the rates.

4457. And there would be no risk to a future generation?—I think there would be no probable risk to a future generation under such an extension.

4458. It has been urged very strongly that, if you extend the period, a future generation would not benefit, but would have to pay. I put it to you that the future generation that came in would, in the first place, have the asset left to it, and a better condition of things than would exist if the schemes were not carried out?—Yes.

4459. Now anything that would militate against the local authority at the present time carrying out these housing schemes would cause a future generation to suffer, would it not?—I think so.

Mr. Murray.

4460. According to the distinction that you draw between housing and rehousing, and the axiom you lay down about making no charge on the rates, do you find it possible to rehouse the very poor? I rather gathered that you do not find it possible to rehouse the very poor?—I think the honourable Member means that, if slum dwellings are removed, the people who are displaced are not those who actually take the new rooms.

4461. Yes?—That, I think, is the case, but when I say that I must make this reservation, that in so many of these slums we have a vicious and criminal class who are not likely to take rooms, but at the same time we provide accommodation for what I may call the better class of the poor.

4462. But, in view of the very substantial character of the buildings, it is necessary to erect—you can hardly call it "rehousing." The term is rather a misnomer if you are housing other people?—We afford the people who are turned out the opportunity of coming in; we cannot force them to.

4463. Under conditions which you know they cannot adopt. I do not say it offensively at all?—If the rents are the same as those ruling in the neighbourhood, are they not practically the same rents which these people have in some shape or other been obliged to pay?

4464. That brings me back to the question I began with—do you find that you do rehouse the particular individual that you send out of the slums you pull down?—I think not; but at the same time very full opportunity is given to them to come in.

4465. I understand that the gist of the evidence is that practically we are not reaching the classes intended by Parliament, which, I think, was the term used just now. I wanted, rather, to get at the point whether the difference in the period of repayment advocated by you would enable you actually to reach a class of the very poor—the slum dwellers?—I do not suppose we ever get hold of what I call the vicious population.

4466. Of course, I understand the existence of a vicious population, but there may also be a careless population whom private builders would not care to take into good houses. Is that a class that you would provide for?—I think the Council wishes to give the opportunity to people unhoused by their clearances to come in; they cannot

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[Continued.]

Mr. Murray—continued.

cannot possibly force them in. If the rule is observed, as I believe it is, that as nearly as possible that rents should correspond with the rents ruling in the neighbourhood, they should be able to come in. I find that is as far as you can go given to the point that between 1894 and 1899 sell at if it was sold under those conditions.

4467. Let me leave the point of those who are turned out and come to the general question of offering a better article at a lower price, passing by the question of charity. Are you not rather defeating your own object by discouraging private enterprise?—I know that that has been stated.

4468. I am not expressing an opinion, but I am only asking you?—I have never been able to follow the argument. It seems to me that the field is so wide that I cannot think that that has been the case, and I think it has been based on the figures showing that private enterprise relaxed or was supposed to relax at certain times, but I do not think that sufficient attention was given to this point that between 1894 and 1899 or 1900 the cost of building increased very much. I think that must have had a considerable effect in discouraging private enterprise.

4469. Would it not be a matter for consideration that you may attract into a city a large population from outside. I am supposing that you look forward to a largely extended application of building municipal enterprise?—The honourable Member means that already the influx into the town is very great, and the more livable you make the town the greater the temptation to increase that influx.

4470. Yes, and reproduce another form of trouble?—I am afraid that making the town more livable must have the effect of encouraging people to come in.

4471. With regard to the general question of slums do you consider that we are rather at a turning point in the building history of the country, that is to say that there is no likelihood of absolutely insanitary houses being built in the future under the supervision of the municipal authority?—I am not an expert on the Building Act, which I believe is a very difficult one to understand, but Parliament has laid down now a very stringent Act on the subject of building, and I hope that will have some effect.

4472. And that will therefore justify a special effort during this generation?—I think special effort is justified, but it is justified on rather other grounds. I should say that public opinion has been so lax on the subject and has let so many years go by without making any real effort that we have a large arrear to make up.

4473. Would not that same public opinion prevent the recurrence of the present state of things to future time?—If once public opinion is alive to the fact and keeps up its pressure, no doubt.

4474. The condition of houses back to back with no ventilation would not be reproduced?—No.

4475. I understand that you propose 100 years for buildings?—Yes.

4476. And that land for rehousing should be written down as a permanent asset?—Yes.

4477. Some of the witnesses have considered

Mr. Murray—continued.

100 years and perpetuity as convertible terms. Would you assent to that? They have said that it does not matter much one way or the other?—I should not advocate that. I know it has often been said that a lease for 100 years is equivalent to perpetuity. I think that for ordinary purposes there is a fallacy in the argument, and especially as in a case of this kind you put the limit there and the charge is diminishing every year and at last dies out.

4478. But is not that an advantage?—Yes, very great, but I say that I do not look at it as perpetuity on that very ground.

4479. But you consider it may be an advantage to posterity?—Oh, yes, certainly; I think it would be perfectly unsound to allow works of this kind to be carried out without sinking fund.

4480. I rather gathered that your evidence was that as regards land it must be considered as a permanent asset?—My point is that if at any time the buildings were given up and no longer made use of you would be able to sell the land at a price in all probability considerably above that at which it stood in your books, and therefore I think in this particular case where we are trying to give the fullest scope to our policy, that is a concession that might be made, but I should not apply it in any case except where there is a great public benefit to be gained.

4481. With regard to the question of the asset for posterity. Is it not a fact that while burdened with a large debt it would be practically non-saleable. Supposing it to be discontinued for the present purpose may they not find their hands tied with regard to other social reforms which they may think desirable?—You mean that each generation would like to do its own work?

4482. Yes?—We are at the present time very much in arrear and a great deal is being done now that ought to have been done by the last generation. Take the very interesting case of the late Lord Shaftesbury. As long ago as the 'forties how clearly and impressively he brought this question of the slum dwellings before the public, and he started a society, which was supported at the time by the Prince Consort and nearly all the great statesmen of the day. That society is still in existence, and has done very good work, but it has never had any real support. All sorts of bills were brought in with very good intentions, but really only tinkering, and finally you wait for nearly 30 years, and you get that notable Royal Commission which brought to the fore all the evils that were going on, but it has taken another 20 years before public opinion is aroused. It is now roused, I think I may say, but it has required 60 years with an increasing evil before public opinion has been awakened.

4483. Now with regard to the writing off a proportion of the value of the site—I mean the difference between the value of the site for dwelling houses and the site for commercial purposes, does the same Committee that fixes the rent write off the proportion of a site value?—That has to be sanctioned by the Council, but practically it is the Committee that does it—practically it is our valuer who fixes the sum.

4484. Bu

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Mr. Murray—continued.

4484. But I wish to know whether it is the same hand or the same Committee which writes off the proportion of the value of the sites or has to reduce it to a value under the Act as the hand that fixes the rent?—The Comptroller points out to me a slight difference. There are two departments. The permanent officers, the experts who fix these in different departments, and the officers lay their results before the Committee, and the Committee is the responsible body to the Council.

4485. In making your return, you must base it on a value which, in your case, is an artificial or estimated value?—The value of the land is an estimated value as to what that land would sell as if it was sold under those conditions.

4486. My point was to discover whether the same Committee which fixes the rent and produces a balance-sheet, showing how it paid interest on a given value, was the Committee that fixed that artificial value?—As the Comptroller has pointed out, the expert officers who fix this are in different departments.

4487. In an instance on the paper that you handed in it is pointed out that 11½ per cent. was paid to the Repairs Fund?—Yes.

MR. ALEXANDER HENDERSON (a Member of the House), called in; and Examined.

Chairman.

4491. You are a member of the London Stock Exchange?—I am.

4492. And you have been concerned for many years in the conduct of large financial operations?—I have.

4493. As Chairman of the Great Central Railway you have had your attention drawn, perhaps unpleasantly, to the great increase of local indebtedness?—I have, indeed.

4494. We ask you to come before us, as representing the financial world, to tell us what effect the increase of loans to local authorities has had upon their credit. How do you consider that their credit is standing this strain upon it?—We have had indications of late that the market has, if anything, been overstocked with the various issues that have been made, and, in consequence of that, I think you may take it that the financial world has been looking a little more closely into the various issues that have come before it. There has been a little more discrimination, possibly, than there had been in the past.

4495. Can you give us a recent instance of a Corporation not being successful in raising a loan. I do not want the name?—Within the last month there was an issue made of a considerable amount, and, as usual, in cases of that kind that issue was underwritten and the Underwriters had to take something like 89 per cent. of the whole, showing that the public only took on that occasion 11 per cent. I should like to mention, in connection with that, not to lay too much stress upon it, that it might have been because it was just at an inopportune moment that the issue was made, but the facts are, as I have stated, that the public did not respond to the invitation to any large extent.

4496. What view do you think the financial

Chairman.

4488. You hand in particulars of building schemes considered by the Housing of the Working Classes Committee, and not proceeded with because they showed a charge on the county rate?—I do. (See Appendix No. 23.)

Mr. Nannetti.

4489. You have been asked as to the vicious and careless class of people. Is not the fact of living on insanitary and slum property very calculated to create a vicious and careless class, and, by removing the insanitariness, is it not possible to reform the people and make them a better class of citizens?—No doubt, if you bring people into more decent habitations who are under a certain amount of control and have to observe certain general rules, it must tend to make them better members of society than if they lived in the slum.

4490. And so long as they remain in the slum there is no possible chance of reforming them?—No. I think the Chairman wishes me to put in the Standing Orders, and the samples from the report, and the memorandum and summary at the end.

(Adjourned for a short time.)

Chairman—continued.

world would take of an extension of the period for repayment?—My firm belief is that if you extend the period for repayment you increase the facilities with which municipal authorities can borrow, and to increase those facilities would encourage the spirit now rather rampant of Corporations embarking on rather rash indebtedness.

4497. You have prepared figures showing the increase of indebtedness. Do they agree with the figures put before us already?—More or less. I will hand in to the Committee a chart, if I may, which, I think, puts it before them in a very simple form. (See Appendix No. 24.)

4498. This chart shows the fall between 1881 and 1900 of Imperial debt, but the very rapid increase of local debt?—Yes; that is the object of the chart. There has been a fall in the Imperial debt from 1881 to 1900, which amounts to 129 millions; while for the same period, Chart No. 2 shows that there has been an increase in local debt from 144 millions to 294 millions, or 150 millions.

4499. Then you have another table showing the rate of increase as compared with the increase of rateable value?—Yes. That table I consider is a very important one. Chart No. 3 shows the increase of local debt compared with that of the population and the rateable value. You will see that where the population has increased from 1881 to 1900, 23 per cent. the rateable value has increased 29 per cent. and the local debt has increased 103 per cent. I may mention in connection with those figures that if you take the figures from 1875 to 1900 the local debt per head, which was in 1875 3*l.* 10*s.* 9*d.*, in 1900 was 8*l.* 15*s.* 8*d.*—an increase of 5*l.* 4*s.* 11*d.*, or 148 per cent.

4500. Your fourth table illustrates in regard to

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Chairman—continued.

to eight of the largest cities in the kingdom the amount of outstanding debt per 100*l.* of rateable value?—Yes.

4501. Distinguishing between purposes that are remunerative and purposes that are not remunerative?—Yes, that is so. The upright lines show what we call the non-remunerative or non-trading debt, while the cross lines show the debt that has been raised for what are called by the corporations remunerative purposes.

4502. Could you put it in another way showing what amount of capital value, as it were, some of these big towns have already borrowed?—Yes. May I first of all say what the debt represents on the rateable value. London is 133*l.*, Liverpool 273*l.*, Bradford 407*l.*, Sheffield 410*l.*, Leeds 429*l.*, Nottingham 489*l.*, Birmingham 496*l.*, Manchester 523*l.*, and Huddersfield 650*l.* That represents the borrowing in respect of each 100*l.* of rateable value in those respective towns. To put those figures in another way, that is to capitalise the rateable value, capitalising the rateable value on the 3 per cent. table, we find that for every 100*l.* of capitalised rateable value London has borrowed 4*l.*, Liverpool 8*l.* 3*l.*, Bradford 12*l.* 3*l.*, Sheffield 12*l.* 4*l.*, Leeds 13*l.*, Nottingham 14*l.* 5*l.*, Birmingham 15*l.*, Manchester 15*l.* 8*l.*, and Huddersfield nearly 20*l.* So that to all intents and purposes the property of an individual has been mortgaged without his consent to the extent that I have stated—that is without his individual consent.

4503. Do I gather that that means that in Huddersfield they have already mortgaged one-fifth of the total capitalised rateable value?—That is so.

4504. You consider that this will have some effect on their capacity to go on raising money on easy terms?—Undoubtedly. When these figures are realised I am quite sure myself that there will be great discrimination amongst the investing classes and the ability of the Corporations to borrow will be curtailed. The money market, as you are aware, is always a very sensitive institution, and when these figures which I have just mentioned are thoroughly understood I doubt myself whether it will be easy for them in the future to borrow to the extent that they have been able to borrow in the past.

4504*. A remunerative undertaking requires constant additions to its capital to succeed, does it not?—You must go on expending capital if it is remunerative; it does not follow that you wish to extend your undertaking, but demands for increased facilities grow. I will give you the case of the London and North Western Railway Company. Ten years ago, in 1891, they had 2,021 miles and a capital expended of 101,405,000*l.*; in 1901, ten years later, the length was 2,094 miles, while the capital expended was 130,843,000*l.*, which shows the insignificant increase in the length of line of 73 miles, equal to 3·6 per cent., against an increase in capital expenditure of 29,338,000*l.*, or 29 per cent. So it is with every other undertaking in the kingdom. I cite the case of the London and North Western, not because it is a favourable one to point my argument, but because it is rather the other way. I am giving you perhaps one of the most conservative railways to show that even there, where

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Chairman—continued.

there is no desire to increase their commitments, yet the force of necessity is so great that increase has to be made to meet the requirements of the public. My argument from that is that from the nature of the enterprises into which the corporations have entered the same kind of increase must necessarily come, whether they like it or whether they do not.

4505. You consider that municipal indebtedness will grow in proportion to the extent that they go in for trading undertakings?—Yes, undoubtedly.

4506. Is not that somewhat met by the fact of their having sinking funds to meet this indebtedness?—Nominally it is, but I should like to show you how the sinking fund acts. Perhaps here I ought to hand in a memorandum which has been prepared by the Local Government Board. (See Appendix No. 25 A.)

4507. How do the sinking fund provisions act?—There is no doubt about it that there is a very general idea that all corporation expenditure is being provided for by means of a sinking fund, and that therefore there is a finality to that expenditure—that they borrow to-day a certain sum, and the sinking fund is made to repay that amount within a given period, and therefore, as I heard a witness this morning say, at the end of that time the corporation will have intact the asset. Now that asset may have deteriorated to such an extent that it will be of comparatively little value at the end of the time, but whether it has or whether it has not the idea is that the corporation borrows to-day, and by means of the sinking fund gets rid of that liability within a certain period. Now there are two kinds of sinking fund, as will be seen by the memorandum that has been prepared by the Local Government Board with regard to the sinking funds in respect of borrowings by mortgage or bonds and loans made by the Treasury under the Local Loans Act. I think that Parliament has set its face against any relaxation of the rules, but the way in which the modern corporation goes to work is to get a special Act, and in that special Act are provisions which are not to be found in the old Local Loans Acts. There is another danger which I see in connection even with the best form of sinking fund, and that is the setting on one side of so much per annum, which is either invested in the actual loan itself, that is to say the loan is reduced, or else is invested in statutory securities to meet the period when that loan matures. Among the statutory securities that are permitted are corporation stocks, and therefore one corporation can invest its sinking fund in another corporation, and the connection through the organisation of what is known as the Municipal Corporations Association is so close that it almost follows that where the sinking fund of one corporation has to be applied it will almost invariably be invested in the securities of another corporation, and it is not what we should call a very sound way of making a sinking fund to redeem a loan at a given period. Still the present statute allows it.

4508. You think that the best form of sinking fund, but there are others?—That is the best form; what I call the worst form is another form that

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[Continued.]

Chairman—continued.

that is alluded to in the memorandum, which I have just handed to you, and that is where a redemption fund is created. Now, in most of the modern Acts the Corporations take power to invest their sinking fund in their own concern—that is to say, a reserve fund is formed, but instead of being taken outside the business, it remains in the business. The first powers of that kind were acquired in 1894 by the Corporation of Liverpool. Leicester was next in 1897, and since then it has been the custom of several Corporations to get similar powers, and I think up to the 31st March last year 21 Corporations had obtained that power. I do not want to bother you with too much detail. I have several Acts here. (*See Appendix No. 25 B.*) The first Act that comes to my hand is that of the Leeds Corporation of last year. Clause 44. Sub-section (2) says: "Where the Corporation are authorised by any statutory borrowing power to raise money for any purpose, they may, instead of exercising such borrowing power by the issue of any fresh security in respect thereof, exercise the said power, and raise the said money either wholly or partially by using for such purpose any money for the time being forming part of the redemption fund." That is to say that the sinking fund, which is to redeem a loan raised some years since, may be put into a new loan to-day; consequently, when the first loan raised matures, the whole fund for its redemption will be invested in the same Corporation security. So that when you are asked to extend the period for repayment of loans, I say that it is quite unnecessary to ask for that, because, to all intents and purposes, the powers that you are now giving are perpetual as regards the loans. Against the purpose for which the loan is raised a reserve fund may be made, but with regard to a loan for so many millions raised to-day, with the sinking fund which was to redeem it invested in the same kind of security, when the loan falls due it follows that it will have to be renewed. There are no funds available to meet it; the funds that would be there, if put into a separate outside sinking fund, are in the same Corporation Stock, and the loan goes on for all time.

4509. Take the case of a Corporation having borrowed money for sewage works. Would it be possible to put the sinking fund in respect of that money into a cemetery, say?—Undoubtedly; the particular purposes for which money is borrowed are set out in the particular Acts. Now, say that Act No. 1 authorised the construction of sewage works, which are very proper things for the Corporation to undertake, and then later on the Corporation got power to borrow for something else, and in that something else is a cemetery, and the time comes when the money is due, but the money is not forthcoming, I presume the man who has lent the money on the cemetery can foreclose, and under the circumstances he can either take possession of the tombs or be buried there.

4510. You would suggest that the only way to secure that the sinking funds are there, or making the security absolute, would be that the sinking funds should be invested in Government securities?—Undoubtedly. I do not think that any other form of security would give absolute security to the investor. To show you how this municipal investment in their own securities really works I would like to take the case of the London County Council. The London County

Chairman—continued.

County Council have put on one side for redemption of the old Board of Works loans, and also in respect of their own borrowings, a sum that now amounts to 21,194,000*l.* At March, 1900, it amounted to that. I find that 17,743,000*l.* of that has been used for the purpose of making loans to local authorities, so that there is no asset there that can be realised to meet the obligations of the London County Council when they fall due.

4511. The local authorities will pay, I daresay, but with this constantly-growing debt there can be no question that that is not a liquid asset of the kind that is required for meeting an obligation at a fixed period. The local authorities to whom they have lent are probably keeping their sinking fund to pay off these loans on very much the same principles?—In all probability. They go on rolling it up. But, of course, what the local authorities do I have no means of ascertaining; their accounts are not available.

4512. So that you think that the period for repayment of loans becomes less important when you consider the way in which they really are not providing any means of repaying at all?—I do not think it is of great importance. I quite see the desirability of putting on one side a sinking fund, but when you ask me whether that is really being put on one side to redeem a debt on a given date, I say that it is certainly not being so dealt with, because the sums set on one side will not be available for the purpose for which they were primarily intended.

4513. They are being invested in assets which may be vanishing assets?—Yes, taking recent developments of municipal enterprise, I should say that they would be distinctly of a vanishing nature. I might give you an instance of the way Corporations have raised money for a sewage scheme and the redemption fund in respect of the loan is invested in, we will say, an industrial school. Now, before the time of the redemption of the loan arrives industrial schools may have gone out of fashion; so that the security to which the lender of the money for the sanitary works looks has evaporated before the time for repayment arrives. It is merely a reserve fund in the business, as I said, and it will not be available for the purposes for which it was intended.

4514. And all this, consequently, has an influence on the willingness of people to lend to local authorities, I suppose?—Undoubtedly, when these things are fully understood, it will have that effect. For what it is worth, I have had prepared a table showing, for instance, the effect of the result of municipal electric lighting where heavy losses have been incurred. (*See Appendix No. 26.*) This table shows 60 towns. In 1900-1, with regard to electric lighting, after providing for interest and sinking fund on the cost, there was a loss of 92,280*l.* That was the loss after providing the interest and sinking fund, as I have said. Then to that there ought to be added a depreciation fund, which would increase the loss up to 272,000*l.*

Mr. Runciman.

4515. Is depreciation not included?—A depreciation is included; that is, you may say that the sinking fund is a depreciation fund. Loans for electrical purposes have frequently been made for 30 years. Now a 30-year loan at 3 per cent., as you are aware, requires a 2 per cent. sinking fund

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Mr. Runciman—continued.

fund, and therefore you may say that there is a 2 per cent. depreciation fund being put on one side, but anyone with knowledge of electrical machinery or machinery of any kind knows that 2 per cent. depreciation would not be a proper sum to be set on one side for the purpose.

Chairman.

4516. Are you beginning to doubt whether municipal securities are proper subjects for trustee investments?—I am a very doubtful myself. They are most excellent up to a certain point, but if the borrowing goes on as it has gone on, there will be a period when the strain will be too heavy for the ratepayer to bear. I gave you the case of Huddersfield. One-fifth of the whole assessable value of the town is already mortgaged. Now that must mean a very heavy burden in the shape of rates, and a period may come when the burden is too great for the town to bear. The last figures that we had before us showed that the local debt of England and Wales is 295 millions. I think that it is now more. If it is to go on at the rate at which it has been going on it could easily, within a comparatively short period be doubled, and we might have 600 millions of local debt.

4517. Do you think that if the securities were not allowed to be a trustee security there would be greater difficulty in raising the money?—Certainly, at a low rate of interest that would be so, and I do not know myself that it would be altogether a misfortune. In the old days under the Public Health Act, the local authorities, for the purpose of that Act at any rate, were limited to two years' assessable value. I have shown you that in many cases that two years' limit has been greatly exceeded. It would not do perhaps to go back upon anything that has been done, but I think that it would be very much better in the future that the section under which trustees are permitted to invest in corporation securities should be amended. Section M authorises the investment of moneys in the securities of any corporation with 50,000 inhabitants. If that were amended to say: "Provided always that the total amount of the debt does not exceed so many years' assessable value," I think that it would greatly strengthen the position of the investor, and put him in the position that he thinks he is in to-day, namely, of having one of the best securities possible.

4518. Would you like to add anything?—I should only like to say that if corporation securities enjoy, as they undoubtedly do, a foremost position in the investor's list of securities it is principally because on the face of the prospectuses offering these corporation issues to the public there is always printed, or as a rule (always really), in a prominent place, the fact that the stock is stock in which trustees are authorised to invest under the Act of 1893. Leave that out, and I do not think myself you would find that corporation securities would hold the position which they do to-day.

4519. Your point is that with the present arrangement for repaying the debt you doubt very much whether they ought to be trustee securities at all?—I want you very distinctly to under-

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Chairman—continued.

stand that I think that just as with railway debenture stock the limit of the debenture stock is to be a certain proportion of the capital that is ranking after it, so should the part of the corporation debt that is available for trustees' investments be limited to a certain proportion of the rateable value.

Mr. A. K. Loyd.

4520. In the list that you gave us of the present indebtedness of certain leading towns, I think that you worked out the result that the private individual's property was mortgaged without his individual consent to the extent of about 5 per cent.?—I gave you different towns. It ran up to as much as 20 per cent. in the case of Huddersfield. The borrowing there is 650*l.* in respect of every 100*l.* of rateable value.

4521. I suppose that in all these cases the individual, although without his individual consent, has had the value of his property improved in many cases?—It may have been improved, but not to any very great extent. I might refer you to Chart No. 3, which I handed in just now. If it had been improved to the extent of the debt charge, naturally the increase in the rateable value would correspond with the increase in the debt, but you will find in Chart No. 2 that in 20 years there is only an increase of 29 per cent. in rateable value, while there is an increase of 103 per cent. in the debt.

4522. So that the percentage of increase has not been proportioned between the rateable value and the actual indebtedness?—It has not.

4523. Have you formed any opinion as to whether loans for housing purposes might not be exceptionally regarded on account of the social advantages?—My experience is that loans for housing are altogether unnecessary and very unwise in every shape and way. I think that I understand your question, and the way in which I would answer it would be this: That although we admit that it is very desirable that the working classes should be housed in a better way than they are housed to-day, the reason why they are not better housed is because the Corporations have interfered in connection with the operation. Had it been left to the commercial classes, there would have been no difficulty as far as I am aware, in providing suitable houses at cheap rates, and the only reason why those dwellings have not been provided is the fear that the commercial man has of the municipal competitor. I may say that I am a trustee for one of the Industrial Dwellings Companies.

4524. I did not know whether you would be able to help us on the point as to whether, owing to the social urgency of the matter, financial considerations might not be stretched in a particular case. However, I will not trouble you further upon that.—Thank you.

Mr. Runciman.

4525. I think that you stated at the beginning of your evidence that you had instances of Corporations being unable to float their loans, and the underwriters being landed with a large proportion of the loan?—I did.

4526. Can you give me the percentage at which the

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[Continued.]

Mr. Runciman—continued.

the loan was put out, and the price at which it was offered?—I have the prospectus before me, but I understood that the Chairman did not want it.

Chairman.] I did not want the name of the place.

Mr. Runciman.

4527. It may be possible that the reason why the public took so little and the underwriters had to underwrite such a large proportion, was that the price, considering the market value, was too high or the rate of interest was too small?—I quite see your point, but my answer to that is that the people who underwrite securities are very keen with regard to seeing before they underwrite for a small commission, that the price is right and the rate of interest is right, and had the price not been right and the rate of interest not been right, it would not have been possible to underwrite it.

4528. It so happened that these shrewd financial men were unable to gauge the opinion of the public about the particular stock?—Yes.

4529. Which you put down entirely to the fact that the indebtedness of the particular borough is too heavy?—Not entirely. As I said, I do not labour the point, because it might have been an unfortunate moment at which to make the issue.

4530. There I agree with you.—But I deduce from that the fact that the public are in the humour to discriminate more than they were, and they are so doing.

4531. You gave us figures showing an enormous increase in local indebtedness, but when I add these to the Imperial Debt I find that since the year 1881, in spite of our great increase in wealth, local and national, the total debt, Imperial plus local, is only 21 millions more than at that time?—I have not made that calculation.

4532. I think that the figures are correct?—I can easily arrive at the figure. Yes; 21 millions would be the difference between the two. That is quite correct.

4533. So that per head of the inhabitants the increase in indebtedness, adding Imperial to local indebtedness, is not particularly great?—They correspond with one another. I say that, while the nation has been making strenuous efforts to get rid of an obligation which it does not think it wise to have, municipalities have, on the other hand, been piling up an indebtedness which has little more than compensated for the other.

4534. But you put the case of the individual, and I point out that, from the individual's standpoint, he is very much where he was in 1881, except that he possesses in his locality facilities which he did not possess in 1881. He is, in fact, in a better position than he was then?—If it is a better position to be in to have a higher debt charge per head, then he is in a better position; but I rather look at it the other way—that, whereas the local debt charge per head was 3*l.* odd it is now 8*l.* odd—an increase of 148 per cent.

4535. But if you look at it from the individual's standpoint, you must consider what his indebtedness is as a citizen of the nation and not only of a town?—You mean that, whether he pays rates or taxes, they both virtually come out of the same pocket?

Mr. Runciman—continued.

4536. Yes, but I will not labour that. Now you stated, I think, that in the case of Huddersfield the property of the individual inhabitant had been mortgaged without his individual consent to the extent of about 20 per cent.?—Yes.

4537. Is not that a little straining of the position? The individual, I take it, speaks through his representative?—That is why I used the word "individual." Collectively, he gives his consent; but we know that in many municipalities (I do not say in all) the affairs of the municipality are managed by a certain limited number of men, and I do not think that many of the inhabitants of Huddersfield, for instance (as you have mentioned it), are aware that their property is mortgaged to the extent that I have indicated until figures of this kind are brought home to them. I do not think it is generally recognised.

4538. I do not express any opinion about their knowledge on the point, but when you put forward these very telling tables, is it not right on the other hand to keep in mind the fact that there has been a great increase not only in the assessable value, but also in improved conditions of sanitation, facilities for locomotion, and the general comfort of the citizen which cannot be put down at a definite value. Should that fact not be taken into consideration?—I think so certainly, but I must again point to the fact that the increase in assessable value in 20 years has only been 29 per cent.

4539. Perhaps I did not express myself clearly. The increase in the wealth of the locality may not have been shown entirely in the assessable value; it may also have been shown in the increase of sanitary conveniences and locomotion and so on?—I think it is probable that without the sanitary conveniences, the assessable value would stand still, or go back, but I point to the fact that it has increased 29 per cent.

4540. One really is apt to take a somewhat alarmed view of the situation from your figures, if improvements and increased facilities are not taken into account?—I do not think the figures were prepared with a view to alarm anyone. They were prepared to bring more prominently to the notice of the Committee, and possibly perhaps to the notice of others afterwards, the fact that things are not going in the way that we who are interested in municipal trading and municipal works think they should—that, in fact, they are going ahead too fast.

4541. I only suggest to you that you may have overstrained the point?—I do not think I have done so. I think that my figures will be found to be correct.

4542. No doubt they are, but you admit fairly that there are the points which I have put to you which ought to be taken into consideration, but which cannot be put down in pounds, shillings, and pence?—Life has been made more pleasant in these days certainly than it was in 1881.

4543. And of longer duration, which also is to be considered?—Certainly.

4544. Now you gave an illustration. You instanced the London and North-Western Railway as a reason why you believe that localities will in coming years have to increase their capital expenditure for remunerative undertakings, but do you

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Mr. Runciman—continued.

you think that the case is altogether relevant?—I think that the cases run on exactly parallel lines.

4545. May I point out one or two ways in which it may be supposed that they are not parallel? To begin with, the increase in mileage of the London and North-Western Railway Company is something like 3 per cent., and is it not possible that a large amount of their capital expenditure has not been in the increase of mileage only, but in the increase of other facilities which cannot be reckoned in mileage?—Very probably.

4546. You put the increase of their capital at 29 per cent., and quite rightly. Now may this not have been due to the policy of the directorate which in America would be called over-capitalisation, as you know. You know better than I do a great deal the difference between American railway finance and English railway finance. I suggest that the increase in the capitalisation of the London and North-Western Railway Company is in part due to the policy of the directors, and that it does not really represent an added extent of remuneration to the company?—My answer to that is, that in England we certainly do not go in for American principles as regards capital. Where we show an increased expenditure that means an increased number of sovereigns put into the undertaking, and as a railway chairman I can assure the Committee that railway companies never spend a penny unless they are absolutely obliged to.

4547. I think that your point is that if the remunerative undertakings are successful more capital is required?—Yes.

4548. On the other hand, if they are unsuccessful they are a burden to the municipalities?—Yes.

4549. So that in any way whatever happens to the municipality so long as it has remunerative undertakings it suffers. With that I do not agree. Now with regard to sinking fund, you stated that when the loan matures, if it has been put into other municipal undertakings it will have to be renewed?—Yes.

4550. And in that way the period for repayment does not matter. Now, may I put it to you that it merely means deferring the issue of the loan for the new undertaking?—That is quite correct, but I gave you an instance where the first money is raised for an undertaking that is good from my point of view, namely, sanitary works, but the second money is raised for an undertaking that is bad and distinctly has a short life.

4551. You also stated, I think, somewhat definitely that the sinking fund was not available for the redemption of loans, but you must be aware that there have been, and there are every year, very large loans being redeemed by municipalities?—Undoubtedly.

4552. Now, if these sums of money are not available, where do they come from?—I do not know whether the Committee would like to have the exact facts, but I have here a statement furnished to me by the Local Government Board, showing exactly what has been done during the past year with regard to sinking funds. I see here Birmingham. Now, 849,697*l.* of their sink-

Mr. Runciman—continued.

ing fund has been invested in new expenditure of the Corporation. I put in this paper.

4553. Loans have actually been repaid during the last twelve months, and at the same time this sinking fund has been put into municipal undertakings?—Undoubtedly, where loans have been raised under the Local Government Board's authority.

4554. And by private Bills too?—Yes, in some cases, 21 Corporations have availed themselves of the clause that I read from the Leeds Act last year to invest in their own securities.

4555. The transfer of liability ought to be exercised with great care, but do you not think it a somewhat drastic way of providing for repayment of loans that the sinking fund should be invested in Government Stock only?—I think it should be so invested.

4556. To begin with, the Government Stock is scarcely large enough?—I quite see that the whole question of re-investment is fraught with difficulties, but at the same time I only point this out to you to show that for all intents and purposes the present loans are not terminable, because when they fall due they must be renewed because money has been used for capital purposes which otherwise would have been used for their redemption.

4557. When you say, "to all intents and purposes," let me put this to you: the loans applied to new undertakings become new loans. They may alter their names, and in altering their names and the undertakings to which they are applied, do you not provide for that financial security which you look to, and have you not rather overstated the case?—I quite follow your point, but I do not think that I have overstated the case. I think that I have understated it. The old Corporation loans were most of them raised for sanitation, for water, and for improvements. The new loans, or the majority of the new loans, are being raised for industrial ventures. Now an industrial venture will have a comparatively short life, compared to the water-works, etcetera, upon which the moneys were first borrowed, and the consequence is that when the original loan matures, the security that is to represent it will be worn out, or, if it is not worn out, additional capital will have been spent upon it to such an extent that there is practically no end to the original loan. I do not know whether I make my point clear.

4558. Yes?—I may be wrong in my deduction, but you understand my point.

4559. Yes. Now, is it not the case that irredeemable stock stands at a higher price on the Stock Exchange, or in such places as these matter are dealt with, than redeemable stock?—Yes.

4560. Always?—Yes.

4561. So that a permanent loan will be more easily raised, and will produce a higher price than a temporary loan?—Where there is distinctly no finality the price will be higher.

4562. Which appears to argue entirely against what you have been urging?—I am urging nothing. I have been trying to bring before the Committee some facts, and I hope that I may have succeeded. I would like to say, with regard to the excess borrowing of municipalities, that I have taken a little trouble to ascertain what is done in other countries. We know that in America

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America they are not disposed to be behind the age at all, and so I have obtained a statement as to the amount of borrowings that are permitted by the different States of America under the State Constitutions. I find that in New York they permit 10 per cent. of the capitalised rateable value; in Pennsylvania, 7 per cent.; in Indiana, 2 per cent.; in Illinois, 5 per cent.; in Wisconsin, 5 per cent.; Iowa, 5 per cent.; Missouri, 5 per cent.; and Massachusetts, $2\frac{1}{2}$ per cent. Those figures have been supplied to me, and I believe that they are absolutely reliable, and they show that the present borrowing of some of the municipalities that I have referred to are far in excess of anything that is permitted in the United States.

Mr. Murray.

4563. With regard to Chart No. 4 that you have put in, I notice that you include artisans' dwellings as a trading debt?—I see that on the chart the word is put "Trading," but I have referred to them as remunerative undertakings.

4564. I do not know whether you heard the evidence of the witness this morning, in which he pointed out that it was the custom in London to write off the difference, which must be a very large one, between the value of the site as a subject for houses of the working classes, and its value for commercial purposes?—I heard that statement.

4565. You would agree that it would probably be a very considerable item?—It might be, of course.

4566. Would you include that in the remunerative items?—Yes, if it came under the heading of "Remunerative Debt." These figures are compiled from the Corporation accounts, and if they have entered it under the heading of "Remunerative Debt," we should so enter it.

4567. We must look for it in the corporation accounts?—I do not pretend to go into detail. I accept the corporation figures.

4568. In regard to what you said just now as to the United States, were you making a comparison with the account which spoke of 20 per cent. for Huddersfield?—Yes.

4569. If I may shortly allude to what you brought in as a matter of comparison (though you gave a hint of another point) in regard to the London and North Western Railway Company, a large commercial undertaking, is it not suggested at all events in some quarters that in this country there is a tendency to place to capital charges what should fall on revenue?—There has been that charge brought, but personally I do not think there is much in it. I do not think that a great railway undertaking is likely to make improper charges against capital. If you find a capital charge, that means that the capital ought properly to bear it.

4570. One of the Glasgow witnesses spoke of renewal funds?—Renewal funds, of course, are always made by railway companies.

4571. Do you suggest that in large commercial undertakings a much larger sinking fund with regard to machinery is set aside than is set aside by municipalities?—My statement is that if the depreciation fund which is set on one side is considered to be covered when the sinking fund is

Mr. Murray—continued.

provided, that is not sufficient to meet depreciation.

4572. Did you read the evidence of the Lord Provost of Glasgow on that point?—I did, and although he spoke of depreciation funds he did not give any figures. He only alluded to the fact that they had depreciation funds in addition to their sinking funds.

4573. And he drew a wide distinction between their own action and that of some other corporations?—Yes. I should say, assuming that Glasgow puts aside a decent sum for depreciation fund, it is putting its undertakings on a sound basis.

4574. Do you recommend the instalment system as the best system?—I do not think I should like to give an opinion upon that; there is so much to be said on both sides.

4575. You have given some instances with regard to the security of certain mortgages. Were you not rather straining the point in alluding to cemeteries and industrial schools? Take the case of a park. Although we should be very sorry to sell a park, would it not have a very sound commercial value if it was necessary to sell it for building?—I think it would, but I do not think you will find as a rule where mortgages are given that they are given on public parks which are destined for the public enjoyment for all time. I speak with some little doubt in my mind, but I think that they are just the things which are excluded from mortgages.

4576. You think that they would rather sell their cemeteries than their parks?—There are burial fees coming in in one case, but there are no fees coming in from the park, but I am not an authority on this point at all.

4577. Take municipal trading undertakings, such as gas and electricity, which even if not successful in the hands of municipalities, might represent in the hands of companies according to some witnesses tangible assets for anyone to take over?—Precisely.

4578. More than an industrial school?—Certainly.

4579. With regard to the limit that you put on investment by trustees, is it your recommendation, broadly, that no consideration should be given to the assets involved by the debt of corporations?—I would not allow any trustee to invest in corporation stock where the total borrowing exceeded so many years of the assessable value regardless altogether of how that money was invested because it will open the door and you do not know where to close it again.

Captain Donelan.

4580. I think that you mentioned that, notwithstanding the large increase in the amount of debt, local securities still held a very high place in the market?—They do undoubtedly.

4581. Could you say whether this increase of indebtedness from 1881 to 1900 has added to the rate of interest?—I should say that from 1881 to 1900 there has been a general trend in the other direction, and that stocks bear a lower rate of interest now all round. First class stocks, in which I include municipal stocks, return a lower rate of interest to the investor than they did in 1881.

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1881. In the meantime, of course, there has been a period when they have returned a very different rate from that which they return to-day, but you are asking me over the whole period?

4582. Yes?—Over the whole period the municipal stock to-day would return less than it did 20 years since.

4583. In other words, local loans could be raised in 1900 at a lower rate of interest than they could in 1881?—That is true.

4584. Is not that sufficient to show that from the investor's point of view the security is quite as good now as it was in 1881?—It may show that, but it principally shows that the value of money during that period has changed. You see 20 years since Consols were paying 3 per cent.; to-day they are only paying $2\frac{3}{4}$ per cent., and next year they may only pay $2\frac{1}{2}$. There has been a general raising of prices all round. I do not think that that applies particularly to municipal stock only, but to every security that is supposed to be fairly well secured.

4585. You mentioned that in the cases to which you referred, the property of the individual ratepayer had been mortgaged without his consent. I did not quite gather what you meant to convey by that?—I said, without his individual consent. I have a vote for my Borough Council, and if I return certain men and I give them power to mortgage my property, and they choose to do so, I cannot help myself. My individual consent to that mortgage is not asked.

4586. But do you not consider, then, that the representatives of ratepayers on these local boards express the views and opinions of the ratepayers?

Mr. DANIEL WINTRINGHAM STABLE, called in; and Examined.

Mr. Runciman.

4592. You are a barrister-at-law, and you are now secretary to the Prudential Assurance Company?—Yes. I was their solicitor, too, for years.

4593. You are here to give us your views from the investors' point of view on the repayment of local loans?—That is so.

4594. Your company have total loans outstanding on the security of local rates as on the 31st March, 1902, of about 10 millions?—That is so.

4595. The loans have been made to practically all classes of county, urban, and rural authorities having power to charge rates?—Yes.

4596. But I understand that there are some exceptions to this?—Yes, that is so.

4597. They do not comprise any local stock redeemable or irredeemable other than certain Metropolitan Consolidated Stock and City of London Bonds?—That is so.

4598. What do you mean particularly by local stock?—Stock actually issued by municipal bodies, such as the stock that the Birmingham Corporation propose to issue at the present time. We have no stock of that sort. All our money is lent on mortgage to these authorities.

4599. Mortgages on the security of the rates?—Yes, and other things.

4600. In selecting investments, attention is

Captain Donelan—continued.

—I say yes and no to that. I take it that, assuming that there are 12 men successful and there are 24 candidates, to the extent of the support that is given to the candidates who are not successful those who are successful cannot represent the minority. That must be so.

4587. I presume that you do not intend to convey that, if ratepayers are willing to incur responsibility for the purpose of improving their towns and the condition of the people, they should be prohibited from doing so?—No, certainly not. If the ratepayers are willing to do it, it must be done. My point is rather that I doubt whether the ratepayer recognises that his property has been mortgaged to the extent that I pointed out.

4588. I think you said that it was no part of the duty of local authorities in your opinion to provide decent dwellings for the working classes?—I rather put it that I did not think it would have been necessary, had it not been for the fear of the municipal competitor.

4589. You consider that it is to some extent a mischievous interference with the private capitalist?—I think it is a great pity that municipalities have interfered.

4590. Is it not the fact that this class of dwelling is not, as a rule, a tempting investment to private capitalists?—There you get in the kind of capitalist who likes a moderate rate of interest, say 3 per cent., and he throws in with it a little philanthropy, and that class of investor represents a very large class.

4591. I think I may take it for granted that Ireland is not included in your calculations?—No, only England and Wales. I have left out Scotland and Ireland.

Mr. Runciman—continued.

first given by you to four or five points. Would you tell the Committee what those points are?—As a rule, we consider the prosperity of the place or the district asking to borrow the money, and we weigh the point whether they are a rising place or a decreasing place from a population point of view; we get the rateable value stated by them, and we consider that, and what the amount of the rates is in the £. In considering a loan, we say, "How much is this place indebted, and what proportion does the indebtedness bear to the rateable value of the place," and also, I should like to add, "to the property of the place?" and then we weigh, and attach importance to any priorities which have been given to their existing or future loans; we look and see what their borrowing powers are. The question of priorities given to loans, either in the future or in the past, is a serious matter. Then, if they have any undertakings which should be of a remunerative nature we get their accounts for one or two years, and look into them, and find out whether they really are benefiting the place or not, and, according to our judgment on the various points, subject to any question of interest and security, we say whether we shall be pleased to grant the loan or not.

4601. There are certain municipalities which do

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[Continued.]

Mr. Runciman—continued.

do not come within these conditions?—Yes, there are certain municipalities which, from our point of view, are not quite those that we should like to invest in.

4602. With this great care your company have incurred no loss on investments in local rates?—We have not lost a penny.

4603. Over a long period?—Yes.

4604. Can you state approximately how long?—It is a period going back antecedent to my knowledge, but in 1894 I know that we had about five millions outstanding in local loans, and now we have 10, so that it covers a considerable period of time.

4605. You are of opinion that it is quite within the range of possibility that a larger proportion of local bodies may by increased borrowing as years go on place themselves amongst those to which your company hesitates to lend?—Yes, which we should not select. We think that may be so.

4606. Have you any opinion as investors with regard to Government control over the borrowing authority?—Yes, we have an opinion if I may venture to offer it. We are only investors, but we are substantial investors, and we attach very great importance to existing Government control. I have spoken to our counsel and legal advisers in the matter. We have an exceedingly high opinion of the way in which the Local Government Board work is done, and we attach great importance to it. I should not like to compare it with other authorities, but we have opportunities of judging of their work, and we value it very, very highly.

4607. As investors?—As investors. I think I am within my province in saying that we attach weight to the Government audit. We should be glad to see that extended.

4608. To the municipalities?—Yes.

4609. It already exists with other local authorities, but not the municipalities?—No, not all. Quite lately I was dealing with a large municipality, and owing to their obtaining a private consolidating Act they were put under Government control, and they put that as an argument to me, and it was one that we weighed.

4610. You have stated four or five principal points which guide you in making loans. You also prefer places, I gather, where there are varied industries and interests?—Yes.

4611. Avoiding towns with a single industry?—Yes, naturally avoiding one that has an industry which has a tendency to be exhausted and worked out.

4612. Towns where large charges are now in existence are also avoided by you?—I should rather say large charges to which priority has been given by accident or otherwise.

4613. You are aware that the rate of interest charged depends on the state of the money market. But have you any irredeemable loans?—No.

4614. Yours are loans repayable?—Yes, with the exception possibly of the Metropolitan stock I mentioned earlier.

4615. At the present time and at present rates, the conditions being in other respects equal, you

Mr. Runciman—continued.

would therefore not lend at the same rate for a loan repayable over 10 years as for one repayable over a longer period, say, 30 years?—I should prefer the longer period other things being equal.

4616. Suppose that were brought still further and the loan instead of being for 30 was for 50?—Up to 50, yes, but there is not much difference between 30 and 50.

4617. And a still further difference between 50 and 60?—Not much between 50 and 60.

4618. You are aware that some municipalities are asking that for housing schemes their land should be treated as more or less a permanent asset, and that 100 years should be granted for repayment?—Yes.

4619. Should you as investors consider that an unsafe period?—I should not like to say "unsafe," but we do like to think that our capital money is gradually coming back, and as investors we should welcome it if the Committee should report in favour of power being given to the mortgaging authority to give a specific charge on the property which they purchase with the money borrowed.

4620. Having done that that would quite satisfy your appetite for security?—It is difficult to quite satisfy us, but I should look at it with a favourable eye. We are content practically with things as they are.

4621. So that when such rates of interest can be obtained as at the present time you naturally prefer a longer period to a short one?—Yes.

4622. In cases of authorities that you credit seeking to borrow for the purchase of land you think if a specific charge were given on the land as well as on the rates extension would therefore be perfectly safe?—Yes. I can give an instance of that. It is fairer not to mention names, but I know an authority that has come to us just now who want to borrow a considerable sum of money for a hospital. They have bought a large extent of land wisely enough round their hospital, but to such an extent that we are advised that a possible difficulty may be raised as to their power to buy and as to their power to charge the rates if they charge the rates in our favour. We were prepared to look at the thing favourably if the authority could have given us a valid charge on the land, but we are told that in all probability they had not that power, and I think it quite likely that we shall be unable to carry out with them the loan we should have gladly made if we had had a charge. The same remark would apply to extension of the period.

4623. You have repayments made to you every year?—In the very large majority of our loans: we have only a comparatively small sum of money lent for a fixed period.

4624. You said you had never had any experience of defaulting on the part of a local authority in the repayment of a loan?—I said that we had never lost to my knowledge a single penny. We have had difficulty in getting the money, but it has always come right. I have certain difficulty at the present moment with one case, but I am sure it will come right.

4625. May I ask what the nature of the difficulty is? Is it caused through sinking fund not having

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Mr. STABLE.

[Continued.]

Mr. Murray—continued.

having been properly set aside?—No; they have not to have a sinking fund. Their repayment works out as a sinking fund. They repay us the capital. The excuse in this particular case was the difficulty of levying rates, which is common to the country at large, but we shall get it.

Mr. A. K. Loyd.

4626. Why does the Prudential Assurance Company not lend on stock?—We are satisfied with the terms upon which we are able to lend our money on mortgage. We should probably find that the stock did not return the same rate of interest as we get on our mortgages, and our mortgages are, we think, as good as they can be.

4627. Is it only on account of the slight difference in the rate of interest?—Yes. There is no doubt that some of this stock is very fine security, but we think we do better.

4628. And to such an extent that you do not hold any stocks whatever?—Not these local stocks.

4629. I am speaking now of the provincial municipalities?—Quite so.

4630. In your investigations before you lend, you attach great importance to ascertaining what priorities there are?—We do.

4631. Is there any difficulty in finding out priorities?—Very great—enormous difficulty.

4632-3. Where do you look—in the Acts of Parliament, or where?—We get a statement from the borrowing authority first. I have four cases here. The first is that of a municipality I will not name, having an assessable value of 200,000£. They borrowed 600,000£; there was a priority, we were advised, of 600,000£. The Borough Treasurer only knew of the priority as to 200,000£; they accepted our view, and the matter went off. The next one was a local authority, whose assessable value was nearly 140,000£. They had borrowed that. All except about 7,000£ took priority, but the Town Clerk was quite ignorant of the priority. The next was a case where the assessable value was over 300,000£. They had borrowed a little over 300,000£, to every penny of which had been given a priority, and the Borough Accountant was quite ignorant of that fact. He told us our loan would rank *pari passu*. The matter went off. Here is a very big place; the assessable value is over 800,000£—nearly a million. They have borrowed over 3,000,000£; 198,000£ of that (of the priority of which the Borough Accountant was ignorant) came first, and the matter went off, after we had taken trouble about it and investigated it, and we were at the expense of dealing with the matter.

4634. Did you ultimately get your information from private sources, or by searching the Acts of Parliament?—Investigating the Private Acts in many cases. I think it is not perhaps generally appreciated by local authorities that in borrowing from the Public Works Loan Commissioners they are in danger, perhaps (I will not put it higher than that), but I believe the public works authorities claim priority for their loans. I should not like to concede it, but it is claimed by them.

4635. If so, it is by a public and general Act, 0.12.

Mr. A. K. Loyd—continued.

but the other case you speak of required a search of private Acts of Parliament?—Not all. One of them was a large loan in favour of the Public Works Loan Commissioners, and we treated them as having a prior charge, but in certain cases priority is given almost by accident by private Acts. It would save us a great deal of trouble, and clear the situation very much, if every Act conferring a borrowing power declared clearly how the loan was to rank in priority as to loans existing at the passing of the Act, loans raised after the passing of the Act, and how they were to rank *inter se*. Supposing an authority loan will, as a rule, rank *pari passu inter se*, but this is not the case in loans under the Local Loans Act, though in some respects the power to borrow and raise money under the Local Loans Act, is extremely valuable. The great objection to raising money under the Local Loans Act is the creation of priorities. That leads to trouble. There is one very great advantage, if I may mention it, which can be gained under the Local Loans Act, viz., that there is a method of endorsing a certificate on the security, which is conclusive evidence in favour of the borrower that the local authority had power to issue it, and that it was duly issued.

4636. There are certain municipalities, I understand, to whom you would not think it desirable at present to lend?—Yes.

4637. On account of their not complying with the requirements which you have already detailed to us?—Precisely so.

4638. So that you consider that circumspection and impartial inquiry on the part of the Local Government Board is very desirable in dealing with those cases?—Yes.

4639. You value the intervention of the Local Government Board?—Very highly.

4640. Is it on parallel lines with the inquiries which you make yourselves?—Yes, even higher than that, because they go into the merits of the particular loan in a way that we do not. It would be a very valuable thing if a certificate by the Local Government Board was conclusive evidence as to the existence of the authority in the first place.

4641. As to the existence of what authority?—Of the borrowing authority. It involves a heavy investigation to find out whether a borrowing authority as a fact exists, and in certain cases an investigation has shown that it does not exist.

4642. I do not quite understand that. It must be some very small local authority that you have not public knowledge of?—Yes, but you may have public knowledge of an authority, and you may find that there is a flaw in its constitution, and that in truth there is no such authority.

4643. Take the case of a joint district board or some authority like that; is that what you mean?—It is common in burial boards and that class of board, which is dying out now.

4644. They are rather smaller bodies than those we are dealing with here in the way of municipal corporations and county and rural district councils?—Yes, but in all these cases when we first deal with an authority we hunt to see whether it is validly created, and all that might be saved by a certificate such as I suggest.

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4645. You

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[Continued.]

Mr. A. K. Loyd—continued.

4645. You value very much the Government audit in the cases where it exists?—Yes.

4646. Do you find great variety in the account keeping of municipalities?—We do.

4647. I suppose it would be very desirable if one could get an approved system of municipal accounts to be adopted throughout the country?—We never find anything wrong, but their methods vary, and as investors we should like to see them brought into line.

4648. There would be a great difference as to what items ought to be allowed for before coming to the question of profit in remunerative undertakings?—We could not go into that.

4649. I do not know whether you notice what is written off for depreciation and what is allowed under different heads?—That only comes before us, if it does at all, accidentally. We keep ourselves to our work as investors.

4650. How do you find a Government audit valuable?—Accuracy as to what they have borrowed, and under what sanction, and under what Act, and exactly the positions of their various loans.

4651. You find where the Government auditor has been a great deal of your work is done for you, and the materials are all to hand?—Yes.

4652. And that is really your reason for wishing for the Government audit?—Yes.

Mr. Murray.

4653. You like to feel that your money is coming back with regard to these loans?—Yes.

4654. When a municipality invest their sinking funds over and over again in their own undertakings do you agree that it is not coming back at all. You heard the evidence of the last witness?—I could not quite hear the evidence, and it is very difficult to criticise it, but so far as I heard him I did not agree.

4655. Do you desire to offer an opinion as to the effect upon you as an investor of the proposed lengthening of the period for the repayment of loans?—I do not think it will affect us much, but if you do increase the period I ask you to permit the corporation to give an effective charge upon that which is bought for the money. If you are going to sanction an extension of period for the purchase of land, empower them to give a valid charge on the land as well as on the rates. At present they are not permitted to give a charge on the land except in a very few exceptional cases.

4656. You gave an instance of it?—I did.

4657. They had not the power?—So I am advised. May I say if the sanction of the Local Government Board were conclusive evidence that the money was required for the purpose it would save us a great deal of trouble?

Tuesday, 6th May 1902.

MEMBERS PRESENT:

Mr. Hutton.
Mr. A. K. Loyd.
Mr. Nannetti.
Captain Donelan.

Mr. Brigg.
Mr. Murray.
Mr. Wodehouse.

MR. GRANT LAWSON IN THE CHAIR.

Sir THOMAS D. PILE, Bart., called in; and Examined.

Mr. Nannetti.

Mr. Nannetti—continued.

4658. You are ex-Lord Mayor of Dublin and High Sheriff?—Yes.

4659. You are at present a member of the Dublin Corporation and Chairman of the Public Health Committee, and you have been Chairman of the Finance Committee and the principal committees of the Corporation?—Yes, I have.

4660. You have been actively engaged in the promotion of schemes of public utility, such as the clearing out of insanitary areas in slum districts, the housing of those dispossessed, the main drainage, the electric lighting, and other expensive works necessary in the City of Dublin?—Yes.

4661. In carrying out these undertakings you have had to apply for loans to the Treasury and other sources?—Yes.

4662. Will you tell the Committee the periods allowed for the repayment of these loans for the various undertakings which you have been engaged in?—I have shortly classified the different heads under which the loans are made, and the periods, and under Class I. there are street works, asphaltting and concreting, seven years; wood paving, 10 to 12 years; and stone paving and flagging, 20 years. Then Class II., sewer works, 30 years for the ordinary sewers and main sewers by issue of stock redeemable in 42 years. Then Class III., buildings comprising those for markets, artisans' dwellings, abattoirs, gas testing stations, technical schools, etc., for which we get 30 years with a maximum of 50 granted.

4663. In Class II. you allude to the great scheme of main drainage being now carried out in Dublin. Kindly give particulars to the Committee why you would ask for a longer period for works of this class as against that allowed for ordinary drainage work?—Ordinary street sewer work is, to a certain extent, and only to a very modified extent, liable to changes. The life of the sewer of that class in excess of 100 years; but when we deal with a big main sewer—that is, an intercepting sewer, built with the thought of what the future demand of the city will be—it is built in such a way that its life will of necessity last for generations, certainly well over 100 years. There 0.12.

are at present existing old Roman sewers which run a great many hundred years back. As regards main sewers the period ought certainly to be at least 100 years, while with regard to ordinary sewers the period might be less and reasonably less.

4664. Take the period allowed for loans for building purposes. What is your view with regard to that period as at present allowed?—Class III. The present periods of 30 to 50 years really are absurd. The buildings erected by corporations are invariably of a class which might safely be taken to last for 100 years, and at the end of that period would be in such a state of preservation as to render necessary a very little annual expenditure of money.

4665. On the main drainage scheme you said that stock has been issued repayable in 42 years?—Yes.

4666. How long will you be before that main drainage will be completed and are you paying interest and principal on the work that is uncompleted?—Yes.

4667. And you think that advantageous work?—Yes, at the present moment the main drainage scheme of Dublin has been going on for the last 3½ years or four years. It will take quite another 2½ years to complete. The original loan was for 45 years; we issued it by stock. Before the present generation will derive the least benefit from it six years of repayments will have been made, and the works are of such a nature that by no possibility could they be destroyed, and they must, of necessity, last for hundreds of years—I should say certainly 100 years.

4668. You think that consequently the period should be extended beyond that allowed?—I have no hesitation as regards main drainage, sewer works of that nature, in saying that they ought to have at least 100 years. There can be no question about that in my opinion. Undoubtedly posterity derives a very large benefit, if not equal benefit, with the present generation.

4669. With regard to buildings erected by the City of Dublin, do you consider that the class of buildings put up by municipalities, such as Dublin, Glasgow, Manchester, or Liverpool. A A 2 would

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[Continued.]

Mr. Nannetti—continued.

would warrant an extension of the period for the repayment of such loans?—I do not think the thing is really arguable that a period of 50 years is a just period for a loan on buildings of the nature put up by corporations as a general rule. Take our own municipal building at the present moment. We bought it some 18 years ago. It was built in 1783 as a bank. Since we bought it we have not had to expend a shilling with regard to repairs of any nature, on the woodwork or otherwise. It is obvious that a building of that nature is as good now almost as when it was erected. Although an object of very great wear and tear, the expenditure is practically nil.

4670. Do you agree with the evidence that has been given here that the life of any of those buildings would not be beyond 40 years or 50 years?—The answer to that is that I really think it is somewhat absurd. Putting outside any question of municipal buildings, which possibly are erected more substantially, our artisans' dwellings, which are erected by the Corporation at present in Dublin, are of an exceptionally substantial character—the best materials are invariably specified, the floors are made of concrete and steel joists, and throughout they are really practically indestructible except as regards the woodwork.

4671. The Dublin Corporation, as landlords themselves, are in the habit of granting leases for building purposes?—Yes, we own a large city estate. Our experience has been with regard to that that we are only in the position that we can make a lease for 75 years. We found the greatest difficulty in getting people to erect substantial buildings for such a lease, and of late years, the last eight to 10 years, we have had to petition the Local Government Board with every lease to have it extended to 150 years, with the result that building on our city estate is going ahead at a very great rate. Most extraordinary cases occur showing the absurdity of saying that anything like 40 to 50 years is a reasonable length for a lease. We had a building which came before us within the last couple of months of large premises in Dame Street. It was erected in 1845, and the owner, whose lease was a short one, had 15 or 18 years further to run. He was anxious to get a renewal from us; our city architect reported to us that the whole building, including floors and everything, was in such a perfect condition that it did not require a penny outlay of any description, though it had been erected in 1845.

4672. You would not agree with Mr. Kershaw when he contends that such works would cease to be of use before the period at which the loan is cleared off?—I would not at all agree with any such statement.

4673. Do the Government put a good deal of pressure on the Corporation for the purpose of providing artisans' dwellings and housing accommodation for the labouring classes? How does this limitation interfere with you in carrying out the intention of the Government?—You mean the limitation of the period of loans hampering us with regard to our work?

4674. Yes?—The fixing of a greater share on the present generation must of necessity prevent

Mr. Nannetti—continued.

our going along perhaps as quickly as we would like to, and the handing over to posterity the full benefit free of encumbrance.

4675. You are compelled to stop the work in a great measure owing to the short period for which the loans are granted?—Yes, we must, to a certain extent.

4676. In those schemes of housing do you look for a profit in the carrying out of the schemes?—What we really look for is that the scheme will pay the interest and the sinking fund; if it does that we are thoroughly satisfied.

4677. You think that the ratepayers get value in the clearing away of these pestilential areas?—There is no doubt that the ratepayers get a very great benefit. In my opinion they really get a double benefit, because they get cheaper and better dwellings, and there is better physical health for the people and it improves the moral tone of the people undoubtedly, and I believe it means a better earning capacity of the people by reason of it.

4678. Have you any remarks to offer to the Committee as to paying of loans while the works are being carried out?—I hold a very strong opinion about that. I think, especially in regard to reproductive loans during the period in which the buildings are being erected it is not unreasonable that the instalments should be suspended. I know that that has been done in some places in England. Up to the present, unfortunately for us, we have not been able to arrange, though we did try, any such thing.

4679. You think that merely the interest should be paid while the works are being erected?—I do, especially in a reproductive loan, because of course there can be no profits until the works are erected.

Chairman.

4680. You said you were not able to arrange for this system?—Yes.

4681. Arrange with whom?—I have in my mind the case of our electric light system, which we are at present laying down in Dublin at an additional expenditure of a quarter of a million. I negotiated the loan myself with the Local Government Board, and I was very anxious at the time that they would give us what I understand—you will correct me if I am wrong—the London County Council give to the municipalities round here—that is for the first two or three years, while the buildings are in the course of erection and the scheme is getting in order, nothing but the interest on the amount taken up is collected.

4682. You mean arrange with the Local Government Board?—Yes, I do clearly.

Mr. Nannetti.

4683. I take it from your evidence that you think the period for the housing schemes is too short, and you would recommend a longer period if the work is to be extended?—I do most emphatically; I think there can hardly be any question with regard to it.

4684. Have you heard evidence given here that private enterprise would fully meet this demand, and

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[Continued.]

Mr. Nannetti—continued.

and have you any remarks to offer as to the competition between private enterprise and municipalities, as bearing on this question of the housing of the working classes?—We have in Dublin a very successful artisans' dwelling company that is paying $4\frac{1}{2}$ per cent. I almost think 5 per cent., $4\frac{1}{2}$ per cent. I know they have been paying lately. They are undoubtedly doing a good work, but they are dealing with a class of artisan that is not what, in my opinion, a corporation ought to deal with. A corporation ought largely to deal with the very poor.

4685. The labourer?—Yes, the poor labourer—a man who can only pay 1s. 6d. to 2s. a week for his home. The artisans' company I speak of are a purely trading company, although they limit their dividend admittedly to nothing exceeding 5 per cent. They only deal with the man who can pay, say 5s. I think the very lowest is 4s.

4686. They are doing good work, but they do not meet the class of people that the Corporation are anxious to house?—They do not.

4687. Are you aware that, under the provisions of the Small Houses Acquisition Act of 1899 the Treasury allows 30 years for the repayment of loans for the purchase of houses which may be 40 or 50 years built, and consequently do you think that they recognise the life of a house as being up to 80 years?—Yes. We have put in force the Small Houses Acquisition Act in Dublin, and I am glad to say it has been taken up somewhat readily. There the Treasury will assent to a loan on those houses for a period of 30 years, though the house itself may have been, and in one or two cases has been, erected for quite 40 years. So that in effect it means that a house built, I will not say by a jerry-builder, but built by a speculator 40 years ago, is considered to-day to be quite a solvent security for a loan by the Treasury or by the Local Government Board for 30 years.

4688. Consequently you believe that houses erected for the working classes under the supervision of the city architect should have the period of 100 years extended to them?—I think the thing again is hardly arguable, because, as I have already pointed out to you, the Corporation, in building artisans' dwellings, build with very great care. I can only speak to a limited extent as regards Dublin from practical experience, but we have in Dublin one block of buildings erected some 13 to 14 years ago, the Benburb Street buildings. Possibly the plans may not have been of the best, but, as regard the structure and as regards the building itself, it is to-day in quite as good order as the day it was built.

4689. The same statement would apply to loans for such schemes as technical schools, municipal halls, public libraries, and the fire brigade stations?—Yes.

4690. They are all elaborate?—They are all elaborate and costly buildings. Corporations must build substantially.

4691. The period allowed is ridiculously low?—The period is very, very low.

4692. Give your opinion as to the repayment of loans for such purposes as are set out

Mr. Nannetti—continued.

in Class IV.?—Class IV. refers to the acquisition of sites to build any of the erections mentioned, and the usual period is 50 years, and I should say that, for the acquisition of any ground in the middle of a city, in my opinion the period ought to be not less than 100 years. I am verified in that by the fact that property in the middle of a city does not depreciate to anything like the extent it does elsewhere.

4693. And the future generation cannot suffer from it, as they have this valuable asset?—They have always this valuable asset. It is not likely to fluctuate to any considerable extent.

4694. With regard to legislation expenses, what is your view with regard to the term allowed for them?—At the present moment we are able to borrow for such a thing, and have borrowed for such a matter, for a period of five years. Now Dublin is in a somewhat difficult position for this reason. We have lately had three very costly Parliamentary contests with a view to extending our boundaries. We were successful as the result turned out, but the net cost to the city was something like 49,000l., with the result that we applied to the Local Government Board with a view to borrow the money, and not to put all the expenditure on one year. The Local Government Board assented to five years, with the result that the expenditure is at the rate of 10,000l. per year. What I contend very strongly is that that period is altogether too short for this reason, that the benefits derived by the city are really not derived within the first four or five years. In this particular case we had to give to the surrounding districts special fixed terms of taxation, so that the effect of that has been that the old city proper for the extension of its boundaries has had to bear the whole cost, not alone of its own expenditure, but of the expenditure of adjoining townships. In other words, our fixed rate is over five years, so that, when they come in to bear their burden of the city expenditure they will have nothing whatever to do with the 49,000l., as it will have been paid. I do not think that is proper, because undoubtedly the ratepayers of 10 or 15 years hence will derive quite equal benefits to the ratepayers of to-day by the extension of the City of Dublin boundaries.

4695. Then you consider that the idea of five years is too short altogether?—I think so.

4696. And unfair to the community?—Absolutely unfair to the community. It penalises them in dealing with those matters, and in this particular instance it was a matter of most urgent need to the city that it should extend its boundaries with a view to get sites for artisans' dwellings and things of that nature. It was absolutely necessary and we were forced into it.

4697. With regard to the method of repayment of your loans, do you favour the annuity system?—I do.

4698. Will you explain to the Committee your views on that question?—The annuity system the Committee thoroughly understand. The advantages to be derived from this system are apparent. There are few objections that can be urged. I think it is not unreasonable to ask that the annuity system ought to be introduced in view of the fact that His Majesty's Government have

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[Continued.]

Mr. Nannetti—continued.

have themselves sanctioned sums payable under this system for the acquiring of landlords' interests in lands in Ireland. In other words, they fixed a 79 years' period for the acquiring of land in Ireland—for the first 10 years for every 100%, at the rate of 4l. per cent. for interest and sinking fund; the second 10 years, 3l. 11s. 10d.; the third 10 years, 3l. 4s. 6d.; while the rest of the period is 2l. 17s. 11d. I contend that shows consideration for the poverty of the purchasers, and I submit that equal consideration ought to be shown for the poverty of the town dwellers with regard to such works as the housing of the poor and things of that nature.

4699. Would you let the Committee know how the system works out with reference to some of the schemes you have adopted yourself—the electric light scheme and the main drainage scheme, for instance?—To enable the Committee to form an idea of the actual benefit that would accrue to the ratepayers if an extension of the period were carried out under the annuity system, I take the example of the present large works that we have going on in Dublin, called the Brides Alley case, and clearances for artisans' dwellings. Roughly speaking, the area cost us 36,000l. It was a site in the middle of the city that was in a very bad sanitary state; it was necessary to clear it, but it was found to be most costly as the costs, of the acquisition, arbitration, and law expenses came to 35,000l. or 36,000l. On that we are erecting dwellings to the extent of 70,000l. at the present moment. That is, roughly, 105,000l. The period for the repayment of the loan for acquisition is fixed at 50 years, and the buildings have been fixed on the average at 40 years. Under the instalment system the first payment on that would be 6,125l. With regard to the period being extended, we contend that it ought to be 100 years for the site, as it is in the middle of the city, and, by reason of the buildings and the clearance, has of itself been made intrinsically very much more valuable. If it was increased to 100 years for the site, and 60 years for the buildings, the amount we would have had to pay under the instalment system would have been 5,192l. If we dealt with it from an annuity point of view at the present rate we would pay 4,770l. per annum, and if the period was increased to the period we suggest, 100 years and 60 years, we would only pay 4,360l. The effect of having to pay such large sums is admittedly a deterrent to corporations in carrying out useful schemes which are very much required, especially in a city like Dublin.

4700. I take it that in favouring the annuity system, you think the Government might adopt this system?—I mentioned the electric light scheme we have at present. There, again, the same thing applies. The loan at the moment is 254,000l.; it is lent to us for 35 years at 3½ per cent. Under the instalment principle we have to find, and are finding this year, although the works will not be completed and in working order until next year, 16,179l. as the first instalment. If the annuity system were adopted we would find 12,175l. What we feel is, and I think it

Mr. Nannetti—continued.

quite reasonable, that for electric light works where a large portion is of such a substantial nature, 50 years is not an unreasonable figure. If granted for that period, the amount we would have to pay under the annuity system would be about 10,000l., which would mean a very substantial advantage to the present generation.

4701. 16,000l. a year you pay under the present system?—Yes, and we should have to pay 10,000l.

4702. You think that the difference between these sums would enable you to carry out other works of necessity?—Yes.

4703. In the electric light scheme, you take the plant and the buildings all together?—Yes, they have been equated.

4704. The whole thing is an equated period?—Yes.

4705. You prefer the annuity system, and you think the Government might with advantage adopt it?—I do.

4706. It would not be a loss to the Government, and would be advantageous to the community?—I quite think so, because if you admit the principle of borrowing, and especially borrowing for big works, you must then consider the question of the cost of the accommodation in one year. It is a matter for argument as to the price you should pay for the accommodation, having regard to those you represent at the present moment and those who reap the benefit hereafter. In other words, it is reasonable that if the work is going to be of benefit to posterity 50 or 60 years hence, they should bear their reasonable portion of that burden, more especially from the fact that all the necessary upkeep, and all the rest of it, falls on the present generation, and that the generation who get the buildings at the end of the 30 or 50 years, as the case may be, get them absolutely free and in perfect condition, or practically perfect condition.

4707. You think that no hardship can be possibly done to the future generation?—Quite the opposite; I have somewhat the feeling that posterity is robbing us.

4708. You say something with reference to Treasury loans, I see, and the rates of interest. Explain to the Committee what your views are in reference to these Treasury loans and the interest?—The Treasury have issued a minute, as you are aware, that for 30 years they charge 3½, 40 years 3½, and 50 3½. If you consider that at the moment they are issuing for the purchase of land in Ireland all this money at 3½, and that the Government themselves can at the present moment get all the money they require at 3 per cent., I think that 3½ would be a much more reasonable sum than anything like 3½ or 3½. In other words, I do not think the Government ought to make a profit on municipalities, and I do not think they ought to have a loss.

Chairman.

4709. I am glad you should express that opinion here, but the Committee cannot go into that?—I beg your pardon. If we issue our own stock, which we have done, we issue it at 3½; if we

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Chairman—continued.

we have to borrow, as we sometimes have, from the Government, and we borrow largely from the Government, we have to pay the rate I have just mentioned. I have taken a little trouble really to show what is the present position with regard to corporation stocks and Government stocks. The Government can issue India 3 per Cents. I have taken them to fall out just about the same periods as our own stock. The Indian 3 per Cents. will fall out in 1948, and they stand to-day at 101. Our Dublin Corporation 3½ per Cent. stands at 101, and that falls out in 1944; Birmingham 3 per Cents. fall out at much about the same period and stand at 99½; Manchester 3 per Cents. fall out in 1941 and stand at 99½; Cardiff 3½ per Cents. fall out in 1935 and stand at 107½ per cent. That shows clearly that the Government can if they so desire issue stock to any extent that is necessary at par, or a little above par, at 3 per cent. Now it is not always advisable, nor is it possible, for a corporation to issue its stock at the figure that is quoted in the market. If you come on the market with a big body of stock it would possibly be difficult, and I submit it is not quite fair to the stockholders to be continuously issuing large lumps of stock.

4710. Will you give the Committee an idea of the actual benefit to the ratepayers in Dublin if your suggestion with reference to the annuity and to the extension of time were carried out? Take, for instance, the artisans' dwellings?—I have pointed out with regard to Bride's Alley and the electric lighting the advantages that would be derived under the annuity system.

4711. I am very much interested in the question of artisans' dwellings. Supposing your system was carried out, would the Dublin Corporation be able to extend this work much more than they are able to do at the present time?—There is no question about it.

4712. I am a member of the Dublin Corporation. We find ourselves handicapped at the present time?—We undoubtedly do. May I point out, especially on the question of the acquisition of sites in cities, our experience has been that these sites are extremely costly, even though the site itself may be of the poorest description, and the effect of putting valuable buildings upon them and clearing them away is to make the site intrinsically of very much more value, so that, even at the expiration of the loan, it is of infinitely more value than it was on the day on which the loan was granted and the inquiry held. In other words, we have five different clearances: The Coombe clearance, which was a clearance of about four acres of pestilential property in the middle of the city, cost the Corporation practically 16,000l., or 3,800l. an acre; the Plunkett Street area adjoining it was only 3½ acres—that cost the Corporation 22,000l. to clear, or 9,146l. per acre. Then we had the St. Joseph's and White's Place, 2½ acres—that cost 9,260l., or 3,700l. per acre; and Bride's Alley has an acreage of three acres, which cost us 32,000l., or 10,666l. per acre. In face of the difficulty, and the cost of acquiring such sites, it is obvious that corporate bodies must get the very best terms, and the most generous terms,

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if they are to make their cities healthy or give proper accommodation for the working classes. I have another case in point that I took very particular and keen interest in, the Mecklenburg area, which the Corporation made an attempt to acquire some nine months or 10 months ago. I and another gentleman guaranteed the whole cost. We went into the thing with a view to see whether, without giving information to the persons, we would be able to secure the property at anything like a reasonable figure. It was a property practically almost, one might say, a collection of brothels, one of the very worst in the City of Dublin. We went into it very carefully, the people thinking that we were buying for ourselves. The net result was that it worked out on our figures, after making tentative agreements with them, the acreage being two acres, at somewhere about 8,300l. The arbitration has just been held by the Local Government Board with a view to acquiring the site, and the figures came out last week at 9,600l. In other words, by reason of two trade interests who were able to make a case as against the Corporation, the amount was increased to that figure, but we undoubtedly bought at bed-rock in that particular instance. The site will be cleared, and on that we propose to erect dwellings which we will be able to let to the class that I mentioned a short time ago, that is the class of man who can only pay about 1s. 9d. to 2s. a week for his couple of rooms. It works out all right on paper that there will be no loss, but I have some small doubt about it. Now I would submit that, if it were necessary that the ratepayers should bear some small burden, it would not be an unreasonable thing, bearing in mind the advantage of clearing the site and bearing in mind the enormous material advantages, and moral advantages, that the class would derive by reason of it.

4713. Before the clearing of these sites were they not a source of heavy outlay to the Corporation even in looking after it by the Public Health Department?—Yes; I happen to have been Chairman of the Public Health Committee for the last couple of years, and also for a couple of years about ten years ago, and 14 of the staff round that particular site and in its proximity were continuously in the neighbourhood trying to keep a semblance of decency of some sort.

4714. In these various schemes you have mentioned, although you may not be able to work those at a profit to the ratepayers, still there is a gain that is not shown, or is not seen, by less supervision being required by the Public Health Department in looking after them?—That is quite true, because, as a matter of fact, we have been able in Dublin to reduce our direct sanitary staff in consequence of the pestilential areas being cleared away. On the other hand, the Government have put many new duties upon us for which we have brought in other men, but the direct sanitary staff for looking after the sanitation of buildings has been reduced.

4715. In addition to those five areas you mentioned, are there not many more areas in the city that would require to be cleared and that you are prevented from clearing in consequence of the

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Chairman—continued.

the large sum that you must pay yearly because of the limitation?—There are, I am sorry to say, a great many, and, as a matter of fact, the Government themselves held an inquiry, as you are aware, into the public health of Dublin—the Lord Lieutenant's inquiry—some two years ago. We watched that inquiry very closely. One of their strong recommendations was that the Corporation of Dublin should spend a very large sum in the clearing of these areas and erecting dwelling on them. The sum was not specifically mentioned, but it was understood that it was to run to something like a million of money.

4716. If the Corporation is to go on spending and repaying each year large sums in consequence of the shortness of their loans it is calculated to frighten the ratepayers?—We could not possibly do it.

4717. Then I may take it that, if we get the extension of the period for repayment, the money that would be saved might with advantage be put to these desirable objects that we have been speaking of, such as the clearing of these unhealthy areas?—Yes; the present position of the Corporation, as I have explained to you, is that the cost of the clearing of these sites put on to a scheme has made most of our schemes financially a loss to the ratepayers. If you take off the cost of acquiring the site, the cost of clearing the unhealthy area, and put a calculated rental on, then the schemes, as schemes, pay, and pay the interest and sinking fund. But there is such a vast quantity of property to be cleared away at such heavy cost that, unless the periods for the acquiring of those sites is materially increased, and when I say increased I mean increased to quite 80 or 100 years, the Corporation would have to cease after a short time acquiring such sites, even if the Government were pressing them on the other hand to clear them.

4718. I may take it from your evidence that you are in favour of the annuity system and extension of the period of paying off the loans?—I am strongly; I think the annuity system will be an enormous advantage.

4719. And in the adoption these views, you see no danger to sound finance, or possible injury to posterity?—I do not, in any sense of the word.

4720. Do you think it would be more advantageous to deal with the Local Government Board than the Board of Works?—I do. I was very much struck with Mr. Stevenson's evidence here, in which he said, as we know is the fact, that the Local Government Board hold the inquiry and decide on the practical utility of the scheme, and have all the plans and everything before them, and, after having held a most exhaustive inquiry, then the Board of Works step in, and say what the period will be, without having heard the evidence, or having knowledge of the inquiry.

4721. For which they will lend?—For which they will lend. They, of course, merely recommend the Treasury. In other words, what I think would be an advantage on all sides (I do not know whether the system is the same here as with us) is that the body holding the inquiry, with all the facts at its fingers' ends, knowing the utility of the scheme, should be the body who decide the number of years, and should be the body that

Chairman—continued.

would recommend to the Treasury, or otherwise direct the Treasury. In other words, although they have always treated us with the very greatest consideration and kindness, I think it a mistake to have a body to decide, as between the Local Government Board and the Treasury, the period of loan, or whether indeed the loan should be lent at all.

4722. You notice the difference that one is advising the borrowers, and the other advising the lenders?—We look on the Local Government really as the Government, and as nothing more. They hold the inquiry. We look on them as really the body who are the lenders, and we consider them as such, and look on them as such in Ireland. Whether correctly or not that is the position.

Mr. Nannetti.

4723. You may have read Mr. Stevenson's evidence, where he says there would be a risk if the period of loan was extended. Do you agree with him?—What Mr. Stevenson said, in answer to Captain Donelan, was, "I think there would be a risk that a work might have ceased to have any utility long before the term had expired, and that there would be a natural unwillingness to go on paying for a work which had ceased to be of any use." I do not say it in any sense offensively, but I think it somewhat ridiculous, for this reason—that, admitting, which is a very strong thing to admit, that the utility of the work had ceased to exist, as far as the Board of Works and the Treasury are concerned, they have behind them the collateral security of the rates, and there can be no risk whatever to the Government under such circumstances.

4724. You disagree altogether with Mr. Stevenson?—Clearly.

4725. Now, is there anything you would like to lay before the Committee which I have not touched upon?—I was struck very greatly with the evidence of Mr. Henderson, who gave evidence a few days ago on the security of Corporation Stock. I speak purely for Dublin; I do not know much or anything about other Corporations' positions. But our position to-day is that we owe a sum of roughly of two millions—1,973,000. Within the last two or three years, as I mentioned, we have had most exhaustive and detailed inquiries before Joint Committees of the House of Commons and the House of Lords as regards our financial position. We had, amongst them, Lord Welby, and they went into it most exhaustively; it was proved to Lord Welby's and the other gentlemen's perfect satisfaction that, if the assets of the Corporation of Dublin were sold to-morrow, after paying all our liabilities of every description, we would have slightly over a million and a half of surplus. In other words, if we were sold up, we would be able to hand back to the ratepayers a million and a half of money. I think, under such circumstances, it is not arguable that Corporation Stock is a dangerous one, or one that ought not to be a trustee security, and our position with regard to our stock has been that it has stood, except within the last year, at somewhere about 110 or 114—our $3\frac{1}{2}$ per cent. stock. As Chairman of the Finance Committee, I remember issuing some at 114.

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Chairman.

4726. In making your valuation of the assets, what valuation was put on the main drainage scheme?—None; we put no value whatever on unremunerative works; remunerative works and unremunerative works were segregated. Sewers and drainage were looked on as unremunerative. We simply took the remunerative works—our city estate, our waterworks, on which we have a very large surplus rental of 37,000. to 39,000. a year net rental—and they were all capitalised.

4727. What is the rateable value of Dublin?—the rateable value in 1901 was 871,119.

4728. What is the debt?—Roughly, two millions—1,973,579.

4729. So that you borrowed rather more than twice your rateable value?—Yes, you may take that—quite twice.

Mr. Nannetti.

4730. Have you ever been refused any loans in consequence of the indebtedness of the city?—Not in consequence of the indebtedness of the city, but, within the last three months or so, the Local Government Board have held inquiries with regard to different loans. They have adopted them. They have approved and recommended the length of term; but the Board of Works have met us and said: "No, we will not lend you this money until your rates are reduced." They did exactly the same thing in Belfast; I do not know why. In other words, they said, "Borrow the money in the outside market."

4731. You say that the indebtedness of Dublin is something like double the assessable value?—Yes.

4732. Did you read the evidence of the Lord Mayor of Manchester where he stated that the indebtedness of that city was something like five times?—Yes, there are many cities, or at least some cities, considerably over five times.

4733. You do not see any seriousness in that?—If you are getting valuable work that is in the interest of the community, I do not see any very great seriousness in the fact of the indebtedness.

4734. In Dublin city estate is very extensive?—It is very extensive, and in about 10 years' time it will be added to to the extent of about 14,000. or 15,000. a year when an estate falls in.

Chairman.

4735. Coming to the question of the Public Works Loan Commissioners telling you that you must borrow in the open market, could you borrow in the open market?—The great difficulty is this—that many of these loans which they have refused have very short periods; for instance, some of them are for taking over roads and putting them into order. Where the loan is only for seven years that is what they call the Private Improvement Expenses Act. Now you could not possibly issue stock for seven years. The period for our stock is some 44 years, 43 years at present existing. Then there are sewer loans, 20 years. You would find a difficulty in issuing stock—you could not issue stock, as a matter of fact; you might borrow.

4736. Have you borrowed from the outside public at all in Dublin?—The only thing that

Chairman—continued.

we borrowed was the money for five years for the payment of our Parliamentary expenses. That is the 49,000. I mentioned. We borrowed that from the Munster and Leinster Bank and will pay them back in five years.

4737. What sort of interest do they ask?—I forget, but I think it is 4 per cent.; please do not take that as correct, but it is not exceeding 4 per cent.; it is either $3\frac{1}{4}$ or 4 per cent., but I believe it is 4 per cent.

4738. We may take it that you have considerable difficulty in borrowing on the outside market?—I do not know that we have what you call considerable difficulty in borrowing on the outside market, but there would be a great risk to your stock, if you were continuously issuing either small sums or large sums, of depreciating it.

4739. To come back to what you said about Mr. Stevenson's answer 954, you say that there would be no risk of the money being lost because of the collateral security of the rates?—Yes.

4740. But do not you think that Mr. Stevenson was referring to another sort of risk—the risk that the ratepayer of the future would not like to go on paying for that from which he derived no advantage?—I did not read it as such. It may be quite true, but if the ratepayer on one particular item may not derive a great deal of advantage, he undoubtedly derives it on, shall I say, seven-tenths of the expenditure of the Corporation—of any Corporation.

4741. The future ratepayer?—I think so.

4742. That depends on how far he lives in futurity?—When I speak of the future ratepayer, I mean up to 80 or 100 years hence. I believe, with regard to all corporation expenditure for houses and for dwellings, sneaking from our experience in Dublin, that they are so erected that the generation of 80 or 100 years hence will derive a very substantial benefit by reason of it.

4743. You told us that the houses built on your Corporation estate 70 years ago do not require any repair now?—I quoted a case of a house built in 1845. It is close to Dame Street—a large jeweller's; it is a house which they were anxious to get a renewal of their lease for. The custom with us is, immediately any of our tenants apply for renewal, to send the architect to inspect the site and to see what is necessary to be done to it. There was a most exhaustive inspection with regard to it, and our architect reported to us that the house was in such perfect order that it did not require one single penny spent.

4744. Do you have very stringent covenants as to repair when you let land for building?—We do, and upkeep.

4745. And you watch that those are carried out?—Most carefully.

4746. How do you propose that the repair of municipal buildings should be watched, and the carrying out of them insisted upon?—What body would you make the guardians of that?—The corporation themselves invariably keep it up. My experience of corporation work is that the corporation are very sensitive and very careful that their buildings shall be kept in perfect order.

4747. But if they are not there is no authority

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to compel them to do so, like you compel your tenants?—No, there is not. I will be perfectly frank with you. I see no reason why there might not be, if that was a difficulty—none whatever. I am sure the corporation bodies would not object speaking from my experience of them. They always keep before them the fact that their buildings, shall be kept in very perfect order, perhaps a little too perfect.

4748. Then as to the annuity system, you say there would be a great benefit to the ratepayers. You mean, of course, the present ratepayers?—Yes.

4749. It would not be any advantage to the future ratepayers, would it?—I think it would be an equalising of the debt to future ratepayers. It would not be any advantage to them, but I think it would be treating the present ratepayers equitably.

4750. The people at the end of the time would pay more, and the people at the beginning of the time would pay less under the instalment system than under the annuity system?—The people under the instalment system would pay more at first and less, of course, at the end. Under the annuity system there would be a mean rate the whole period.

4751. Then the people at the end of the time under that system who paid less would probably have to pay more in the way of repairs, would not they?—I do not think they would—not materially, the fact being that the repair of all this class of building is kept up every year. Really, where buildings of this class are continuously watched and the repair is kept up to date, the expenditure 40 years hence is practically no greater than it is to-day.

4752. You do not find that old buildings require more repair than new ones?—I do not go as far as that at all, but at the same time continual and continuous repair equalises it over the whole period.

4753. Still, on this question of the instalment system, do you consider that, under the annuity system, the people pay a great deal more for the accommodation in the long run than under the instalment system?—I quite agree with you that they do, but the answer is, adopt the principle of borrowing for big works of that class and it is absolutely a matter of argument as to the price that you should pay for the accommodation. In other words, to carry out the suggestion of your question to its logical conclusion, the answer would be, why not pay the whole thing off at once in one mouthful? Obviously the answer to this is: "No, it is not fair; spread it over a certain number of years."

4754. I am only talking now of different ways of paying off, not of the exact period but of the different ways of paying in that period?—You pay more with the annuity system. That is the actual sum is greater, but it is spread more equitably over the period.

4755. That is to say, more of it is thrown on the future and less on the present?—Yes, but I think it is more equitable. Perhaps it is not quite correct to say more is thrown on the future; I do not think it is; I think it is equally thrown on the future as on the present.

4756. Yes, but plus the repairs; but you say

Chairman—continued.

that there would not be any increase of repairs, you think?—Not very materially.

4757. With regard to your housing proposals, did you hear Lord Welby the other day?—No, I was not here.

4758. I want to know the plan on which you calculate whether your schemes of housing pay—do you set the whole value that you have given for the land against your housing scheme?—Yes.

4759. The whole value that you have given for the land?—As I said, in answer to Mr. Nannetti, most of our schemes at the moment on paper do not pay from the fact that the acquiring of the site was such an enormous expenditure, but if we struck away the cost of the acquiring of the site and the clearing of an unhealthy area, and put on a reasonable rental (I will quote a case in a moment), we should then find that our houses, plus the payment of the rental, make us a return more than sufficient to pay the sinking fund and the interest. The Corporation of Dublin cleared those two areas that I spoke of, the Coombe area and the Plunket Street area. It was an infected area for all practical purposes. The cost was 37,000*l.* or 38,000*l.* Now we did not build on that site, but we let it at a rental, and at a rental that only paid us 10*s.* per cent. on our expenditure, to the Artisans' Dwellings Company, who have erected an enormous property on it themselves, but as I point out to you they erected small cottage houses, very nice and suitable for a class that can afford to pay 5*s.* to 6*s.* and 4*s.* a week.

4760. My point is that, in calculating whether your housing schemes pay, instead of charging only the housing value of the land, as is done in London, under that scheme you charge the whole amount of the money which you have given for the land?—We charge the whole amount of the money which we have given for the land.

4761. Do you think that that is quite fair on the housing scheme?—I do not think it is at all fair. What we ought to do, and I have long been an advocate of it, is to decide what rental is a fair rental for the land, and how much ought to be put aside as an unremunerative expenditure for the clearance of an unhealthy area.

4762. You would, in other words, write down the value of the land from the commercial value which you gave for it to the housing value of it?—I would.

4763. Would you consider this proposal of Lord Welby would meet the case, that you should be able to regard the housing value as an asset, but that the difference between the commercial and housing value—the sum which you have written off—should be liable to be repaid?—I think it is fair. Of course, you have to decide how much is the amount for the clearing of the area, and how much is to be a reasonable rental.

4764. I do not think Lord Welby explained how you are to do that?—It would be very much a rule of thumb, would it not?

Sir Albert Rollit.

4765. This, if I remember rightly, is not a new subject with you. You have given many years of thought and practical attention to it?—Yes.

4766. And at the meeting of the Municipal Corporations

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Corporations Association of Dublin, you moved a resolution in this sense?—I did.

4767. It was carried unanimously?—It was.

4768. After discussion. As a mere matter of interest based on an answer of another witness, is there practically any difference between the length of life of buildings in the east and west of Ireland, owing to greater moisture in the west?—One witness so stated. I am somewhat surprised to hear it; I have never heard of such a thing.

4769. At any rate, Dublin is not in that advantageous position?—We are very much in the East with regard to that. I never heard that stated before. I do not for one second wish to throw any doubt on Mr. Stevenson's evidence on that point, but I do not know of my own knowledge that such a thing occurs.

4770. I was struck with your answer about the multiplicity of inquiries. I think you are in favour of reducing those?—Yes.

4771. May I say that your views on the case that you put are parallel to those of the Light Railway Commissioners, who inquire into all the details of a scheme, and then fix the term of loan, as compared with the Board of Trade, which it is admitted has a much more perfunctory investigation?—Quite true.

4772. The Light Railway Commissioners giving an extended term as compared with the Board of Trade?—Yes; in other words, I would treat the Local Government Board Inquiry as the same inquiry as the Light Railway Commissioners.

4773. Owing to the detail and the relation between the detail and the life of the works?—Yes.

4774. I was also struck with what you said about the repayment of the cost of obtaining legislation being fixed at five years. You think that very absurd?—I do, indeed. I quoted rather extensively our position in Dublin.

4775. In other words, you think that legislation is, happily, much more permanent than five years?—Yes.

4776. The Magna Charta, for instance?—I think the benefits that a city derives from legislation such as I have just quoted are far more lasting than anything approaching five years.

4777. Legislation costs the local authorities—it is a dear luxury—three quarters of a million every year?—I have heard it stated so.

4778. You think there might well be an extended term?—I think so.

4779. Or less legislation, or legislation conducted on the spot itself, as in Scotland?—I would very much like to see that. It might be argued that it would be an inducement to corporations to be a little extravagant with regard to legislation, and rush into it if the period was extended. The answer to that is that the Act is so very strong with regard to the ratepayers having a voice as to whether legislation shall be proceeded with that they are thoroughly protected.

4780. As a municipal man, do you believe in this cry about the extravagance of corporations?—I do not. I think corporations as a rule are most careful. I can only speak of my own, of course.

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Sir Albert Rollit—continued.

4781. And are business men?—And are business men, giving their time much more closely in some cases than to their own business.

4782. And they work through property and works committees, dealing with a large amount of detail before they come to a conclusion?—They are most careful.

4783. You were asked by my honourable friend the Chairman whether there was any extraneous check on corporations with regard to keeping their buildings in order. Do not you think that naturally prudent and business reasons would induce them to do it for their own sakes?—I do; and besides that we have a Local Government Auditor. He may not go into the questions of the repair of buildings, but if buildings were getting into bad order he would call attention to them. He calls attention to other matters, and he would call attention to that.

4784. It would soon become notorious in a city like Dublin?—Yes, in a very short time.

4785. You regard the corporation as trustees and their action as a trust which they fulfil?—I do.

4786. Have you a property committee?—There is one Committee called the Finance and Leases Committee. They work together.

4787. Knowing that the work is done, there would be no objection to any supervision in any case?—Not the slightest.

4788. Do not you think the outcry about municipal indebtedness, without ever mentioning municipal assets, is a great exaggeration?—I do. We hear a tremendous lot about the municipal indebtedness of corporations, both here and in Ireland, but we hear very little about the value of their assets, and, if the amount of their assets were capitalised, I think it would be found that Municipal Corporation Stock is as solvent and as secure as any Trustee Stock in the kingdom.

4789. Do you know that, at this moment, there is a strong desire on the part of many to add to local loans as a trustee security?—Yes.

4790. The matter is being discussed at the moment by the Savings Bank Committee. Do you happen to know that Mr. Gladstone, as Chancellor of the Exchequer, wrote a letter favouring the proposal that such loans should be extended in the case of Savings Banks?—I heard so; I do not know of my own knowledge.

4791. Is it your opinion that the term of repayment might properly be postponed until the completion of the works, as in the case of companies formed for the execution of works under Parliamentary powers?—Most strongly. I quoted the case of our electric light works, but it applies to all remunerative works. This particular scheme, Bride's Alley, on which we are spending 100,000*l.*, will become remunerative next year.

4792. Apart altogether from the physical life of houses and buildings, do you not realise, and do you not think the public realise, that there is a vast economic value to future generations by work done in the present generation?—Yes, certainly.

4793. In other words it improves future health and strength and wealth?—Yes, I quite agree.

4794. The present generation make, you think, too much sacrifice, excellent as are the objects?—I do because they do not derive the same benefit. The benefit is for the generation of 15, 20, 30, or 40 years

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[Continued.]

Sir Albert Rollit—continued.

40 years hence, and so on. They will derive benefit from the enormously improved health of the people and the better moral tone of the surroundings.

4795. And, instead of the trustees for posterity crying out that posterity ought to be protected, do you think the present generation have some claim to protection as well?—I said a short time ago that I thought posterity was robbing us. I think there is a good deal too much made about posterity. He is well protected.

Mr. John Hutton.

4796. With regard to the stock which you issued, how long ago did you issue your first stock?—Under an Act about thirteen years ago. We amalgamated all our loans and issued stock at 3½ per cent.

4797. To what amount—was it a million?—It was over a million. You may take it, roughly speaking, it was about a million and a quarter.

4798. Can you tell me at what price you issued the stock at that time?—The amount issued of our stock at present is a million and a quarter, to one million four hundred thousand pounds. When we first issued that stock it was roughly about a million, and we issued it as low as from par to 97. Then afterwards it went up and we issued nothing after the first issue except at a premium from that date.

4799. You said just now that, at one time, your stock was worth 110 to 114?—Yes, it was at 114 three years ago, or a little over three years ago. You may take it at any rate three or four years ago, because I issued a good deal of it myself; we wanted it for some particular works.

4800. It is now worth what?—It is now down again to 101. It was quoted at 101 yesterday.

4801. Can you tell me whether your debt has increased materially since 1888, since you issued the stock at 110. Your indebtedness now is 1,973,000?—Our indebtedness in 1891, 10 years back, was 1,226,000. Of that indebtedness at present there is 36,000, which the city has taken over from the added areas. That was their indebtedness at the time we took them over. The city was extended last year, and we took over an indebtedness from those townships of, roughly, 36,000 to 38,000.

4802. Is it included in the debt of 1,973,000?—Yes, and also is included the 49,000 for the promotion of these Acts.

4803. After the year 1889 (which I take it was the year you issued stock at 110 to 114, when was your next issue of stock?—It has been a continuous issue since then, for anything in the nature of big schemes. For our great sewage works, for main drainage purposes, which are now being carried out, and which will cost, when complete, over half a million, we issued somewhere about 300,000 of stock. That has been issued within the last three and a half or four years. It has all been issued at over par.

4804. At 101?—At different prices. We would not issue it bang off. Whenever we saw

Mr. John Hutton—continued.

we were requiring money we would issue 50,000 or 30,000, according to the sums we could get off quietly.

4805. Your stock has decreased in value in as short a period as since 1888 from 9 to 13 per cent.?—Pardon me; our stock in 1888 was at a discount—at 97.

4806. What year was it that it was at 110?—About 3½ to 4 years ago.

4807. In 3½ years it has fallen that amount?

—The answer to that is that all stocks have fallen to an even worse extent, Government stocks included. It is not a question of the security, but simply of the state of the money market.*

4808. Could you tell me what your rates are at the present time—we have not that in evidence?—Our municipal rate (the consolidated rate) is 5s. 1½d. in the £.

4809. What was it 20 years ago?—I will tell you from memory—I have not the exact figure here, but it would be about 4s. 9d. in the £.

4810. There has not been a very serious difference in that time?—No serious difference. The poor rate has increased enormously in Dublin, and the grand jury rate. That rate at present is 5s. in the £. In other words, in Dublin the ratepayers are paying, including police and bridge tax, and everything, 10s. 0½d. in the £, but it is fair to say that that is on a valuation that is quite 30 per cent. below the value as you understand it in England. At the present time we have arranged to revalue Dublin. It is really valued at, roughly, between a half and two-thirds of the rental, so that to compare it with any city in England it would mean that you would have to add to the valuation at least 25 to 30 per cent. (that is what the Government Valuation Officer gave evidence of) to make a comparison with English cities and Dublin as a whole.

4811. Your present valuation of Dublin is 871,000?—Yes.

4812. That includes the extension?—Yes.

4813. What was the valuation 20 years ago?—In 1881 it was 657,578.

4814. I understood you to mean that you did not see why Dublin should not be able to issue stock or obtain money at the same price as Government Indian Stock?—I do not think I quite said that. What I wish to convey was that I thought the rate charged by Government was somewhat too dear, from the reason that they could issue loans for their own purposes at par, or, something better than par, at 3 per cent., and I quoted Indian 3 per Cents. to justify my contention that they could do so, and I also quoted the fact that they at the present moment issue at 3½ very large sums for the purchase of land in Ireland, and I submit that land in Ireland is not as valuable an asset, from a security point of view, as City property, my contention being that really the Government ought to be prepared to lend money to corporate bodies for works of such great utility without making a profit, while at the same time they should not make a loss.

4815. What

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[Continued.]

Mr. John Hutton—continued.

4815. What proportion of your outstanding debt is remunerative debt, and how much is unremunerative according to your calculation?—I am afraid I cannot tell you that. I speak from memory of what was put before the Committee of the year before last, and you may take it roughly that a little more than three-fifths was remunerative and two-fifths unremunerative. I am speaking now, please understand, from memory.

4816. Does that include housing?—We look on the housing as remunerative.

4817. What proportion of the 3-5ths would you put down roughly to the housing?—We have spent on the housing in Dublin about 220,000.

4818. Can you imagine a point at which a municipality might get into debt when it would so seriously affect the rates and the credit of the Corporation that it would be unable to borrow safely at all?—I think it would be a very great stretch of imagination, bearing in mind the fact that all these matters are very carefully scrutinised by the Local Government Board themselves, both as regards their borrowing power, their capacity of payment, and everything. It is all considered before the loan is granted for the period, so I think it would be a stretch of imagination.

4819. But I understand it that you rather resent the limitations which the Local Government Board impose upon you with regard to the length of the period of the repayment of your loans?—Please do not put it "resent"; what I mean to convey is that I do not think they take a generous view, or I might go a little further and say a fair view, of the advantages derived by the community, or of the utility of the work.

4820. And you think the general limitation as to two years' rateable value is an ungenerous limitation, to use your own words?—Yes, I think so; I think that to fix any limit you must really judge of the circumstances of the cities themselves. In the case of some cities that two years' valuation would be a very substantial debt; to other cities it would not be. Some cities require a great deal more expenditure than others do, but I think that two years is not a very generous line to draw.

4821. I presume you contemplate that the future generations will have very large improvements, and their own ideas to carry out, in a similar way as you have at the present time?—I do not quite agree with you. I think that the present generation are taking on their shoulders enormous expenditure that will relieve the future generations of a great deal of expenditure. I do not see in what line future generations can have enormous expenditure.

4822. With regard to the housing you look upon the houses which you are providing now as practically lasting almost for ever—at least, for the next 50 or 60 years—without depreciation. That is your view?—It is. You probably know Merrion Square—that is one of the important squares of the city. Those houses were erected 110 years ago; I own some of them. The leases are 150 years. The Earl of Pembroke is the head landlord. At the present moment many of the tenants are negotiating for renewals of our leases without any expenditure whatever. The shells and the woodwork are really perfect, because the houses have been kept in order.

4823. But probably, even in those houses, the

Mr. John Hutton—continued.

interiors have had, in the course of years, to be partly remodelled, and all that sort of thing?—Quite true, and the same remodelling now would fall on the ratepayer of the day.

4824. You built some houses in Benburb Street over 13 years ago?—Yes.

4825. You find that those are out of date already, shall I say, and that they will have to be very considerably improved?—No; they were built under the directions of our architect of that day. We do not think, and we find from experience, that his plan was the very best plan, but, as regards the building itself, it is perfect. We have spent a small sum in rearranging the sanitary arrangements, and things of that nature, and to that extent only has there been an expenditure on that particular site.

4826. You were a member of the Corporation 14 years ago?—Sixteen years.

4827. When you erected those buildings 13 years ago, you believed you were putting up the most excellent buildings it was possible to put up, that would last for many generations?—We did, and so they will. They will last for many generations.

4828. Suitable for many generations?—Certainly; the expenditure is not a matter of very great moment; it is purely rearrangement of sewerage works, or things of that kind.

4829. In 30, 60, or 100 years' time, even although they are strong structurally, you will admit, I am sure, these houses will be out of date, and that the alterations and the reconstruction required will be very considerable?—I do not quite admit that, and I will tell you why. The expenditure on these houses is kept up year in and year out. If there is any small expenditure it is continually watched. There is a regular staff employed for keeping the buildings in perfect order, and they are kept in perfect order. The expenditure for keeping them in order is put on the ratepayer of the day, whatever it may be, and from my experience, bar the expenditure in reconstructing our sewerage, there has been no expenditure whatever, and there is no greater expenditure to-day than there was two or three years after these houses were erected. May I explain with regard to the sewerage where the fault was? The closets, a things like that, were put in the yard. The were large blocks of buildings with yards. It did not work satisfactorily, and we put them the different landings.

4830. However, something which you thought perfect was not perfect in 20 years' time?—I thought it was an improvement, I frankly admit.

4831. You say that you think the present generation are making too much sacrifice for future generations?—In this particular case they are. May I point out that not alone did they bear in one year the whole cost of that which is paid and done for, but they bore the heavy instalments which each year are becoming less on that particular building.

4832. You do not do for the sake of philanthropy all these great improvements?—Not a bit of it.

4833. They are for the sake of the health and the betterment of the people in future generations?—Yes, clearly. The improvements are improvements which, we believe, will be to the advantage of the moral tone of the people.

4834. And

* Dublin Corporation Stock was first issued at and below Par in 1889. As its value as a good marketable security became appreciated it advanced in price to an average of 114½ per cent. in 1896, in which same year we invested our Sinking Fund money in India 3 per cent. at 114½.

When I was giving my evidence Corporation Stock and India 3 per Cent. Stock were at the same price, viz. :—101½ per cent. This shows that whilst with Government Stocks ours has depreciated in value it has dropped ½ less actually than India 3 per cent. in that period. Clearly proving that the decline is from a cause common to all gilt edge securities since that date, viz. :—the condition of the money market, and not from any variation in the opinion of the public as to the security of the Stock.

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[Continued.]

Mr. Nannetti.

4834. And that expenditure is paid out of the current rates?—Yes.

Mr. Brigg.

4835. You spoke about reproductive loans forming a considerable part of your indebtedness, and yet you do not consider the value of the land to begin with or the clearing away of the land; you wish to put that on one side?—Yes.

4836. Then you take the land as it is left clear, and put up your buildings, and then if you then find that it pays sufficiently to recoup you for the sinking fund and the interest, you say that is quite sufficient?—We did a little more than that. While we called it a reproductive loan, in valuing our assets we charged as against that particular work the cost of acquiring the site.

4837. You did charge it?—We did. I am speaking now of the inquiry of two years ago before Lord Welby and the Joint Committee.

4838. I wanted to get the idea in my mind that you consider a loan for housing as a reproductive loan?—Certainly.

4839. And not of the kind that we generally understand to be reproductive loans, that is for gas works or electrical works or tramways, or things of that sort? We would certainly consider them reproductive loans, too—for instance, the electric light, and our water works, which cost 800,000*l.*, which bring in a large profit, we count.

4840. You consider that reproductive loans ought to have a longer time allowed them for repayment, or a shorter time, than non-productive loans, having defined what a reproductive loan is by saying that it is gas, water electricity, and so on?—Yes.

4841. I do not want to go into this question, but, taking that view, do you consider that reproductive loans ought to have a longer time granted for repayment than ordinary loans?—Yes, I do, but at the same time there is this to be said, that in very large expenditures, such as main drainage, where future generations derive a benefit, they ought equally to have a longer period.

4842. That is another question altogether?—With that reservation I agree.

4843. We have had brought before us several times during this investigation the question of these cottages for poor working people, and we have had it put before us several times that the building of these houses can be done more profitably by private individuals than by corporations. Now I want to know is there any real difference between Dublin and any other place as to why the Corporation should not be able to build at the same price or why private individuals should, in other cases be able to build instead of the Corporation, the Corporation preferring that the private individual should do the work?—I do not see why corporate bodies should not be able to.

4844. Other corporations have given their evidence before us, and have indicated to us that they find these cottage houses can be built more economically by private enterprise. I do not say they are better built?—They are not so substantially built.

Mr. Brigg—continued.

4845. But more economically than the Corporation itself can build them. Is there any difference between Dublin and other corporations with regard to that?—The very fact that they are not built as substantially, I think, is the answer. Our experience is that the speculator will not build for the class that corporations ought to build for in my opinion, and that we try to build for, that is the class that can only pay 2*s.* a week to half-a-crown. He builds for the class that will pay 3*s.* 6*d.* up to 7*s.* or 8*s.*

4846. You think that the private builder would build under the same circumstances in Dublin as in any other city in England?—I think so.

Captain Donelan.

4847. I do not know whether I was correct in understanding from you that corporate property in Ireland was a better security than land—I did not quite gather what you said about that?—I wish to convey that city property is a better asset than land property in Ireland in my opinion, and that if the Government are satisfied to lend for 80 years or 79 years at 3½ per cent. on land property, where it is obviously to the benefit of the poor, clearly the same thing should apply to city property where the security in my opinion is more valuable, and where the requirements and the demand are equally great.

4848. Am I to understand from that reply that you consider that urban loans rest on better security than rural loans?—Personally, I think so.

4849. Do not you consider that when land becomes the absolute property of the ratepayers it is a security of the very highest class and a permanent security?—Please understand that I do not want to decry the value of the security of land in any way, but I think that city property in Ireland, and I presume it applies to here too, is a more readily saleable asset than land property, and therefore a more tangible security. It is a more readily realisable security.

4850. But am I to understand that you consider that it is a better security than land?—Perhaps I am a wee bit prejudiced. I do not know, but I would be inclined to say that it was. In saying land, I mean land that you would call farm land; I do not mean to convey land as land, but farm land and that kind of property.

4851. Land acquired, say, by the ratepayers for special purposes?—It would be quite as valuable in the country as in the city, because you have the rates behind it.

4852. And quite as permanent as an asset?—And quite as permanent as an asset; there is no question about that. What I mean is that the ratepayer in the country is quite as good a security as the ratepayer in the city—

Chairman.

4853. I was going to ask the same question. You mean that land in the city is more readily saleable?—Quite true; more easily realisable.

Sir Albert Rollit.

4854. You have already said that land might be regarded as a permanent asset?—I think so; there is no question about that.

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Mr. JAMES LONG, called in; and Examined.

Captain Donelan.

Captain Donelan—continued.

4855. You are Vice-Chairman of the Cork County Council and Chairman of the Cork Harbour Commissioners, and Chairman of the Urban District Council of Queenstown?—Yes. which you are connected?—Yes, the Cork County and Rural District Councils.

4856. You speak in the name of the Cork County Council and of the other bodies with which you are connected?—Yes, the Cork County and Rural District Councils. 4857. I believe that you have prepared a list of the rural and urban districts of the County together with their valuation?—I have (*Table handed in.*)

TABLE A.

COUNTY OF CORK.

STATEMENT showing the VALUATION of each RURAL and URBAN DISTRICT in the County, as also the product of a Rate of ONE PENNY IN THE POUND thereon.

Rural Districts	Urban Districts.	Valuation, 1901-2	Product of a Rate of One Penny in the Pound.
		£. s. d.	£. s. d.
Bandon - - - -	—	74,797 2 -	311 13 1
Bantry - - - -	—	23,391 10 -	97 9 3
Castletown - - -	—	12,139 14 -	50 11 7
Charleville - - -	—	20,519 5 -	85 9 11
Clonakilty - - -	—	46,541 2 -	193 18 5
Cork - - - - -	—	182,258 4 -	759 8 2
Dunmanway - - -	—	34,243 1 -	142 13 7
Fermoy - - - -	—	95,341 5 -	397 5 1
Kanturk - - - -	—	77,824 2 -	324 5 4
Kinsale - - - -	—	54,706 8 -	227 18 10
Macroom - - - -	—	65,775 5 -	274 1 3
Mallow - - - -	—	107,048 17 -	446 - 9
Midleton - - - -	—	90,069 1 -	375 5 9
Millstreet - - -	—	27,233 9 -	113 9 6
Mitchelstown - -	—	32,378 - -	134 18 2
Schull - - - -	—	15,453 5 -	64 7 9
Skibbereen - - -	—	42,559 13 -	177 6 8
Youghal - - - -	—	26,272 13 -	109 9 5
—	Clonakilty - - -	5,098 2 -	21 4 10
—	Fermoy - - - -	10,366 5 -	43 3 10
—	Kinsale - - - -	5,559 10 -	23 3 3
—	Midleton - - - -	6,189 5 -	25 15 9
—	Queenstown - - -	22,727 12 -	94 14 -
—	Skibbereen - - -	5,595 16 -	23 6 4
—	Youghal - - - -	11,933 5 -	49 14 5
	Total - - -	1,096,021 11 -	4,566 14 11

4858. Can you say what is the valuation of the County of Cork and its indebtedness at the present time?—Its valuation is 1,096,021*l.* 11*s.*

4859. And its indebtedness?—There is due, at present, by the rural districts 384,466*l.*, and by the Poor Law Board 22,953*l.*, making a total of 407,419*l.* that is not taking into consideration the eight urban districts. I was not able to get that figure, but I will be able to forward it if necessary. I did not get it in time.

4860. May I take it from these figures that the indebtedness of the County of Cork is less than half the valuation or about half?—Less than half.

Of course, in addition to that, the ratepayers of the County are liable to 5 per cent. of the Baronial Guarantees amounting to over 400,000*l.*

4861. Can you say what is the average sum provided by the County Council for the purpose of carrying out the work of the different rural districts?—In round numbers it comes to a quarter of a million per annum, out of which we receive under the Local Government Act a sum of 75,000*l.* in relief of rates, that being the Agricultural Grant. That includes our contribution towards the Cork District Lunatic Asylum which we have for the lunatics in our midst.

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Mr. LONG.

[Continued.]

Captain Donelan—continued.

The County contributes 34,500*l.*, and the City of Cork 10,422*l.*

4862. What is your opinion as regards the period for the repayment of loans together with the rate of interest charged?—In my opinion, the period for repayment with regard to the reproductive works is entirely too limited, and prevents in a great number of instances the rural districts from carrying out schemes that would be an advantage and benefit, and tend to the welfare of the community.

4863. I may take it from you that you are in favour of extending the period for repayment of loans?—Certainly.

4864. Are you also in favour of permitting local authorities to go into the open market for their loans?—I would be in favour of local authorities going into the open market for loans, because I believe that local authorities, small local authorities particularly, could do much better than they do at present under the Board of Works. I have given an instance in my proof.

4865. Can you give an illustration of the advantage of going into the open market?—Yes. In the year 1897 the Queenstown Urban District Council of which I happen to be chairman required 14,000*l.* to carry out a water supply. The Local Government Board held the usual inquiry. They sent their inspector down and he reported in favour of the scheme, having satisfied himself as to the necessity of it, and so on, with the result that the loan was sanctioned by the Treasury and the period fixed for repayment was a term of 50 years, but they required at that time 4 per cent. interest upon the amount. I thought, and the Board generally thought, that the rate of interest was a shade too high, and we opened up negotiations, with the result that we secured that loan at 3½ per cent. extending over the period of 50 years instead of 4 per cent. and on exactly the same terms repayable by the instalment principle annually.

4866. This loan was obtained in the open market I understand?—Yes it was. I have the Board of Works communication authorising the sanction of the loan and fixing the term of years, which I can hand in if necessary.

4867. Do you suggest that a sinking fund should be established for the purposes of repayment in all cases?—In all cases where public bodies are permitted to go into the open market, I think that a stringent condition ought to be enforced, and it ought to be the duty of the Local Government Board's Auditor to see at his annual audit that the moneys are put by for the specific purpose for which they are intended, in the same way as if the loans had been got from the Board of Works.

4868. Would you suggest giving the local authorities power to consolidate their loans should they desire to do so?—I would, and I think that it would be an immense advantage particularly in the smaller urban districts of Ireland. Most of them at present are paying on an average 3½, 4½, and 5 per cent. interest on loans going back to about 1880. I think that it would be an immense advantage, considering the state of the market at present, that they should get power to consolidate their loans and get the rate of interest reduced which unquestionably bears very heavily upon

Captain Donelan—continued.

them at present. In Queenstown alone (and one is an instance of many) they have borrowed about 40,000*l.* and the only loan that they got at 3½ per cent was the one that I referred to for the water supply. On every other loan due to the Public Works Commissioners they are paying 4½, 4½, 4½, 4, 3½, and 3½ per cent., and I could give a number of instances of 5 per cent. That is for money got as far back as the year 1883.

4869. Are you aware of any restrictions being placed on local authorities in paying off loans?—Do you mean restrictions as to consolidating?

4870. Yes?—There are restrictions placed upon them at present in the paying off of their loans inasmuch as when they made the effort themselves some few years ago to wipe away their loans and consolidate them, it was found to be absolutely impossible to do it. For instance, the Blackrock township was owing something like 12,000*l.* odd, and when they made an effort to consolidate their loans they found that they would have to pay a premium of 1,700*l.* So under the circumstances it would have been an unprofitable transaction for them to have done it then, but considering that now they could probably get the money at par with the consent of the Local Government Board, I think that it would be an immense advantage, and that they ought not to be restricted in wiping off loans at present.

4871. It is a fact, is it not, that all public bodies in Ireland are restricted as regards their borrowing powers?—Yes. We are limited to double our valuation, and that works in every district, in a small township particularly, very harshly. I take a small township like we have in our county, where, say, the valuation would be 5,000*l.* Now, to get a water supply for such a township it would cost more than 5,000*l.*—sometimes 8,000*l.* In one case the engineer has reported that it will cost 13,000*l.* That township is absolutely prevented from carrying out what would be unquestionably to the advantage not only of the present but of futurity, namely, a decent water supply for the township. They are prohibited in consequence of the limitation and they must go to Parliament to get powers at present to secure that, and that is very costly, and very expensive to a small township.

Chairman.

4872. Can it not be done by Provisional Order?—No, not where we double our valuation.

Captain Donelan.

4873. Do you think that the same power should be extended to Irish local authorities as is extended to English local authorities?—I do to that extent. I think that we ought not to be limited as regards valuation.

4874. You think that it would be of advantage to the community by encouraging the carrying out of reproductive works?—I do. I think that it would be an immense advantage, and would encourage rural and urban districts to carry out artisans' dwellings, labourers' cottages, and schemes of that kind.

4875. Are you in favour of simplifying the procedure for securing money to carry out such schemes?—I am. At present the cost of inquiries

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Mr. LONG.

[Continued.]

Captain Donelan—continued.

quiries and of trying to get loans for necessary works is very great, and I think that that might with advantage be remedied.

4876. Is there a penal rate of interest placed upon local authorities for delay in payment of instalments?—There is. If a local authority in Ireland does not pay the principal and interest due within 31 days from the date that the instalment falls due, a penal rate of 5 per cent. is placed upon it. I think that that is a hardship. I think it only fair and reasonable that bodies ought to be compelled to pay their just debts within a reasonable time, but I think that the 5 per cent. ought to be divided over some fairer period than 31 days. I heard of an instance within the last few months where the death of a collector prevented the local authority from paying, and in that particular instance there were charges of 5 per cent. on the money due, as the Treasury held that they had no power to prevent it.

Mr. A. K. Loyd.

4877. How is that obligation imposed?—By a circular from the Board of Works, Dublin Office, dated 16th July, 1897, which I will read: "Sir, I am directed by the Commissioner of Public Works to request your attention to Section 6 of the Public Works Loans Act, 1892 (55 and 56 Victoria, cap 61), which provides that 'in addition to any sum payable in respect of principal and interest under any loan hereafter created, or in respect of any rent charge hereafter granted by the Commissioners of Public Works in Ireland, there shall be paid to the said Commissioners one shilling in the pound on the said sum as receiver's fees thereon to be charged, payable and recoverable in like manner as the said sum' unless such instalments of principal and interest or rent charge are paid within 31 days next after the date on which they become due. The Board are advised that the section makes it mandatory on them after the lapse of 31 days to charge receiver's fees in addition to the amount of gale, and they will be obliged in all cases of default to enforce payment."

Captain Donelan.

4878. What is your opinion as to the effect of the constant change of the rate of interest by the Treasury?—It tends to inconvenience public bodies in dealing with the Treasury, and to a certain extent prevents their going forward. I have before me three circulars from the Local Government Board, dated the 7th September, 1897, 20th November, 1899, and the 26th January, 1900. Within that period of three years the rate of interest repayable for loans under the Public Loans Act has been increased on three different occasions and on each occasion has been increased ¼ per cent. In the first letter the figures are: Not exceeding 30 years, 2¾ per cent. per annum; not exceeding 40 years, 3 per cent. per annum; not exceeding 50 years, 3½ per cent. per annum. In 1899 the figures are: Not exceeding 30 years, 3 per cent. per annum; not exceeding 40 years, 3½ per cent. per annum; not exceeding 50 years, 3½ per cent. per annum. In the year 1900 the figures are: Not exceeding 30

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Captain Donelan—continued.

years, 3½ per cent. per annum; not exceeding 40 years, 3½ per cent. per annum; not exceeding 50 years, 3½ per cent. per annum.

Chairman.

4879. You do not mean for the same loan?—No.

4880. You mean that these were new terms upon which they offered money?—New terms. The 14,000*l.* loan was secured in the year 1897 at a less rate than they wanted. Then wanted 4 per cent. and we got it at 3½.

Captain Donelan.

4881. As far as you know was there any reason why these changes should have been made?—No, there was no justification as far as I could see. The money market did not warrant the increase suggested in these circulars.

4882. The last date is 1900?—Yes.

4883. What is the total sum advanced by the Treasury to public bodies in Ireland?—I take it from their own report. At page 40 of the Appendix to the 69th Report of the Commissioners of Public Works, the total amount advanced for loans in Ireland was 8,391,151*l.*; there was paid interest at the rate of from 3½ to 5 per cent. on a sum of 5,748,095*l.*, the balance being from 2¾ to 3¾.

4884. What is the average rate of interest charged?—On the 5,748,095*l.* the lowest is 3½ per cent., and it goes up to 5 per cent.

Chairman.

4885. Five per cent. is on a very old loan, I suppose?—They do not give the dates of the loans here, but I have taken them as a whole. It is practically six millions, averaging from 3½ to 5 per cent.

4886. Is not the 5 per cent. interest a sinking fund?—No, I think not. I think that this is interest only on the loan itself. They give 1899, 1900, and 1901 in their return.

Captain Donelan.

4887. These loans are made on the security of the rates?—They are.

4888. And punctually paid?—Yes, in my opinion, they are. The Local Government Board or the Board of Works always insist that they are punctually and regularly paid, and, in fact, the local bodies have always willingly paid, as far as I know. I have never heard of a case of dispute.

4889. Do you think that the Treasury is better secured as regards the repayment of these loans at present as compared with former years?—Yes, I do, for this reason—that originally, if there was a difficulty with local bodies, if the presentment was rejected, there was a mandamus necessary, but now, since the passing of the Local Government Act, they have the payment of themselves. For instance, the 75,000*l.* that I mentioned in relief of rates for agricultural land is payable by themselves, and if they found that the local bodies were not forwarding the loans, nothing would prevent this. I know an instance where the Treasury deducted a small sum refused by the County Council of Cork. It was a few pounds

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[Continued.]

Captain Donelan—continued.

for the conveyance of a prisoner. On principle they objected to it, and the Treasury, without going to any trouble, deducted the money from them.

4890. With regard to Irish Savings Banks, is it not a fact that the amount deposited in those banks, upon which the Government only pay 2½ per cent., is about equal to all the loans advanced, upon which a higher rate of interest is charged?—Yes; the amount invested in local savings banks by depositors, on which the Government only pay 2½ per cent., amounts to about the sum that is at present given out in loans in Ireland.

4891. Have the rural districts of the county of Cork availed themselves of the provisions of the Labourers' Acts for the erection of labourers' cottages?—They have done so very largely, and, in my opinion, they would avail themselves of them much more if the period of repayment were extended, and if the rate of interest were lower than it is, which, I believe, it could be.

4892. Were these cottages a matter of urgent necessity in your district?—Yes.

4893. In all the districts that you are acquainted with, was it essential?—Yes, certainly. The Legislature found it necessary to bring in the Act for the purpose of improving labourers' conditions in country districts, and no doubt it was a great necessity and a great advantage, and

Captain Donelan—continued.

all over the country the rural districts have taken the matter up. They are limited to 1s. in the £. It is a burden, but they have willingly taken it on themselves, and they are going to fully the 1s. in the £ in putting up the cottages in some places. I take Cork County because I think that that will be a fair sample of the rest of the country. In Cork County, on the building of labourers' cottages in rural districts, a sum of 373,196£. has been spent.

4894. What is the period over which these loans have been extended?—The period for repayment is supposed to be a term of 50 years, but, as far as Cork County is concerned, that principle has not been adhered to at all. The average period of loans in the Bantry Union is only 35 years; in the Clonakilty Union 50 years and 35 years. In the Cork Union, the largest and most valuable union of the whole county, for labourers' cottages the period given was only 40 years. In the Dunmanway Union it was 40 years. In the Fermoy Union the period was an average period of 35 years; in Macroom 40 years only; for Middleton, a very large union, 45 years; for Millstreet 50 years, and in Mitchelstown, for two schemes, a period of 35 years. So that in only one instance over the whole county of Cork has the full period that is allowed at present under that restrictive rule of the Treasury and Board of Works been allowed.

Tables B. and C. handed in.

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[Continued.]

TABLE B.
COUNTY OF CORK.

STATEMENT of LOAN ACCOUNTS in the SEVERAL RURAL DISTRICTS.

RURAL DISTRICT.	Original Amounts of Loans for		From whom Borrowed.	Mode of Repayment.	Average Period for Repayment.	Average Rate of Interest.	Amounts now remaining due on Original Loans as per last Audited Abstract.	
	£.	s. d.					£.	s. d.
Bandon	8,518	-	Board of Works	Instalment and interest and annuity.	50 years	3½ per cent.	24,725	14 3
Bantry	2,700	-	ditto	ditto	32½	3½	2,594	1 2
Castletown	2,253	-	ditto	Instalment and interest	35	3½	1,760	9 1
Charleville	54	15	ditto	Instalment and annuity.	35	3½	10,781	- 3
Clonakilty	1,730	-	ditto	ditto	40	3½	21,181	7 6
Cork	21,510	15 6	Board of Works and National Bank.	ditto	35	3½	54,079	3 7
Dunmanway	3,200	-	Board of Works	ditto	40	3½	32,003	17 7
Fermoy	4,314	-	ditto	ditto	30	3½	39,994	11 11
Kanturk	2,961	-	ditto	Annuitiy	35	3½	23,340	15 2
Kinsale	4,335	-	ditto	Instalment and annuity.	35	3½	3,738	5 6
Macroom	10,783	2 11	ditto	ditto	40	3½	36,571	15 7
Mallow	1,970	-	ditto	ditto	35	3	30,110	7 6
Middleton	11,370	-	ditto	ditto	45	3½	23,544	9 1
Millstreet	7,235	-	ditto	Annuitiy	50	3½	10,132	16 2
Mitchelstown	1,100	-	ditto	Instalment and annuity.	35	3½	17,664	15 6
Schull	9,600	-	ditto	ditto	40	3½	4,698	11 4
Skibbereen	405	-	ditto	ditto	35	3½	28,724	12 6
Youghal	82,371	13 5	ditto	ditto	45	3½	18,880	3 5
							384,466	17 1

Labourers' Cottage Annuity, 35 years.

Labourers' Cottage Annuity spread over part, 50 years at 3½ per cent. and 35 years at 3½ per cent.

Labourers' Cottage Annuity, 40 years at 3½ per cent.; only 180£ borrowed from National Bank at 4 per cent.

Labourers' Cottage Annuity, two schemes for 50 years at 3½ per cent. and 3½ per cent.

35 years at 3½ per cent.

One scheme for 35 years at 3½ per cent., and two schemes for 50 years at 3½ per cent.

35 years at 3½ per cent. and 50 years at 3½ per cent.

Two schemes for 35 years at 3½ per cent. and 3½ per cent.; and one scheme for 50 years at 3½ per cent.

Two schemes for 50 years at 3½ per cent. and 3½ per cent.

N.B.—The Loans for Labourers' Cottage Schemes are all repayable by annuities spread over 50 years, except where otherwise mentioned. There appears to be no fixed rate of interest charged, for in many instances two or three rates of interest are charged in a union on loans advanced for the same purpose.

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[Continued.]

TABLE C.
COUNTY OF CORK.

STATEMENT OF LOAN ACCOUNTS IN THE SEVERAL POOR LAW UNIONS.

UNIONS.	Original Amount of Loans for		From whom Borrowed.	Mode of Repayment.	Period for Repayment.	Rate of Interest.	Amounts now remaining due on Original Loans as per last Audited Abstract.
	Erecting Dispensary Residences.	Erecting Union Buildings.					
	£. s. d.	£. s. d.					£. s. d.
Bandon	900	—	Board of Works	Annuity	35 years	3½ per cent.	621 10 9
Bantry	750	—	ditto	ditto	35	3½	591 — 8
Castletown	—	157 8 2	Munster and Leinster Bank.	Instalment and interest.	5	4	—
Clonakilly	928 10	450	Board of Works	Instalment and interest.	30	3½	1,192 2 6
Cork	4,082 3 6	5,000	Board of Works and National Bank.	Annuity	35 Board of Works 10 Bank	3½	4,137 15 11
Dunmanway	1,000	—	Board of Works	ditto	35 years	3½	598 — 10
Fernoy	1,880	700	Board of Works and National Bank.	ditto	35	3½	1,707 3 1
Kanturk	750	—	Board of Works	ditto	35	3½	528 11 7
Kilmallock	5,000	—	ditto	ditto	35	3½	5,026 10 3
Kinsale	700	—	ditto	ditto	35	3½	591 4 7
Macroom	1,500	1,450	Board of Works and National Bank.	ditto	32½	3½	1,772 19 2
Mallow	699 2	—	Board of Works	ditto	35	5	486 16 5
Midleton	1,450	—	ditto	ditto	35	3½	987 11 8
Millstreet	1,250	—	ditto	ditto	35	3½	918 6 7
Mitchelstown	1,735	—	ditto	ditto	35	3½	1,572 8 —
Schull	1,500	—	ditto	ditto	35	3½	1,185 18 6
Skibbereen	—	670	Board of Works and Leinster Bank.	Annuity and instalment and interest.	—	—	507 — —
Youghal	750	—	Board of Works	Annuity	35 years	3½ per cent.	528 18 4
	25,474 15 6	8,427 8 2					22,933 18 10

Paid.

5,000% National Bank for Workhouse Buildings for 10 years at 4 per cent.

700% National Bank for Workhouse Buildings for 14 years at 4 per cent.

Only 200% advanced by National Bank for four years at 4 per cent.

{ Board of Works advanced 70% at 3½ per cent. for 40 years for Emigration. Bank 600% for 6 years at 4 per cent. for Union Water Supply.

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[Continued.]

Chairman.

4895. But are there not five or six cases where the period is over 50 years?—Part schemes—part 35 years and part 50 years—but, taking it over the whole county of Cork, the average would not be more than about 37 to 40 years.

Captain Donelan.

4896. In your opinion, does the present limitation of the period militate against the carrying out of these schemes for labourers' cottages?—It does. I think that the full period of 60 years ought to be given in these cases for this reason—these cottages which we put up are not allowed to become derelict. The rural authorities provide inspectors, who go round constantly and report on their condition, and they are always put into an efficient state of repair. In addition to that the Local Government Board Inspector invariably goes round on his tour of inspection inspecting work-houses, and going over the different unions, and if he finds out that the authorities are not keeping these cottages in the state of efficiency that they ought to be in, he makes it part of his duty to report that to the Local Government Board, who communicate with the rural district, with the result that they are attended to.

4897. In your opinion, what is the probable life of these cottages?—As I said before, I think that the full term of 60 years ought to be given for these labourers' cottages put up all over the country.

Captain Donelan—continued.

4898. Can you say what is the total sum advanced by way of loans for the erection of dispensary buildings?—As far as Cork is concerned 25,474l. have been spent in Cork County in erecting dispensary buildings. I am taking the loans outstanding at present upon all dispensary buildings as per the last returns furnished in the last year to the County Council.

4899. In your opinion, would it be quite safe and a relief to the district, if the period of repayment in the case of dispensaries, construction of water works, sewage works, and other sanitary works, etc., should be extended to, say, 60 years?—In the schedule for the erection of these houses the limit of period is 50 years. In no instance has that been granted to Cork, which I take as a fair test. The average period has only been 35 years, and these buildings are always sound good buildings, with good tenants in occupation. They are kept in a high state of repair, and the period certainly ought to be extended to the same period as that for labourers' cottages. I do not think that 60 years would be out of the question.

4900. That answer would apply to the other works that I have mentioned?—For sanitary works, water works, and works of that kind I should say certainly a full term of 60 years.

4901. What sum was borrowed for the Cork Lunatic Asylum?—The total amount of loans outstanding at present on the Cork Lunatic Asylum is 118,928l.

TABLE D.

CORK DISTRICT LUNATIC ASYLUM.

PARTICULARS OF CURRENT LOANS.

Date.	Amount Borrowed.	Purpose.	Period.	Rate of Interest.	Mode of Repayment.
	£.		Years.	Per Cent.	
March 1887	5,400	New works	14	3½	Annuity.
June 1889	1,100	ditto	14	3½	ditto.
September 1895	48,428	Sanitary annexes	50	3½	Instalment.
May 1896	2,200	Laundry fittings	10	3½	ditto.
December 1896	11,950	Alterations	50	3½	ditto.
December 1896	1,050	Kitchen appliances	20	3½	ditto.
July 1897	5,100	Temporary buildings and alterations.	20	2¾	ditto.
May 1898	16,200	Additions and alterations.	50	3½	ditto.
June 1898	4,500	Land	50	3½	ditto.
March 1899	1,850	Steam pipes	50	3½	ditto.
March 1899	1,150	Temporary buildings	20	2¾	ditto.
March 1901	20,000	Buildings	30	3½	ditto.
Total	118,928				

4902. Can you say what is the average period of repayment and rate of interest?—These are the exact figures. The average period is about 31½ years. These are all substantial buildings that will last probably for many generations, because they have been put up at enormous expense.

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[Continued.]

Captain Donelan—continued.

pense. These are all buildings put up by the Board of Control before the passing of the Local Government Act. A large sum of money has been spent upon them. They are splendid, substantial buildings, and will last for a considerable period, and it will be a great relief to the ratepayers if for these works they get the fullest term. The period ought not to be restricted as at present.

4903. Quite recently you were called upon to provide a large sum in connection with the auxiliary asylum about to be erected in Youghal?—Yes. It became necessary in Cork County to provide an auxiliary asylum (we got power under the Local Government Act to do so), for the imbeciles, and so on, that we unfortunately have in the workhouses. Youghal was selected as the best place, and close to the sea. The engineers of the city and of the county, there being a joint Board, were called in to give an estimate of the probable cost. They estimated that it would cost 20,000*l.* The plans and the engineers' reports were submitted to the authorities in Dublin, the Inspectors of Lunatic Asylums, and they wanted 40,000*l.* spent. However, the matter was eventually fought out and it was found that 20,000*l.* would be more than ample. The result was that the inspectors in Dublin gave way and the building is being put up. The period for repayment is only 30 years, and in my opinion it ought to be at least 60.

4904. You have had some experience of the promotion of tramways and light railways in Ireland?—I cannot say that I have had experience of the promotion of them, but I have had some experience as to how they were promoted in Cork.

4905. As regards loans for piers and harbour works in your district what is the period of repayment?—In Cork County the most of those works were carried out by the Board of Works, and when completed they were handed over to the Grand Jury under the old state of things, and the County Councils under the new. But there is one particular pier that does an immense deal of injury to a district in the county, namely, Kinsale. Originally a pier was built there by the Board of Works. It was estimated that the cost would be somewhere about 16,000*l.* The Board of Works, on the application of the Harbour Commissioners and the Town Commissioners, consented to put up the pier. The pier cost over 21,000*l.* The result to that district has been that the revenue has fallen off. The fishing has been turned aside from the district as the result of having to put on increased dues to try to make up the cost of the repayment of the loan. The Commissioners having become collateral security and the period being so short, in that small district they have to pay a rate of 1*s.* 9*d.* to 2*s.* in the *£* to pay off that loan. I think that it would be a great blessing and a great advantage to that district that the period should be extended.

Chairman.

4906. What is the period?—I think it is 21 years from the present time.

4907. How long ago was this pier built?—I have not the exact date. The rate of interest on

Chairman—continued.

the loan was 5 per cent., and it was reduced to 4. They are paying at present 1*s.* 9*d.* or 2*s.* in the *£*, as I say, and it would be a great advantage if the loan could be extended over a greater number of years.

4908. But how long ago was the pier built?—I thought that I had the date, but I have not it.

4909. Would it be 20 years ago?—Oh, dear, no, not that or anything approaching it.

4910. Is there much of this loan left to be paid off?—There is a very large sum—somewhere about 12,000*l.*

4911. But the Treasury contributed 7,500*l.* originally?—And the district had to make up the difference between that and the 21,000*l.*

4912. That was only 12,000*l.*?—As a rule, the Board of Works, with regard to the county piers, always contribute about three-quarters. In this particular instance they did not contribute anything approaching that, and I think it only right to state that, had the county had control of that pier, the result would have been, since the passing of the Local Government Act, that relief would have come, because the Treasury would have paid a proportion of anything over 6*d.* in the *£*. They would have contributed half the amount. But, as it is an urban district, unfortunately there is no relief whatever.

4913. They had to pay 14,300*l.*?—Yes.

4914. You say that they still owe 12,500*l.*?—About that.

4915. So that they have really only paid off about 1,200*l.* or 1,300*l.* and you say that has ruined the place?—I find that the pier was built about 1892. They are paying interest and principal at the rate of 600*l.* a year.

Captain Donelan.

4916. Although this seems a comparatively small amount, it entails a very great burden on that particular district?—Yes, it does.

4917. Have you ascertained the opinion of the different public bodies in the county of Cork interested in this matter, and do you express their views on this subject?—Yes; I have made it my business to communicate with every urban and rural district in the county, and I express the opinion of the entire county.

Chairman.

4918. You say that the local authorities should have power to go into the open market?—Yes.

4919. What stops them at present?—They must get the sanction of the Local Government Board.

4920. Before they may go into the open market?—Before they can borrow money anywhere, and the Local Government Board will not allow local bodies to go into the open market to get loans.

4921. But you gave us a case where that was done and money was saved?—We had to get the sanction of the Local Government Board in that case, and we succeeded after some difficulty in getting it.

4922. I suppose that no money for labourers' dwellings has been borrowed in the open market?—None.

4923. What system do you adopt?—Whatever the period is, it is the annuity system that has been

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[Continued.]

Chairman—continued.

been brought in for the purpose of the repayment of these loans.

4924. Is the population falling in the county of Cork?—Yes, but not to any alarming extent.

4925. I mean in the rural districts?—Yes, it has been reducing something.

4926. These houses, even if standing at the end of 50 years or 60 years, with the population falling, might find no tenants?—If it were to go on at the rate that it is going on, there is no doubt that that would happen, but it is not likely. We want to keep them in the country, to put up decent dwellings, and give them an interest in the country and something to work for.

4927. So that you would hold it out also as an advantage in that it might stay emigration?—Yes.

Mr. John Hutton.

4928. As a member of the County Council of Cork, perhaps you can tell me this: Your borrowing powers are not limited to 30 years as they are with regard to English counties, are they?—I am not aware that they are.

4929. Do you think that it would be a good thing with regard to loans for the small urban and rural districts in your county that they should obtain their loans through the County Council?—I do. I am very strongly of that opinion, because, when the Cork County Council came into existence the County Treasurer offered the Council any money required at 3 per cent., with an allowance of 2 per cent. on any credit balances. I think, therefore, it would be a great advantage that the districts should be able to get money from the county councils, and the county councils would not want to make any profit on the transaction whatever.

4930. The County Council would make the

Mr. JAMES BELL, called in; and Examined.

Sir Albert Rollit.

4935. You have been for the last 7½ years Town Clerk and Solicitor to the Corporation of Leicester?—Yes.

4936. Previously you were for three years Assistant Town Clerk and Solicitor for the Corporation of Birmingham?—Yes.

Chairman.

4937. I think we can congratulate you on being now the Town Clerk of London?—Yes. Thank you.

Sir Albert Rollit.

4938. You are also Town Clerk and Solicitor to the Derwent Valley Water Board, formed to supply Sheffield, Derby, Nottingham, Leicester, and the counties with water?—Yes, that is so.

4939. What is your view with regard to the loan periods?—I think the loan periods should certainly not be cut down at all, and that for the housing of the working classes, the erection of buildings under the Municipal Corporations Act, the Lunatic Asylums Act, and the Technical Schools, the period should be increased, and also of course the period for the purchase of land for those purposes.

Mr. John Hutton—continued.

necessary local inquiries?—I would not object to limiting it to the approval of the Local Government Board.

Mr. Bonar Law.

4931. You spoke of the local authority borrowing in the open market, and of difficulty with the Local Government Board. Could you give the Committee any statement of cases where that has happened. I think it very important?—All I know is that local authorities seldom make the effort because, whenever they have done so, the Local Government Board have always been anxious and desirous that the money should be obtained from the Board of Works. I referred to the Queenstown loan. It was with difficulty that we got the sanction of the Local Government Board to get that loan, although we got it at ½ per cent. less than the offer of the Board of Works.

4932. Now, you think that better houses will tend to keep the people in the country?—I do. I think that the more decent artizan dwellings and labourers' cottages there are throughout the country, the more likely you are to give people an interest and something to do, and to keep them there.

4933. But that does not give them any income?—In every instance they have an acre or half an acre of land. They breed fowls or something of the kind, and are thrifty and industrious, and they are always able to make a decent living.

Captain Donelan.

4934. With regard to the carrying out of the Labourers' Acts, is it not your opinion that it tends to plant the working classes in Ireland in the soil?—There is no doubt about it—not a doubt whatever.

Adjourned for a short time.

Sir Albert Rollit—continued.

4940. With regard to the land, what do you say?—60 years, I think, is short enough, as it is a permanent asset, and I do not think there is much danger in the towns of its depreciating.

4941. With regard to the period under the Working Classes Act you agree with the resolution of the association that the terms should be what?—100 years for the land, and 60 for buildings, with a view to assisting the Corporation in dealing with that pressing social difficulty—the housing of the poorer classes.

4942. In 1898 the Leicester Corporation decided to erect two blocks of buildings, with three stories, and to provide 42 private tenements?—Yes.

4943. What about the rents?—Our first scheme was got out on a certain basis of estimate for the capital expenditure, and we thought that with certain rents it would pay, but it was found afterwards that owing to certain conditions which the Local Government Board asked us to comply with, that is making the walls rather thicker and the rooms a little larger than the Leicester building regulations required, it increased the cost, and we had to increase the rents.

4944. Was that enlargement necessary according

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Mr. BELL.

[Continued.]

Sir Albert Rollit—continued.

ing to the architectural advisers of the Corporation?—No, our architects thought not.

4945. The consequence was that the cost of the buildings was increased?—Yes.

4946. What was the length of the term the Board would grant you?—40 years equating the periods for buildings and the land. They would not make a distinction at that time.

4947. What expenditure has been incurred in Leicester and sanctioned by the Local Government Board on this matter?—7,232l.

4948. And there is at present pending before the Board an application for sanction to additional expenditure amounting to what?—480l.

4949. What rents are the houses let at?—

4950. 24 double tenements with two bedrooms?—Three at 5s. 3½d. per week (ground floor), five at 5s. per week on the ground floor, and two at 4s. 7½d. on the first floor; six at 4s. 6d. per week (first floor), two at 4s. 1½d. (second floor), six at 4s. (second floor). Then there are 18 single tenements with only one bedroom let at 4s. 1½d. per week on the ground floor, four at 4s. per week (ground floor), six at 3s. 6d. (first floor), and six at 3s. on the second floor.

4951. You give a statement prepared by the Borough Treasurer which shows how the extension from the 40 years which was the time granted for the loan would be affected by making it 60 years for building and 100 for land?—Yes. Taking the interest less income tax under the head of expenditure, under 40 years' loan, 231l. per annum, and that is the same under the 60 and the 100 years; the sinking fund under the loan for a period of 40 years amounts to 107l. per annum; taking a period of 60 years for building and 100 years for land, 44l. per annum, or a saving of 63l. per annum on the sinking fund by increasing the term. There is rent of site; part of the site belong corporate to the Corporation as part of their estate. Then there are rates, income tax, fire insurance, water, etc., 173l. per annum. That would be the same in either case. Then we receive for rents 448l. per annum, which leaves a deficit at present of 63l. per annum, which by extending the period would be actually wiped out. Of course, it only happens to be so in this particular case. It is a coincidence.

4952. If the period had been altered in this particular case there would be no loss at all?—In this particular case there would be no loss at all.

4953. Alternatively how much could the rents be reduced by?—14 per cent. roughly, or one-seventh of their present amount, if we liked to go on bearing the 63l. per annum loss, but the Corporation of Leicester, like most corporations, are anxious not to put any burden on the general ratepayers for housing purposes, but to make the scheme self-supporting if we can.

4954. Are you of opinion that the result of the extension would be very valuable in encouraging localities to undertake housing schemes?—I think so. There is a great tendency, of course, with these housing schemes always to say that it is not fair to the poorer ratepayer to have to pay a certain amount towards the rents of other poor people.

4955. You could meet the wants of the particular class intended to be benefited by Parlia-

Sir Albert Rollit—continued.

ment, namely, the poorer classes, if the term were extended?—Yes, I think so, and I might say that in Leicester we find that the speculative builder will not build houses to pay much less than 5s. 6d. or 6s. a week. He finds that those are the most paying; therefore he will not build cheaper houses.

4956. Therefore if the corporations do not erect them, families who cannot afford 5s. a week have to huddle two together in a house or take some of the old and not very sanitary property?—That is the tendency, but we do not suffer badly from that in Leicester, because to a great extent it has been built in the last 30 years or has increased very much in the last 30 years.

4957. When you refer to insanitary property, you mean dangerous to the community?—Yes; I do not say that the property is very bad in Leicester.

4958. But that is the evil you suggest?—Yes.

4959. Under the Municipal Corporations Act, the Lunatic Asylums Act, and the Technical Instruction Act, any land purchased is a permanent estate?—Yes.

4960. What is the character of the buildings erected under these Acts?—Very solid and enduring. Under the Lunatic Asylums Act we have to get the approval of the Asylums Commission and the Home Office. They both have to approve of the plans. They are erected in an extraordinarily solid way, and with great care to comply with every possible requirement. They are so arranged that the sun shall come in through the windows as much as possible all through the day. Nowadays, the idea is to make them very bright. It does not seem to me that they will get much out of date; they are so well erected to start with.

4961. The term is 30 years for these purposes?—Yes, they cannot grant more.

4962. For Board Schools 40 is sanctioned?—I think it is 40 or 50.

4963. What is your opinion as to the wishes of Corporations in supplying proper sanitary works and making their towns healthy?—I think that all Corporations are most anxious to have the sanitary arrangements of the town as good as possible, but we are always confronted with the difficulty of the rates going up; for instance, in Leicester at the present time we are reconstructing all the subsidiary sewers; they have been constructed about 50 years. I think we are going to spend 150,000l. on them ultimately. We have had to go very slowly about it, because we could not force up the rates all at once.

4964. What is your opinion of the life of the sewers?—I am told, with regard to the way in which they make sewers now, the pipe sewers are made so carefully that they are practically indestructible, or so arranged, any way as regards subsidiary sewers, that they will last a very long time, because each set of subsidiary sewers serves a certain district, and even if the town grows no more sewage is put into them; it is not like trunk sewers.

4965. Waterworks or reservoir works will last for how long?—They tell me for ever; the water engineers say that the masonry dams will never be destroyed short of an earthquake, and they also tell me that a water main will last 100 years at least.

4966. Gasworks?—

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4966. Gasworks?—All the buildings are very permanent, and the gas mains themselves are very permanent, and certainly 40 years, having regard to the way in which they are kept up, is not too long, taking them all round.

4967. Are the Corporations thus creating a very valuable asset in your opinion for posterity?—I certainly think so.

4968. Take the case of Leicester as an illustration?—At the present moment our indebtedness for income producing works, such as gas and water, the museums, lunatic asylum, infectious diseases hospital, etc., which will last for a very long time indeed, represents a capital expenditure of 3,242,000l. It seems to me that by the time we have formed a sinking fund to provide that sum, we will have handed over to posterity a property worth 3¼ millions.

4969. What sum have you accumulated in your sinking fund?—We have 248,800l. at present in our sinking fund.

4970. By the end of 1934 the greater part of the charges for these loans will have terminated?—Yes. In 1933 we shall be paying for interest and sinking fund on those loans 128,260l., while the next year, when the loans are extinguished, we shall only be paying 22,475l. in respect of those loans—that is to say, the ratepayers of the year 1934 will obtain a relief of 105,780l.

4971. And have a valuable property?—Yes, of course, the gas and water are very valuable properties, and such things as the museums and the parks.

4972. You are providing a sewage farm?—We have just bought that.

4973. And street improvements?—And street improvements.

4974. 66,394l. annually?—Yes.

4975. Under the Public Health Act a loan on a sewage farm is unlimited?—Yes.

4976. What, as a matter of fact, did you obtain?—We got 60 years, but ours was under a local Act.

4977. Your poor rate for the past year was 1s. 5d. in the £, general district rate 5s. 11d., including 1s. 3d. for the School Board, or a total of 7s. 4d. in the £?—Yes.

4978. With regard to the limit of five years for the cost of a Parliamentary Bill, what do you say?—I have never quite been able to understand that myself. It seems to me that the justification of it is that a Corporation is likely to promote Bills recklessly if they have not to pay for them within five years. My experience is that a Corporation is very unwilling to promote Bills. They most carefully consider whether they will promote them or not. They have to stand going before the town meeting, and anybody can demand a poll. We are most careful about it.

4979. And the costs, we know, are not very light?—No; and you might just fairly consider the costs of the Bill part of the cost of any scheme that you are promoting as any other part of it; that is my own view. I do not think there ought to be any cutting down of that time.

4980. Are you of opinion that it is a right thing to commence the repayment from the sinking fund before the completion of the construction of the works?—No; I take the view, that, where it is an income producing work, we should be 0.12.

Sir Albert Rollit—continued.

allowed to complete the work before commencing the sinking fund.

4981. For which there are precedents in the Birmingham Corporation Bill and the Derwent Valley Water Bill of 1899—your own Bill?—Yes; there are others, but I named those because I had something to do with them.

4982. In both cases?—Yes. In the case of a tramway it was put by Mr. Lithiby that if we had bought a horse tramway for instance, and therefore were getting some revenue, that would not be a case where in converting it to electric traction you ought to have the sinking fund suspended, but I do not agree with the view for this reason: If you buy a horse tramway and convert it, while you are converting it it takes you all your time to pay interest and sinking fund on the loan you had to borrow to purchase, and to maintain and keep up the lines and work them during the transition. You lose a good deal of revenue when you are pulling your lines about and even in that case until the new electric system is working we might reasonably ask that we should not be bound to find the sinking fund.

4983. You are of opinion, I believe, that Parliament should not go into too much detail instead of giving some trust to corporations who have local knowledge and experience?—I hope they will not go into more detail. If they went into the estimates in great detail it would take a long time going through them before Committee and explaining all the various points in an estimate. Generally speaking, an estimate now is taken pretty much without being gone into in any great detail.

4984. Has any difficulty or disadvantage arisen from the present practice?—I have not heard of that.

4985. Mr. Lithiby at Question 630, in answer to a question, said he knew of several instances in which the Local Government Board have decided after close inspection and inquiry that a certain period should be given, and the local authority have got round the Local Government Board by bringing in a private Bill to give them the larger period. What do you say about that?

—It may either be a mistake in printing, or perhaps Mr. Lithiby did not quite mean to imply what seems to my mind to be implied—that the Derwent Valley Water Bill of 1899 was a case in point. That was not a case of our trying to get round the Local Government Board, because it was an absolutely new matter which was first brought up on three towns promoting separate Bills. We went into it very carefully; we had all sorts of engineering and financial advisers, and we saw the tremendous difficulty of these towns undertaking so big a work ultimately to cost six millions, and we were most anxious, because we wanted to get the water. It is most important it should be secured. It will take at least 10 years to get the works executed.

Chairman.

4986. You may take it from me that Mr. Lithiby did not intend to use that as an illustration?—I hardly thought he could have done, but it was all in one answer, and that is why I draw attention to it.

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4987. Then

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[Continued.]

Sir Albert Rollit.

4987. Then we may drop that?—Yes.

4988. I think the House granted the period of 60 years, which the Local Government Board objected to?—They called attention to it.

4989. Will you summarise your view?—My view is that corporations ought to be encouraged to carry out sanitary works and provide open spaces, baths, and other public works, as having a tendency to improve the physique and increase the healthiness of the population, and that any increase in the debt owing to such work will be more than repaid by the healthier and more robust generations which will follow the present one.

Chairman.

4990. With regard to your housing schemes in Leicester, do you think the houses you erect will remain up to date for 60 years?—Yes, I think so, certainly.

4991. And your own experience is that when you started your houses you found that though they complied with your regulations of 1881 they were not considered to be up to date at the time you purchased them?—The Board did not consider them so.

4992. The date you proposed them was 1898?—Yes.

4993. Is not that an illustration of how requirements as to houses change even between 1881 and 1891. In 1881 you had a local Act setting out certain building regulations?—Yes.

4994. In 1898 you came with a scheme which complied with those bye-laws for housing?—Yes.

4995. The Local Government Board pointed out that the scheme did not comply with modern requirements?—That was their opinion. Of course, we did not agree with them; at least our advisers did not agree with them.

4996. You consider that your houses that you proposed to build were substantial erections which would be standing at the end of 60 years?—Yes.

4997. And useful?—Yes, because they were built in exactly the way which every private person whether, building for himself or as a speculation builds his houses in Leicester.

4998. May I ask for the information of the Committee how high these houses were?—In feet?

4999. In storeys?—Three storeys.

5000. What was the thickness of the external walls?—I am afraid I do not know.

5001. Would you be surprised to hear that the application to which the Board objected was that from the very bottom the external walls were to be 9 inches thick?—I have no idea. All I can say is that what the architects say is that they were built in the way in which we build in Leicester. I do not know whether the whole of it will collapse.

5002. Do you consider in Leicester that a 9-inch wall, starting from the bottom of a three-storey house is sufficiently substantial?—I do not know; I am afraid I cannot express an opinion on building.

5003. What happened between you and the Local Government Board was this, was it not, that we said a 9-inch wall for a three-storied house was too small, and that the matter was

Chairman—continued.

compromised by our insisting on a 13½-inch wall up to the first floor, and the rest a 9-inch wall. Do you consider that that was an unreasonable requirement, making your house too expensive?—Of course, I cannot say more than my architect said. I have no idea really myself about building.

5004. As regards the loss which you have shown as at present having to be borne in your housing schemes, you have given us an estimate, or, in fact, an actual calculation, which shows that you lose 63%.?—Yes.

5005. Your rateable value is 791,739*l.*, is it not, for 1901?—Yes, I think it was that.

5006. I put it to you that the 63% you lose on your housing schemes is less than a rate of 1-50th of a penny in the £?—I dare say, but it is all these 1-50ths we have to add together.

5007. Do you complain that for the expense of housing these people it is too heavy a burden for Leicester to bear?—I do not think they complain that it was too heavy a burden. All they say is that, as a matter of principle, they want to make these things self-supporting if they can.

5008. They appeal to this Committee not to inflict on them the burden of 1-50th of a penny in the £?—Perhaps I might have put it that, as a matter of principle, they do.

5009. Now you say that sewers are practically indestructible?—So I am told.

5010. You came to the Local Government Board last year for a loan to replace an existing sewer, on which there was still a small debt outstanding, because it was inadequate to the requirements of the district. Did you know of that loan?—I do not remember it, but I can quite understand that we did. I am speaking of sewers as made now, and, of course, one knows that the various local boards, some of whom we took over, made their sewers very badly indeed; they did not supervise them as we do. I do not know whether this was one of theirs. I am speaking really of what we call Hassall's patent jointed sewer. I am told that that is practically indestructible.

5011. Hassall tells you so?—No, my engineer tells me so; I do not want to advertise Hassall.

5012. You have spoken of the cheerful position of people who have the privilege of living in Leicester in 1934, but do not you think that a large additional debt will have to be incurred before then for works of various sorts for the benefit of the town of Leicester?—No doubt there will be more borrowing, but I think, as regards many of the things we have borrowed for, they have been borrowed for once and for all. For instance, parks will, of course, be a permanent asset, and the gas will go on, in my opinion, producing a fine revenue.

5013. I think you had some little difference with the Local Government Board about the 40 years which was given to you for your housing loan. Was that what you complained of just now?—I did not complain of it; I only mentioned it. I understand now that the Board give 40 years for buildings and 60 for land. I may be wrong, but that is what I have been told, and we only got an equated 40 years. It does not, perhaps, make a great deal of difference.

5014. Do you happen to remember what you asked

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asked for?—No; I may have asked for too little, it is quite possible, in my modesty.

5015. Would you be surprised to hear that the equated period you asked for was only 41·88 years?—No; we were very moderate. I had forgotten that.

5016. I may take it that you do not complain of the Local Government Board for giving you 1·88 years short of what you asked for?—No.

5017. With regard to the indebtedness already, have you any figures to show us what was your indebtedness in 1871 and 1872?—No, I am afraid I have not.

5018. Will you take it from me that it was 187,142*l.*?—Yes.

5019. Have you your indebtedness from 1900 to 1901?—I am afraid I have not got the year you ask me for.

5020. But in 1900 and 1901, do you think it would be about 3,617,000*l.*?—I take it from you.

5021. That is to say, your debt has increased 1,833 per cent. in 30 years?—Yes, but you see in that increase we get 1,047,000*l.* for gas works, which are very productive; 185,000*l.* for electricity works, which are also bringing us in a net income; and for water works, 936,000*l.*, which again brings us in a net income; so 2,000,000*l.* of that is quite productive. The tramway undertaking would not be in the figure; that is since. Our markets bring us in a revenue of 122,000*l.*, slaughter-houses 4,000*l.*

5022. All this is secured on your annual average valuation?—That is the ultimate thing if they fail otherwise.

5023. That in 30 years has grown 200 per cent?—Is that so?

5024. Yes. We are just revaluing. Ten years ago we went for an extension Bill for the borough, and part of the price we had to pay to get it through the House was that we had, of course, to do something for the Railway Companies, and among other things we had to agree that we were not going to increase the rateable value for 10 years, so we have not had a re-assessment. But we are re-assessing now, and I suppose it will come out at 1,200,000*l.*, which will be a large increase in the assessable value.

5025. In any case you personally as a financier do not consider that it matters that your debt has grown nine times faster than your assessable value?—Not when you look at the assets we have got for our debt.

Mr. John Hutton.

5026. Only half of your debt is remunerative debt, is it not?—The gas, electricity, and the waterworks 2,000,000*l.* and markets 122,000*l.*—those are remunerative—slaughter-houses, remunerative 4,000*l.*, working-class dwellings, 7,000*l.*

5027. Is that remunerative?—It brings in an income. The ultimate balance is 63*l.* on the wrong side, but it brings in an income. Then there is corporate property 238,000*l.* That brings in income, and 102,000*l.* for parks and pleasure grounds, very valuable from a health point of view. Then I see 49,000*l.* for baths.

5028. How do you raise that money; do you issue stock?—Yes, when the market is favourable.

Mr. John Hutton—continued.

able. If it is not favourable we may make an arrangement with a bank to give us a loan. We borrow a good deal of our money on debenture six months' notice.

5029. Debentures?—Mortgages you may call them; we call them debentures.

5030. What amount of your debt is in stock then?—I am afraid I could hardly say offhand.

5031. Roughly, two millions?—I should think more than that.

5032. I suppose you have raised your stock under some Act?—Yes, we had an Act in 1884.

5033. Do you know at what price you have issued it?—Varying prices. I do not know what the average price would be, or what the prices have been.

5034. You can give me no information upon that point?—No; I could find out for you if you care about it.

5035. Your rate was 7*s.* 4*d.* last year?—Yes.

5036. What was it the year previously?—I think it was about the same; I think we kept it stationary last year. I am not sure whether the property did not go up last year.

5037. Would it be incorrect to say that your rate for the previous year was 5*s.* 1*d.*?—I think it would. That must have been some different rate. I do not know what the 5*s.* 1*d.* would be. We have not jumped up from anything like that.

5038. You cannot give me any information about the price of your stock at the present time?—I think our present 3 per cent. stock is quoted at about 95·6 or something of the sort.

5039. You cannot tell me what it was 10 years ago or any previous time?—No; it is like all these other stocks—Consols themselves; it very much appreciated some years ago, and it has come down like all first-class securities have.

5040. Since the war—during these last three years?—A little before the war I think they had started falling.

5041. With regard to the rents of your houses, you spoke of single rooms from 4*s.* down to 3*s.* Who are they occupied by; do you allow families to occupy them?—No; I think only a husband and wife may occupy them. In what we call the single tenements there are really two rooms, a living room and a bedroom. We call them single tenements when they have one bedroom only.

5042. If you got an extension of time from 40 to 60 years what difference do you say it would make?—The calculation was 60 years for the building and 100 years for the land. That would make the difference of 63*l.* on the total. The reduction from 40 to 60 years for the annuity per cent. would be from 4*l.* 6*s.* 6*d.*, which is the present amount of money you have to put by year by year to 3*l.* 12*s.* 3*d.*

5043. What difference would that make of the rental of a room at 3*s.* or 4*s.*?—I could not say.

5044. It would not be more than 3*d.* or 4*d.*?—I should think not.

Chairman.

5045. But you would not say it would be anything like 3*d.* or 4*d.* on what you call a single tenement, would you?—I am afraid I can hardly tell you offhand.

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5046. It

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Mr. BELL.

[Continued.]

Chairman—continued.

5046. It can easily be calculated out?—It can easily be calculated out, as you say.

Mr. A. K. Loyd.

5047. In making the calculations you gave us as to how you would have stood if the period had been longer have you had brought under your notice that every 10 years that you increase the period you very much increase the risk to posterity, and you in decreasing proportion confer a benefit on the present generation?—I suppose you might say you increase the risk to posterity, but I do not know that it makes much difference. I think we are almost as likely to be in a bad way in 40 years as we are in 60.

5048. Looking back 100 years, does it not strike you that 100 years in the history of any of our boroughs is a very long time with regard to their condition?—Yes. I should have thought, taking the history all through, 100 years ago property certainly was not as valuable as to-day.

5049. No, but can you tell me of any populous place in England which has not very much altered in the distribution of its population; for instance, in the last 100 years?—I should have thought myself—I have not gone into it very carefully—that any place in England where the land was urban land 100 years ago was certainly urban land and more valuable to-day. It may have grown this side and that, but still what was urban 100 years ago has not ceased to be urban now.

5050. Take the case of a building put up in a borough and population moving one way or the other as you say—would not that very materially affect the utility of that building for the purpose for which it was erected?—I do not think it makes much difference. It seems to me that it would still be useful and urban.

5051. But do you know any places where there is an old town hall and a new town hall?—I do not know that I could say offhand except our own, where we have a town hall erected 700 years ago and also our new one erected 20 years ago.

5052. I know those buildings, but are there not a number of places where the old town hall has become quite inadequate for modern purposes. I will not go back 700 years, but after 100?—Yes, after 100 years certainly.

5053. Is that an element to be taken into consideration as well as the duration of the materials?—Yes, if they were asking for more than 100 years, certainly, but I do not think that any of these town halls grow obsolete unless they are frightfully bad.

5054. I am not speaking of obsolescence with regard to material, but from the shifting centre of industry and population?—I should not have thought it myself.

5055. But you admit that that chance has to be taken into consideration as well as the mere physical life of the buildings?—Yes.

5056. I should like to have an answer to the question as to each succeeding decade giving less relief to the present generation, and increasing very much the prospect of posterity having to pay for what they never get?—As regards that latter part I express the view I do not think there is a very great deal in it. I think that probably

Mr. A. K. Loyd—continued.

the towns will be about as flourishing in 60 years as in 40.

5057. That is not what I asked. I will put a concrete case. Take the case of a loan of 10,000*l.* to be repaid at 3 per cent. in 10 years. To repay it in 10 years requires an annual payment at 3 per cent. of 1,172*l.* Now increase that time for repayment to 20 years, and you only have to pay 672*l.*, so that you get a relief in that first decade of increase of 500*l.*, or half?—Yes; that is the case.

5058. The next decade gives you a relief of 162*l.* only as against the 500*l.* in the decade before, and another decade only gives a relief of 77*l.*?—Yes.

5059. Another decade only gives a relief of 28*l.* You see what I mean?—Yes, that is quite true as a matter of figures, no doubt, but of course where the relief comes in is if you have a big loan. When you say you get 77*l.*, of course it is not perhaps very much, but if you are borrowing 100,000*l.* and multiply it by 100 it is worth having from the point of view of the rates.

5060. I quite understand that the quantity would make a great difference, but still you acknowledge the principle?—Absolutely.

5061. That the relief given to the present generation is very much greater in proportion during the first, second, or third decade than it is in subsequent decades?—Yes.

5062. And you also realise that the risk of posterity not getting what they are paying for is increased very much?—I should not say very much.

5063. But it is in increasing proportion?—No, I do not think that is a case of proportion.

5064. Do you mean to say there is no more chance of a thing becoming obsolete if you give another 10 years to posterity to find out some better system?—Of course, you can hardly deny that that is so in one sense—that the longer the time that goes by the greater chance there is, but I do not think myself that there is much chance of it happening.

5065. But is that justified by facts. Look at electricity, is not that a thing which nobody dreamt of 30 years ago as being applied as it is now?—Yes.

5066. I am referring to things becoming obsolete from the progress of invention; you are dealing, it seems to me, with things becoming obsolete from wearing out?—As a great many of these things invention could not have much effect; for instance, buildings, town halls, and so on.

Mr. Briggs.

5067. You are interested in that large water scheme?—Yes.

5068. What time have you for the repayment of the money on the large works?—We got 60 years, but there was a provision that the sinking fund should be suspended for the first 10 years, and that the 60 years should not be calculated except after the expiration of that 10 years which was given for the suspension of the sinking fund so that for the money borrowed in the first year we get 70 years, you see, and so on.

5069. In reference to what are termed remunerative municipal undertakings, you have not expressed

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Mr. BELL.

[Continued.]

Mr. Briggs—continued.

pressed a very decided opinion about that, but I might ask you whether you think that more time ought to be granted by the Local Government Board for repayment of loans incurred on behalf of remunerative undertakings than on those that are not remunerative. How do you classify them in your mind?—I classify them more with regard to the length of life that you may expect in various matters; for instance, an electricity loan would probably be remunerative, but I do not think it would be very reasonable to ask for 60 years for that purpose.

5070. Nor for gas and water?—Probably gas. The 40 years that is very often granted by Bill now or sometimes granted is a pretty fair term.

5071. You think that 60 years would be a fair term for remunerative undertakings?—For water?

5072. For water, gas, and electricity?—Not electricity, and probably not gas. The engineers advise me that 40 years is about a fair term—a safe term.

Mr. Bonar Law.

5073. You mentioned that in your opinion gas would be a valuable asset 34 years hence?—Yes.

5074. Do you not think it is likely to be entirely superseded before that?—My gas engineers perhaps are prejudiced, but they think not; they say that it will be useful for power and heating and that class of thing. That is what has happened since electricity has come in as a

Mr. Bonar Law—continued.

light, they use it very much for power and heating in Leicester, for cooking and that class of thing.

Mr. Murray.

5075. I rather gathered that you wish for a more extended time for non-reproductive work such as parks, bringing health for posterity?—Yes. That is to say where the asset is a permanent one, such as a park.

5076. And the improvement of the district by the removal of insanitary houses?—That is such a pressing social need in many places—perhaps not so much in Leicester as in some other places—that I think towns ought to be encouraged to do all they can in that way and the burden should be eased.

5077. With regard to Leicester, you have not to deal with any specially offensive or insanitary slums; your scheme was rather housing and not rehousing?—Yes, our scheme was housing. There are some parts of the town that might be demolished with advantage according to my own personal view, but they are not so bad really.

5078. With regard to the year 1934, have you, speaking generally as a financier, considered the question of repayment of the instalment as against repayment by annuity by which a sudden jump in the rates could be obviated?—I know the difference; I cannot say that I have considered it very much. Our system is the annuity system in Leicester, and I have not really interfered with it very much. You see we raise our money by Stock chiefly.

Friday, 9th May 1902.

MEMBERS PRESENT:

Mr. Brigg.
Mr. John Hutton.
Mr. Law.
Mr. Grant Lawson.
Mr. A. K. Loyd.

Mr. Charles Murray.
Mr. Nannetti.
Sir Albert Rollit.
Mr. Wodehouse.

MR. GRANT LAWSON IN THE CHAIR.

Mr. JOHN W. SPEAR (a Member of the House), called in; and Examined.

Chairman.

5079. You appear here as representing the Council of the Poor Law Association, do you not?—I do.

5080. And that association desires that loans for buildings should be extended from 30 to 50 years?—Yes.

5081. I suppose you are referring to Poor Law buildings?—Yes, chiefly.

5082. Would you state the reasons why your Council desire the extension?—It is felt that the present arrangement entails a burden on one generation of ratepayers for work the advantages of which are largely shared by succeeding generations without any contribution from them towards the cost.

5083. You are aware that most Poor Law guardians are now enjoying the use of buildings for which they themselves have not paid?—Yes, somewhat, but the present commendable spirit as to the improvement of workhouse buildings entails a very much heavier expenditure to-day than was ever dreamt of during the last 50 or 60 years.

5084. But money was expended 50 or 60 years ago of which we are enjoying the benefit?—Yes.

5085. Your second reason is that you consider that the short period prevents the provision of buildings?—Yes, necessary for the well being of the poor under the care of the guardians. In these days of very heavy rates (I have been a guardian for a great many years) improvements that are thought really to be desirable and practically necessary are desisted sometimes from the financial aspect of the case to the injury, I think, of the well-being of the poor. The extension of the period would tend to mitigate that.

5086. Have your Council considered how much the increase of expenditure on Poor Law buildings has been of recent years; have you had figures for that?—I have not the figures. It has been before the Council three times, but I do not think figures were produced showing that.

5087. The Council are under the impression that guardians are shy of building now?—Yes.

5088. Would you be surprised to hear that they spent in building last year 2,637,769?—But I think it should be very much more notwithstanding.

Chairman—continued.

5089. Whereas in 1881 they only spent 309,882. Do you think those figures would have any effect on the minds of your Council in considering whether the expenditure has been checked by short periods?—I think that they might have some effect in mitigating the general feeling of the Council that the premises, as a whole, are not what they ought to be in dealing with Poor Law matters. I think the figures you have given would mitigate their feeling somewhat, but not remove it by any means.

5090. You, of course, in building Poor Law buildings, build them of a very substantial character?—Yes, generally.

5091. And in places somewhat ornate, do you not?—No, I have never seen any.

5092. Have you never known of an objection of the Local Government Board to the fact that the buildings were too elaborate in their exterior design?—No, but I have known plenty of cases in which they have compelled an alteration of the plans in a way we thought unnecessary and somewhat extravagant.

5093. Not with a view to exterior decoration, I fancy?—No, possibly not.

5094. Do you happen to have seen, or has your association seen, the plans for the new Hammer-smith Workhouse?—Not that I am aware of.

5095. Of course, you build substantially as regards the substance of the buildings, but do you think that the present design of workhouse, and the present system of treating the poor, will continue for all time?—I confess I would rather see some system of provision for old age which would reduce the poor coming to the workhouse than otherwise, but still there always will be a very considerable number of social failures that would never come under any scheme of old age pensions that has ever been thought of and our workhouses will still be required doubtless.

5096. But have not the Association noticed that there is an entire change in the type of building required—that we are forming infirmaries rather than workhouses?—Yes.

5097. So the buildings erected now, or that have been erected in recent years, in 30 years, may be altogether out of date as to type?—I think not. We do not know what progress we

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[Continued.]

Chairman—continued.

are going to make in the future, but the requirements of the Poor Law as to workhouse accommodation are very up to date, I should think.

5098. As the Council thought of the analogy with regard to the barrack schools which were built for all time and are now being rapidly disposed of?—Of course, there is a development which has been very beneficial, I admit.

5099. Then I think you desire to give us some remarks on the subject of the housing of the working classes?—Yes. I would just mention that I think the limited number of years checks district councils with regard to providing isolation hospitals, and that is really one of the great deficiencies in our system, especially in the country districts. There is practically no provision for the isolation of infectious diseases, and somewhat more liberal terms of loan would, I think, promote the provision of these buildings. As to the housing of the working classes, we think that the term of repayment ought to be 60 years, and may I point out that, if the sinking fund was so altered in accordance with this suggestion, the relief on a house costing, say, 250*l.*, and land 50*l.* would be about 9*d.* per week, or of a house costing 210*l.* and land 40*l.*, 8*d.* per week—an important help. Plymouth and Devonport really overlap into my constituency, and I am fairly well acquainted with some of the housing questions there. Might I point out two examples of the way in which the present system deters the necessary provision of houses for a certain class of men. I will be very brief if you will allow me two or three minutes. Only last week in Plymouth two men came to the caretaker of the houses; they were both drivers, earning 19*s.* per week; both were married and neither had children. Each wanted a house. The cheapest of the new houses in that district contains two rooms and a scullery at 4*s.* 6*d.* They considered and said it was too much. They would have taken the houses at 4*s.* In another part of the town there are flats at 4*s.*, but that is too far from the work. If the term of repayment were 60 years these houses could be let at 4*s.*, or 3*s.* 9*d.* even, instead of 4*s.* 6*d.* I asked the caretaker if 6*d.* would make such a difference. He said it would. It is a terrible struggle for men earning between 18*s.* and 21*s.* per week, even when they have no children, to pay the rent. Some time ago rents were raised in Plymouth from 6*d.* to 9*d.* a week, as the Committee found they were losing too much. The poor people had to drop their life insurances and give up other matters of importance. Some cannot pay them. There was a couple in another place with three young children, paying 5*s.* per week for two rooms and scullery in one of the houses in Hoe Street, Plymouth. After a struggle they found they were not able to afford the rent, and left, and were obliged to take one room in an adjoining house with the use of a common scullery and offices at 3*s.* The great advantage to the poor in the houses as built under loan is that each tenant gets his own scullery and separate copper and w.c. In the ordinary houses these are common to three or four families. Widows taking in washing come to these houses for these advantages. They

Chairman—continued.

can wash more conveniently, and so on, but the rents are too high. The caretaker says that people are constantly saying they are just too much; a little would make a difference. At Devonport, which is closely adjoining, the limited terms for repayment of housing loans imposed by the Local Government Board have very much discouraged the housing enterprise.

5100. What did you say had discouraged it?—The limited terms for repayment of housing loans imposed by the Local Government Board have very much discouraged the housing enterprise at Devonport (the limited number of years for which the loans are granted), as it becomes practically impossible to make ends meet unless the rents are put up to a prohibitive amount. The town has therefore to choose between a high rent on the one hand or a charge on the rates on the other hand. A few months ago an excellent scheme was brought forward for erecting self-contained cottages and flats, with back gardens of 19 acres of virgin land, but here again the loan repayment period was so great an obstacle that the scheme had to be abandoned. That seems to be the general operation, and it certainly does point to the necessity of an extension of time. May I just make this remark. In our neighbourhood in those towns in years gone by a philanthropic feeling existed recognising responsibility, through private enterprise, of providing dwellings for the poor, but since the responsibility has more or less been placed on the municipal bodies, private enterprise and philanthropy have been somewhat checked, and consequently I think a grave and increasing responsibility rests on public bodies to meet the requirements on reasonable economic and sound financial grounds of the people, especially of some classes.

5101. I suppose you mean that private enterprise is checked by the fact that the municipality, not desiring to make a profit, could undersell the private builder, who had to make a profit to live?—No, I do not think that is the case. It is a fact I must admit that the houses are built cheaper under private enterprise than they are under municipal superintendence. It is a fact that we have to admit, but still we are committed more or less to municipal provision, and I think that we ought to make it possible that municipalities shall provide these houses on terms, reasonable terms, and that people can afford to pay.

5102. Even if they drive out and undersell the private builder?—No, I could not go so far as that.

5103. You would not advise that?—No; I think that the two systems ought to go hand in hand.

5104. And you think that anything which would check the enterprise of the private builder would be bad for the housing of the poor themselves?—Well, yes. I would like to see just conditions to encourage competition between private enterprise and municipal enterprise in respect of this matter.

5105. If the period of loans was extended the municipalities would be able still further to undersell the private builders, would they not?—

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[Continued.]

Chairman—continued.

No; I do not think they can undersell them at all. I think that the extension of the period for the loans would reduce the rents 6d. or 9d. a week, and would enable municipal bodies to produce a better kind of house. I would point out that the requirements of the Local Government Board are, I was going to say, exacting, but they are of a character that compels municipal bodies to build a house that they cannot possibly afford to let at the same rent as a somewhat similar house—a house that most tenants would accept as an equivalent. Municipalities, to meet the requirements of the Local Government Board, cannot provide that house at the same rent.

5106. Have you had any instances of that in your personal knowledge?—I must say that, living in a rural district, I do not know that I have, except that I know it exists in Plymouth.

5107. We have had evidence before this Committee on some of these requirements of the Local Government Board which are objected to—for instance, a requirement that in London an interior wall between two tenements (I do not mean the outside wall in the street, but the wall separating two tenements) should be more than three inches thick. Do you consider that three inches would be a sufficient division wall between two tenements?—No, I do not.

5108. At Leicester the Local Government Board required that a three-storied house should not have from the very bottom of it a 9in. exterior wall. Would you consider that a three-storied house with 9in. exterior walls was a suitable building?—I think they ought to be thicker than that. May I say that the houses that are provided by the municipality do not relieve the slum districts. If I might suggest it, you ought to give greater latitude to local bodies; you ought, indeed, to allow local bodies, if I may be allowed to say so, to build under their own bye-laws, because now such an elaborate building is required as the present slum resident could not pay the rent of under any conditions, and unless municipalities have the power to provide much less expensive houses, but yet immensely superior to the slum tenements in which too many live, you will never mitigate, in the dense areas of population, the housing evils.

5109. But do you desire not only that the houses should be less elaborately constructed, but that also the periods of repayment of the loan should be extended?—Yes.

5110. So that while houses were made less substantial, the period for paying for them should be prolonged?—Yes. I would not quite agree that they ought to be less substantial—less ornate, if I might say so.

5111. You told us you have not had yourself any personal experience of the Local Government Board ever claiming that the buildings should be ornate?—It is a matter of degree, of course, as to what "ornate" would be.

5112. Have you ever known a case?—Yes; I should say that some of the houses required in Plymouth by the Local Government Board are palaces compared with the dwellings which many have to occupy in slums, and there is too great a distance between the slums and the houses provided by the local authority. My suggestion is that, under certain circumstances and in certain

Chairman—continued.

cases, the requirements of the Local Government Board should be relaxed, and that a house that would attract the slum resident and lead him up to the better house farther on, would be very desirable.

5113. It was in Plymouth where we insisted on there being light on the staircases and ventilation to the watercloset. Do you object to such requirements as that?—Not at all.

5114. Can you give us any instance yourself of the Local Government Board requirements that you know of which have made buildings more expensive?—I know that the requirements are making the houses so expensive that they fail to supply the needs of the people who most require better housing accommodation.

5115. But I want to know why you say that that is done by the Local Government Board, and not by the local bye-laws.—The Local Government Board requires certain conditions to be carried out which make it very expensive, and I suggest that there should be the provisions that the lower tenements might be utilised in certain cases for shops, thereby enabling them to let the residential part of the building very much cheaper.

5116. But do not you know that that is constantly done by the Local Government Board?—No; I was not aware of that.

5117. I have had experience of it twice this week.—Permission to utilise the lower part of the building for shops.

5118. Yes; you were not aware, probably, of that?—No; I had no idea of it. I think it very sensible. I am very glad to hear of it.

Sir Albert Rollit.

5119. Do you consider that the benefit derived in the present day from former buildings bears any proportion to the benefits likely to be derived by future generations from the much more substantial buildings of to-day?—No; I think the benefit of future generations will be greater.

5120. It has been suggested to you that heavy expenditure is incurred?—Yes.

5121. Do you find any disposition of that sort at all on the part of the Councils to incur more than necessary expenditure?—No.

5122. And as I understand you, the expenditure is a question of pounds, shillings, and pence, whereas the requirements which are made by the regulations of the Local Government Board and the like are a question of accommodation?—Yes.

5123. It has been suggested to you that too much ornamentation of poor law houses occurs—do you know of any such case?—No, not a single one.

5124. Do you know Hammersmith?—I do not know the workhouses at Hammersmith.

5125. I suppose that even a poorhouse just outside London has to be constructed with some regard to the adjoining properties?—Yes, I think it is reasonable.

5126. As a public building?—Yes, I think it is very desirable. Workhouses in our county are the ugliest buildings of the whole place, except the prisons.

5127. Worthy of the inscription "All hope abandon ye who enter here"?—Well there is much too much of that in the appearance.

5128. As

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[Continued.]

Sir Albert Rollit—continued.

5128. As to the housing, may I take it that your view is to treat that subject as exceptional on Parliamentary and also on social grounds?—Yes, I think unless we can house the people well we are injuring the interests of the Commonwealth and money spent judiciously in doing so is well spent.

5129. Such expenditure I understand you to mean is economical in the end?—Certainly.

5130. Should you have any objection to the land at any rate (you said 60 years for the building) having 100 years for repayment or being treated as a permanent asset?—I think the land might very well be extended to 100 years, but our Council wished to be moderate and ask that the two together may be extended to 60 years.

5131. That was the intention?—Yes.

5132. But you personally would be in favour of 100?—Certainly, I see no reason why not.

5133. I think matters, from what I remember of the evidence of the Mayor of Plymouth, have arrived at almost an *empasse* at Plymouth on this subject?—Yes, quite so, and in Devonport especially so.

5134. The intentions of Parliament have become nugatory so far as the supply of the poorest class is concerned?—Yes.

5135. As to driving out the private builder, the private builder must always by the latitude and option which he has over and above the requirements of the local regulations, have an advantage over a municipal authority which is under more stringent conditions?—Certainly; I think so.

5136. Does that, in your opinion, neutralize the advantage of the means behind the municipal body?—Quite so. I think the more expensive character of the houses required from a municipal body will prevent their unduly competing with private enterprise.

5137. Assuming that Parliament intended to substitute reasonable and proper dwellings for slums, can that be done under the existing terms of repayment of the loans?—No, it is impossible.

5138. Whomsoever may make the requirements?—Quite so.

5139. And in your opinion, at any rate in Plymouth and Devonport, some change is absolutely necessary to carry out the Acts of Parliament which impose the duty upon the municipalities?—Absolutely.

Mr. A. K. Loyd.

5140. Have you gone into the comparative possibilities of rural housing and urban?—Yes, I have some knowledge of that. My opinion is that there is great room for improvement in the rural districts, but it is not quite so pressing.

5141. With regard to the feasibility of it as a paying outlay have you formed any opinion upon that subject?—Yes. I think that, even in the rural districts, there are a certain class of people who are not sufficiently provided with houses. Landowners generally feel the responsibility of providing cottages for the workmen on their estates, but there is a class of people who have no claim on the landowner; their occupation is casual, and these people find difficulty sometimes in obtaining suitable houses. I think that money

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Mr. A. K. Loyd—continued.

ought to be obtainable on loan on sound commercial principles to enable houses to be provided for these people.

5142. What do you put the houses at in that calculation that you gave us—was the 250l. for one house?—Yes.

5143. That was in a town?—Yes. They cost 60l. each more now in building than 25 years ago.

5144. Is that a single house?—Yes; a single house cost 250l.

5145. You say that the cost of a single house has risen 60l. in the town now?—Yes.

5146. Owing to the rise in building cost?—Building and wages.

5147. What would you put a suitable labourer's cottage at now?—In a country district?

5148. Yes?—200l.

5149. What has caused the rise there?—Both material and labour, although not so acutely as in the town.

5150. Could you reduce that to a figure—how much more expensive is it to build a 200l. cottage now than it was some years ago?—I should say 45l. A house that could have been built 25 or 30 years ago for 150l. would cost 200l. now.

5151. Have you there, in a tabulated form, the calculation of the relief that it would be to extend the period beyond what is now granted to the 60 years that you propose?—In the case of houses costing 250l., and land 50l., the extension of the period would enable the house to be let at 9d. a week less.

5152. Have you that in detail, and can you show us the steps by which that result is arrived at?—I have not the detail. I take the interest on the money and work it out in that way.

5153. Is that according to some table?—Yes.

5154. That decrease of 9d. per week in the rent would make a difference in urban houses?—A very great difference.

5155. Have you a similar calculation for a rural district?—It would be proportionate in the rural district, but not quite so pressing.

5156. Is it possible, in rural housing, to let a house suitable for the proper housing of the labourer at a commercial rent at all?—No, it is impossible, but I have admitted that the owner of the soil must provide accommodation for workers to till the soil. Houses are being let at 3l. 10s. per annum; I have 30 myself. It is as much as the men can pay, but if they had to be built under present conditions I could not let them under 7l.

Mr. Brigg.

5157. A good deal of what you have said to us applies to buildings and cottage houses which are entirely outside the work of the guardians altogether. You really are here representing the Poor Law Association?—That is so.

5158. And what you have told us about the housing of the poor is, you say, from your own personal experience?—I desired to say something on the housing of the working classes, and the Chairman admitted it.

5159. As far as the expense of providing buildings for the Poor Law purposes, have you considered the necessity which is arising, and does

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[Continued.]

Mr. Brigg—continued.

arise, and has already arisen, I should say, for providing hospital accommodation?—Yes, I mentioned that. I said that the extension of the period of loan would encourage the provision of hospital arrangements, especially isolation hospitals.

5160. But I am rather looking at it from another point of view. The necessity is laid upon the guardians to provide hospitals?—Yes.

5161. Irrespective of the Local Government Board, they must find a hospital, wherever the money comes from?—Yes.

5162. That is what I want you to consider. A large extension of your buildings will be necessitated by your having to provide hospital accommodation, not only for the immediate work-house itself, but for cottage homes or barrack schools, or whatever it may be, outside your own ordinary work?—Yes.

5163. Something has been said by the honourable gentleman who spoke last as to the extension of the time, but I did not quite catch what extension of time you spoke of?—To 50 years.

Chairman.

5164. Your figures are 40 to 60. You did not mention them, but those are the figures?—Quite so. May I say, with reference to Poor Law buildings, that it was from 30 to 50 years. With reference to the housing of the working classes it was from 40 to 60.

5165. But it was with regard to the working class houses that you gave us the figures as to the saving?—Quite so.

Mr. Wodehouse.

5166. You said that the rural problem was less pressing than the urban, did you not?—I did, because, even in rural districts, if they have not a cottage which is all it ought to be, they have good fresh air and gardens, and it is not quite so pressing from a moral and sanitary point of view.

5167. But have you met with any demand from the people for better accommodation who occupy the present rural dwellings?—Yes.

5168. Is there a complaint of the insufficiency of accommodation?—Yes, in some districts.

5169. To any extent?—No, not to a great extent. I speak of Devon and Cornwall. Generally the large landowners, the Duke of Bedford and many others, have provided a very fine lot of cottages, but the trouble is generally with the small landowner. The inferior houses are on the properties of the small landowners who really cannot afford to provide houses, and let at a commercial rent.

5170. From what class of people chiefly have you received those occasional complaints?—From the casual labourer, if I may use the term—not the labourer who is attached to a farm where there is a cottage provided for him. I refer to those who work at, what is termed, job work. No one feels the responsibility of providing them with a house, and they have to trust to what they can get. These are the men who suffer most from lack of accommodation at present in country districts.

Mr. Murray.

5171. Following out the last point, I want to take you back to the figures. You gave us the example of houses within your own knowledge which are now let at 3*l.* 10*s.*, the commercial value of which would be about 7*l.*?—Yes, if built on present terms.

5172. But do you suggest that any possible extension of the limit of years would make the difference of 100*l.* per cent. in the rental?—No, I do not think that the extension of the number of years will dispose of the trouble at all, but I think it will help to that extent.

5173. You think it will mitigate it to the extent of 6*d.* or 9*d.* a week?—Yes.

5174. But it will not dispose of the difficulty?—No.

5175. With regard to housing in towns, accepting your proposition as to the enormous amount of benefit we shall get in future, do you admit that there should be any fixed limit in admit that there should be any fixed limit to municipal work in regard to the housing in towns?—I trust to the municipalities; I think that they are the best judges of what is required.

5176. You say that private enterprise has diminished since the responsibility of municipalities has been recognised?—Yes.

5177. Then we come to the difficulty, do we not, that, unless the municipality is prepared to undertake the whole question of housing, it may, with the best intentions, check the very object that it wishes to promote?—Would you kindly repeat that—I did not quite follow you?

5178. I wish to make myself clear. You say that private enterprise has been diminished by municipal enterprise?—May I say that a sense of moral obligation I particularly couple with private enterprise, because, in days gone by, many philanthropic people have felt it right to promote the provision of housing for the working classes, and that, combined with the contentment at receiving three or four per cent. has provided houses. Now that the responsibility is shifted on municipal bodies, philanthropic people feel less responsibility.

5179. I quite agree with you. For "private enterprise" I would substitute "enterprise outside the municipality." Now, is it not possible, with the best possible intentions, unless the municipality are prepared to undertake the whole housing question, it may have exactly the contrary effect to what it wishes to produce—that is to say, being obliged to limit its own provision of houses, it may also check larger accommodation from outside?—I think that would be a calamity; I do not want to see municipal responsibility entirely over-ride private enterprise, but unless we have an extension of loan, municipalities will not be able to provide the houses. For reasons which I have given, they cannot provide houses at present and let them as reasonably and as cheaply as those built by private enterprise, and seeing that private enterprise and philanthropy have been checked, there is a greater responsibility and need for an alteration of the terms which will enable municipalities to compete successfully—not to drive out private enterprise—but to compete successfully in the provision of the houses.

5180. With

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[Continued.]

Chairman.

5180. With regard to your figures, the annual sum required to be set apart and accumulated at compound interest at 3 per cent. to repay a loan of 300*l.* in 40 years is 3*l.* 19*s.* 7*d.*—just under 4*l.*—say, 1*l.* 1-3rd per cent.?—Yes.

5181. So the sinking fund comes to 1*l.* 1-3rd per cent. on the money?—Yes.

5182. Do you suppose that any private builder would build for a profit of 1*l.* 1-3rd per cent.?—No, I do not think he would.

5183. So that, if the municipality repaying its

Chairman—continued.

loans in 40 years has only to pay 1*l.* 1-3rd per cent. on its capital, do not you see that that would entirely defeat private enterprise?—I know in practice they do not; in practice it is quite the other way about. Municipalities cannot compete with private enterprise, because of the expensive nature of the requirements in some cases—unnecessarily expensive, I have thought.

5184. Do you happen to know whether many or any of the rural district councils have adopted the Housing Act?—Very few indeed.

SIR EDWARD CHANDOS LEIGH, K.C.B., K.C., called in; and Examined.

Chairman.

5185. You are counsel, as we all know, to the Speaker?—Yes, since 1884.

5186. All private Bill presented to the House, including Bills asking for power to borrow money, come before you?—They do.

5187. Do you wish to make a statement as to the question of how you consider the period for repayment of loans?—I think I must give a little history of what has happened during the last 20 years, and if I am out of order I hope the Committee will stop me at once. First of all, I would like to call the attention of the Committee to a Standing Order of our House, No. 150. The difference between our House and the House of Lords is that, although the House of Lords get all these Government reports, still that House has not got to report to the House itself. Standing Order No. 150 of the House of Commons runs thus: "Whenever a recommendation shall have been made in a report on a Private Bill from a department of the Government referred to the Committee, the Committee shall notice such recommendation in their report" (that is, in their report to the House) "and shall state their reasons for dissenting, should such recommendation not be agreed to." Consequently we have to report to the House upon every case where there is a Government report. In old days, when I was first Speaker's Counsel, very little attention was paid to those reports; in fact, I do not remember a report from the Home Office until something like 1889. Now we get reports from the Home Office; we get reports from the Board of Trade; we get reports from the Local Government Board, which are the most frequent; and we get reports on commons from the Board of Agriculture, and on those we make our report.

5188. All those reports deal, amongst other things, with the period that ought to be granted for the repayment of loans?—Most of them; I will not say all, but most of them. The Home Office Report does not; the Board of Trade Report does not, but the Local Government Board Report almost invariably does. The next Standing Order which I get to, which is a much vexed Standing Order, and which is clearly a matter which I ought to speak about before the Committee, is 173a, and that is a Standing Order which I daresay you have had a good deal of evidence about already. Standing Order No. 150 was passed in the year 1872; 173a was not passed until ten years afterwards, and that is the Standing Order which assigns a definite

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Chairman—continued.

period for repayment which shall in no case exceed the term of 60 years, and, of course, we are bound by that.

5189. I assume, unless there is an instruction from the House to the Committee giving them power to exceed 60 years?—I can answer that in this way: The Committee, on its own motion, could not do it, although in several Standing Orders they can (take, for instance, 171, about tramways) dispense with the Standing Order, but they must specially report to the House. In this case, you are perfectly right; they must get a special instruction from the House before they can exceed the term of 60 years. The Committee have no power to do that. That was contemporaneous with the foundation of the Police and Sanitary Committee. That was founded in the same year—1881, and there have been only three cases to my knowledge in which that term has been exceeded; those were Sheffield in 1887, Bury in 1889, and the Derwent Joint Water Board in 1899. Mr. Courtney was Chairman of Ways and Means in this House in 1887; he also was Chairman of Ways and Means in 1889, and I may say that Mr. Courtney altered the character of private Bill legislation to a very great degree, because, for the six years whilst he was chairman, there was no doubt he took an enormous deal of trouble upon unopposed Bills, and also upon all matters connected with private Bill legislation. When I first came here Lord Redesdale was a sort of paramount influence in the House of Lords. In the House of Commons (the honourable member for Bath will bear me out in this, because he used to attend private Bills at that time) we really did our work in rather a perfunctory way till 1886, when Mr. Courtney came. As you know, perhaps, Lord Redesdale died in 1887—1886 was his last session.

5190. I understand that you wish to call the attention of this Committee to a debate which took place about this extension beyond 60 years?—Yes.

5191. On which you think very sound principles were laid down?—Yes.

5192. Perhaps you will give us the reference to that?—It is Volume 318 of Hansard, the Third Series, page 299.

5193. What is the date?—July 28th, 1887.

5194. Some very great authorities spoke on that occasion, did they not?—Yes. Mr. Courtney spoke first of all. Perhaps I had better

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Sir E. C. LEIGH, K.C.B., K.C.

[Continued.]

Chairman—continued.

better tell you what the motion was that he brought before the House: "That this House is of opinion that the allowance of a term of 90 years for the repayment of the said annuities is contrary to the spirit of Standing Order 173a of this House, but, having regard to the special circumstances mentioned in the said Report, orders the Bill to be considered to-morrow," and the excuse was that, in this case, there had not been a lump sum of money down, but that there was power to create certain annuities. If it had been a lump sum of money down, it must have been 60 years, but inasmuch as there was this power to create certain annuities, the Committee allowed those annuities to be repaid 30 years after the allotted time of 60 years in the Standing Order. Mr. Wortley spoke as Member for Sheffield. There were two remarkable speeches at the end, one by the present Lord James of Hereford, who was then Member for Bury, and one afterwards by Mr. Bradlaugh. They are both very short. Sir Henry James (as he was then) says: "The Committee deserves great praise for the step it has taken. The operation of the Standing Order has already effected a considerable amount of evil in regard to the carrying out of sanitary works by imposing upon municipalities unfair periods for the repayment of borrowed money."

5195. Mr. Bradlaugh took the opposite view?—Mr. Bradlaugh took a very strong line on the other side. That is all I think I had better say about that case. Now two years afterwards, in Bury, Sir Henry James, being Member for Bury, the Committee had again exceeded the time, and Mr. Courtney moved that the Bill be recommitted to the former Committee in respect of Sections 28 and 29: "That it be an instruction to the Committee that it is against the spirit and intent of the Standing Order to extend beyond 60 years." The question why they wanted to go beyond 60 years is put very shortly by Mr. Courtney: "I think the Committee have gone grievously wrong in supposing that the question of extending the period for the repayment of the existing debt does not come within the Standing Order. I am bound to pay some respect to the circumstances which they report in respect of this particular Corporation—circumstances which rather amount to an *ad misericordiam* appeal than to anything substantial. They say that when the Corporation of Bury got their Act in 1872 they thought they were allowed 100 years for the repayment of the debt; that they were obliged to put by a sinking fund for the payment of the debt, and to allow it to accumulate every year, which is a very different thing from the repayment of debt. They pray for leniency, and they point out that they are burdened with costly works and with a sinking fund, which tells very heavily upon them. The Committee say that the terms are onerous and ought to be relaxed, but in that case the Corporation ought to come to Parliament and ask for its sanction, notwithstanding the Standing Order. They have, however, assumed that they have a right to do what they have done, and that assumption ought not to be allowed to pass without notice. Under those circumstances, I think the

Chairman—continued.

House might so far assent to the view taken by the Committee as not to insist on the term of 60 years in this case, but might make a compromise fixing it at 70 years." Then Sir Henry James made a very powerful speech, but he does not in that speech use at all the same language that he did in his Sheffield speech when he thinks the Standing Order ought to be repealed, because he says, "I am not going to ask for a repeal of the Standing Order." But he rather appeals *ad misericordiam* in the case of Bury. Those two speeches, I think, are the only two I need call attention to. The date is August 9th, 1889.

5196. Sir Henry James, who made that appeal, was Member for Bury?—He was.

5197. This was a Bury Bill?—It was a Bury Bill.

Mr. Brigg.

5198. Were the conditions exactly the same in Sheffield as in Bury?—Sheffield was a question of annuity; Bury was a question of pre-existing debt. In both these cases the Bills were allowed to go on according to your principle, Mr. Chairman, on account of a special instruction of the House. Now Derwent was in 1899, and this was a very extraordinary Bill. It was originally a Bill promoted by Sheffield. There were three Bills. Nottingham were opponents, and in the course of the hearing of the first case, which was the Derby case, Nottingham claimed to come in as a promoter too. Eventually these Bills were consolidated and became a consolidated Bill.

5199. The present Bill of 1899?—The present Bill of 1899 became a consolidated Bill. Sir John Brunner was Chairman of that Committee. The honourable Member for Carnarvonshire, Mr. Jones, who is a Member of this Committee, was on the Committee, and I am sorry he is not here. It was very late in the Session, and they got to the House of Lords very late. The 101st section says this: "Subject to the proviso hereinafter contained the Board shall repay all monies borrowed by them under this Act within the period of 60 years from the date or dates of borrowing." Now comes the proviso: "Provided that as to all monies borrowed within 10 years from the passing of this Act, the period within which such money shall be repaid shall be a period of 60 years from the 25th day of March, 1909." So this proviso got in, and I cannot give any explanation of it. The Bill began in the House of Commons. It lasted for five weeks in the House of Commons; it then went to the House of Lords, and one would have supposed that there would have been a supplementary report from the Local Government Board when the Bill went to the House of Lords calling their attention to it, but there happened to be none.

Chairman.

5200. But are you aware that in that case in 1899, the Committee reported to the House that no period exceeding 60 years had been granted?—Yes, they did, totally omitting the proviso. That was reported to this House, and this Bill went through the House of Lords afterwards. It is a strange omission; I cannot explain it.

5201. Ten

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Mr. Brigg.

5201. 10 years more were put on?—10 years more were put on.

Mr. A. K. Loyd.

5202. By postponing the payment of the first instalment?—Yes.

Chairman.

5203. Is there a tremendous increase in the number of Bills promoted?—Yes. When I first became Speaker's Counsel there were 16 local authority Bills; this year there are about 55.

5204. And some of them very long?—Oh dear me, yes.

5205. They are getting longer?—They are getting longer, and now the Police and Sanitary Committee is done away with (*of course there is a substitute for it*) there is no question about it, it must necessarily entail a great deal more work on all the members connected with this House and the authorities.

5206. But my point is that the difficulty of keeping an eye on the periods for which these people borrow money is increasing every year by the number and length of the Bills which they are bringing in?—Quite so, but I do not want to go too much into that. Perhaps I might add, with your permission, some of the causes of the increase. First of all there is no doubt that the number of tramways has enormously increased, especially electric tramways, and the Standing Order with reference to tramways did not come into operation until 1893 in its present form. Before 1893 no Corporation or local authority was allowed to work a tramway. They might own one; they might lease one, but they could not work one. Since then that Standing Order has been repealed, and there are two Standing Orders, 170a and 171, which give power under certain circumstances to local authorities not only to construct, acquire, or take on lease, but to work tramways under certain circumstances.

5207. I want to take you to the actual practice and what happens. I should like the Committee to understand what does happen about the period for the repayment of loans in Bills brought before this House. Does it distinguish between an opposed Bill and an unopposed Bill? To take an unopposed Bill first, that goes before Mr. Lowther with you acting as his counsel and adviser?—Yes, and the member whose name is on the back of the Bill, who does not often appear. But in all Lords' Bills, Mr. Parker Smith is there as well. The honourable member for Bath used to be there in former days instead of Mr. Parker Smith.

5208. You have no engineer to advise you?—I was only mentioning to Mr. Lowther this very thing late yesterday evening. The difficulty we have is this: We have an engineer *ex parte* with regard to unopposed Bills, but we have no counsel who can cross-examine.

5209. You have no engineer on your side; you have an engineer against you, of course?—Oh no.

5210. You have the Corporation engineer in the room?—He is the engineer for the promoters.

5211. Quite so?—I cannot go as far as saying he is against us; he makes an *ex parte* statement.

0.12.

Chairman—continued.

5212. But you have no expert in the room who can cross-examine him on his estimates?—None.

5213. You see no plans?—None.

5214. And I believe that a Standing Order requires that the estimates shall be proved?—Yes.

5215. How are they proved?—By the engineer or by anybody.

5216. *Ex parte*, as you say?—Yes.

5217. Then you fix the term for repayment on what you hear from these gentlemen for the promoters?—We must take some sort of basis, and we have taken, I think, the basis of No. 2 of that report, which you have before you, of the Police and Sanitary Committee from 1893 to 1900: "With reference to the terms for the repayment of loans, your Committee have most carefully differentiated between work of a permanent and that of a temporary character, and they have endeavoured to put into practice the principle that the term for repayment shall be based upon the estimated life of the work in question, so that unfair burdens shall not be thrown on a future generation." Those are the lines that we have endeavoured to the best of our ability to go upon.

5218. You endeavour to make the period coincide with, I suppose, the useful life of the works?—With the useful life of the works.

5219. What else do you take into consideration. For instance, if it is for what is called a remunerative undertaking, do you take into consideration whether it is likely to be remunerative or not?—Yes, to a certain extent.

5220. But you still have no experts?—We have no experts.

5221. I ask you these questions because it has been suggested that your periods give more satisfaction to the local authorities than the periods granted by the Local Government Board, who have experts and engineers and inspectors behind them. Do you think that is so—that promoters come by Bill instead of proceeding by application to the Local Government Board, so as to get this system which you have suggested as against our system of inspection?—If you would allow me, may I confine myself to one or two Bills this session, because they are fresh in my memory. If there was a great variance between us and the Local Government Board, I certainly should ask your representative, Mr. Boyce, to come and see me, and Mr. Boyce and I would probably thresh it out together. Only yesterday we had a Bill which had come from the House of Lords—the Street Urban District Council, in which the House of Lords had allowed 40 years for extension and improvement and working capital. Mr. Boyce came to me to see me on the matter. He had already seen me about another Bill, which had also come from the House of Lords—Darley Dale—which was very much on the same footing. On that Mr. Lowther asked that Mr. Boyce should come before his Committee, and the matter was argued by the agent on one side and by Mr. Boyce on the other. The result of that argument was that, although the House of Lords had allowed 40 years for extension, improvement, and working capital, we separated the extension and improvement

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provement from the working capital, and, inasmuch as it was a new undertaking, we allowed 40 years for the extension and improvement, but only 20 years for the working capital, and we allowed that, too, on the ground that it was a new undertaking. I think your representative from the Local Government Board rather felt the force of our argument, because he was arguing that we make it contemporaneous with the completion of the works which would have been seven years, and allow a year or two of grace and make it no longer than ten, but at all events we made a substantial alteration from 40 years to 20 in our House.

5222. You have told us what happens with an unopposed Bill. Now, it may be said that an opposed Bill has counsel for the opponents, who can cross-examine the engineers?—Yes.

5223. And who can examine the plans?—Yes.

5224. Is this point ever raised?—I should like my learned friend, Mr. Bonham Carter, who is here, who is referee on opposed Bills, to answer this question instead of myself, but I will give this answer from my own practical experience of the Parliamentary bar. Supposing a petitioner raised a question of time, or repayment of loans in his petition, then it would be quite open for the counsel who appeared for the opponents of the Bill to say I must cross-examine as to whether or not they have taken sufficient time, or have taken too much time, for the question of repayment. It would be quite open to him to do that, but it is so many years since I was at the Parliamentary bar that I cannot go back more than 20 years.

5225. Would not you say that the usual result was that the opposition was squared on other matters, and that the question of the period of loans was hardly ever raised by counsel for the opposition?—I agree with you that it is hardly ever raised, and then, I think, we are more particular in unopposed Bills than with (with all due deference) Chairman of Committees in opposed Bills, because Chairman of Committees, having heard all this fight going on for four or five days between counsel, and having got rid of it, the agent comes up to the table, if I remember rightly, and the clauses of the Bill are run through very quickly, and I am not quite sure that as much attention is given to Government Department's Reports as in unopposed Bills.

5226. You, with your knowledge and experience of the system by which periods are fixed by opposed or unopposed committees, would not adopt the line that you have a better opportunity of selecting a proper period than the Local Government Board has?—I do not think we have a better opportunity.

5227. In fact you yourself consult the Local Government Board officials?—Whenever there is great difficulty. There are what are called Supplemental Reports. If the Local Government Board were altogether dissatisfied, supposing a Bill began in the House of Commons, there would be a Supplemental Report calling the attention of the House of Lords to it, and saying we had allowed too long a period.

5228. When promoters of Bills for Local Authorities are endeavouring, as I suggest, to get

Chairman—continued.

round the experience of the Local Government Board, is there any real course which stops them; for instance, may they come by Bill to get money which they could obtain under the general law by coming to the Local Government Board, or are they stopped in any way by Standing Order?—I think I should answer that in this way: They very often, to use your own expression, if they want to "get round" include one or two subjects in the Bill which they could not get by Provisional Order, and by that means they get to the House by Bill instead of Provisional Order.

5229. The Standing Orders of the House do not stop that?—No.

5230. The Standing Orders do not stop those clauses even?—No, the Standing Orders do not stop those clauses.

5231. Is there anything in your Standing Orders which prevents a Local Authority coming to Parliament for borrowing powers for works not specified in the Bill or not ear-marked in the Bill, and which have in many cases never been definitely decided upon by the Council themselves?—Mr. Gray can deal with that. He says they can be generalised. I have not given my attention to that. There are one or two other matters as to repayment that I should rather like to go into. I should like to go, first of all, into the question of tramways as to the period of repayment that we generally allow. The period of repayment we generally allow for horse tramways is 30 years, because we look upon horse tramways as rather perishable. The things wear out. Adopting the principle which I gave to the Honourable Member here as to not casting an unfair burden upon the future generation we have allowed 30 years. With regard to electric tramways, we think they are more durable, and under the whole circumstances of electricity having lately come into use to a great extent on these tramways, and it being a new matter, we have allowed 40 years so far as regards tramways. I may tell you this—that in addition to unopposed Bills I am frequently consulted by chairmen of opposed Bills in Committee, and I have more than once upon this very question of tramways had the chairman of an opposed Bill come down to me and ask me what length of time we ought to allow. The period is 30 years (I have known cases where 35 have been given) in horse tramways. Forty, as a rule, we allow in electricity. Mr. Gray corroborates me in that. A very curious case has been brought to my notice to show how particular we ought to be by a chairman of what is now sitting as the Police and Sanitary Committee, with regard to a Bill which was only reported last week with reference to Preston. If you would not mind, I would read the note that they have kindly sent to me from the Police and Sanitary Committee. I call it the Police and Sanitary Committee because it deals with police and sanitary matters. It is like the old one: "In 1880 the Corporation of Preston promoted a Bill in Parliament, in which, amongst other objects, they asked for 25,000*l.* for tramway purposes. The period for repayment asked for for all the purposes of the Bill and granted by the Committee was 60 years, but for the tramways it practically amounted to 70 years." You see, that

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that was 1880, before the Standing Order not exceeding 60 years was passed. "This year Preston has come to Parliament for another Bill, which came unopposed before my Committee. It came out in evidence that only about 3,000*l.* of the 25,000*l.* granted in 1880 had been repaid out of the sinking fund. The tramways were worn out and obsolete, and the Bill sought to replace them by a further loan for electric tramways. The Committee passed this loan, but made it a condition that the balance of the 1880 loan should be repaid along with the new loan." This is a Bill which has just been reported, and this has been sent to me.

5232. There was an outstanding debt of something like 22,000*l.*?—Yes.

5233. Which for the next 50 years will have to be paid off, although the works are absolutely obsolete and, in fact, gone?—I have not studied that note. Perhaps you have taken it in quicker than I did. I am sorry the honourable member, who is on this Committee, who sent that note, is not here.

5234. I have a note here that it is only old iron?—I have only just got the note.

5235. You can hand in a table of the terms that you generally allow with regard to gas and water?—I should like to give my reasons.

5236. Certainly?—Gas, 30 years. Let me say, first of all, that the policy of Parliament has changed with reference to both gas and water undertakings. Never in old days a local authority acquired a company's undertaking either in gas or water, if that company said, "You shall not have it. We resist and we will not sell." They could only acquire it by agreement, unless the company had absolutely failed in their duty to the public. It is a long history, and I will not go into it, but in 1887 Lord Derby's Committee granted it in Sheffield on the ground that it was in favour of public policy to allow municipalities to get hold of the water. Then following upon that, not only has the water been acquired, but the gas has been acquired in very many instances, and when I tell this Committee that there are no less than 280 gas undertakings in the hands of local authorities, and out of those 280 undertakings not one single one has been a case of where municipalities have constructed gas works, you can see upon what a very large scale these purchases and transfers have gone on. We allowed 30 years and we may say that we allowed these 30 years possibly on these grounds—that gas as a light, although I do not believe it, may become disused. I believe that as long as there are cooks, and as long as there is heating and cooking power required, gas will always be used and to an extravagant extent. But there is another feature in regard to these undertakings, acquired compulsorily, or by agreement, by municipalities. They acquire a going concern at once. I premised it by saying they never constructed gas works, but they acquire a going productive concern at once. We had a gas company the other day which upon its original capital with standard price and sliding scale was paying 13½ per cent. So that the municipalities are in a position at once to receive a very considerable rent from their gas company. Taking those circumstances into consideration, 30 years

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is what, in 19 cases out of 20, we should allow for repayment of loans on gas. I have dealt with tramways. I may add with reference to gas that although gasholders and retorts may last a much longer time than 30 years, still with regard to what you may call the appendages, like the benches and things that wear out and want renewing, there is no doubt that, in the big towns, those ought to be renewed and are renewed out of revenue, but not so in many smaller places. Now with regard to water we have allowed 50 years for construction of water works. It may be said, "You have no plans before you." I will take the case of a town some years ago—Bradford—most substantial water works, but in conjunction with the water works a certain amount of houses built. The Chairman will correct me if I am wrong—if they came under Section 234 of the Public Health Act for a loan to the Local Government Board, not by Bill, they probably would get 30 years in some cases.

5237. Is not the difference this, shortly—that your 50 years covers the land which is a very important element in a water works company?—No, not necessarily; because we very often distinguish between the land and the water works—land, 60 years. I will quote an instance of this presently.

5238. Am I to understand that you give for a water-pipe or experimental works, boring or waste water metres, 50 years?—We give 50 for the whole construction. Mr. Gray says that we do not deal with those details.

5239. That is the difference—that yours is an equated period and that what we get here are the items by which we arrive at the equated period. It may work out that the land is being thrown in at a great deal more than 30 years?—Land by itself we generally give 60 years for. There was a very curious case this Session. It was the Bedford Corporation water. The sum asked for the whole affair was 125,000*l.* They asked for land and for construction of water works lumped together, 60 years. When we came to reckon how much was wanted for land and how much was wanted for water works we found 2,000*l.* at the outside was what was wanted for land, so that there was 123,000*l.* wanted for water. If we had given 60 years for land there would have had to be a land loan. If we had given 50 years for water there would have had to be a water loan. We thought that was a pity. Mr. Lowther suggested that 50 years was enough for the two. That was the first Bill he had seen after his illness. Up jumped the County Council. The Chairman of the County Council was in the room, and he said: "Please do not cut us down to 50 years all round because we have been asked by the Local Government Board to supply certain villages. If promoters cannot get the longest time, these villages are so poor, and they are suffering so in the Bedford Valley from diphtheria, and all sorts of illness, that I do not know how they will be able to pay for the water if it is not at the very lowest price." On that Mr. Lowther scratched out the 50 and inserted 60. That is a case that has only happened this Session.

5240. Do you take such exceptional circumstances

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stances as those into your consideration?—Yes. That is the whole of my argument—that we are sometimes more elastic than the Local Government Board when those special circumstances are taken into consideration.

5241. There was probably nobody there to cross-examine that gentleman?—No; but he was not a promoter.

5242. He was a casual gentleman in the room?—No; it was done in this way: the County Council appeared by an agent to watch the proceedings. He had no *locus standi*, and then this casual gentleman, who was Chairman of the County Council, said that he had been requested by the Local Government Board, that villages outside the area of the town should be supplied, and powers had been taken in the Bill to do that. He said: "Please allow 60 years, because the villages are so poor, and can only pay the lowest price." I only quote that as an instance.

5243. You have dealt with gas, water, tramways, and electricity?—No; I have not dealt with electricity, but I have only one word to say about that. Of course, the Board of Trade require electric undertakings to originate by Provisional Order, and then I believe they go to the Local Government Board to get a period assigned to them, and that is 30 years. The Local Government Board gives them that with these electrical undertakings.

5244. The periods are equated—the different periods for each part of the undertaking?—Are they? I am afraid I cannot answer. Mr. Gray will give further information about that. Then, when you get to the transfer of an undertaking, where a local authority or a corporation wants to buy up an existing electric company, they come to us for a Bill. They have to do that. We had a Bill only the other day—Norwich Corporation Electricity—where they came for the transfer of the company, and we allowed forty years, and that, I think, was allowed in Liverpool, and in Leeds, I think, before the Police and Sanitary Committee—in two or three cases 40 years. You may naturally ask why we allow that longer period. Some of the reasons why we should allow that longer period would be this—that, of course, electricity is a new system. It has to be developed. Then there is a great deal of wear and tear, the profits for the time are small, and so we allow an extended period. Hitherto we have allowed 40 years. I am bound to say in Manchester the Corporation is doing uncommonly well, and also in Leeds, but in the smaller places, where corporations have endeavoured to acquire electric works, they are not doing nearly so well. It all depends on whether the quarter is favourable if this electricity will develop.

5245-6. With regard to the apparent development now of a desire on the part of local authorities to contribute to objects over which they have no control, you have something to say, I think. Take, for instance, the Scarborough Tramways. Will you tell us how you fix the period for the repayment of a sum which a local authority borrows to lend to somebody else?—That is the

Chairman—continued.

very question I feel I cannot answer. Mr. Gray will tell you about that. But may I say a few words about this subject. The first case was in Bristol—that is years and years ago—with reference to the Avonmouth Docks. The next case was when the Hull and Barnsley was originated, and the Corporation of Hull (I think I am perfectly right) asked if they could contribute 100,000*l.*, and that was allowed. Then Salford, at the time of the Manchester Ship Canal, asked that they might contribute a very large sum—a quarter of a million or more. Parliament refused that. Then came the famous Manchester Ship Canal, when the Corporation were allowed to guarantee, or to contribute, a very large sum, which added enormously to the rates. I will only quote one more instance, and that came only the other day—that was the Corporation of Scarborough, who asked to contribute 10,000*l.* to the Scarborough tramways. They also asked to contribute to golf links, and, needless to say, that was cut out of the Bill. We would not allow that, but, as far as regards the 10,000*l.* for tramways, they prayed in aid of the Light Railway Act, and, under the first schedule of the Light Railway Act, corporations are allowed to contribute. They said: "If we are allowed to contribute to light railways, why not to tramways?" Again I had to seek the assistance of Mr. Boyce from the Local Government Board, and eventually Mr. Boyce and myself came to an arrangement, and that was that the 10,000*l.* was to be allowed to be advanced by the Corporation, but not a shilling of that was to be advanced until the whole of the capital had been subscribed to the tramways, and also that they were to follow implicitly what was laid down in the first schedule of the Light Railways Act, and follow that by the mode of special resolution and approval under the Borough Funds Act, and all the conditions that are laid down there. That is the last case.

Mr. John Hutton.

5247. With regard to the Preston case, to which you referred, you spoke of it as practically a 70 years' loan. I suppose there were 10 years allowed, were there not, before the commencement of the repayment—do you happen to know?—No, I do not happen to know. I think the Chairman has as large a note about that as I have. This is the note that has been given to me: "The period for repayment asked for for all the purposes of the Bill (it was a sort of hotch-potch; they did not separate them) and granted by the Committee was 60 years, but for the tramways it *practically* amounted to 70 years."

5248. That means, I suppose, that they had ten years allowed to them before they began repaying the loans?—I do not know whether it was suspension of the sinking fund or not.

5249. Otherwise, how can it be 70 years?—That is all the note I have; it was handed to me just as I came into the room.

5250. The tramways only lasted a few years. "Worn out and obsolete," it says?—They had only a life of 22 years.

5251. Therefore, if it was suspended for 10 years,

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years, they had only, for 12 years out of the 60, been repaying?—Yes.

5252. You say that the Local Government Board report upon each Bill which comes before the unopposed Committee?—On all Bills that they think necessary to report on.

5253. Do they report in detail on the loans?—They would say this sort of thing: "We consider the period of 60 years much too long," and would give their reasons why they considered the period much too long.

5254. But do they profess to have gone through the Bill in detail, and to advise with regard to the peculiarity of each loan?—I can send for a report in a moment.

5255. With regard to the Chairman's Committee, do you take evidence on oath?—No.

5256. In an ordinary private Bill Committee evidence is taken on oath?—Yes.

5257. Do not you consider that a vital difference between the procedure before the Chairman's Committee and the procedure before an ordinary Committee?—It is a difference, but, you see, there is no opponent.

5258. In accordance with the Standing Order the promoters of a Bill are bound to bring detailed estimates of expenditure, and of loans that they are applying for, are they not?—Yes.

5259. Is that the custom in the unopposed Committee—the Chairman's Committee?—Yes, I think it is. The estimates have to be proved; they are not taken to pieces, but they are proved in a lump; but they are not proved *seriatim*.

5260. As they would be in a Private Bill Committee—a public Committee?—I cannot remember the practice really; I have to carry myself back so many years.

5261. Do you go through these Bills very carefully, then, in the Chairman's Committee?—Again I get to a little matter of history, but as you have asked the question I daresay the Committee will not mind if I try to explain it. As I say, the House of Lords is in a different position from ourselves. Our Chairman has all night work to do as well. It is impossible for him to go through these Bills, but Lord Morley and Mr. Gray go through every Bill, whether it begins in the House of Commons or in the House of Lords, before it comes to us in the House of Commons. Now, my Chairman, not being able to do it, my plan is this: As soon as I get the filled Bill I have the agent up, and I go through the whole Bill in detail, and thrash out all these reports with the agent; then, where I disagree with the Local Government Board report, I go into my Chairman and say, "Mr. Lowther, might I say that I, for my part, disagree with what the Local Government Board say," or, "I agree," and I tell him I have gone carefully into the Bill, and I put the letter "C" (complied with) wherever they have complied with the requisition of the Local Government Board. Where I have not put "C" that is where they have not complied; we argue it out before the Committee.

5262. You argue it out?—I mean, we argue it out with the agent for the promoters.

5263. Can you tell me the sort of time you take over the Bills?—It varies immensely.

5264. I hold a list here containing one Bill 0.12.

Mr. John Hutton—continued.

that you referred to as an important Bill, the Darley Dale. There are nine Bills down on the 22nd April last. How long did you take over those Bills in your Committee?—For Electric Lighting Provisional Orders two minutes, because the Board of Trade is responsible for those.

5265. Was there a loan in that?—That is a case I was quoting. The Board of Trade grant the Order, and then the promoters go to the Local Government Board, and the loan is granted for a period of 30 years. In Caterham a certain amount had to be done, but it was a Lords' Bill, and had been thrashed out in the Lords. When it came to us the result was that we got through it very quickly.

5266. In how many minutes?—Fifteen, I should think.

5267. I do not wish to press you about it, but can you tell me the probable time those nine Bills took you to get through in the Chairman's Committee?—They took me an hour and a half. You may say there were only seven Bills.

5268. May I put it to you that it took you about an hour?—Yes. You see, several of them were Lords' Bills. Darley Dale took the long time—there is no question about it.

5269. I suppose you would not think it unusual to take nine Bills within the hour, would you?—It all depends on whether we have to thrash out the reports or not. Railway Bills, you see, are almost stereotyped, and they only take a very short time.

5270. About two Bills per quarter of an hour would be about your average; one two minutes, and the other about ten minutes?—It is almost impossible to say. I have known one Bill take an hour—quite an hour. Suppose a lot of this report has not been complied with. Then you must please remember this—that I have been carefully through the Bills before, and the result is that it has taken me a good deal more, very often, than an hour to go through one Bill, and I have got the Bills into shape for my Chairman. There is something in that, I hope.

5271. In answer to the honourable Chairman you stated, I think that there were no cases in which money had passed through the Chairman's Committee for purposes which were not clearly specified?—I turned round and rather referred to Mr. Gray on that point.

5272. But I want to know what is done in a Committee of the House of Commons?—I know, but we work so together. There are one or two points I am not quite prepared to answer.

5273. Do you recollect the West Middlesex Waterworks Bill, which, I think, passed through this Session as an unopposed Bill?—Yes.

5274. They provided in the Bill for a loan of 100,000*l.*, did they not?—What I can remember about the West Middlesex is that we put in what was called the sterilisation clause.

5275. Is it not a fact that, in their estimates produced in that Bill, there were 25,000*l.* put down for sundries?—Yes; I remember now that you have recalled it to my recollection.

5276. You passed that?—We did, but we had a great deal of explanation of the sundries.

5277. How long did the explanation take before the Committee?—A quarter of an hour, I think; I can remember it perfectly well.

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5278.

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[Continued.]

Mr. John Hutton—continued.

5278. Is it correct to say that, as stated by Mr. Lithiby before the unopposed Committee, three or four Bills, each perhaps consisting of 50, 60, or 80 sections, are gone through in one afternoon, and are not examined at all, and cannot be?—I examine them first of all.

5279. But not examined before the Committee—that is the point?—I have tried to explain that.

5280. That was afterwards withdrawn to this extent that they are not sufficiently examined. Then: "I know that the counsel to the Chairman goes through them, but that is not quite the same thing"?—I am Counsel to the Chairman.

5281. And you think it is the same thing?—I think it all bears out what I am saying, that our Chairman has too much work, night work and day work as well—I do not deny that, and the great advantage of Lord Morley and Mr. Gray is that Lord Morley, having no night work, they can go through every Bill.

5282. Your opinion is that practically the House of Commons' unopposed Committee is of no use at all. The House of Lords Committee could do it all, and until the House of Commons appoints a special Chairman to deal with private unopposed Bills, it is impossible for that Committee to be effective?—I do not say that, but I say that a great burden is thrown on me in being responsible alone for bringing the principal points before the Chairman, and, of course, it would be a material assistance if there was another Chairman for day work to deal with the private Bills.

5283. Properly speaking, the unopposed Committee is not technically a Select Committee, is it?—Yes, I think so.

5284. Mr. Lithiby informed us that it was not a Select Committee. Do you consider yourself bound by the Standing Orders of the House which bind the Private Bill Committees?—Do you mean with reference to declarations?

5285. I mean in reference to complying with the Standing Orders?—I fancy he was rather alluding to the fact that, on a Select Committee, a declaration has to be made by every member of that Committee.

5286. No, not at all?—I do not know what he is alluding to; I have not had time to see his evidence.

5287. Among other things that you are not bound to examine the estimates, and as a matter of fact they are not examined before your Committee, so that: "If the promoting authority can get rid of all petitions in opposition to the Bill, and get that Bill before the Unopposed Committee they practically take the preamble as proved." Is that so?—We do practically take it. You put the case of West Middlesex to me. We took a considerable time on this question of sundries—a quarter of an hour. Perhaps you will say it is much too little.

Mr. Brigg.

5288. I should like to ask for a little explanation with reference to Darley Dale. I think you

Mr. Brigg—continued.

said that 20 years were allowed for the working capital?—Yes.

5289. Does that mean the working capital employed in providing the works during the time of providing the works?—I am very pleased you asked me this question, because I have not said a word about this working capital. Working capital is a new expression in the last three or four years in these private Bills. It used always to be under the head of "Extension and improvement," but now they use the separate terms of "Extension, improvement, and working capital." It is exactly the same in the case of the Street Urban District Council which happened yesterday. I may say that the Lords allowed 40 years both for the extension and improvement and for the working capital. I would sooner take Street than Darley Dale, though it is exactly the same. Yesterday Mr. Boyce, of the Local Government Board, came in to me and said, "Surely you are not going to allow 40 years for working capital?" and I said, "Under the circumstances, Mr. Boyce, you had better come before Mr. Lowther." Mr. Boyce was in here, and the agent for the promoters asked for 40 years for working capital, so thereupon we elicited Mr. Boyce's views as to what working capital was, and we elicited the agent's views as to what working capital was. Mr. Boyce's views were that working capital ought to cease *eo instanti* that the scheme becomes productive. The agent contended it was like equipment and ought to go on for ever. Thus after having a long argument (Mr. Parker Smith was also there, so it was a strongish Committee) we asked what would the Local Government Board allow for working capital. "They take seven years for the completion of the works, so under the circumstances we should allow seven years for the working capital, and probably give a year or two years' grace, but certainly not more than 10 altogether." Then Mr. Lowther put the question: "But this is an absolutely new undertaking. It is not like the purchase of an undertaking; it is not a productive undertaking. Under the circumstances would not you allow a little longer." Mr. Boyce said, "I will not give any opinion about that." Eventually we separated the extension from the working capital—3,500*l.* for extension and improvement, for which 40 years was allowed; 1,500*l.* for working capital, for which 20 years was allowed. Have I made it clear now.

5290. That is really the reason why I ask, because it seems to me that now you are making a new division of the capital. In the case of the Darley Dale, a question of waterworks, it is all one thing, and yet you divide the capital into two portions, and that division of capital into two portions seems to me a novel idea?—It is a novel idea, and I do not say that I approve of it, but it was a way out of the difficulty, the Lords having passed the 40 years.

5291. You spoke about the unopposed Bills, in which Mr. Lowther and yourself look the matter over, and I think you said that you cannot dispute the facts which are brought before you. Under the circumstances, would you suggest any change?—That the opponents should be heard, do you mean? There are no opponents. The only change that we can get is that when there is

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[Continued.]

Mr. Brigg—continued.

is a very difficult question, which a Government Department has taken notice of, we ask for a representative of the Government Department to come and state his views.

5292. It is entirely optional to you to ask for that?—It is.

5293. Are you aware that an unopposed Bill is looked upon by the public outside as a matter easier to get passed than an opposed Bill, in consequence of their not being the examination that you speak of, or the opportunity of disputing, and that, consequently, the inducement is for parties to get an unopposed Bill, and make more favourable terms by agreement with the parties concerned in order that it may be an unopposed Bill?—And in order that they save a great deal on the question of cost. I do not know what they think outside, only I know that very often things are settled, and very often much to the disadvantage to the promoters.

5294. Settled very strangely at times?—I do not want to go into that.

5295. But that is the point. Does not the fact of unopposed Bills not being subject to the same criticism as unopposed Bills, lead the promoters of the Bill to use means for the purpose of getting rid of the opposition before it comes to the House of Commons?—I have given my answers. If I am pressed, I must go on. I do not quite agree with the idea that we do not criticise as much as when the opposition is settled in an opposed Bill; that is to say, when the preamble is proved. We pay more attention to these reports, and criticise these reports on public policy quite as much, if not more, than in an opposed Bill.

5296. You spoke about gas as a paying concern, and other undertakings of a similar kind. If the gas is a paying concern, should it have more time or less time? Would you on this question, with regard to gasworks, recommend that the Local Government Board should allow more time or less time because it is a paying concern. There is a very wide difference of opinion on the subject?—My own opinion is that gas ought to be allowed a short time, because it becomes productive at once.

5297. Are not you aware also of the other side of the question—that is, where it is stated that, in consequence of it being a productive concern and paying money, and so reducing the rates, it ought to be extended over a longer time?—But as I put it, gas, as an illuminating power, may change; there is no question about that. Something new may come in.

Mr. Murray.

5298. In the question of purchase of gas undertakings you recognise an immediate return, but do you also recognise, in other cases, that there may be a postponement of return?—In the purchase of them they generally get hold of a productive concern.

5299. I am talking not of a going concern, but, say, the building of a large hospital, which may take five or six years; have you gone into that?—No, I have not, I am afraid. I have taken gas, water, tramways, and electricity.

5300. With regard to electricity, you give 10 years more, and do I understand that you give 0.12.

Mr. Murray—continued.

that owing to the excessive wear and tear?—The profits are very small, and the wear and tear is considerable.

5301. Would not that be rather a question of immediate replacement of capital?—It gives them a longer time to amortize.

Chairman.

5302. You say it gives them a longer time to pay off, but Mr. Murray's point was that the more wear and tear the quicker they ought to pay off?—Of course, there again comes in the large and small places. The large places probably keep up the wear and tear out of revenue.

5303. And the small places, you think, would not, so you would give a small place less time to repay than the big place?—You see, we have never had anything but a big place. We have had Norwich.

5304. It is a mere matter of opinion?—There are two things I should not mention if Mr. Lowther had not asked me to mention them, and one is the question of the cost of the Act. Originally, when I first came, fifteen years were allowed for the cost of the Act. Then it went down to ten years, and then the Police and Sanitary Committee fixed a uniform period of five years. One day we were sitting on an unopposed Bill here—a Wolverhampton Bill. The gentleman's name at the back of the Bill was Sir Henry Fowler, and when it came to the question of costs, and they asked for 10 years, "Oh!" said Sir Henry, "I never heard anything so absurd; make it three." He was member for Wolverhampton. We said, "We will not do that, but we will adopt five years as the Police and Sanitary Committee do, and Mr. Lowther's idea is that five years is ample, and that the sum ought to be a small sum, particularly in the case of an unopposed Bill. A very experienced chairman of the Police and Sanitary Committee says: "The effect of giving corporations power to spread the costs over a long number of years must operate occasionally in the direction of increased cost of promotion. Corporations, especially those of small rateable value, will hesitate to incur reckless expenditure if they know that the Bill has to be paid within a short term of years." I happened to be in the room on Tuesday when Sir Thomas Pile was asked a question by Sir Albert Rollit as to a longer period for costs, and I am not astonished at Dublin wanting it, because Dublin is a very peculiar case. The last time, or the time before that, they had a corporation Bill—it was a Water Bill, and Mr. Healey was anxious that franchise clauses should be put into that water Bill. The result was that by agreement they were inserted, although they were completely out of order, and nothing to do with the Bill. When it went up to the House of Lords the clauses were cut out. Down it came at a very late period of the Session, and the Commons would not agree to the Lords' amendment. The end of it was that the water was lost, and the cost amounted to about 12,000*l.*

5305. Those were exceptional circumstances?—Yes.

5306. And you mean that Dublin in a case of that sort should have had a longer period?—Yes.

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5307. Surely

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[Continued.]

Mr. Nannetti.

5307. Surely you would not say that five years was sufficient to pay the costs of 40,000*l.* caused in promoting the Extension of Boundaries Bill in Dublin?—Did not the costs include the local inquiries? They ran up tremendously. I do not say that in cases like the Manchester Ship Canal and one or two others they should necessarily be tied down to five years.

Mr. A. K. Loyd.

5308. Do you find that very strong feelings exist very often which are only temporary, political, or otherwise, which cause the costs some-

Mr. A. K. Lloyd—continued.

times to be very much increased in private Bill legislation?—Could you give me an instance?

5309. Supposing that the party feeling in a borough runs very high, is not it the case that in private Bill legislation attempts are made by the conflicting parties to get the better of each other and to strike out clauses in the Bill which leads very much no doubt to costs being increased?—No doubt the same causes operate as lead to obstruction generally.

5310. Is it right that posterity should pay for those costs, which have been very much run up by the heated condition of the parties at the time that the Bill was brought in?—I should say not.

Dr. MANSFIELD ROBINSON, called in; and Examined.

Chairman.

5311. You are Town Clerk of Shoreditch, are you not?—Yes.

5312. Shoreditch is the only borough council in London who have cleared an unhealthy area under Part 2 of the Housing Act?—That is so.

5313. And built artisans' dwellings thereon at a cost of about 100,000*l.* They have in hand a scheme under Part 3 of the Act which will cost about 200,000*l.* and rehouse about 3,000 persons?—That is so.

5314. So that you have a practical case to lay before us?—Yes, and it is from the actual experience of the practical case and the actual working out of the figures that my council are very anxious that some facts should be laid before you.

5315. You consider that the term of repayment is a vital element in the question of rehousing?—Absolutely vital to the success of any housing scheme to replace the poorest of the poor.

5316. Would you oblige us now by working out those figures? In your last scheme you found that only one family out of 533 persons displaced were able to pay the rents which had to be charged?—Yes; we fixed the rents at a sum sufficient to include the repayment of capital and interest, and as a result we had to fix the rents at a price which only enabled one family out of 533 persons displaced to come into the dwellings, and I believe that is the same proportion as the County Council experienced in their Boundary Street scheme. I know that they rehoused eleven families only out of something like 5,000 whom they had displaced.

5317. You fixed the rents in reference to what you had to repay for instalments of capital and for repairs, and so on?—Yes, on debt charges, upkeep and repairs, so that the rates shall not bear any charge in respect of the dwellings.

5318. How did you estimate the value of the land?—In that particular case we took land at 4*s.* 6*d.* per square foot. The architect, who had had experience on the Boundary Street area, Mr. Rowland Plumbe, one of the most experienced architects in this country, I believe, having taken the prize for the Boundary Street area in competition with all the architects of this country, advised that the value for housing purposes was 4*s.* 6*d.* per foot.

5319. You took the housing value of the land?

Chairman—continued.

—We wrote down the actual cost of the land and buildings from 11*s.* 6*d.* per foot, which it cost us, to 4*s.* 6*d.* But one ought to point out that 4*s.* 6*d.* was really only the market value of the land at the time. We bought houses that were rack-rented upon this site, and pulled them down; therefore we lost the old buildings.

5320. As to the difference between the price which you gave and the price which you estimate as the housing value—you are prepared, I suppose, to pay off the money raised for that difference as if it were a sanitary scheme?—Yes, out of the rates for about one-third of the land actually acquired was thrown into new streets and widening of old streets.

5321. Are you prepared to pay that off out of the current rates?—We are prepared to pay that out of the current rates.

5322. Not raise a loan for it?—We have raised a loan for it, but we repaid the debt and the interest on that out of the current rates, or rather half of it. It was a joint scheme between ourselves and the County Council, and they contributed half the net capital cost of the scheme, viz., 27,500*l.*

5323. Putting the land down at the housing value you could not with your present conditions of repayment put rents which the people could pay and yet which would leave no charge to be borne by the ratepayers generally?—That is so.

5324. What difference would it make if you had your period for repayment extended from 60 years to 100 years?—I have worked it out upon the new scheme that the Council have in hand known as their Stonebridge estate, upon which they will have to spend about 200,000*l.* before it is complete. I find there that the extension from 60 to 100 years would represent on the basis of the Council's past experience of the Moira Place area a saving on the rentals of three-room suites or tenements of 1*s.* 1½*d.* per week out of a rent of 9*s.* 5*d.*, and on a two-roomed suite 9*d.* per week out of a rent of 7*s.* 1*d.*, which rent would be necessary owing to the heavy cost paid for the site, which approximates 21,000*l.* per acre.

5325. You said just now that you only charged to your housing estimates the building value of the land. Surely here you are charging what you gave for the land?—Here we shall have to do so.

That

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[Continued.]

Chairman—continued.

That other scheme was an insanitary area; the Stonebridge estate is a sanitary area. Some of the houses are very old and so on, but they all face wide streets. This is under Part 3; the other was a scheme under Part 2, with the County Council contributing. The corresponding rents on the Moira Place area would be 8*s.* 6*d.* per week as against 9*s.* 5*d.* Those are the actual rents we charge, and 6*s.* 6*d.* for the two-roomed suites against 7*s.* 1*d.* Owing to the fact that under Part 3 we shall have to meet the whole capital cost of the site and the erection of the dwellings out of the rents this problem becomes absolutely vital to us.

5326. This is a housing and the other was a rehousing scheme?—That is so.

5327. You could have housed anywhere under the Act of two years ago; you could have housed outside London?—Since the Act of two years ago, but not before. The position in London was that we might have had an acre of vacant land and we could not buy it; we could only buy an insanitary area covered already with cottage property and pull that property down and rebuild upon it. Now we have powers in the London Government Act by Part 3 to buy vacant ground or any ground. This ground here is actually covered with cottages, but by putting five storeys on the block system, while we find about 1,000 people on this site we shall rehouse 3,000. So we are forced in this way to overcrowd by putting persons one on the top of the other. We are overcrowding the area putting many more persons on the site than we found upon it, and so we did in the Moira Place area.

5328. You will have to charge 9*s.* 5*d.* for three rooms?—Yes.

5329. Is not that the natural result of housing the poor on land which is worth 21,000*l.* an acre?—Yes, it is. It is also the natural result of this system of repayment forcing us to repay the capital cost of the land out of the rents plus the interest, which is a thing no private speculator has to do or any private artisans' dwellings company that I am aware of.

5330. A private speculator and a private artisans' dwellings company have to make a profit—what do you suppose the profit would be before a man would invest in so speculative a thing as houses?—Four per cent. A company has just been floated on the 4 per cent. basis.

5331. Do your sinking fund and instalment come to more than 4 per cent.?—Yes.

5332. How is that?—We have to pay interest at the rate of 3½ per cent. and the repayment over 40 years is about 2 per cent., I suppose, but I have not actually calculated it. We have to pay about 5½ per cent.

5333. You mention the company which has come out which is more a philanthropic company than a commercial company, I think. Do you think that a private builder merely building for a speculation would take 4 per cent. upon the capital outlay in erecting his houses as a suitable remuneration for his risk?—No, I think he would probably want 5 per cent. That is the basis of the Improved Industrial Dwellings Company and the other dwellings companies. It has been found that the loss of rent is so infinitesimal on

Chairman—continued.

these working-class dwellings in London that they can really afford to work on the 4 per cent. basis now.

5334. You think that 5 per cent. would bring the private builder in if he can get that?—Yes, I think he would be satisfied with 5 per cent.

5335. Your instalment and interest do not come to 5 per cent., I fancy, even at 40 years?—Just about 5½ per cent., I think.

5336. If you extend your term of repayment to 100 years, your sinking fund and interest will only be about 3 per cent., or 2¾?—That would reduce it to 4½ per cent.; but I may point out that we are really not in competition with the private builder. Last year not a single private speculator offered or proposed to build a single artisan's dwelling in Shoreditch.

5337. Might that not be because he knew that the municipality could at any moment undersell him?—No, I think the reason is that there is such a large profit to be gained by buying small cottage property, pulling it down, and erecting huge warehouses, owing to the outgrowth of the City at this part of London, that it pays very much better to do that work. It is much less trouble to let the warehouses, and build them than it is to deal with artisans' dwellings.

5338. Has any private builder built houses in Shoreditch for the working classes either on that system or the cottage system?—There may be a few cottages, but the surveyor said he had had no application last year to build artisans' dwellings except our own.

5339. So private competition is dead in Shoreditch in the matter of housing the people?—Yes, practically it is.

5340. Who killed it?—I do not think we killed it, because we did nothing until we found the condition of things existing four years ago which practically exists now. We had done nothing, nor had the County Council done anything.

5341. But you had great schemes; you were suggesting great schemes?—We were forced into the Moira Place scheme by the medical officer; the vestry were against it. They saw a public expense in the way. They were not keen on the matter; we were bound to take it up as a matter of public health.

5342. How do you work out the reduction in the rent. When you say the rentals can be reduced by 1*s.* 1½*d.* per week out of 9*s.* 5*d.*, you must have calculated what these three rooms would cost?—I took the actual cost from our experience of the Moira Place area. I have a card here with the thing worked out in that way. The figures are a little different to the Stonebridge Estate, owing to the difference in the value of land—the land value apportioned as written down for housing purposes at 4*s.* 6*d.* a foot—4,420*l.*; the buildings cost 19,400*l.*, a total of 23,820*l.* The annual repayment for 200 rooms, being a total of 476*l.* 8*s.*, works out at per room per annum 2*l.* 7*s.* 7½*d.*, the money being borrowed for 50 years. For 100 years it is just half that. This is on the instalment principle. I find the annual repayment charge for the whole of the capital, and I divide that into 200 rooms to find the amount of annual repayment charge per room per annum.

5343. And

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[Continued.]

Chairman—continued.

5343. And that was 2l. 7s. 7½d.?—Yes, working out per suite of three rooms at a rental of 8s. 6d., the charge is 2s. 9d. per week.

5344. But you spoke of 9s. 5d. rent?—That is in the Stonebridge Estate—the figures I gave first. This is the actual working on the Moira Place area. The rents there are 8s. 6d., as I think I mentioned, as against 9s. 5d. on the new scheme that we are embarking upon now. Therefore the charge per suite of three rooms was 2s. 9d. That would be reduced by extending the period to 100 years by 1s. 4½d. per week, which is, in my experience, more than is available to the average working man of Shoreditch for keeping one child in food and clothing. Therefore I submit that that is a vital element in the working man's budget.

5345. You consider that this difference really makes a difference in the class you house, as to whether you are housing the people contemplated by the Act, or whether you are housing a superior artisan class?—That is so. May I mention a person actually offered 12s. 6d. per week for one of these rents although they seem high. I think it illustrates the immense difficulty in getting rooms in Shoreditch. Although the 8s. 6d. a week is extremely heavy for the working man, we were actually offered 12s. 6d. per week for one of these suites by a city clerk.

5346. You selected somebody else?—We selected somebody else, the working man to take it at 8s. 6d. Unless work of this kind were undertaken by the municipality I cannot imagine a private speculator refusing 12s. 6d. from a better class man, when he can only get 8s. 6d. from a working-class man.

5347. You made a present of 4s. a week to the working man. You had a commodity for which another man was willing to give 12s. 6d. but you let it to that man at 8s. 6d., and made him a present of 4s. a week?—That is one side of the hedge, but his side of the hedge was that in the 8s. 6d. he was paying for the capital cost of the land and buildings, and in 50 years he would have paid for his house and land, and not got it.

5348. Does not that same thing apply to me if I went on paying rent for a house in London. I should pay more than the capital value, but should not own the house?—That depends on the rate of interest your landlord wanted for his money.

5349. But he is not selling to me; he is letting to me. How do you select who are to have these 4s. a week benefits. You give the working man a present of 4s. a week?—We had a large number of applications. We advertised that the places were to be let, and we had about 300 applications for the first 50 tenements. We sent our superintendent round, and had a very careful report with reference to these people, and we gave preference to persons living in Shoreditch already—persons who had been displaced by the scheme if there were any, but only one family applied. There was only one family, but perhaps three or four persons.

5350. I do not think you have quite told us how you fixed on the one man out of 300 who was to enjoy the advantage of living in the house?—We had a great number of applications from people who had such large families it was almost heart-

Chairman—continued.

rending to go through them, and that is one of the greatest evils of the housing question in the East End of London—people with 5, 6, 7, or 8 children would apply for two rooms; that is all they could afford from their wages, and we found that we should be allowing more than two people to occupy a room, and that, according to the Local Government Board standard would be raising insanitary conditions; therefore we were bound first of all to strike out those who had larger families, and they were the large bulk of the people. Now, those are the people who want housing accommodation in the East End of London; no private speculators will take them in because of the large families. We have had cases where people actually came and lied to us as to the number of their children, representing that they had a certain number, and when they got tenements we found afterwards that they had other children who came up from the grandmother's house, or some relative's house, because they found they could not get accommodation if they told the truth as to the number of their family.

5351. Do you give a preference to small families in making this selection?—We had to exclude those who had larger families than we could house sanitariously in the dwelling.

5352. If we extend the period of the loans the clerk that you speak of would still give 12s. 6d., I suppose, for the dwelling. It would not have any effect on the accommodation provided. A man would be just as ready to give 12s. 6d., however long you had for repaying your loan?—But not one of the labouring class.

5353. But the clerk would?—Certainly.

5354. The fact that you had to repay in so many years had no effect on his mind in fixing it at 12s. 6d.?—No; of course not; none whatever.

5355. If we extend the period for repayment, you will be even giving greater benefit to the happy man of small family who is selected to occupy your dwellings?—I cannot see that it is much benefit to a man earning 24s. a week, to spend more than one-third of it in rent. You are not giving him anything very great.

5356. He has an advantage over the man who is not housed by the municipality, who would have to pay the market value of the house?—Here he had been actually turned out of a house where he could get four rooms for 7s. 6d. I visited the houses personally before they were pulled down. We had to charge 8s. 6d. for three rooms. It was an injustice to turn the old tenants into the street, and charge them 8s. 6d. for less accommodation than they got before for 7s. 6d.

5357. But you said only one family, as I understood a moment ago, who had been turned out came into your buildings. I am speaking now of men who are not turned out?—Are not you speaking of a class that we do not propose to house, and whose applications we do not accept, a class not contemplated by the Housing Act? I advised the committee that they would be doing wrong by letting the buildings to any persons but the labouring classes defined under the Acts.

5358. Now the loans that you are speaking of are sanctioned by the London County Council,

are

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[Continued.]

Chairman—continued.

are they not?—The period was sanctioned by the Local Government Board; under part 2 we had to have the sanction of the Local Government Board and of the London County Council.

5359. Of the Home Office you mean, do you not?—No. We had an inquiry by the Home Office as to the scheme to settle the question of the expenses being paid, half by the local authority and half by the county. The Local Government Board made the scheme, and specified the period. They allowed 60 years. We go to the London County Council, where we can get money cheaper than anywhere else now—we went formerly once or twice to the Public Works Loan Commissioners—they also make the authority who want a long period smart for it, because they give a lower rate of interest for the shorter periods, in order to compel you to pay off your money quickly.

5360. In order to encourage you to pay off your money quickly?—Well, to encourage us. We had to go, for financial reasons, to the London County Council, and Her Majesty's Treasury (as it was at that time) would not sanction more than 54 years, they said. I understood that there was trouble with the Treasury at that time, and that the County Council were not allowed to let out money that they had got in from the issue of public stock for more than 54 years. Therefore we were robbed of six years of the term by that administrative order.

5361. Robbed, you say. You could have gone into the open market, could you not. There was nothing to stop you, was there?—We had not powers of issuing stock.

5362. Could you not have raised a mortgage?—Possibly we could have issued bonds under the Local Loans Act, but there was some legal doubt about that. I endeavoured to issue a loan on this basis, but we found that there were difficulties in the way. We had to get the conditions of the local loan sanctioned by the London County Council, and this my Board felt very strongly at the time. The County Council were very anxious that we should not borrow elsewhere, and they delayed us and put difficulties in the way which prevented our going to the open market. Our own bankers would have advanced the loan, and we could have got it at 3 per cent. We were forced by that means to go to the County Council, and my authority felt it rather keenly, because their officials spent a lot of time on the scheme, and it would have been an advantage to them, but the County Council get a profit on their loans to local authorities, and they were rather keen about not letting the local authorities each issue small loans. They preferred to issue a loan themselves, and to lend to the local authorities at a profit of about ½ per cent.

5363. The Local Government Board would have given 60 years; the London County Council insisted on your borrowing at 54 years. Now can you give us some instances where the Council have given twice as long as the Local Government Board?—Yes. I want to emphasise this, because it shows the extraordinary anomalies with regard to the repayment of loans. They do not proceed on the principle of the actual life of

Chairman—continued.

the object for which the money is borrowed. The Local Government Board from their report, which I have here, fix the terms for electric lighting purposes at 25 years on the average. They run down to 20 years, and sometimes 15, but none of them appear from this report for 1901 to be longer than 25 years. The London County Council proposed to do the same. Two or three of my friends interested in the municipal government of London, the Town Clerk of Hampstead and others who were embarking on electric lighting schemes made representations to the London County Council in reference to the question of the sanction of loans. You will remember that there was a great deal of friction at first with the St. Pancras Borough Council. They were the first to take up this position with regard to electric lighting loans. They would not borrow for 25 years. They took a loan from their bankers, and overdraw to a very large sum. Owing to the pressure brought to bear on the London County Council, the London County Council reconsidered the whole matter, and fixed the period of 42 years. That is the mean period for electric lighting loans. Therefore, they gave that to us for exactly the same subject matter as local authorities in the country, Portsmouth, for instance (and they groan very heavily under it), are granted 25 years for.

5364. Have you read the evidence of the Mayor of Barrow-in-Furness, who is apparently an electrician, before this Committee, in which he said that the period of 42 years in London was ridiculous?—No, I have not read it.

5365. Mr. Haward, on behalf of the London County Council, came before us, and explained the reason for this apparently very long period by saying that the London County Council insisted upon everything being replaced out of revenue as it fell in each accumulator, for instance?—Certainly. I take it that the Local Government Board would not allow an authority to borrow again for a subject matter worn out before the loan had been repaid.

5366. The Local Government Board has a period which each item is likely to last for, and equates the whole of the periods and the equated period works out at 25 years?—I venture to say that a boiler will last for 50 years. The foundations of engines, the engine room, and so on, will last for 1,000 years. A large part of our plant for which we have 42 years will last 150 years. I should say that the County Council err on the side of stringency. If those provisions were applied to the City of London Electric Lighting Company or the Brush Company, or some of the other companies, they would not pay a dividend for the rest of their lives; they would practically be wound up.

5367. You do not agree with the Mayor of Barrow-in-Furness?—Certainly not, on that matter. With regard to underground conveniences, for instance, more than half the cost is spent in excavating ground underneath the road. No one can suggest that in, say 1,000 years, the excavation will be filled up with detritus or anything else, but we are only allowed 30 years for such purpose.

5368. You consider that in future as regards the Moira Place area the tenants will be able to

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to have the rent reduced by 48 per cent., or else the ratepayers will make a profit of 1,348l. per annum?—Yes, the future generation.

5369. 1,348l.?—In respect of housing 370 persons.

5370. What is the rent roll at present on those Moira Place houses?—I have not got it aggregated, but I can calculate it.

5371. About what would it be?—1,348l., in my opinion, is the amount of repayment of debt and interest on the loan which will cease at the end of 50 years.

5372. I see. Then it is unnecessary to ask you what you put for repairs?—The repayment of debt and interest is much more than half the rents now.

5373. You say in your proof that there is the necessity of adopting the instalment system of repayment. How do you mean that that is necessary. Do you repay by the instalment system?—Yes, with regard to some of our loans, I have advised my borough council to take up this attitude, for land or any asset not of a wasting character the annuity principle, in my opinion, is the proper one, because it is an equal amount of debt and interest each year. At the end of the period you pay the same as at the beginning, and in the middle. On a wasting security, the instalment system seems to be the better one, because at the beginning of the period you are paying 3½ per cent. interest on the whole of your loan, in the middle of the period (say, 25 years) you are paying half of that amount, and at the end of the term the interest has whittled away with the capital to nothing. Therefore, the instalment principle has been adopted for wasting securities. With regard to the housing of the working classes, we wanted to fix a rent which would include repayment of debt and interest, and we could not do that if we had an immense sum at the beginning of the period, half of the sum in the middle, and nothing at the end. Therefore we asked the County Council to allow us to borrow on the annuity principle. I should like to show the Committee how very seriously even a change of that sort affects dwellings of this kind. The actual difference between the annuity principle and the instalment principle is so great at the commencement of the period, that if we had been allowed to have the annuity principle for repaying our debt and interest in Shoreditch upon these dwellings, with regard to our three-roomed tenements we could have taken 1s. 6d. a week less rent, which means a saving of over 17 per cent. on the rent now charged, or a weekly rental of 7s. as against 8s. 6d. that now has to be paid.

5374. I suppose that 20 years hence the case would be exactly reversed, because by the annuity system, they would be paying more, and by the instalment system less?—Under the annuity system they would be paying the same in 20 years' time.

5375. I was counting in repairs?—There would be a little for repairs perhaps. The basis of my argument is that if you have the instalment principle fastened on to you, as we have (and I will tell you the reason in a moment), future generations are perfectly well safeguarded because *ex hypothesi*, if the land is worth nothing at the end of 50 years, and the

Chairman—continued.

buildings have all wasted away to nothing, the ratepayers are not out of pocket, because the capital and the interest have been wiped away. With regard to the present ratepayers there is a great burden on them, they are providing a benefit for future generations by training up a better class of children, healthier, and altogether less likely to come on the rates through sickness, and crime, and the future generation naturally get all the benefit already under our principle, without needing to be safeguarded, as some people wish to safeguard them, by limiting the period of the loan to even lower than it is now. I made a very strong appeal to the County Council to let us have the annuity principle, and they pointed out that under the Housing Acts as you know, a local authority is bound to sell its working-class dwellings in 10 years (no doubt to safeguard the position of the private speculator) unless they get the sanction of the Local Government Board to keep the dwellings. That being so, at the end of 10 years if we sold the land with the dwellings upon it, we should have to pay off our loan to that extent. The County Council would therefore not let us borrow for more than 10 years. They have only given me a mortgage running over 10 years. They allow the instalment of repayment for the 10 years to be the same as if it were for 50, but they are going to revise the mortgage at the end of 10 years. They said that in the annuity principle they could not do that, because you cannot differentiate at one given moment. It was a little more trouble to them to ascertain what capital had been repaid on the annuity system, when it is mixed up with interest.

5376. In 10 years you would still have enough money to pay off the remainder of your debt unless you had made a bad bargain?—Yes, we ought to have. On these houses we made a very good bargain. My argument applies with greatly added force to the position of the London County Council, with regard to their dwellings which cost 8½d. per cubic foot to build. With regard to us there was great competition amongst the builders. A wretched builder went bankrupt during the construction, he was kept up to the full standard of work. He quoted about 1,000l. less than he ought to have done, and we were able to build for 7¾d. instead of 8½d. Therefore it applies with greater force to this Great Boundary Street area, where the tenants groan very much under the excessive rents, and have petitioned the council several times to reduce them. They have a club upon the estate, and they meet at the club and discuss it. They are all groaning at the rent which is fixed.

Mr. Hutton.

5377. You have to obtain the sanction of the London County Council for your loans?—All except those for baths and wash-houses, and public lavatories.

5378. Do they hold a local inquiry in all cases before they grant a loan?—Not in the sense of sending an inspector down to hold a public inquiry, but they inquire very fully into the circumstances of the case. They send their clerks down to see the papers, and the contracts, and make full inquiries as to the rateable value of the

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the authority, the amount of debt and other particulars. A statement has to be made as to the amount of debt then outstanding.

5379. With regard to the families that come in under false pretences, what did you do with them when you found that they had more children than you anticipated. Did you turn them out or let them stay?—Those people in two-roomed tenements we gave notice to quit, but we arranged for them to go into three-roomed tenements. As a matter of fact, some time ago the County Council used to turn out tenants when their families grew too big, and that is a monstrous difficulty for the working classes whose families grow like that, because when a large family is turned out, they have to tramp all their shoelather off before they can get housing accommodation again.

5380. Did you let the three-roomed tenements at the same rent as the two-roomed tenements?—No; we compelled them to pay a higher rental for larger accommodation.

5381. Among the 300 applicants for rooms you gave the preference to those from Shoreditch, but as a matter of fact, did you give any tenements to persons living outside Shoreditch?—Just in the immediate neighbourhood, yes. These blocks were on the borders of the borough, and if the people worked in Shoreditch, or were connected with the district, we thought it advisable that they should be near their work, and that consideration entered into it. The Committee did not take up a hard and fast line upon that. They did not lay it down as essential that people should live in Shoreditch or in the immediate neighbourhood. Of course, if we had not had many applicants we should have had to accept any that came, but we had so many.

5382. Which borough is the neighbouring borough?—St. Luke's, now part of the borough of Finsbury.

5283. Do they build in Finsbury in the same way as you have done?—No.

5284. Then it is not a reciprocal benefit which you are giving to Finsbury and which they are giving to you?—No.

5285. You get all your building works done by tender, do you not?—Yes, all except small items. Anything over 100l. we should let by public tender. Sometimes there is a selected number of tenderers in a few cases. In this case Mr. Rowland Plumb wrote to builders who had tendered before, and asked them to tender.

5386. You consider that a more economical and more efficient method than doing it yourselves?—Yes, although we have not had actual experience of building ourselves. I think that sewer work and that kind of thing might be done better by direct labour.

Mr. Murray.

5387. Admitting the importance of the reduction that you make in the rentals, do you still believe that the remaining rental can be paid by the very poor. What would be the average wages of the occupiers of those dwellings now?—About 25s., and I do not think that the rent can be paid by the bulk of the working classes in Shoreditch without depriving their children of proper upbringing and food. What happens is that the children suffer.

5388. When they are in occupation, do you still keep close supervision over their conditions as

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Mr. Murray—continued.

to lodgers and so on?—Yes, we do not allow them to have lodgers.

5389. Do you keep an effective supervision over them?—The superintendent has to report the number of children and so on, who are in the place, periodically, to see that the place is not getting overcrowded, which would be an evil.

5390. Have you an effective system to prevent overcrowding by means of lodgers in an improved house, where overcrowding might reduce the people to the same condition as they were in before?—We have a clause in the agreement that they shall not sublet or take in lodgers without our consent.

5391. I understood you to say that the County Council discouraged you from going elsewhere, and encouraged you to go to them for loans as against going into the open market?—Yes, by putting upon us conditions which they knew would block our going outside.

5392. As far as you know they make a ½ per cent. profit?—Yes, Mr. Haward said so. They borrow at about 3 per cent., and let to us at 3½. Of course, we share in the profit in the sense that Shoreditch being a constituent part of the metropolis gets a slight benefit from the profit made. The one who borrows most, of course, does not get the most profit.

5393. But the occupier of the rooms does not get the benefit; he is so far poorer?—Yes. If we could borrow at 3 per cent. we could house better. If we were not saddled with this repayment of debt in such an unfair period, compared with the life of the buildings, we could let, of course, much cheaper than we do. That is the chief argument of the local authorities.

5394. There is a ½ per cent. charged on the occupiers of these houses which are built at the public expense?—Yes.

5395. And they might be relieved if you went into the open market for your loan?—Quite so. Might I say with regard to the life of the buildings that I have a report from the architect on that very question. He says "These buildings are most substantially built with thick brick walls on splendid foundations of concrete, the floors are formed of cement concrete, in which iron joists are embedded about every 2ft. 6ins. apart, all the internal walls are formed of brick (there being no wood partitions), the staircases are made of granitic concrete with a most substantial handrail, and the buildings are well roofed. If the buildings are kept up as provided for in my schedule, shewing the net interest to be obtained, I do not hesitate to say that the above part of the buildings would certainly last for 150 years." I asked him for the minimum period that they would be likely to last, and he said: "There may be some little doubt as to whether the doors and architraves and the wooden floors and windows would last as long as this, but with care and with proper keeping up, as above-mentioned, they would certainly last 100 years."

5396. He mentions wooden floors?—Yes, wooden floors over concrete. We have concrete below, and the wooden floor is hammered right on to it to prevent vermin getting in between. With regard to the maximum life, he says that another 50 years might be put on with regard to the carcass of the buildings, and another 50 years with regard to finishings. He says: "I am now

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altering a public building which was put up about 1750. As far as I can see, there is nothing to prevent this building from lasting another 150 years, in fact, I can see no damage to the building from age. In this case, too, even the old joinery is as good and as substantial as ever it was. This, of course, is an instance."

5397. What may I take as the proposal which you make to this Committee as to periods?—That 100 years at least should be allowed for the land and buildings. That is the lowest point that we put it at. We also think that on principle the length of loan should correspond with the life of the subject matter. In the case of land that should be regarded as a permanent asset. I have taken some interest personally in this question, and I moved that resolution no less than five times at public congresses of sanitary authorities and local government bodies in and out of London. I have either moved it or seconded it, and I have taken part in the discussion, and those five conferences have resolved that this is a very fair period for housing loans and a necessary one, in order to deal with the immense evil brought upon us by the private speculator.

5398. You consider practically a term of 100 years as equivalent to regarding land as a permanent asset?—If we got 100 years for land and buildings together, I think that we should be well off.

Mr. Brigg.

5399. Are the houses fairly occupied by tenants?—Every one is occupied. We did not lose 10s. in rent last year, I suppose.

5400. Taking it roughly, your evidence means that you are a philanthropic institution, that you spend a certain amount of money and build a certain amount of tenements and let them for the best rents that you can get?—No, we did not do that—we fixed our rent beforehand at the lowest price under the Housing Act in order to cover the cost, but that was not sufficiently low to meet the class we turned out. We say that the Housing Act is a farce at present.

5401. It comes to this—that you let at less rent than the tenants would pay under ordinary circumstances?—It is more rent than they were paying before.

5402. But you let them at less rent than it would pay to build fresh tenements and let them in the same way?—We stand at no expense. The ratepayer has not to put a penny into these dwellings. They are all paid for out of borrowed money. The capital charges are repaid by the tenant and not by the ratepayer.

5403. I am afraid that we do not understand each other. You borrow money to put up buildings?—Yes.

5404. And you put them under certain conditions, and then you find that the rent which you ought to receive, in order to bring you the proper amount of return, is not sufficient to pay for the repayment of the money and the interest?—It is made sufficient to pay the housing value of the land. What it does not pay is the cost of the capital, representing the old buildings demolished and swept away. That is treated as a sanitary improvement.

5405. In that way you are acting as philan-

Mr. Brigg—continued.

thropists?—Yes; public health authorities, I suppose, are philanthropists.

5406. You said that if you had a longer time you could then build and let, but at such a rent that the houses would pay. What do you say to a term of 100 years?—If it were 100 years we could either do that or continue our present system, and house the poorest of the poor by reducing the rents and getting in the class intended by the Act.

5407. Why do you calculate your rent on rooms and not on gross amount of capital?—I put it at first on the gross amount of capital and reduced it to rooms to show how closely the question affects the pocket of the working man tenant.

5408. As it has been pointed out, there are some people who are quite willing to pay more rent than you are actually receiving?—A class higher than the one we house.

5409. Have you many of that kind?—No. We have only had the one that I spoke of, but I believe that the superintendent has been offered sums as a sort of premium to get people into these houses, but he has never taken them.

5410. You do not approve of that. You build for a certain purpose, and you do not approve of letting at a higher rent than the people can pay who you intend to accommodate?—Certainly not. I think that we should be frustrating the Housing Act if we did so, and should not be fulfilling our duty, which is to house the very poor.

5411. You say that there was some difficulty with the County Council. What is there to prevent your getting money elsewhere?—Before the London Government Act came into operation—before 1900—we were under different conditions from now. At that time we had no powers to promote a Bill in Parliament to issue stock. Now we have that power, but the money market has been very bad since the war, and therefore it has not been a proper time to try that.

5412. There is nothing in the future to prevent your borrowing money quite as easily as the London County Council can borrow it?—There is something, and that is the consent of the London County Council to the terms and conditions of the loan, and you know that when you are issuing stock, you have to make bargains with underwriters and the people who float the loan, and so on, and if you have conditions saddled upon you which prevent you floating the loan or which are such as in the money market will crush the success of the loan, it means that you are prevented from exercising those powers, by conditions that may be imposed upon you by the authority interested in preventing your doing so, and in compelling you to borrow from them.

5413. You say you are hindered by the London County Council?—Practically we are, because difficulties are put in our way.

Mr. A. K. Loyd.

5414. Is that in order to get an investment for themselves?—Yes.

Mr. Brigg.

5415. You read the architect's report just now?—Yes.

5416. Do you advise that any change should be made in the style of your buildings? They seem

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seem to be very substantial so far as the structure goes. If you built a cheaper building which would cost less money, would that be sufficient for the purpose? Your architect says 150 years?—Yes, he does. We were obliged to put in fire-proof material. The London Building Act is extremely hard on model dwellings; I am not saying unnecessarily hard, because in a town you have to have special conditions. But you have to have so much space round them, and the conditions are very strict with regard to staircases, and so on. I pressed Mr. Rowland Plumble to suggest a cheaper means of building, and he says that it is almost impossible to get any cheaper material than we have.

5417. It is quite clear to me that you as a corporation are spending the ratepayers' money in providing houses for people who say that they cannot afford a large rent, and who will not pay it, and you are charging the ratepayers' money with a sum which they have to pay in order to house their neighbours at a lower rate?—The answer to that varies according to whether you are carrying out a big street improvement as well as a health improvement, or whether you are dealing with Part 3. We are endeavouring to make the tenants in the Stonebridge scheme pay the whole capital cost of the land and buildings.

5418. I want to ascertain to what extent the Corporation of Shoreditch considers itself a philanthropic institution for the benefit of the labouring classes?—They do not see much philanthropy about it, because the tenants have so far paid the actual cost of the land and buildings.

5419. But they do not pay a sufficient amount?—Under part 3 they will.

5420. But that is the housing. What do you say about re-housing?—With regard to re-housing, we make them pay all that can fairly be charged as the capital cost of the land and buildings.

Mr. Bonar Law

5421. In your remark to the Chairman that you could have let one of the houses for 12s. 6d., whereas you only let it at 8s. 6d., you were dealing with an isolated instance?—Yes.

5422. You could not let them all at a higher rate?—No; I only quoted it to show the immense competition in Shoreditch.

5423. Do you think that the principle is unsound?—It is just about as unsound as the principle of making a tenant buy what he uses, and then not get it. I regard it as economically unsound to pretend that you are housing the workers and doing something for them when you are making them buy an asset which will be handed over to you at the end of 50 years, free of any debt, and upon which you can make so much profit. We consider that the present conditions of overcrowding are a terrible curse, not only to Shoreditch, but to the whole country, and that something must be done to prevent the continual increase of rent which is going on. Jewish syndicates purchase whole streets of houses, and put up the rent 1s. a week. The working man protests, and he says, "I will go elsewhere." They say, "Go elsewhere," and he wastes his time, when he ought to be earning

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Mr. Bonar Law—continued.

something in his daily avocation, trudging about for another dwelling, which he cannot find, and he has to lie down under the increase. The same thing occurs again. I have known cases where there has been an increase of 1s., and then another, and then another, and then a fourth. The cases that come under our observation are heartrending. The money must come from somewhere, because there is nowhere else for the working man to go to, and it comes out of the physique and the morals of the children. I know cases where girls of 15 or 16 years of age sleep with boys of 14 or 15, because the parents cannot afford an extra 1s. to put them elsewhere. I say that things like that are sapping the manhood and womanhood of the nation. I have here a letter from one of the most level-headed parsons in Shoreditch, an unemotional man, and he says that if something is not done to stop this we shall have nothing short of a social revolution. It is working silently, but it is working powerfully.

5424. I was coming to that. I did not mean to express want of sympathy. I was going to ask you whether you thought the expense was justified, having regard to the social and moral question, and the question of improved health?—Yes, absolutely. It is a question of pounds, shillings, and pence. Money spent in this way relieves the poor rate and decreases the amount of criminals, and generally improves the condition of the people.

5425. You did not approve of putting the capital cost of the land on the dwellings?—I said to my council: "It is not fair to put the capital cost of the land on the dwellings," and they said: "Are we to put our hands in our pockets to help the working man?" That was said to me in the Committee. I said: "Allow the tenants to become purchasers of the dwellings under the Small Dwellings Acquisition Act. If somebody could find 40% for these people to begin with, they could become the owners of the dwellings at the same rent as they are now paying for the use of them.

5426. You contrasted what you are doing with what the public companies are doing. You say that they do not arrange to pay off in a certain fixed period?—No.

5427. Do they not accumulate a reserve fund?—Only one company does that. With regard to philanthropic work the secretary of the Industrial Dwellings Company assured me that they could get 20 per cent. more rent to-morrow in Westminster, but that they are satisfied with 5 per cent., and, therefore, they are philanthropists so far. They are so impressed by the moral and social advantages to be gained by housing workers without sweating them and rack-renting them, that they allow them to have the houses at less than they could get from other persons.

5428. But do they lay aside anything to keep the houses in moderate repair?—They may have a moderate reserve fund.

5429. If they have, then it is another name for a sinking fund?—It is more a question of extra repairs that may come on later.

5429*. But it is another name really for sinking fund?—Yes; but I do not think it is anything like comparable to the sinking fund that is necessary to rebuild the dwellings in 50 years, because that is not necessary.

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5430. We had witnesses from the County Council in the capacity of borrowers, who thought that the Government did not treat them well, and now you come to show how badly they treat you. Do you not think that when they look at it from the point of view of the purchaser they feel that it is necessary to put on greater restrictions than when they look at it from the point of view of the borrower?—I think so strongly. With regard to this very scheme, and the County Council being forced to pay half the cost, the question arose what "expenses" meant under the scheme. I said, in defining the legal construction of the Act, that it meant gross expenses, the cost of the land and the buildings, without going into recoupment, because we shall not know how it has recouped us for 50 years; and there were questions with regard to land thrown into the road, and so on. We took counsel's opinion, and he said that it meant gross expenses. The scheme was so big that we felt that we ought never to have been saddled with the cost of it. We felt that it was really a Part I. scheme. They only got us saddled by representing to the Home Office that my vestry were responsible, whereas it was the district surveyor who was responsible, and this dispute has led to the County Council hanging up some of our loans, as we think, most unfairly.

Mr. Nannetti.

5431. In the schemes of housing that you have referred to, were the houses put up for the purpose of housing the people that you would have to dispossess?—Yes; we were ordered by the Local Government Board to put up these houses. We were compelled to do so as part of the scheme. We displaced 533 people, and they required us to replace 400. We have actually replaced 475.

5432. What rent had those people been paying in the insanitary areas that you had to clear?—I remember a case of four rooms let at 7s. 6d. a week.

5433. You mentioned your rent is 9s. 1d.?—8s. 6d.

5434. I understood you to say 9s. 1d.?—What we shall have to charge on our new estate, owing to the cost of land, in order to provide rooms, will be 9s. 1d. as against 8s. 6d. in the Moira Place area.

5435. The people that you dispossessed are getting less value than they had before, in the sense that they have not so much accommodation?—In the sense that they cannot afford to come in.

5436. You did not erect the houses for the tenant who can pay 12s. 6d.?—No.

5437. Consequently you are not making a present to the tenant, as the Chairman put it?—No, on the contrary, we are asking 1s. more than they used to pay for the accommodation.

5438. Your responsibility is to house a certain class of tenant, and not the class of tenant who can pay 12s. 6d.?—That is so.

5439. Consequently there is nothing in the argument that you are making a present of 4s. to the tenant that you house at present?—No. The tenant was put under such heavy conditions that he could not accept the present that looked so rosy.

5440. Are private speculators getting 12s. 6d.?

Mr. Nannetti—continued.

—They are getting more: They are getting 25 per cent. out of those dwellings of which I have spoken, where the boys and girls sleep together. For one room, with eight people in it, the rent is 5s. 6d. Therefore, arguing from our buildings, it must be 10 or 15 per cent. at least more than we get.

5441. I take it that the people are being sweated in consequence of the scarcity of the houses?—Yes. I do not say that they do it wilfully to sweat them, but according to the economic principle of supply and demand, when there is all demand and no supply, then they have to pay a sweating rent. We have 30 per cent. of workers in Shoreditch, and they are not Polish Jews and the wretched off-scouring of London, but the *bonâ fide* working man, who is the backbone of the country.

5442. The high rents which have to be paid in Shoreditch deprive the working man and his family of possibly the necessities of life in the shape of food and clothing?—Yes, and boots and things for his children that go to make life healthy and happy.

5443. Do you not think that it is the duty of your municipality to let the municipal dwellings at as low a figure as possible, so long as there is no loss to the ratepayers?—Absolutely, under the Acts. I told my committee that they were bound to do it.

5444. Is not that the object of the Housing Act?—Yes.

5445. To try to meet the requirements of these unfortunate people?—The requirements of the labouring class, certainly.

5446. Is it not possible to carry out a housing scheme without charging for two rooms 7s. 6d.?—Not if you pay 21,000l. for the land. We have come to this—that I am advising my council that it will be better to build municipal dwellings on leased land than on freehold land bought under these onerous conditions.

5447. Do you have a number of flats on top of each other?—Yes. That is very unfortunate, for it makes the children bow-legged through going up staircases of five storeys.

Mr. A. K. Loyd.

5448. Have they no lifts?—No.

5449. The children have to climb right up to the top?—Yes.

5450. Children as young as three years of age?—Yes.

Mr. F. E. Harris, borough treasurer of the County Borough of Westminster and Mr. Charles William Tagg, town clerk of the Borough of Camberwell, stated on behalf of their respective boroughs that they desired to support the evidence given by the witnesses who had spoken for other municipalities. Mr. F. E. Harris also stated, as honorary secretary of the Institute of Municipal Treasurers and Accountants (Incorporated), that the institute agreed with the recommendations of the Municipal Electrical Association (see Mr. J. P. Smith's evidence, April 18th) as to the repayment of loans for electric lighting works, subject to it being made clear that the suspension of the repayment of loans should be limited to three years or to the opening for use of the works for which money is borrowed, whichever may be the earlier.

Tuesday, 13th May 1902.

MEMBERS PRESENT:

Mr. Brigg.
Mr. John Hutton.
Mr. Law.
Mr. Grant Lawson.
Mr. A. K. Loyd.

Mr. Charles Murray.
Mr. Nannetti.
Mr. Runciman.
Mr. Wodehouse.

MR. GRANT LAWSON, IN THE CHAIR.

The Honourable Sir EDWARD CHANDOS LEIGH, K.C.B., K.C., recalled.

Chairman.

5451. You wish to tell the Committee that you made a slip in the name of a Bill the other day?—The name of the Bill was put to me as the West Middlesex, and I was a little astonished, because I could not remember a West Middlesex Bill at all. Then, when the honourable member, Mr. Hutton, put it to me about the 25,000l., I said—"Now the facts come back to my recollection." But it was not the West Middlesex Bill at all; it was the Grand Junction Water Bill. I do not want to add anything further, except to say that Mr. Jeffreys was in the chair and the result was that if any blame is attached, it must fall on my shoulders, if it is not thought the evidence was sufficient.

5452. Except the name of the Bill, there is nothing to alter; the facts were as you stated them?—Yes; but I should like to add that it was not Mr. Lowther but Mr. Jeffreys in the chair, and I see in the report, which I have looked up, we say this: "The Committee have required the promoters to furnish particulars of estimates for the improvements and extensions referred to in the report," but we did it orally and not by figures, and Mr. Jeffreys hesitated some time before he allowed the Bill to pass. So that if I

Chairman—continued.

suggested to him that he might allow it to pass, it was my fault, and nobody else's.

Mr. John Hutton.

5453. All the facts are the same as stated by you, except that the Bill was the Grand Junction instead of the West Middlesex?—Yes, the Grand Junction, but I have a little amplified my answer.

5454. What period did you give for the repayment of the 25,000l.?—It was a company Bill. As a matter of fact, we gave 25 years. It was to be raised by debenture stock, and we put in what is called the sterilisation clause—that is, that in the event of the Government Bill passing they were not to take the sum into account. The original amount asked for was 200,000l.; it was reduced to 100,000l.

Chairman.

5455. I believe it is the fact, is it not, that the Chairman of Ways and Means is ready to give evidence himself if there is any doubt in the minds of the Committee as to whether the duties of the unopposed Committees are carefully performed. Are you aware that he is ready to give evidence?—Yes, I am aware of that.

Mr. JAMES WILLIAM LOWTHER (a Member of the House), Chairman of Ways and Means; Examined.

Chairman.

5456. It has been suggested to us that, when a Bill becomes an unopposed Bill and goes before you, the question of the period for repayment of loans is dealt with in a somewhat summary manner. Have you anything to say upon that?—I daresay that we do not give it the same amount of attention that is given to the question by what used to be the Police and Sanitary Committee, but what happens is this: The Speaker's Counsel, a day or two before the Bill comes before the Unopposed Bill Committee, goes through the Bill carefully with the agent, and wherever the report of the Government Department is not complied with, it is marked by the Speaker's Counsel as not being complied with, and the case is then

Chairman—continued.

brought before the Unopposed Bill Committee, and we hear what the agent has to say. Of course there is not always somebody before us representing the Government Department. All we have is their report and I dare say that the Unopposed Bill Committee may attach undue importance to the facts which are urged before it *vivâ voce*, seeing that there are no means of cross-examining the agent.

5457. You have no engineers to advise your Department?—No.

5458. And no system of inspectors who could inform you of the character of the work which is usually carried on in their particular district?—No.

5459. I understand

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[Continued.]

Chairman—continued.

5459. I understand that there are a vast number of these Bills to be disposed of every Session?—Yes, a great number. We disposed last Session of 123 Bills besides the Provisional Order Bills. Of course, a great many are railway Bills and Bills for extension of time—small Bills, omnibus Bills, and such like, in which the question of the period of loan would not arise at all, but no doubt in a considerable number of those 123 the question of the period of loan would arise.

5460. Do you notice a desire on the part of promoters to attach to a Bill for police and sanitary purposes, the borrowing powers for various works?—I think they very often take the opportunity of coming to Parliament with a Bill to put in all sorts of things. Corporations have, like the railway companies, a sort of Omnibus Bill, which contains possibly tramway clauses, electric lighting clauses, perhaps electric power clauses, police clauses, sanitary clauses, and so forth.

5461. You hear nothing of the feeling of the district on the subject?—No; we do not get the feeling of the district before us at all. All we get is a Bill, which is unopposed; otherwise it would not come before us. There are no petitioners against it, or if there ever have been any petitions against it, those petitions have been withdrawn. We therefore get a Bill which is technically unopposed—that is to say, that there are no petitions against it, and the only statement that we have against it at all is the report of a Government Department—it may be, the Local Government Board, or the Board of Trade, or the Home Office, or the Board of Agriculture. Then we have to do the best we can with that report of the Department before us. We have no counsel, of course, and no witnesses, except just the formal witness, who proves the preamble formally, and who proves the plans formally and the estimates formally.

5462. Do you wish to add anything in chief?—Only that with the very heavy work which I have to do at certain periods of the Session, it is impossible for me to devote that amount of time to going through these Bills which I should otherwise do if I had not to take the chair and sit for some eight or nine hours a day. Of course, in this Department, as in many other Departments, the head of the Department (myself) must trust to his subordinate, the Speaker's counsel, to see that the work is put into proper shape for myself (the head) to decide in the least possible time. I found that system in operation when I was appointed seven years ago, and I have only acted on the system as I found it.

Mr. Brigg.

5463. You have given us the facts as to what happens in the case of unopposed Bills, but the question that I asked Sir Chandos Leigh was: "Does not the fact of unopposed Bills not being subject to the same criticism as opposed Bills lead the promoters of the Bills to use means for the purpose of getting rid of the opposition before it comes to the House of Commons?"—I have no doubt that is so. That seems to me

Mr. Brigg—continued.

to be common sense. To begin with, the expense is very much less. If you can get a Bill through as an unopposed Bill, the expense is much less and the difficulty is much less.

5464. In order to save this question of costs, I stated that I knew that, very often, things were settled, and often much to the disadvantage of the promoters—that is, the promoters of the Bill would give way on points in order that they might avoid being an opposed Bill, and consequently they were not under the same conditions as if the Bill was an opposed Bill?—I think that that is so—just as the promoters of a public Bill will very often put clauses into their Bill which they possibly do not wholly approve of, with a hope of getting it through the House unopposed.

Mr. John Hutton.

5465. As a rule, you do not meet until 2 o'clock, do you; at what time does your Committee generally meet?—It depends; we generally allow about half an hour, or three-quarters, or an hour, according to the number, and the character of the Bills which we have before us. For instance, with Provisional Order Bills, my functions are so purely formal that I suppose I could do 100 of them in half of hour. All I have to do is to sign the Bill, and to initial the alterations if any. But, of course, there are some Bills which occupy a considerable time, and which we often adjourn once or twice in order that fresh clauses may be settled and brought up again at a future date.

5466. I suppose such a thing does sometimes occur that you have three or four Bills, perhaps each consisting of 50, 60, or 80 clauses, passed through your Committee in one sitting?—Oh, yes. You see, the clauses are often model clauses, which do not require any consideration.

5467. But, with regard to the report of the Government Departments, have you time to examine those reports personally yourself?—Sometimes I do; sometimes I do not; it entirely depends on my public work. If I happen to have a day off, I devote that day to reading the reports of the Government Departments along with the Bills, but, if I am very pressed for time, I have to trust entirely to the Speaker's counsel to do it.

5468. I suppose that, when several of these Bills are before you, a great number of agents and their staff are all present in the room?—That depends upon whether I sit upstairs or downstairs. If I am sitting in one of these Committee-rooms, all the agents who are interested in any of the Bills are present in the room. If I am sitting in my own office downstairs, only the parties who are interested in the particular Bill then before me are present, because the room is not large enough to admit of anybody else. But, of course, my Committee-room is public. It is open to anybody to come in.

5469. I do not wish you to answer this unless you care to do so, but do not you find the agents put great pressure upon you to pass the clauses?—No doubt they do; they are acting, of course, as advocates for those who employ them.

5470. I mean they try rather to hurry the Bills through?—No, I will not say that.

5471. It is not quite certain whether you are a Select Committee or not. Do you know what your

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[Continued.]

Mr. John Hutton—continued.

your position is in the Unopposed Committee?—We are a Select Committee in the same sense that all Committees to which private Bills are sent, are Select Committees.

5472. Then in that case do the standing orders which are applicable to private Bills apply to your Committee?—Yes.

5473. Under the standing orders it is necessary to produce estimates, I believe, for every loan which is passed by the Private Bill Committee?—Yes.

5474. Is it the custom in your Committee for estimates to be produced?—Yes. They are formally produced.

5475. But not necessarily examined by yourself?—No, and I do not think I should be any the wiser without some cross-examination by a skilled person, or some examination by an expert. I am afraid that I should be no wiser for examining them. I am not either a gas or water or tramway expert. I can arrive at a decision, and, I flatter myself, a tolerably sound decision, where I have to decide between two contending parties, or upon evidence placed before me; but I am afraid that I have not got the personal knowledge sufficient to examine into these matters for myself.

5476. And therefore am I to understand you to mean that, practically, these applications for loans pass through your Committee generally without any detailed examination?—Yes.

5477. Is there not this other difference between you and the ordinary Committees—that you do not take any evidence on oath?—Yes; the witness is not sworn. I generally ask who proves the preamble, and then the solicitor to the company, or the clerk to the corporation, or whoever the person may be, comes forward and declares that the statements contained in the preamble are true, and produces the recited Acts. That is the form in which it is done.

5478. In your case, would it not be very much more advantageous with regard to loans and other matters connected with unopposed Bills that yourself, or the Chairman of the Committee, should be more free than is the case at present with regard to yourself—I mean, do not you find it almost a physical and mental impossibility, after sitting in the chair for many hours, up to 12 o'clock at night, to have to come down here again the next day and examine, or be responsible for the passing of a very large number of private Bills?—The pressure, no doubt, is extremely heavy at times, but it all depends on how one set of work fits in with the other. If all the private Bill work came early in the Session, and public Bill work at the end of the Session, I think it would be quite possible to do it. But what generally happens is that about this period of the Session, or after Whitsuntide, there is a great rush, both of public and of private business, for me, and I find it extremely difficult to get through the two.

5479. Personally, I feel for you. It is really almost unfair to ask any Member of the House, or any individual man, to do all the work thoroughly which the House expects you to do?—I think it would make very long hours indeed, and I do not think it would really be possible.

5480. To do what you would really wish to do, as your duty towards the Committee, is a

Mr. John Hutton—continued.

physical impossibility for you, with the other work which you have to do?—If the work all comes at the same moment.

5481. As it does very often now?—Yes, it often does. Now, this Session, I take it, will be rather an exception. It is true that I have not been present very much this Session, but, as a matter of fact the Chairman of Committees has had extremely little public work to do up to this period of the Session, and he has had plenty of time to devote to the private business, which is in a very advanced state. After Whitsuntide, no doubt, the public business will be very heavy, as far as I am concerned, but I am hoping that the back of the private business will be broken, and the private business will be comparatively easy.

5482. Is it fair to ask you whether you would like to make any suggestion as to any alteration in the arrangements?—What I would like to say is this: That, if this Committee will lay down what they consider to be the proper principles or the proper periods for the repayment of loans, we can undertake in our Committee to follow them most implicitly, and to make a regular rule of it. The difficulty that we have always found is that, whenever the Local Government Board have reported that a certain loan should not extend beyond, we will say, 30 years, we are met at once with a case in which the Police and Sanitary Committee gave 40 years, or in which the House of Lords gave 35 years, possibly, and a precedent is cited to us of a neighbouring town which perhaps obtained, some years ago, 45 years. Therefore, it is extremely difficult for us to arrive at any fixed rate. But if this Committee would lay down, as the result of its deliberations, a fixed scale, I would undertake to insert it in every Bill.

Chairman.

5483. But would not a fixed scale require variation to fit local circumstances, of which local circumstances you have no information?—We have information, but, of course, only of a one-sided character—*ex parte* information coming from the agent of the Bill, or from the promoters of the Bill who are present.

5484. Take the case of gasworks. When we had laid down 30 years as the term for gasworks might it not be the case that the gasworks that one corporation were taking over were in a dilapidated condition, and the gasworks that of another Corporation were taking over were in excellent condition?—Yes.

Mr. Brigg.

5485. Might it not happen in this way: that, although the circumstances were exactly equal, yet one corporation might be much more in debt than the other?—Yes.

5486. The one most deeply in debt ought to have less time to repay, and do you not find that continually arising, and is it not extremely difficult to fix the period?—Yes.

Chairman.

5487. Have you before your Committee sometimes this contention, that the more a place is in debt, the longer the term it should have to repay its loans, because of the difficulty of repaying anybody?—I do not recall that contention at

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[Continued.]

Chairman—continued.

at the moment, but the contention we very often have before us is that the poverty of the district is so great that a longer period ought to be given for repayment. We are constantly met with this in water schemes. It is stated to us: "The Local Government Board have been pressing us to improve our water supply. In order to fall in with the views of the Local Government Board we have now got this water scheme. It is going to be very expensive, and we beg that you will extend the term for the repayment of the loan to as long a period as you possibly can in order to ease the payment to the ratepayers of the district, and, if you do not, they will all call out and say they have been very badly treated by having this water scheme forced upon them."

Mr. A. K. Loyd.

5488. As I gather from you, you fully recognise the great importance of all borrowing powers being carefully regulated?—Yes.

5489. In the interest of, amongst other interests, succeeding generations?—Certainly.

5490. In your opinion, would any machinery be appropriate to inquire into the necessary data for a decision other than a department with some sort of staff for inquiries?—Of course, before you can arrive at a sound decision, you must have an inquiry. Probably a local inquiry would be the best. I do not understand that the Local Government Board have that now, and that is very often our difficulty. The Local Government Board make a sort of general report, and they have had no special inquiry into the circumstances of the district.

5491. I want to get the benefit of your long experience of Acts of Parliament, and of public affairs generally. In your opinion, can a sound judgment be formed as to what is a proper period for the loan, except by some person or department which has the machinery for making an inquiry?—No, I think not.

5492. We understand that Parliament has endeavoured to get uniformity of principle by laying down that Bills of a particular kind shall go before the same Committee, so as to get that continuity of principle, and also in other matters where they do not go by private Bill by leaving it to the Local Government Board?—Yes.

5493. Now, we understand that the Local Government Board latterly have got the reputation amongst the local authorities of being too strict?—Yes.

5494. And that the parties resort to various expedients so as, if possible, to get the matter decided by way of Bill. Is that your experience?—Yes, I think that is so.

5495. We are told that they get more latitude before a private Bill Committee than they would before the Local Government Board, because the Committee have not the means of going into the thing so fully. Would that be so?—I do not think that these questions are brought out before Opposed Private Bill Committees. My experience of them is that the great question of whether there shall be a water scheme, and the engineering details of it are considered, but as soon as the preamble is passed, the Committee rather rush through the clauses, and, no Government Department being present, or not always being

Mr. A. K. Loyd—continued.

present, to urge their report, and to urge their views, the matter passes *sub silentio* very often.

5496. Then, as I understand from you, these loan clauses become nobody's business to oppose. They are part of those matters of common form which are then dealt with by the agents, with the Chairman, as he runs through the clauses?—I have not sat for many years on an Opposed Bill Committee, but that is my recollection of the way in which the work was done.

5497. Then, that being the laxity which the parties can introduce into these loan clauses by going before a private Bill Committee, we also hear, what you have practically admitted, that, if the Bill is unopposed, they also get more perfunctory examination on coming before the Chairman of Ways and Means?—No, I could not say more perfunctory. I think we in the Unopposed Bill Committee are more careful over those matters than the Opposed Bill Committee.

5498. If you have any means of going fully into the question, I believe your office does not spare the time. If a thing is taken shortly before you, it is because there is nothing to show that it should be gone into more fully by you?—It is taken shortly before me because the matter has been thrashed out up to a certain point between the agent for the Bill and the counsel to the Speaker, and the question is brought to a point for me, and is put before me very succinctly by both parties, and then I am asked for my decision, which I give, in conjunction with Mr. Parker Smith, or whoever may be the other Member of the Unopposed Committee.

5499. Sometimes you give as much as an hour and a half to two hours to a Bill, do you not?—Yes.

5500. I believe that last year you had one or two Bills before you which were Police and Sanitary Bills, which, being unopposed, came before you, and you gave an hour and a half or two hours to them?—Yes; they took up a good deal of time—rather more than I really could afford to give to them.

5501. You do not wish those cases cited as precedents for the amount of time that you could give to them?—I do not wish to put them to my credit.

5502. That time was not occupied on this question of loans, but on the difficulty of the clauses generally?—I think it was chiefly about *cul de sacs*, and culverts, and all sorts of questions which were quite new to me.

5503. Do you think there is any way in which your office could have the benefit of the advice of the Local Government Board as distinguished from any set principles laid down by this Committee?—The difficulty, I think, is this: If you get a representative of the Local Government Board present you may get the question thrashed out thoroughly, but then it would take a good deal longer time than I personally could possibly give to it. With so large a number of Bills as we now have of this character, if each of them were thrashed out at the same length as similar Bills are thrashed out before the Police and Sanitary Committee, it would be quite impossible for me, with my public work, to get through them. May I also add that very often in the reports of the Local Government Board the first paragraph begins by saying

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[Continued.]

Mr. A. K. Loyd—continued.

saying that they are very doubtful whether there is any necessity for the Bill at all, and that it is very desirable that the Committee before whom this Bill comes should satisfy themselves that this Bill is needed at all. Now that, of course, I am precluded from considering, because if I were to consider whether the preamble was proved or not, and if I were to find that the preamble was not proved, the Bill would not be an unopposed Bill; the Bill would be an opposed Bill, and I should consider that I was taking upon myself functions which I had no business to undertake in throwing out the Bill, or declaring the preamble not proved.

5504. Then does it not come to this (confining ourselves to the point about the period for loans) that there is no mechanism applicable to a Bill which really relates to these loans; there is no opposition to the term of the loan?—No; the only opposition is a report from the Department unsupported by evidence or by statement.

5505. Quite so. Where the procedure is by obtaining the consent, under a general Act, of the Local Government Board, there there is a thorough thrashing out, and the Local Government Board represent posterity as though they were parties, so to speak?—Yes.

5506. With private Bill legislation there is nobody representing posterity at all in opposing the period?—No.

5507. Does not that seem to be the point where all this difficulty arises? If the procedure is to be by Bill, then it will have to go before a Committee, but with nobody opposing on the question of loans. If it comes before you there is nobody to cross-examine on that point?—Quite

Mr. Murray.

5508. I gather from you that you desire, in some form or other, to see greater uniformity between the practice of the Local Government Board and the proceedings in this House?—It would simplify my work to an enormous extent if we had a regular scale fixed.

5509. But apart from a scale to which certain objections were pointed out by the Chairman, and apart from there being a certain set of principles which were common to both, may I point this out to you in the evidence of an official of the Local Government Board—Mr. Lithiby: "We get no notes of proceedings before the Private Bill Committees, and no notes, of course, of anything that takes place before the Unopposed Committee. The difficulty we have in dealing with these matters largely arises from the fact that we do not know what principles are adopted by ordinary Private Bill Committees." Therefore there seems to be ignorance on the part of the two authorities of the principles which more each other?—But are there any principles which actuate Private Bill Committees? I do not think there are any principles in common; I think that each Private Bill Committee goes its own way according to the views of the Chairman or the majority of the Committee, and I do not think that in the ordinary Private Bill Committees there are any principles which may be said to influence all of them.

5510. From that we come then to the desire of

0.12.

Mr. Murray—continued.

local authorities who wish to have an extended period to come before Parliament in preference to going to the Local Government Board?—Yes, no doubt they come to Parliament because they think they will be able to persuade the Committee to give them better terms than they would get from the Local Government Board.

5511. We had that distinctly stated in evidence?—I think that is so.

Mr. John Hutton.

5512. I do not know whether you have seen Mr. Lithiby's evidence?—No, I am sorry to say I have not.

5513. Perhaps it is only fair to call your attention to this: Mr. Lithiby is asked: "With regard to the Chairman on unopposed Bills, have you any representative there?" (A.) No. (Q.) How is the Chairman's attention specially called to these cases? (A.) We make the Report; our Report comes before you presumably; it is sent to the House in the usual way; we do not know what becomes of it afterwards. (A.) As a matter of fact, can you tell me whether in the Chairman's unopposed Committee clauses have been passed there frequently—apparently in disregard of your Report? (A.) Oh, certainly; I should not like to say 'in disregard of' our Report, but I would say that the recommendations made in our Report have not been carried out."

5514. That is so. We are constantly met by the agents citing a case in support of their clause taken from a neighbouring town or district. I remember we had a case only the other day—of Bedford water, I think it was. The question arose as to the period for the repayment of a loan. I am afraid I have not got the exact figures, but I remember that in that case, although the Local Government Board recommended that a certain figure should be fixed, it was brought to our attention that only a year or two ago, in the case of Biggleswade, which is a neighbouring authority, a longer period was given, and it was urged that it would be very unfair upon Bedford to have a short period fixed when Parliament, only two or three years ago, had fixed a longer period for Biggleswade. In that case there were also some other circumstances which actuated me, but in that case I certainly extended the period beyond what the Local Government Board had recommended.

5515. The Committee clearly understands that, in your opinion, it would be a great assistance to the Unopposed Committee if representatives appeared in support of their reports from the various Government Departments who make the reports?—It would be a great assistance, but it would add enormously to the labours of the Committee.

Chairman.

5516. And of the Local Government Board?—And of the Local Government Board. Might I also just add this: I have always maintained that it is the duty of the Local Government Board, if they are not satisfied with the work of the Unopposed Bill Committee, to move such amendments as they think proper when the Bill comes

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Chairman—continued.

comes down to the House of Commons for consideration, and there is no reason in the world why the Local Government Board, who have made their report, and who find their report overruled or set aside, or the recommendations not adopted, should not appeal to the House. There is an appeal to the House from the decision of every Committee, and there is an appeal to the House from the decision of the Unopposed Bill Committee, and if they do not like the work of the Unopposed Bill Committee let them come to the House of Commons when the Bill is before the House for consideration, and say: "We move that the word forty (say) be expunged, and that 30 should be inserted," and then we should get a decision of the House upon it.

5517. Do you consider that the House of Commons is a suitable tribunal for going into such a question as the state of the water mains

Mr. J. R. FITZGERALD, called in; and Examined.

Chairman.

5520. You are Secretary of the County Councils' Association?—Yes.

5521. You sent out, on behalf of the Association, a circular with regard to the period for the repayment of loans by local authorities?—Yes.

5522. You have received certain answers from the clerks, chairmen of finance committees, and, in two cases, from county councils?—Yes.

5523. Those you have summarised and desire to hand in?—Yes. (*See Appendix No. 27.*)

5524. The Executive Council of your Association have, I understand, passed this resolution: "That it is desirable that, on this question, county councils should not be placed in a less favourable position than other local authorities"?—That is so.

Mr. John Hutton.

5525. Have you tabulated those statements into a concise form, giving the number who approve of certain alterations and the number who say they do not wish to have any alteration? Have you made any further analysis of these

Mr. ALBERT GRAY, called in; and Examined.

Chairman.

5530. I believe that you are Counsel to the Lord Chairman, are you not?—I am.

5531. Would you tell us the difference in practice and procedure in the House of Lords as compared with the House of Commons in respect of private Bills?—In the first place, there is the general difference that the House of Commons' Standing Orders require a report as to periods for repayment from all their Committees, I understand, both opposed and unopposed. There is no such Standing Order among the House of Lords' Standing Orders, and therefore there are no reports made by Committees with regard to these questions.

Chairman—continued.

in Bedford? What evidence would the House have before it?—The House of Commons is a suitable tribunal for everything. That is the ultimate tribunal that must decide that.

Mr. Brigg.

5518. Do you consider that the feeling in reference to private Bills in the House of Commons at present is likely to induce the Local Government Board to raise more objections of that kind and bring them before us?—I know that there are great difficulties. They will not be very desirous to discuss them at 9 o'clock.

Mr. John Hutton.

5519. The House of Commons will have exactly the same evidence to decide a question upon as you have in your Committee—that is to say, no evidence at all?—No; no evidence at all.

Mr. John Hutton—continued.

returns?—I find that nine authorities are in favour of the extension of the period of repayment of loans, and 10 are against any extension, and 10 authorities are doubtful—no decided opinion.

5526. That is of the 29 on that paper from whom you got replies?—Yes.

Mr. Brigg.

5527. There are no replies from the West Riding?—None.

Mr. A. K. Loyd.

5528. Have you been made aware of any feeling on the part of county councils that enterprise on their part is checked in any way by the limitation of the period of repayment?—No, I have not.

Chairman.

5529. You cannot give any evidence on behalf of the Association because they have come to no decision?—No; I merely wish to make the one statement; that is all.

Chairman—continued.

5532. No Reports made by the Committees of the House?—No Reports made by the Committees to the House—either opposed or unopposed. In the next place, as regards the constitution of the Committees, the House of Commons' Committee on Unopposed Bills consists, as I understand, of the Chairman of Ways and Means, a referee, and a member. In the House of Lords the Unopposed Committee consists of the Lord Chairman alone. Although I sit with him as his Counsel, I have no official status there. Then, as regards opposed Bills, in the House of Lords there is no Police and Sanitary Committee, and, therefore, there is no opposed

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opposed Committee that goes through the Bills clause by clause. The opposed Committees in the House of Lords, as in the House of Commons, direct their attention only to the opposed provisions and opposed parts of the preamble, and they do not discuss, as I understand, or they hardly ever discuss, provisions which are not opposed.

5533. Are the periods for repayment provisions ever opposed, to your knowledge?—I believe they are sometimes opposed, or incidentally they come for consideration, but I have not a case in my mind at the moment.

5534. At any rate, the occasions on which the question of the period of repayment is raised are so very few that you cannot, at the moment, remember a single case?—No, I cannot. In the House of Commons, I understand, it is only the Police and Sanitary Committee which considers these questions, that is to say, in the course of going through the Bill clause by clause; but in the House of Lords these functions are to some extent exercised by the Lord Chairman himself, as his authority extends over all Bills, opposed and unopposed.

5535. Then the Lord Chairman's authority is greater than the authority of the Chairman of Ways and Means in the House of Commons?—I think it must be so, because that authority arises from the practice of the House of Lords under which the Lord Chairman moves every stage of a private Bill, and, as I can relate if the Committee require it, at the interviews which he has with the agents and promoters of the Bills before they ever go into Committee, he informs them whether any particular provision is not to be allowed, and, if that provision is not withdrawn from the Bill before it goes into Committee, the Lord Chairman will not move the next stage of the Bill. Accordingly he has complete control over it.

5536. And he goes through each Bill clause by clause at interviews with the promoters?—Yes. I might say that the first stage before that is that the Bills are carefully read between the middle of December, when they are deposited, and the opening of Parliament both by the Lord Chairman and by myself, and we put our notes in the margin of the Bill, and those notes are copied out on to another copy of the same Bill and delivered to the agents so that they are made aware of the Chairman's observations. Then shortly after Parliament meets, the interviews with the Lord Chairman commence, and they continue until about this period of the Session, or perhaps later. They are not over yet. Every provision of the Bill is considered, and with regard to the periods for payment of loans, they are always carefully considered—I mean to say that they are noted for consideration at the interviews. That is to say, if the Chairman saw a 70 years' term for payment of a loan he would at once note it and strike it out, and say, "This cannot be allowed."

5537. But these interviews are *ex parte*?—Quite so.
0.12.

Chairman—continued.

5538. Do you have interviews with both the promoters and the opponents separately?—No, we never see the opponents unless it should be on some matter of procedure as to whether a petition is to be received late, or something of that kind. Then both parties are heard before the Chairman, but as to the matter of the Bill never.

5539. Then as regards the periods for redemption, can you tell us on what general lines the Lord Chairman proceeds?—He proceeds on very much the same general lines as those of the Local Government Board, and the other Departments, which have been described to the Committee. He also has before him, on these Municipal Bills, the Reports of the Local Government Board. Sometimes, of course, at the time of his interview the Local Government Board Report is not yet in, and in such cases he always has a special subsequent interview on the Local Government Board Report, because he considers it very important. But although he proceeds on the same general lines he does not proceed with the same minuteness as the Local Government Board appear to do. I have here the lists that I understand have been put before the Committee by the Local Government Board giving periods for all manner of things, such as carts and vans, public clocks, and disinfecting apparatus. Now these things never appear in Bills in detail, or hardly ever. The purpose for which a loan is asked is generally a large purpose or a composite purpose, such as a loan for a reservoir or for tramway purposes—in some general term like that; and, therefore, it would be quite impossible for the Chairman to go into all the details of the subject matter of the loan, and decide whether there should be 10 years for a clock and 20 years for a water-course, and arrive at an equated period. That, I consider, is work proper for the Department.

5540. You are aware that, if the people who desire the loan choose to proceed by Private Bill the Department have no opportunity of holding a local inquiry, or indeed of seeing the plans?—I understand that is so.

5541. Once they proceed by Private Bill the Local Government Board can only use its general knowledge; it has no opportunity of getting special knowledge of the local circumstances?—No, but from the Local Government Board Reports I gather that the Local Government Board have, in nearly all cases, a very good and complete knowledge of the previous history of the borough or of the district.

5542. Which is ascertained by Inspectors?—By Inspectors and from previous Reports, and otherwise.

5543. You, of course, have no Inspectors, have you?—No.

5544. And the Lord Chairman has no engineering adviser?—No.

5545. What is his general scale?—His general scale is for land, street works, or any large building, such as a town hall or a reservoir, 60 years.

5546. If the money for the town hall was borrowed under the Municipal Corporations Act

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Chairman—continued.

they could only have 30 years?—They could only have 30 years.

5547. As to waterworks?—40 to 50 years; as to gas, 40 years.

5548. With regard to gas, supposing it is an unopposed Bill, or supposing there is no opposition on the period of redemption, how do you ascertain in what condition those gas-works are?—I should say that, when I say for gas 40 years, I mean new gas-works. If it is a case of purchase of gas-works the Chairman always asks what their condition is, when they were put up, and generally would not allow 40 years for works taken over.

5549. You say that he asks what condition the works are in; you mean he asks the promoters?—Yes.

5550. He does not hear the other side of the case?—No.

5551. Then, as regards new gas-works, has he the plans and the specifications, showing the sort of mains that are to be laid down before him?—No.

5552. And if he had he would have no engineer behind him who could explain them?—No.

5553. Then, as regards tramways, what do you say?—Formerly thirty years, which is the period of the Act of 1870, but now, since the introduction of electrical tramways, 40 years are allowed.

5554. Is the Committee to understand that you allow 40 years for all parts of an electrical tramway?—Yes, I think so.

5555. For all the electric generating apparatus?—I am not quite sure. Generally speaking I think 40 years would be allowed.

5556. For everything, including the cars and all the electrical fittings, as well as the actual tramway line?—It depends whether the loan is split up. I think that, as a rule, in the case of a new tramway, 40 years would be allowed for the whole of the borrowing.

5557. These general heads you are giving us include short-lived, as well as long-lived, objects in a lump?—Yes, they do. I do not pretend to say that I consider it satisfactory, but I do say that it is utterly impossible for us to enquire into the minutiae of these composite loans.

5558. All the purposes for which borrowings are asked are not, I understand, set out in the Bills but you are asked to sanction a lump sum?—A lump sum. I assume that the borrowing for tramway purposes would include any number of these details which are in this list of the Board, that is to say, the different parts of the construction, the metalling and the rails, dynamos, switches, cables and so on. We have not the staff for looking into these matters.

5559. Do you think it would be possible that all the purposes of the borrowing should be set out in the Bill?—No, I think not; I think it would be a wasting of time of the Parliament. It would be a waste of time of the Chairman in the House of Lords, and I do not think it could be satisfactorily done in the end.

5560. Then, as to estimates for the works, how do you arrive at any conclusion whether the esti-

Chairman—continued.

mate is too large or too small?—We cannot practically arrive at a satisfactory conclusion on this point. Some general questions may be asked, but the general observation must be made that it is an *ex parte* hearing, and you cannot expect to get the truth.

5561. On this question of the period of redemption, even in the case of an unopposed Bill, you can get no rigid examination of estimates?—No. In the House of Lords the preamble is proved in unopposed Committee very much in the same way as Mr. Lowther has represented it is proved in the House of Commons.

5562. It has been suggested to this Committee that it is the habit of local authorities to come to Parliament for the express purpose of getting longer periods for their loans allowed to them than they would get under the minute criticism of the Local Government Board?—Yes.

5563. Do you think that is so?—I think that is so. I believe it is to some extent true, and I consider it a matter for regret so far as it is true of ordinary borrowings. I would not say the same where there are some special considerations. I think it also unfortunate, so far as it is true, of what I call composite borrowings. But in the case of ordinary borrowings, where there are no special circumstances, I think there should be no difference between the practice of Parliament and the practice of the Departments.

5564. Have you any Standing Orders in your House, as we have in the House of Commons, that if there is an attempt to borrow by Private Bill what could be borrowed under a Public General Act with the sanction of the Department, that should be specially reported on by the Committee?—No, we have no such Standing Order. I may say, however, that it is a question which the Chairman always goes into at his interviews. He always goes into the question whether a provision in the Bill is one which can be attained by Provisional Order, and he very frequently strikes out numbers of provisions from Bills on that account. For instance, if a local authority puts into an Omnibus Bill provisions about electric lighting, he always strikes those provisions out, because he says that that is a matter which ought to be dealt with by a Board of Trade Provisional Order. That has been the practice for many years.

5565. He always strikes those out?—Yes, or I will not say always, but I will say very nearly always.

5566. Does not the same argument apply to electric tramways?—Yes, it would if the provisions were merely for tramways, but nearly always compulsory powers are asked for the acquisition of land.

5567. Which could be obtained by Provisional Order?—I believe not.

5568. There is some question on that, is there not?—I do not think they can be under the Tramways Acts.

5569. If you proceed by Provisional Order it involves a local inquiry by the Board of Trade in the case of electric lighting, does it not?—Yes.

5570. Which

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5570. Which local inquiry can be evaded by coming to Parliament by Private Bill?—Yes.

5571. The Lord Chairman, you say, frequently strikes out such clauses?—Yes, nearly always; he allows clauses with reference to electric lighting when, for instance, a local authority has already got a Provisional Order if it has a Bill in Parliament and it wants some provision on the subject of electric lighting. For instance, they very frequently want the provisions of the principal Act altered with regard to the making up of their accounts. Now that sort of clause is allowed, although it has to do with electric lighting, but the part of the Bill devoted to giving them electric lighting powers he never allows.

5572. He has control over all Bills?—Yes.

5573. Whether they originate in the Commons or the Lords?—Yes, that is to say, as I tried to explain before, his authority is exercised very often when the Bill is in the House of Commons; but it is merely an intimation to the parties that, when the Bill arrives in the House of Lords, such and such a clause must be taken out. Therefore it is advisable and convenient for all parties that it should be taken out as early as possible.

5574. Does the Lord Chairman take it into consideration that many of these sums could be borrowed under general Acts of Parliament without a Provisional Order, but with the mere sanction of a Governmental department?—Yes. I do not say that in all cases he would strike out the provision on that account, but he does take it into consideration.

5575. Does he sometimes strike out clauses for that reason?—Yes, he sometimes does.

5576. Can you give us any idea of how he distinguishes between cases in which he ought to strike out and cases in which he ought not to?—No, I do not think I can. I do not say that the practice is entirely consistent, but it is nearly always considered. For instance you find in the list of purposes for which there is borrowing for so and so, for so and so, and for so and so, and in reading the Bill one notices that there are no provisions for works, say, as regards tramways—there are no provisions for tramways at all, but they take power to borrow for tramway purposes; then very likely he would ask why this is introduced, and if a satisfactory answer were not given he would require it to be struck out. But very likely they would say that it was for some purposes for which they really wanted more than 30 years. It is the old story; they are afraid of going before the Department because they would be restricted to the statutory period.

5577. And so, by Private Bill, they evade the general Acts of Parliament?—Well, Yes, to that extent they do.

5578. You spoke of some exceptional cases in which you thought it was quite fair that they should come by Private Bill. Could you illustrate to the Committee what you meant by exceptional cases?—With regard to exceptional cases, I will take for instance such cases as the Great Waterworks of the present day of Liverpool, Birmingham, and Manchester, and the Derwent Valley. In the Derwent Valley, as this Committee has been

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informed, the Board there got upwards of 70 years for its first loans. I am not here to defend that period, but it is very exceptional work, and the fairness of it is perhaps illustrated by the history of the Birmingham Corporation Waterworks. They, in the year 1892, borrowed about 6½ millions and they got a period of 60 years, and they got postponement of the first payment of their Sinking Fund for 10½ years from the passing of the Act. That 10½ years would bring us to, say, 1903. They have a Bill in Parliament this very session for Birmingham, postponing its first payment into the Sinking Fund, and they are asking for 6 or 7 years from now, so that the extension which Birmingham is now getting would probably correspond very much with that which the Derwent Valley Board got 2 years ago.

5579. So that the exceptional cases you mean are those of very large and special works?—Yes, very large works.

5580. Which could not have more than 60 years granted to them under the general Acts of Parliament, but which require a special Private Act to give a more suitable period?—Yes.

5581. I believe you have something to say to us on the subject of land?—I would prefer not to say anything generally on the subject of land as I do not claim to be an authority on the subject, but I would say, with regard to the evidence that was given on behalf of the London County Council, that I should think it very unfortunate if the period for buildings in the case of housing were extended. If the buildings under the housing system are supposed to have only a life of 40 years I should consider it very unfortunate if the period were extended in this particular case.

5582. But supposed by whom to have only a life of 40 years?—I rather gathered from the witnesses from the Local Government Board that that is the sort of period that would be allowed—40 years for buildings for housing purposes, and if the Committee should think fit to recommend any extension for housing purposes, I think it should be an extension for the land, and not for the buildings.

5583. Did you notice some evidence that was given on the subject of the housing value of land as compared with the commercial value?—Yes, I read it; I do say that I thoroughly understood it.

5584. Would you not draw rather a distinction between the housing value and the actual money that was paid for the land—I mean if this Committee suggested that for the housing value a longer period of repayment might be given, because the land would not be likely to lose its value to such an extent that it would be worth less than its housing value at present, though it might lose some of its commercial value?—I think that is a very proper consideration, and it is quite distinct from the consideration applicable to such land as recreation ground or land taken for widening streets. Land taken for widening streets is absolutely gone. It has no more commercial value, and never can have. So land taken for a recreation ground has probably

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bably no further commercial value, whereas with regard to land taken for housing, if it should be given up, and it should be desirable to place the workmen's houses elsewhere in 40 years' time, its commercial value is resumed.

5585. I want to ask you a question or two about the costs of obtaining these Private Bills. The period allowed for repayment of the expense of procuring a Private Bill is, we understand, 5 years?—Yes, it is now.

5586. It has been strongly pressed upon us that it ought to be very much extended, because the costs of the Act are just as much part of the undertaking as any other part of the expense of the undertaking. What view do you take upon that subject?—I should say that I do not agree with that view. I think that the shortness of the period for the costs of the Act is a most wholesome check on the bringing of Bills into Parliament, and one that it is very desirable to retain. I think that the check should be felt, not only by the present generation of ratepayers, but by the present generation of councillors, I may say; and that the brunt should come upon them while they are in office, or quite shortly afterwards. Therefore, I think that the period of 5 years is a very proper one, and I think it is quite ample.

5587. Then, as regards the payment of interest out of borrowed money while the works are being erected, has that question come before the House of Lords Committees?—Yes, very frequently, and it comes much more frequently now. The view of the Chairman generally is that, it is allowable in cases where there is a large work which is going presumably to be remunerative, but cannot be so until it is finished. Take such a case as a large reservoir; he would consider that that was a proper case for a postponement of the Sinking Fund.

5588. But I was not quite on the question of postponement of the Sinking Fund; I was on the question of paying interest on the money borrowed out of the loan. You say that you would allow that in the case of a work which seemed likely to be remunerative?—Yes.

5589. Of course, you have no possibility of judging before your committee whether a work is going to be remunerative or not?—No, but we know the class of work.

5590. As to the point about postponing the first instalment, you were going to say something on that, I think?—The Chairman takes a good deal the same view of that—that there is a period during construction when the work is totally unremunerative, and it is rather hard that there should be any payment for a short time. But he very frequently cuts that period down. When they ask ten years he very often allows only 5, and sometimes when they ask 5 he allows 2.

5591. He allows the first payment to be postponed?—Yes, it is a matter which always receives consideration.

5592. I believe you have some suggestions to make?—I would say that I very much agree with what Mr. Lowther said this morning—that if this Committee could fix a definite period

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for specific purposes it would be very easy for the Chairmen in both Houses of unopposed Committees to carry that into effect. But as regards general and composite purposes, where any necessity for equating the periods comes in, I consider that that period should be: "Such period not exceeding blank years as the Local Government Board or other Department shall allow."—I think it would be very much better that the fixing of an equated period should be left to the Department and that no attempt should be made to fix it in Parliament.

5573. But you would like to see Parliament lay down definite periods for repayment in specific cases?—Yes, and maximum periods for all purposes.

5594. Yes, but what sort of specific purposes do you think Parliament could fix an absolutely definite period for?—When I say Parliament fixing, I mean Parliament fixing in the case of the particular Bills—not by general legislation, but in the particular case of a private Bill. For instance, if they were applying to borrow for a reservoir, I think it would be quite proper to leave it to Parliament (that is to say, it would probably be the Lord Chairman in the House of Lords, and it would be the Unopposed Committee in the House of Commons, or the Police and Sanitary Committee), to fix the period for which the loan for that reservoir should run.

5595. Then is your suggestion that this Committee should supply the Lord Chairman and the Chairman of Ways and Means with a sort of table of charges?—If they could do so for certain works, I think it would be very useful.

5596. That I suppose would only be a table of maximum periods?—Yes, a table of maximum periods.

5597. You would not suggest that this Committee should advise a fixed period for any specific purpose, for instance, town halls, say 40 years?—No, I should say a period not exceeding so many years.

5598. And within that period the Lord Chairman and the Chairman of Ways and Means would, in the case of an Unopposed Bill, fix what they considered the appropriate time for that particular town hall?—Yes.

5599. How would they fix that; would they have plans before them of the town hall?—If it were desirable to have a shorter period I do not know that it could very well be done in an Unopposed Committee, as I said before.

5600. So that, if we fixed a period of 40 years, the result would be, would it not, that, in all cases of Unopposed Bills, 40 years would be fixed whatever the character of the town hall might be—would it not tend to that?—It might lead to that.

5601. Although there may be an enormous difference between town halls, and in some a vast amount of money spent on the exterior decorations, you could not go into the character of the town hall because you have no architect to advise you?—No, we could not; I think it would be quite impossible.

5602. When you have the Surveyor, or the Architect

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Architect to the local authority before you, you have nobody in the room with equal scientific or local knowledge to cross-examine?—No.

5603. As to the statutory maximum periods, you say they should be revised?—I think they should be.

5604. Could you call attention to specific instances in which you think there should be revision?—I think the maximum period under the Local Government Act of 1888, and the Municipal Corporations Act of 1882, which is at present 30 years, ought to be revised.

5605. As to loans to County Councils and loans to Municipal Borough Councils under those Acts?—Yes.

5606. As regards the Public Health Act, have you anything to say?—No. I think the period of 60 years is a very good maximum, but then it includes a great number of subjects for which the period is a good deal too long, and in practice nothing like that period is granted by the Local Government Board when the matter comes before them.

5607. For instance, a loan for dust carts and horses would come under the Public Health Act, and you consider that 60 years is a ludicrous period for that?—Yes, quite so.

5608. Have you anything to add to what you have said about land?—No, I think I have nothing else to add.

5609. I gather that the summary of your opinion about land is that, where it is likely to remain, what is called in commerce a liquid asset, there the period may be a very long one, but where the land is going to be put to some purpose from which it cannot be taken readily away and sold to pay the debt, there the period ought to be shorter?—I think so.

Mr. John Hutton.

5610. Can you tell me at what time you receive the reports from the Local Government Board?—We begin receiving them within about a fortnight after the opening of Parliament, and they come in at all periods up to now almost, or up to the end of April, say.

5611. The Lord Chairman having previously gone through all the Bills and noted the various points in the Bills?—Yes; we note the Bills before the Local Government Board Report is received of course. That is done in December.

5612. You take the preambles of all Bills as proved, do you not, practically—as proved *pro forma*?—No, not entirely. Mr. Lowther made the observation this morning that he had no power over the preamble of an unopposed Bill. The Lord Chairman I must say exercises an authority over the whole Bill. In some cases, he informs parties that the Bill cannot proceed at all, and requires them to withdraw it in the same way as I describe. With regard to individual clauses, he practically informs them that he will not move the stages of the Bill in the House of Lords.

5613. In the case of unopposed Bills?—In the case of any, if it is a Bill that, in his view, is against public legislation, or against public policy.

5614. But in the case which Mr. Lowther

Mr. John Hutton—continued.

mentioned, where the Local Government Board have reported that the preamble would require proving—that the Bill is of doubtful utility, and so forth, you heard Mr. Lowther say that he did not consider that at all?—Yes.

5615. That he passed the preamble without further inquiry?—Yes.

5616. That he had no power in fact to consider it?—Yes.

5617. That you say is not the case with regard to the Lord Chairman?—It is not the case, although in regard to a Municipal Bill with somewhat ordinary provisions I do not think the Lord Chairman would exercise his authority over that Bill merely because the Local Government Board said it was not required in the district.

5618. He would exercise his own discretion?—Yes.

5619. But he considers he has a discretion?—He considers he has a discretion.

5620. Which the Chairman of Ways and Means informed me he did not consider that he had?—Yes.

5621. The Lord Chairman has very little night work, I suppose?—Very little; that is to say not until late in the Session, and even then not much.

5622. It does not interfere with the time that he can give to private Bills?—Nearly the whole of his time is devoted to Private Bills.

5623. For how long does he sit as a rule?—He sits generally from eleven or half-past eleven until the meeting of the House at half-past four. Sometimes we have not finished a Bill at half-past four, and the parties are kept waiting until he can come out of the House at half-past five and go on again.

5624. Does he sit alone or does he sit in fact as a Select Committee?—The interviews which I have described are not official interviews at all; he is not a Committee on those occasions.

5625. When he is sitting in his room to deal with these Bills is he a Committee?—No, he is not a Committee then; that is unofficial altogether—that is to say, it is not recognised.

5626. When they come formally before him as unopposed is he an unopposed Committee the same as we have in the House of Commons?—Yes, he is an unopposed Committee himself in the same way as the Chairman of Ways and Means. There are three members, I understand, in the House of Commons—the Chairman, the Referee and a Member, whereas in the House of Lords the Chairman sits alone. He sits alone for passing the Committee stage of a Bill which is quite a different thing from the interviews I described.

5627. Is he subject to any Standing Orders in the House of Lords?—Yes, he is.

5628. Does he take evidence on oath?—Yes.

5629. On oath?—Yes—evidence as to the preamble; the preamble is proved on oath.

5630. By one of the promoters, or somebody on their behalf?—Yes.

5631. Do you consider that it would be advisable in the interests of public business, if, instead of these two Committees on Unopposed Bills, there was a Joint Committee of the Lords and Commons to

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to examine Unopposed Bills?—I have not given that suggestion any consideration.

5632. I think I clearly understand you to say that the Lord Chairman exercises his prerogative, if I may call it so, with regard to both the opposed and unopposed Bills?—Yes.

5633. Even when the Bills are before the House of Commons?—Yes.

5634. In fact, if a Committee has been sitting upstairs for a fortnight discussing and hearing evidence with regard to some clause, or some matter for which a loan is required, and it comes to a decision one way or the other, the Lord Chairman, if he did not agree with the decision, would intimate to the promoters that he would stop it in the House of Lords?—No.

5635. Then to what extent does he interfere?—The Chairman's authority is exercised before the Bill goes into Committee and not afterwards, or only to a small extent afterwards. It is somewhat difficult for the Chairman. He does not interfere with the findings of a Committee unless he should think them wrong. In that case he would communicate with the Chairman of the Committee and obtain a modification or withdrawal of the clause with his consent.

5636. But I understood you to say that when the Bill came into the House of Lords for report or for third reading, the Lord Chairman would inform the promoters if there was some clause he did not approve of, and which I presume might have been through the House of Commons Committee, that unless that clause was withdrawn he would not move the further stage of the Bill?—Yes, but it is always competent, of course, for any other Peer to move the stage.

5637. Yes, but of course the Lord Chairman's influence in the House of Lords is properly very great indeed, and in that case it might seem, might it not, that he might over-rule a decision of a Committee of the House of Commons?—Yes, he might.

5638. He might put such pressure upon the promoters as to persuade them to withdraw a clause which he disapproved of but which a House of Commons Committee had previously considered and approved of?—Yes. There was a case two years ago. It was a Tramway Bill, and there was a clause introduced in a Committee of the House of Commons, and on its being put before the Chairman in the House of Lords, he gave the agents notice that he would not agree with that when it came into the House of Lords as being contrary to public law, and the clause was actually withdrawn in the House of Commons before it came up to the House of Lords.

5639. Through the Lord Chairman's interference with the promoters?—Yes.

5640. In other words, the Chairman seems to me a very useful and a very competent, but a very perfect autocrat with regard to private Bills?—The Chairman is frequently described as an autocrat, but of course it must be remembered that he has no autocratic powers given to him—that his authority is entirely the authority of the House, and if he were to exceed the opinion of the House he could be over-ruled at any moment.

Mr. Brigg.

5641. Would not it be desirable that a better state of uniformity should exist between the action of the Lords and the Commons with reference to Private Bills, inasmuch as the sorting of those Bills out at the beginning of the Session seems to be a sort of indiscriminate arrangement?—In what respect do you mean an indiscriminate arrangement?

5642. The selection of the Bills?—The selection of the Bills at the beginning of the Session is a matter of grave consideration; it is most carefully considered; it is not indiscriminate in any way.

5643. They are discriminated in some way, but does the public know whether the Bill will go to the House of Lords or to the House of Commons?—Yes; they are informed immediately after the decision is made.

5644. But do the promoters of the Bill know before the statement is made, whether the Bill which they are promoting will go first before the House of Lords or before the House of Commons?—They do not know when they are depositing the Bill which House it will be.

5645. That is what I thought. Then, as far as they are concerned, they do not know that?—It is most carefully considered by Sir Chandos Leigh and myself in the first instance, before we consult our Chairmen at all, into which House particular Bills should go. There are general considerations. Then the two Chairmen meet and decide upon that division, or upon a division. Many alterations are made. The next stage is that the decision is announced at a public meeting before the agents for all the Bills. The Bills are read out by a clerk. The clerk reads out which Bills will commence in the Lords and which in the Commons; then questions are raised by the agents, if they desire that a Bill which is put down for the Commons should commence in the Lords. They state their reasons; those are considered by the two Chairmen then present, and, on proper occasions, the course is altered.

5646. The sum total of it is that the promoters of the Bill have some option as to whether they are to commence before the Lords or before the Commons?—No, they have no option, but they have an opportunity of stating their views.

5647. They have an opportunity of objecting at any rate?—Yes.

5648. I do not wish, of course, to doubt the wisdom of Sir Chandos Leigh and yourself in selecting, in the first instance, before which Committee these Bills should go, only if I am promoting a Bill I do not know whether it is to go before the Lords or the Commons?—This is work which must be done by somebody; it happens to be placed on our shoulders; it is not work we desire to do.

5649. The point I want to get at is beyond that. The question of the want of uniformity in the action between the Lords Committee and the Commons Committee is such that it makes considerable difference to the promoters of a Bill as to which House it will commence in?—No, I think from what I have said the inference is that

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Mr. GRAY.

[Continued.]

Mr. Brigg—continued.

that it makes no difference at all. There is no difference. A Bill which has to go through both Houses has to go through certain ordeals whichever House it commences in. If it commences in the Commons it has got to go through the Lords at some time or other; if it commences in the Lords it has to go through the Commons. There may be want of uniformity, as the honourable Member suggests, but there is tolerably complete harmony.

5650. You say that the Lord Chairman of the Lords Committee can, if he likes, raise objection to certain clauses, and say:—"If this is not altered this Bill is not going further"?—That, reduced to its simplest proportions, expresses what it means, but, as a matter of fact, the Chairman merely suggests to the agents: "You ought to take that clause out," and the Chairman's view is nearly always complied with, but as for its being without discretion and due consideration I beg to repudiate that altogether.

5651. I do not suggest that?—Thank you.

Mr. A. K. Loyd.

5652. Everybody who knows the Lord Chairman knows that he devotes an immense deal of what are other people's holidays to looking over all these Bills?—That is so.

5653. Is there anything more in this authority than a statement by the Lord Chairman that, if the Bill remains in that condition, he will not move its further stage?—That is all.

5654. Is there anything to prevent a private member moving the further stage, beyond the improbability of its going through?—No, nothing more.

5655. If the reasons given by the Lord Chairman for his disapprobation were unreasonable, there is nothing to prevent, in the House of Lords, a private Peer moving a further stage?—Nothing whatever. I might say, with regard to that, that he never moves the stage of an opposed Bill at all. If there is an opposition to a Bill in the House, as there is perhaps once a Session, he leaves it to another Member to move.

5656. He does not move Bills which are opposed in the House?—No.

5657. But he has jurisdiction over Bills, whether opposed or unopposed, in the earlier stages?—Yes, in the earlier stages.

5658. What does the Lord Chairman do with an opposed Bill in the ordinary sense of the word?—He goes through it just as I described at the interview with the Agents, and he may perhaps direct them to withdraw a clause. The Bill is then presented to the opposed Committee with the clause struck out.

5659. So that he exercises a sort of general supervision over the Bill to see that there is no irregularity in it before it goes to Committee?—Yes; on other occasions he may say:—"I do not feel sure about that clause; I do not feel sure whether it is right, but I will allow it to go to the Committee."

5660. Are there two main questions to which the Lord Chairman directs his mind; first of all whether any clause is against public policy, and,

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Mr. A. K. Loyd—continued.

secondly, as to whether it is against any public legislation?—Yes, those are the two general principles which he goes upon.

5661. Those two points are what we might call points of law rather than points of fact, are they not?—Public policy is not a point of law, or very much a question of fact.

5662. Would not that be decided having regard to what was generally held to be contrary to public policy? At this time of day is not the fact of a thing being against public policy rather a question of established principles than of any new facts?—I think it is pretty well understood.

5663. Anyhow, do you think those questions of public policy and public legislation are matters which can be well decided by a person of long experience and practice in deciding those questions?—Yes.

5664. This question of the period for the repayment of the loan, as I understand, is one which simply and solely concerns the promoters, and the succeeding generation of ratepayers?—Yes.

5665. Whether it is to be a long time, or whether it is to be short (of course, correlative to that is the interest of the present ratepayer), it is purely a question between the present promoters of the Bill and posterity?—Yes.

5666. Is there anybody at any stage of the proceedings before the Lord Chairman who represents the succeeding generation of ratepayers?—No; they cannot very well be represented, can they?

5667. Is there anybody there whose duty it is to look after the interests of the succeeding generation of ratepayers coming as a party before the Lord Chairman?—Everybody considers the interests of succeeding generations, and their interests are considered, I think, in the Local Government Board Reports.

5668. What I mean is: Does anybody come as a party putting his own case to represent them?—There is no person in opposition at those interviews.

5669. There is no opposition brought forward from the standpoint of posterity?—There is no opposition of any kind.

5670. So that the main questions are whether the provisions are against public policy or against public legislation?—Yes.

5671. Now, although nobody appears as a party upon this question of the duration of loans, the matter still passes under the review of the Lord Chairman?—Yes.

5672. As I understand you, you have been obliged to resort to a sort of tariff for the want of any other principle to apply?—It is a scale which is provided for us partly by public legislation.

5673. Quite so; I am not impeaching the soundness of it as a scale, but in the absence of any inquiry you must have a sort of list to which you can refer?—Yes, we must have a rough scale.

5674. I think you said you do not suggest that as the perfect method, but it is the only one that is open to you?—It is the only one that is open to us.

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5675. With

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Mr. GRAY.

[Continued.]

Mr. A. K. Loyd—continued.

5675. With the machinery of your office?—Yes.

5676. You were good enough to tell us that, in respect of equated periods, where it is necessary to arrive at an equated period you think you might very well be allowed to let the Bill go in this form—that the period should be such period not exceeding blank years as the Local Government Board should allow?—Yes.

5677. But in other matters, where there was no necessity to equate, you suggested that a scale should be arrived at for a maximum period?—Yes, I think it desirable that there should be a scale, whether suggested by this Committee or not, which should be observed both by the Chairman of Ways and Means and the Lord Chairman, and I think there would be no difficulty in doing it.

5678. But then, as our Chairman pointed out, where you wished to discriminate you would be still thrown back on the necessity for some sort of inquiry. Supposing you did not want to give the whole maximum period how would you say how much less should be given?—That is the difficulty, of course.

5679. So that practically there is not much difference in the convenience of the matter between the equated period and the maximum period?—No, but I think it might be left, as a general rule, that land and these larger works might have a period of 60 years.

5680. Would it meet your criticism, supposing that it was provided, that in all cases the period of the repayment of loans should be passed by the Lord Chairman in those terms—for such period not exceeding blank years as the Local Government Board shall allow?—Wherever the purposes are composite purposes.

5681. Would you have any objection to that being the universal rule?—No, I think it would be a good rule.

5682. It would relieve the Lord Chairman of a certain amount of work which he feels is done inadequately, although to the best of his ability?—Which cannot be done with our present staff.

Mr. Wodehouse.

5683. Did I rightly understand you to say that the Lord Chairman never sees the opponents of a Bill?—No, not on the matter of the Bill.

5684. Is there no disadvantage in such an

Mr. W. J. JEEVES, called in; and Examined.

Chairman.

5691. You are town clerk of Leeds?—Yes.

5692. You have a statement which you desire to make to this Committee in respect of some remarks made by Mr. Henderson in his evidence?—Yes.

5693. Would you kindly state what it is?—I have read that evidence in which Mr. Henderson refers to a recent issue of Corporation Stock in which he stated that 89 per cent. was taken by the underwriters. I know the Stock well. The reference is to question 4494. It is perfectly true that Mr. Henderson said he

Mr. Wodehouse—continued.

arrangement as that?—There may be a disadvantage. Supposing the Lord Chairman were the proper tribunal to hear the whole case *pro* and *con*, then of course the present state of things is not adapted to that end, but as he is not the Chairman of an opposed Committee, I do not think it would be advisable that he should have any opponents before him. He has not got the time allotted to him to hear the whole case; that would be impossible.

Mr. Murray.

5685. With regard to the Chairman's scale which we have just referred to, is that arrived at after consultation with any other authority?—Yes, it is arrived at in consultation with the Chairman of Ways and Means; I do not say with the Local Government Board, but it broadly follows the scale which they adopt.

5686. At the same time you admit that the periods obtained by Parliamentary Bills are considerably longer than those given by the Local Government Board?—Yes.

5687. I am referred to the instance of new gasworks for which 30 years are allowed in the scale. As a matter of fact we have had it in evidence that there are no instances of Corporations making new gasworks, but they rather purchase going concerns?—They purchase going concerns, but they frequently build new gasworks.

5688. You mean enlarge buildings connected with gasworks?—Yes, and they also abandon existing gasworks and build others at a distance.

5689. It has been suggested that the life of buildings built by municipal authorities under the inspection of the Local Government Board for the housing of the working classes was 40 years. I did not quite gather from what source that was obtained?—It is a matter that does not come very much before us, because the housing question is a very little part of these private Bills, but I thought I had read it in the evidence as I ran my eye over it.

5690. Was it not an equated period between 30 years for the building and 60 years for the land?—No, I refer to Mr. Kershaw's evidence. To Question 122 he replies that 40 years is the period allowed by the Local Government Board in respect of loans for the houses.

Chairman—continued.

would not desire to lay too much stress on the instance, because the issue might have been at an inopportune moment. So true is this that I suggest that the possible inference he suggested ought not to have been suggested at all, because it is not in any way warranted. As showing this I may say that a week ago I offered for some people who had the money to take up £45,000 of the very stock in question at the issue price, and the reply that I got was that there was none of it except such as was on the market. Therefore it would have to be bought in the market in the

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Chairman—continued.

the ordinary way, and it was then at $\frac{1}{2}$ th premium on the issue price. So that whatever may have been the position at the actual moment of issue the stock is practically wholly marketed and at a premium to-day. Another point is this: The issue price was such as only to return 3l. 4s. per cent. The average rate of interest, which the same municipality had to pay on its loans up to March 25th, 1901 (that is the date prior to the issue of the loan in question) was just over 3l. 8s., and that notwithstanding the fact that the 3l. 8s. included some exceedingly favourable issue at over par of 3 per cent. and $2\frac{1}{2}$ per cent. stocks. So that, notwithstanding the bad moment of issue, and the bad time for any borrowing, the rate at which they are borrowing is considerably lower than they have been able to have on the average of years. Then it was also suggested that the increase of indebtedness would make it more difficult for Corporations to borrow. That might possibly be true if there were not an increase of assets, but as long as there is an increase of assets corresponding to the increase of debt, bankers and brokers that I have had to do with have invariably advised that the larger the amount of Stock on the market the better the price you get for it, because it makes a freer market, and the dealings are more frequent, and consequently, as I say, you get a larger price. So that I would suggest that, as long as there is a proper corresponding increase of assets (his point was that, notwithstanding an increase of assets it would be more difficult for them to borrow) a larger municipal debt will be able to be borrowed at a lower rate than if it were a smaller one and this on market considerations. It seemed to me that it was very unfortunate that Mr. Henderson should try to argue a general principle from a particular instance, because, just as he gave you that instance at a particular time, I could have given you another instance of that very same municipality two or three years before, when the money market was easy getting out a $2\frac{1}{2}$ per cent. loan at above par, and at a higher rate than was ever done before, and it would have been equally sensible on my part to argue that because that was once done, therefore Corporation Stocks at $2\frac{1}{2}$ per cent. would always be above par. What I suggest is the real truth about the whole thing, so far as it has any bearing on the matter, is that municipal securities have just decreased in value in common with other first-class securities, and just as they have decreased, so as the better class securities appreciate, as everybody hopes they will shortly, municipal securities will again appreciate, and, that as a matter of fact, there is practically nothing to be argued from the prices at which municipal stocks have stood except, as I say, rather in favour of the increase of the debt, because, concurrently with that increase of amount of stock on the market, the price has tended to go higher. Then dealing with the percentage of debt in respect of Leeds, of which I am the Town Clerk, I point out that half of the whole of that debt is in respect of remunerative undertakings—gas, water, electric light, tramways, and markets. Those undertakings cou-

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Chairman—continued.

stitute an asset far in excess of the debt in respect of them. Upwards of a million of money, or about 30 per cent. of the total capital expenditure on such undertakings, has, as a matter of fact, been paid off by means of the Sinking Fund, and is, of course, a margin for lenders to-day. Further, the fact that while in Leeds the proportion is one-half, the corresponding proportion for the whole of the County is one-third also requires to be considered. Just as it is misleading to talk of debt per 100l. of rateable value or capitalised amount of rateable value without taking into account the assets, it is equally misleading to talk of it without taking into account population, because there is a very great difference between the rateable value per head of the population in the various places, and, after all, it is population that makes the expenditure necessary, and it is population that enables the interest and so on to be paid. To show you how great that is, I will just mention that while Leeds only has a rateable value per head of the population of, roughly speaking, 4l., Manchester has a rateable value of, roughly, 6l. per head; Birmingham of 5l. per head, Liverpool per head 6l., and Bradford, the next town to Leeds, has a rateable value per head of the population of 5l. All these things must be taken into account when you are dealing with the question of municipal indebtedness. May I make one statement on the Sinking Fund? With regard to that Mr. Henderson specifically quoted the Leeds Sinking Fund clause, which enables the amount of the Sinking Fund to be used to prevent the creation of new debt, but he did not mention what I should like to have had mentioned in connection with it the clause as to the charge of the Leeds debt. That provision is as follows:—"All principal moneys shall be charged indifferently upon the lands and estates, the water, the gas, and other the undertakings of the Corporation, and upon all the revenues of the Corporation, and each and all such principal moneys or any of them whether raised or owing before or after the passing of this Act, together with the dividends, interest, annuities, and all other annual sums for the time being payable thereon shall rank equally and *pari passu* without any priority or preference whatever." I want to put it to the Committee that the clause as to the Sinking Fund is the natural corollary of the provision just cited. If you have a common charge and a debt ranking *pari passu* you of necessity must have a common Sinking Fund; you cannot have an ear-marked Sinking Fund without an ear-marked security, and I have no hesitation in saying that, if the Stock Exchange and the people who regulate money matters had to choose between the one and the other, they would essentially, and do always, go for the position here—a common charge and a ranking *pari passu* of all the charges on it. Then as to its operation, as long as there is a common charge and a common Sinking Fund, and so long as that Sinking Fund is raised out of revenue, and is used for the prevention of the creation of new debt, it is the absolute equivalent of the paying off of old debt, as was clearly shown by Sir Henry Fowler when he introduced his Indian Budget. If you created new

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Mr. JEEVES.

[Continued.]

Chairman—continued.

new debt, it would rank *pari passu* with the old debt, and there would be no point in paying off the old while new was being created. There is, however, an immense advantage to the borrowers inasmuch as a large amount of expense is saved, and, as this is an advantage to the borrowers, it is also an advantage to the lenders.

Mr. Brigg.

5694. You seem to place considerable importance on the question of the value of the assets. The value of municipal assets can only be dependent on the prosperity of the town?—I might say, in answer to that, that those undertakings that I referred to, which would be more than half the Leeds debts, not only pay their own way, but provided, in the year in question ending the 25th March, 1901, 35,000*l.* towards the rates of the city.

Mr. A. K. Loyd.

5695. What do you say to the objection to one municipality investing its Sinking Fund in the securities of another? Do you see any objection to that?—Absolutely none.

5696. You would not agree, then, with Mr. Henderson that the only absolute security for the lender would be that the Sinking Fund should be invested in Government security?—That cannot be; so long as it is invested in a sound security, or applied in the prevention of the creation of new debt, as I say, the lender gets the full advantage of the Sinking Fund.

5697. What is your objection to applying it to paying off the old debt?—The answer to that is simply that in Leeds the sinking fund is upwards of 100,000*l.* a year—considerably over. Suppose you pay off 100,000*l.* of old debt; with one hand you pay off 100,000*l.*, with the other hand you borrow the 100,000*l.*, and although you can pay off the 100,000*l.* without paying commissions, you cannot borrow the 100,000*l.* on the Stock Exchange, or anywhere else, without the payments incident to such borrowing.

5698. Is it any part of the advantage of not paying off the old debt that you preserve the funds as an investment for Sinking Funds of other corporations?—I do not quite follow that.

5699. Are the Corporations actuated by any desire to preserve the existing debt as investments for each other's Sinking Funds?—No. I say at once that if there were no need for the new debt, the Corporation would be very glad to pay off straight away, and a vast amount of the debt is dealt with in that way. You borrow, for instance,

Mr. NOEL T. KERSHAW recalled.

Chairman.

5707. You have read the evidence given before this Committee?—I have.

5708. You have noticed the evidence of the Town Clerk of Dewsbury?—Yes.

5709. The Town Clerk of Dewsbury put in a paper showing the position of the ratepayer of

Mr. A. K. Loyd—continued.

from insurance companies, and pay off so much every year.

5700. In what does Leeds invest its Sinking Fund?—Up to this time Leeds has invested its Sinking Fund in the securities of other Corporations to a large extent.

5701. The less debt you pay off the more chance there is of preserving these funds for Corporations to invest in?—But we only invested in other securities because the conditions under which we borrowed the stock made it impossible for us, except by purchase on the market, to utilise the money for payment off. Under equal conditions, Corporations would certainly prefer to use it for paying off rather than investing in other places.

5702. May I take it that there is no difficulty in Corporations finding investments for their Sinking Funds?—None.

5703. Apart from each other's Sinking Funds?—None. Might I put it in this way? Supposing it were in Government securities paying 2½ per cent., and you are paying interest at, say, 3 per cent., you are hurt to the extent of the difference; whereas, by investing it in a security paying the same rate of interest, you make the accounts balance.

5704. So they do prefer each other's Sinking Funds to Government security?—On that principle.

Mr. Murray.

5705. Would you suggest that the increase of assets of Municipal Corporations in any way equals, or nearly equals, the liabilities in the last 20 years?—I would not like to answer that at random; but if I had to answer it at random, I should be inclined to say that, apart from such questions as schools and recreation grounds, on which there has been an immense increase of debt (apart from remunerative undertakings), the assets practically represent the increase in the debt.

5706. Would you contest Mr. Henderson's table in which he puts it that the increase of rateable value has been 29 per cent., and the increase of debt has been 103 per cent.?—The difference between those two percentages is largely accounted for by the increase of assets in the shape of remunerative undertakings, and in so far as that is not the case, it would be accounted for by such things as schools and recreation grounds, which, so to speak, have become new purposes that municipalities have had to provide for in the last 20 years.

to-day under certain terms of repayment, and his position under certain other terms of repayment? Have you looked into the case of the ratepayer of ten years hence?—I have.

5710. Have you figures to show us what his position would be if the alterations were made that

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Chairman—continued.

that the Town Clerk of Dewsbury has suggested?—I have. (See App. No. 28.)

5711. And that paper which you will put in shows that, whatever may be the effect on the ratepayer of to-day of making the alterations, the effect on the ratepayer of ten years hence would be very serious indeed?—The effect on the ratepayer of to-day, taking the periods allowed as shown in the Town Clerk's statement, was, I think, a saving of £8,900 or something near it, whereas if you took those periods and continued them for ten years further the result would be a loss to him of £10,000.

5712. In the course of the evidence one or two complaints have been made of the action of the Local Government Board. I want you to tell us about the case of East Ham, where the Local Government Board are charged with only having allowed a period of five years for the building of a town hall?—It was for the purchase of land and erection of a town hall, I think.

5713. Yes. Now, is it true that we only allowed five years for the purchase of land for a town hall?—It is quite true, but it requires a little explanation. The facts of the case are these: In 1896 the Urban District Council of East Ham applied for sanction to borrow £5,000 for the purchase of land and the erection of public buildings. An inquiry was held, and at that inquiry it appeared that the buildings proposed included public offices, free library, technical schools, baths, public hall, police court, and other buildings, but the Council had not then made up their minds what portion of the site was to be utilised for each purpose for which the site was to be utilised. The sanction of the Local Government Board in all these cases has to recite the Act under which it is given. No lender would accept it unless it did. Until the site was more or less definitely apportioned to its different purposes, it was quite impossible to give a sanction under the particular Acts under which the money would have to be raised. For instance, for technical instruction purposes you have to raise money under the Technical Instruction Act; for baths under the Public Health Act and the Baths and Wash-houses Act, and so forth. In order to give the District Council an opportunity of allocating the site and making up their minds, the Local Government Board gave them a sanction under the Public Health Act for five years—merely in order that they might make up their minds, as I say. There was no intention of limiting the period for repayment of the loan in respect of purchase of the site to five years, and that the District Council were distinctly told.

5714. This was really only a temporary arrangement, and was not as represented?—It was merely to get over a technical difficulty which, of course, Parliament was able to get over without any trouble, not being tied by general Acts.

5715. Now we were told with regard to the Rhyl gasworks that the Department were only prepared to give twenty five years for the repayment of a loan to purchase the Rhyl gasworks, but that under pressure they gave thirty. What

Chairman—continued.

are the facts as regards the Rhyl gasworks?—In this case the Inspector who held the Inquiry reported that the mains were old, all the smaller ones being practically worn out. The valuation of the engineer to the gas company, who was selling the concern, was £13,575. The amount to be paid for the purchase by the local authority was £35,000, and the inspector confidently anticipated (these are the words of the Report) that the authority would shortly be face to face with serious expenditure on a general overhaul of the works; in fact he had considerable doubt whether the proposed purchase was a desirable one. Looking to the age of the works and to all the circumstances of the case, the Board felt that thirty years was the outside period that they ought to allow. I may add, perhaps, that the district council have found it necessary to largely remodel the works, and loans amounting to 6,366*l.* for new works exclusive of mains have been sanctioned in the past seven years. It was really quite a question whether the Board ought to have sanctioned that loan or not; but the district council were particularly keen on having these gasworks, and as they were a seaside authority who had a great interest, of course, in having the streets properly lighted, the Board thought it desirable to sanction the loan.

5716. The statement has been constantly made before this Committee that under a section of the Public Health Act there is no limit of period for the repayment of loans in respect of land for sewage farms. Is that statement accurate?—No, it is not quite accurate. The section alluded to is Section 235 of the Public Health Act of 1875. That section enables a local authority who have a sewage farm to borrow on a mortgage of it for any purpose for which they may borrow under the Act. It is not merely a loan for the purchase of land. The loan raised may be expended on street improvements or electric lighting, or any other purpose for which money may be borrowed by the local authority. There is no connection at all really with the sewage farm except the fact that that is the particular object of mortgage.

5717. The sewage farm land has to be paid for on the same terms of repayment as any other object of loan?—Precisely.

5718. When you were here before you told us that you knew of cases in which for one reason or another the works, or some part of them, had failed to last for the period allowed for repayment. Can you give us any further information now on that point?—I explained on the last occasion the difficulty that I have in getting any complete list of such cases, but I thought that possibly the best thing I could do was to take the cases that actually came under my notice between that date and the present day, so that I have done that, and I have here a list of them. (See App. No. 29.)

5719. That date was the 8th of last month only?—Yes; I was here on the 8th. There are altogether twenty-nine of them in the thirty days, including Sundays. Of course, some of them are not very serious, but some of them are. I propose to hand in a statement, but without the names

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Mr. KERSHAW.

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Chairman—continued.

names of the places, if that will accord with the wishes of the Committee.

5720. You can produce and you will hand in twenty-nine cases which have come in the ordinary course of business before us in thirty days, where the works have failed to last for the period allowed for repayment?—Yes, the works, or some portion of them.

5721. You can give us a little more information than you could before about sudden changes and large changes in population which may render works unsuitable in the future which are considered suitable now?—Yes.

5722. Have you prepared figures showing the great increase in some places and the great decrease in others?—I have. These have been taken out from the census, and I propose to hand them in, if I may. (See App. No. 30.) I will just give a few instances to the Committee before they are handed in. I take cases of large increase of population within given areas, and of course large increase may, just as much as large increase, upset the utility of works, especially such works as sewers and waterworks.

Mr. A. K. Loyd.

5723. And also the distribution of the population?—Yes.

5724. Making what was originally a central position no longer convenient?—That is one of the considerations, but not only that. Supposing that you had a town growing largely all round. It need not be, necessarily, in one particular direction, and the main sewer of the town was built for a population of 30,000, and in ten, twenty or thirty years the population has grown from 30,000 to 130,000., you can see that it is very probable that the sewer will not be large enough for its work. Then, on the other hand, there are cases of decrease which are more important from this point of view—that you have not the additional rateable value to compensate for the additional work which you have to do. There are cases, for instance, here of a total decrease in the population in forty years of 64 per cent. I think that that is the highest that I have here. Then there is a case of decrease of 31 per cent. in thirty years, and 36 per cent. in fifty years.

Mr. Murray.

5725. Are these urban populations?—These are urban populations. They are mainly the smaller urban districts, but they are not all small. I have given the assessable value and shown the decrease of that. (See App. No. 30, Part III.) You must bear in mind with regard to that, that if you have a sudden change of population, say through a large works being closed, the rateable value does not immediately show that decrease. As long as the houses are still in the valuation list they would be shown for the purposes of rateable value, but they would not be available when you came to make a rate of 1*d* in the £. The assessable value in a small place here went down from 1882, when it was 2,090*l*., to 1,049*l*. in 1891; there is half the rateable value practically gone. Here is a larger place which has gone down 5 per cent. in 10 years;

Mr. Murray—continued.

another has gone down 63 per cent. in 10 years; another 59 per cent. in 10 years. These are mainly small places, and it is those places which are most affected by changes in rateable value and population.

Mr. Briggs.

5726. You said that you had 29 cases in 30 days?—Yes.

5727. Do you mean in the past 30 days?—Yes, 30 cases in the past 30 days that have come before me personally.

Mr. A. K. Loyd.

5728. You told us that you have followed this evidence from day to day?—Yes, I have to a certain extent. I cannot say that I have studied it, but I have read it all through, I think.

5729. Do you see any objection to land being treated more as a permanent asset than it has been treated on the whole according to the evidence?—I should see an objection to land being treated as a permanent asset, but I think that perhaps there may be some case for an extension of the period as regards loans for land purchase. Certainly there is as regards those cases where you have only 30 years or the land.

5730. Take the case of buildings of a certain class. One sees in some of the largest municipalities really magnificent and solid buildings?—Yes.

5731. Is that a case which in your opinion the periods that have been allowed might be reviewed?—If the Committee expressed the opinion that the Local Government Board had been somewhat cautious in regard to those buildings, no doubt the Local Government Board would revise their practice on that point.

5732. I am not putting you in the place of this Committee, but I am trying to get the benefit of your very special knowledge of this matter. With regard to main drainage you put a case just now of a sewer being found inadequate on account of increase of population. Will the excavation that had been done to that be of no use?—The excavation would have to be made over again, unless the sewer was in tunnel.

5733. The hole that has been made all along must make it much easier to do the additional work?—In 15 or 20 years' time do you think?

5734. Yes, unless it has absolutely fallen in and got blocked up?—I should not have supposed that it would have made very much difference.

5735. Is not excavation a very expensive part of the work?—Certainly.

5736. With regard to rehousing have you applied your mind to the evidence given upon that. Would it be possible to adopt any of these suggestions for treating, for instance, land at its value for the purpose to which it is now to be applied, and regarding it as an asset?—I should not have thought that the game was worth the risk. In the first place, somebody has to decide what is the value of this land for this purpose. If you are to get independent evidence on that point, is it not practically throwing away the very small benefit that the present ratepayers would get out of it?

5737. Have you been able to see in the various suggestions.

13 May 1902.]

Mr. KERSHAW.

[Continued.]

Mr. A. K. Loyd—continued.

suggestions which have been made, any suggestion for any adequate inquiry into the matters which are material for deciding the period of loans?—I am afraid that I did not quite follow you.

5738. I will put my question again. Has there come to your knowledge in the course of this inquiry any method better than that of the Local Government Board for ascertaining the facts necessary to fix what is a just period for the repayment of a loan?—I scarcely think so. I cannot say that I have seen any such suggestion.

5739. Supposing that the Local Government Board were able to apply rather more liberal principles to some of these subject matters, would it be feasible, do you think, for every borrowing clause to run in the form suggested by Mr. Gray—namely, that the loan should be “for such period not exceeding blank years as the Local Government Board shall allow?”—I can see no objection to it from the point of view of the Local Government Board, but, of course, it would mean a considerable addition to our work.

5740. I understand that, but with regard to the difficulties which municipal authorities feel, supposing that greater freedom was possible so as to make the Local Government Board a more satisfactory tribunal to local authorities, do you see any objection with that advantage granted to making it necessary to come to the Local Government Board in all cases of Private Bills?—In all cases of private Bills where the subject-matter is one with which the Local Government Board were concerned.

5741. I am speaking of loans?—There are loans where, for instance, the Board of Trade would rather be the proper authority for sanction as things stand at present.

5742. I only take one species of clause for brevity's sake, but inserting the words “Board of Trade” or “Public Works Loan Commissioners,” or whatever public Department was appropriate in each case, would you agree?—I see no great difficulty. With regard to the observation which you made in the course of your question—namely, that it would, perhaps, assist to remove the difficulties that the municipal

Mr. A. K. Loyd—continued.

authorities feel—I doubt very much whether those difficulties are as extensive as, perhaps, the Committee are led to think.

5743. That is a question rather for the Committee?—Certainly, but I should not have liked to accept that part of your question without comment.

5744. I do not ask you to accept anything as a fact?—I quite understand.

Mr. Murray.

5745. In reference to the point raised by the honourable Member, you said that any expression of this Committee would be acted upon by the Local Government Board with regard to large and permanent buildings, such as town halls, isolation hospitals, and so on; but I am to gather that you are limited by Statute to 30 years?—Not as regards isolation hospitals, but we are under the Municipal Corporations Act as regards town halls, and buildings to which that Act applies.

5746. With regard to industrial dwellings, the only point that I wish to put to you is this, and it is for you to consider: Whether, with regard to this very special question where very special responsibilities are being accepted by municipalities, a very special period should be given—where there is an entire departure from what existed 30, 40, or 50 years ago, but in principle not differing, although there may be an improvement, from what we anticipate, in 30 or 40 years to come. I say, to put it shortly, that the question of sanitation, up to the last 40 or 50 years, in small and cheap houses, was not adequately considered at all?—I think it certainly was not adequately considered, but whether there will not be further progress in this matter, startling progress, I am not at all convinced.

5747. But ventilation and sanitary provisions are enforced now as they never were?—Certainly they are in many cases.

5748. And, in future, we may look for improvement, although we need not look for absolute revulsion of feeling?—Certainly.

Adjourned *sine die*.

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APPENDIX.

PART I.

PAPERS handed in by WITNESSES.

APPENDIX, No. 1.

PAPER handed in by Mr. Kershaw, 8 April.

I.

List of the principal objects for which the Local Government Board sanction loans, with the periods usually allowed for repayment.

Baths—	
Swimming baths - - - - -	30 years.
Turkish and slipper baths - - - - -	20 years.
Boats—	
Steam launches, ferry boats, barges for removal of refuse, &c. - - - - -	10-15 years.
Bridges—	
Substantial or stone - - - - -	30 years.
Of lighter construction - - - - -	15-20 years.
Buildings—	
Houses for working classes - - - - -	40 years.
Other stone or brick buildings - - - - -	30 years.
Sheds and shelters - - - - -	10-20 years.
Furniture, fittings and equipment - - - - -	5-15 years.
Carts and vans - - - - -	10 years.
Clocks (public) - - - - -	10 years.
Conveniences—	
Underground or brick structures - - - - -	30 years.
Iron or other urinals - - - - -	10-20 years.
Culverting watercourses - - - - -	30 years.
Costs of Local Acts and of promoting or opposing Provisional Orders - - - - -	5 years.
Disinfecting apparatus (apart from building) - - - - -	10 years.
Electric Lighting—	
First installation - - - - -	25 years.

For additional works after the undertaking is established the following periods are given :

Cables - - - - -	30 years
Transformers (other than motor transformers) - - - - -	30 years.
Switches and switch boards - - - - -	30 years.
Dynamos - - - - -	20 years.
Motor transformers and instruments - - - - -	15 years.
Accumulators and arc lamps - - - - -	10 years.

Electric Lighting of Large Public Buildings.

With complete installation in separate buildings - - - - -	25 years.
Without generating plant - - - - -	10 years.
Esplanade (Marine) - - - - -	20-30 years.
Fencing - - - - -	10-20 years.
Fire Brigade purposes—	
Engines - - - - -	10 years.
Escape, ladder, &c. - - - - -	10 years.
Telephonic communications for fire extinguishing purposes, alarms, call bells, &c. - - - - -	10 years.

Gas, purchase of existing undertaking, up to 30 years—	
Gasometers -	30 years.
Tanks -	30 years.
Hydraulic Mains -	30 years.
Condensers -	30 years.
Scrubbers -	30 years.
Mains -	30 years.
Governors -	30 years.
Coke stage -	30 years.
Tar well -	30 years.
Purifiers (boxes and covers) -	20 years.
Exhausters -	20 years.
Station meters -	20 years.
Washers -	20 years.
Sulphate plant -	15 years.
Benches -	15 years.
Photometer -	15 years.
Testing appliances -	10 years.
Stoking machinery -	10 years.
Meters -	10 years.
Cooking stoves (for hire) -	10 years.
Lamps and columns -	10 years.
Working capital -	10 years.
Retorts -	2 years.
Heating Apparatus—	
Baths -	10 years.
In other cases, where cost is proportionately small, allowed as part of building.	
Horses and Harness -	5 years.
Hospital—	
Ambulance and vans -	10 years.
Floating Hospital -	20 years.
Hydrants -	20 years.
Land—	
Purchase -	60 years where Act allows.
Easements -	Period of works for which the easements are required.
Laying out, planting, path-making, &c. (e.g., in connection with allotments, cemeteries, and pleasure grounds) -	
	20 years.
Library—	
Books -	5 years.
Lighting Streets—	
Lamps and pillars of all kinds -	10 years.
Incandescent gas burners and fittings -	5 years.
Machinery -	
In exceptional cases of heavy and durable machinery -	10-15 years.
	20 years.
Markets—	
Purchase of rights -	60 years where Act allows.
Pens, paving -	20 years.
Brick stalls -	30 years.
Pleasure grounds and open spaces—	
Artificial lake -	30 years.
Greenhouse -	Up to 20 years.
Seats, swings, and gymnastic appliances -	10 years.
Private street improvement—	
The period allowed corresponds to that which the local authority allow the owners for repayment, but it does not generally exceed -	7 years.
Refuse destructor (apart from the building) -	7 years.
River walls (according to situation, &c.) -	20-30 years.
Sea defences—	
Groynes (concrete) -	20 years.
" (timber) -	10 years.
Sea walls -	20 years.
Sewerage and sewage disposal—	
Sewers and surface water drains and ordinary works of sewage disposal, such as tanks, filters, &c. -	30 years.
Sewage lifts -	30 years.
Shone's ejectors -	15 years.
Polarite -	10 years.
Sludge presses -	10 years.
Farm stock -	5-10 years.
Steam rollers, stone crushers and scarifiers -	10 years.

Streets (new)—	
First formation -	20 years.
Street improvements—	
Excavation and filling -	30 years.
Concrete foundations -	20 years.
Granite paving -	20 years.
Wood paving (hard) -	Up to 10 years.
Wood paving (soft) -	Up to 5 years.
Sanitary block or asphalt paving -	10 years.
Macadam -	5 years.
Kerbing and channelling -	15-20 years.
Trees on roads -	10 years.
Footways—	
Ashes -	5 years.
Gravel -	5 years.
Tar -	10 years.
Asphalt -	10 years.
Concrete slabs (made under pressure) -	20 years.
Concrete laid in situ (with wood fillets) -	15 years.
Concrete laid in situ (without wood fillets) -	10 years.
Brick -	10 years.
Blue brick (ordinary) -	15 years.
Blue brick (best) -	20 years.
York flagging -	20 years.
Cheap artificial stone -	15 years.
Superior artificial stone -	20 years.
(Victoria, Granolithic, Imperial, &c.)	
Subways -	30 years.
* Telephones (complete service) -	25 years.
Water supply—	
Mains and Pipes -	30 years.
Reservoirs -	30 years.
Water towers -	30 years.
Experimental works (boring) -	5 years.*
Waste water meters -	10 years.
Purchase of existing undertaking -	Up to 30 years.
Weighing machine -	10 years.

* Period subsequently increased to 30 years, as regards outstanding balance of loan, in the event of an adequate supply of suitable water being obtained.

The following is an example of an equated period for a loan for gasworks purposes :—

Description of Work.	Estimated Cost.	Usual Term.	
	£.		£
Buildings -	2,500	× 30 years	= 75,000
Mains -	1,245	× 30 years	= 37,350
Gasometer -	1,500	× 30 years	= 45,000
Condensers -	530	× 30 years	= 15,900
Purifiers -	1,000	× 20 years	= 20,000
Benches -	1,200	× 15 years	= 18,000
Meters -	530	× 10 years	= 5,300
Retorts -	600	× 2 years	= 1,200
Total -	£. 9,105	- divided into -	217,750 = 23.9 years.

The period allowed would accordingly be 24 years.

II.

STATEMENT showing the Increase of the Local Debt of England and Wales for each year from 1874-75 to 1899-1900.

Year.	Amount of Loans outstanding.	Year.	Amount of Loans outstanding.
	£.		£.
1874-75 - - - -	92,820,100	1887-88 - - - -	192,222,099
1875-76 - - - -	99,407,540	1888-89 - - - -	195,442,397
1876-77 - - - -	106,045,465	1889-90 - - - -	198,671,312
1877-78 - - - -	114,412,201	1890-91 - - - -	201,215,458
1878-79 - - - -	128,189,589	1891-92 - - - -	207,524,093
1879-80 - - - -	136,934,070	1892-93 - - - -	215,343,545
1880-81 - - - -	144,203,299	1893-94 - - - -	224,158,370
1881-82 - - - -	151,704,640	1894-95 - - - -	235,335,049
1882-83 - - - -	159,255,776	1895-96 - - - -	243,209,862
1883-84 - - - -	164,847,463	1896-97 - - - -	252,135,574
1884-85 - - - -	173,207,968	1897-98 - - - -	262,017,152
1885-86 - - - -	181,488,720	1898-99 - - - -	276,229,048
1886-87 - - - -	186,821,642	1899-1900 - - -	293,839,738

III.

STATEMENT relating to the Loans (amounting to 2,617,467*l.*) sanctioned by the Board to Local Authorities in 1880 under Local Acts, the Sanitary Acts, and the Public Health Act, 1875, and for the repayment of which periods were fixed by the Board.

(The table is based on the assumption that all the loans were raised at the end of the year in question.)

Periods.	Interest Payable Annually (3 per cent.).		Annual S. F. Charges (3 per cent.).		Total Annual Charges.		Amount now Outstanding.
	1881.	1901.	1881.	1901.	1881.	1901.	
	£.	£.	£.	£.	£.	£.	£.
A.—Periods actually allowed -	78,524	65,178	71,854	34,066	150,378	99,244	798,566
B.—If 60 years had been allowed in all cases where a period of 30 years or more was actually allowed - - - -	78,524	65,178	51,113	13,325	129,637	78,503	1,814,577

It will thus be seen that the annual charge would have been from 14 per cent. to 21 per cent. less if B. had been the case instead of A., but that the outstanding debt would now have been greater by more than 127 per cent.

IV.

TABLE showing particulars as to Loan of 250,000*l.* at 3 per cent., repayable at periods of 30, 40, 50, 60, 80 or 100 years.

Period.	Annual Payment of Principal and Interest.*	Total Amount of Interest paid at end of Period.*
	£.	£.
30 years - - - -	12,754	132,644
40 years - - - -	10,815	182,623
50 years - - - -	9,716	235,818
60 years - - - -	9,033	291,994
80 years - - - -	8,277	412,235
100 years - - - -	7,911	541,166

* Omitting fractions of a pound.

V.

STATEMENT showing the Annual Sum required to repay with Interest a Loan of 10,000*l.* borrowed at 3 per cent per annum for various periods not exceeding 60 years.

Period for which Loan is borrowed.	Annual Instalment of Principal and Interest.
	£.
10 years - - - -	1,172
20 years - - - -	672
30 years - - - -	510
40 years - - - -	433
50 years - - - -	389
60 years - - - -	361

APPENDIX, No. 1A.

PAPER handed in by Mr. Kershaw, 8 April 1902.

SYNOPSIS OF PROVISIONS RELATING TO BORROWING POWERS
OF THE LOCAL GOVERNMENT BOARD

LOANS TO

Purposes of Loans.*	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
PURPOSES OF LOCAL GOVERNMENT ACT, 1888, <i>e.g.</i> :— Advances in aid of emigration, &c. ; †Bridges ; County Buildings ; Court Houses, &c. ; Industrial and Reformatory Schools ; Main Roads ; †Police Stations, &c. ; Weights and Measures Offices ; and any other purposes in respect of which powers have been transferred to or conferred upon the County Council by the Local Government Act, 1888.	Local Government Act, 1888, s. 69 (1). [As regards Bridges and Roads, see also Highways and Bridges Act, 1891, s. 3.]	30 years - - - - - Local Government Act, 1888, s. 69 (5).
ALLOTMENTS [on default of District Council.]	Allotments Act, 1890, s. 4 (a), (b) applying— Allotments Act, 1887, s. 10 (4), (5). which incorporates— Public Health Act, 1875, ss. 233, 234.	60 years - - - - - Public Health Act, 1875, s. 234 (4).
INEBRIATES' REFORMATORIES - - -	Local Government Act, 1888, s. 69 (1) (b) (c).	30 years - - - - - Local Government Act, 1888, s. 69 (5).
ISOLATION HOSPITALS - - -	Isolation Hospitals Act, 1893, s. 22 - applying— Local Government Act, 1888, s. 69. See also Isolation Hospitals Act, 1901, s. 2 (2).	Ditto - - ditto

* The purposes mentioned do not include loans required for adjustments under Section 62 of the Local Government Act, 1888, or loans under Section 42 of the Diseases of Animals Act, 1894. The jurisdiction of the Local Government Board in these cases is limited to fixing or extending the period for repayment

APPENDIX, No. 1A.

PAPER handed in by Mr. Kershaw, 8 April 1902.

EXERCISABLE BY LOCAL AUTHORITIES WITH THE SANCTION
UNDER PUBLIC GENERAL ACTS.

COUNTY COUNCILS.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed, together with total debt of County Council after deducting the amount of any sinking fund, must not exceed one-tenth of rateable value of County, except in pursuance of a Provisional Order of Local Government Board. Local Government Act, 1888, s. 69 (2).	County Fund - - - - - Local Government Act, 1888, s. 68.	County Fund and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1).
Sum borrowed must not at any time exceed, with the balances of all the outstanding loans contracted by the Local Authority under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the district. Public Health Act, 1875, s. 234 (2).	County Fund (as for general purposes) subject to repayment of expenses by District Council, so far as not defrayed out of moneys received in respect of land acquired under the Act or out of money borrowed. Allotments Act, 1890, s. 6 (1). See also s. 6 (2).	Rate on security of which District Council might have borrowed under Allotments Act, 1887. Allotments Act, 1890, s. 4 (b).
Sum borrowed, together with total debt of County Council, after deducting the amount of any sinking fund, must not exceed one-tenth of rateable value of County, except in pursuance of a Provisional Order of Local Government Board. Local Government Act, 1888, s. 69 (2).	County Fund - - - - - Local Government Act, 1888, s. 68. See also Inebriates Act, 1898, s. 9.	County Fund and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1).
Ditto - ditto - - - - -	All expenses, except patients' expenses, and special patients' expenses, to be defrayed (when hospital district consists of a single Urban District, Rural District or contributory place) out of rate from which expenses incurred in execution of Public Health Acts are directed to be paid, the expenses in the case of a contributory place being deemed to be special expenses. Where hospital district consists of more than one Urban District, Rural District or contributory place, expenses to be paid out of common fund to which the Local Authorities in the hospital district are to contribute in proportions to be determined by County Council. For this purpose Section 284 of Public Health Act, 1875, is to apply as if Hospital Committee were a Joint Board under that Act. Isolation Hospitals Act, 1893, ss. 18 & 26. County Council may contribute to expenses from County Rate, s. 21 of Act.	County Rate. Isolation Hospitals Act, 1893, s. 22.

† It is the practice in these cases to sanction the loans under the Local Government Act, 1888, and not under the earlier Statutes, which are specially applicable, but which limit the period for repayment to a shorter term.

Loans to County

Purposes of Loans.*	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
LUNATIC ASYLUMS - - - -	Lunacy Act, 1890, ss. 240, 274 (1) - applying— Local Government Act, 1888, s. 69.	30 years - - - - - Local Government Act, 1888, s. 69 (5).
MILITARY LANDS, PURCHASE OF, UNDER MILITARY LANDS ACT, 1892.	Local Government Act, 1888, s. 69 (1) (b).	Ditto - - ditto - - - -
OPEN SPACES - - - - - [See Commons Act, 1899, s. 17 (4).]	Local Government Act, 1888, s. 69 (1) (b), (c).	Ditto - - ditto - - - -
SMALL DWELLINGS, ACQUISITION OF [Powers, &c., exercisable over areas outside jurisdiction of other "local authorities" under the Small Dwellings Acquisition Act, 1899. See s. 9 (2).]	Small Dwellings Acquisition Act, 1899, s. 9 (1), (5). applying— Local Government Act, 1888, s. 69.	Ditto - - ditto - - - -
SMALL HOLDINGS - - - -	Small Holdings Act, 1892, s. 19 (1) - applying— Local Government Act, 1888, s. 69.	50 years - - - - - Small Holdings Act, 1892, s. 19 (1).
TECHNICAL INSTRUCTION - -	Technical Instruction Act, 1889, s. 4 (1), (4) (a). applying— Local Government Act, 1888, s. 69. See also Technical Instruction Act, 1891, and Technical and In- dustrial Institutions Act, 1892.	30 years - - - - - Local Government Act, 1888, s. 69 (5).
WEIGHING MACHINES FOR LOCO- MOTIVES.	Local Government Act, 1888, s. 69 (1) (c). See Locomotives Act, 1898, s. 4 (1).	Ditto - - ditto - - - -

* See note on page 264.

Councils—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed, together with total debt of County Council after deducting the amount of any sinking fund, must not exceed one-tenth of rateable value of County, except in pursuance of Provisional Order of the Local Government Board. Local Government Act, 1888, s. 69 (2).	County Fund - - - - - Lunacy Act, 1890, s. 273.	County Fund and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1). And see Lunacy Act, 1890, s. 274 (1).
Ditto - - ditto - - - -	County Fund - - - - - Military Lands Act, 1892, s. 4.	County Fund and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1).
Ditto - - ditto - - - -	County Fund - - - - - Commons Act, 1899, s. 17 (4). Local Government Act, 1888, s. 68.	Ditto - - ditto.
None - - - - - Small Dwellings Acquisition Act, 1899, s. 9 (6). [But see next column as to limitation of rate.]	County Rate, but no sum to be raised in any Urban or Rural District the Council of which becomes a Local Authority for purposes of Act. Small Dwellings Acquisition Act, 1899, s. 9 (3). (But if in any local financial year the expenses not reimbursed by receipts under Act exceed a sum equal to 1d. in the £ on the rateable value of the County after deducting the rateable value of any Urban or Rural District the Council of which have become the Local Authority under the Act, no further advance shall be made till five years after end of that financial year, and then not unless and until such expenses fall below that sum, see s. 9 (4) of Act).	County Fund, and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1).
None - - - - - Small Holdings Act, 1892, s. 19 (1). [But see next column as to limitation of rate.]	County Fund - - - - - Local Government Act, 1888, s. 68. The County Council may not take proceedings whereby the charge for the time being on the County Rate for purposes of the Small Holdings Act is, in the opinion of the Council, likely to exceed in any one year the amount produced by a rate of 1d. in the £. Small Holdings Act, 1892, s. 18 (2).	County Fund and any revenues of County Council, or either such fund or revenues, or any part of the revenues. Local Government Act, 1888, s. 69 (1).
Sum borrowed, together with total debt of County Council after deducting the amount of any sinking fund, must not exceed one-tenth of rateable value of County, except in pursuance of a Provisional Order of the Local Government Board. Local Government Act, 1888, s. 69 (2). [See also next column as to limitation of rate.]	County Fund - - - - - Technical Instruction Act, 1889, ss. 1 (1), 4 (2) (a). The amount of the rate to be raised in any one year for purposes of Act not to exceed 1d. in the £,—see s. 1 (1) (g) of Act.	Ditto - - ditto.
Ditto - - ditto - - - -	County Fund - - - - - Local Government Act, 1888, s. 68.	Ditto - - ditto.

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LOANS TO TOWN COUNCILS.

(Acting as Municipal Authorities).

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
PURPOSES OF MUNICIPAL CORPORATIONS ACT, 1882, <i>e.g.</i> :— Assize Court Houses ; Council Houses ; Improvement of Corporate Property ; Judges' Lodgings ; Justices' Rooms ; Land, purchase of ; Police Stations, Lock-ups, &c. ; Polling Stations ; Quarter and Petty Sessions Houses ; Town Halls ; or any other buildings necessary or proper for any purpose of the borough. [See also under "Bridges" and "Workmen's Dwellings".]	Municipal Corporations Act, 1882, ss. 105, 106, 109, 112. Local Government Act, 1888, s. 72.	30 years Municipal Corporations Act, 1882, s. 112.
BRIDGES - - - - -	Municipal Corporations Act, 1882, s. 119 (4). Local Government Act, 1888, s. 72.	Ditto - - ditto - - - - -
INEBRIATES' REFORMATORIES - - - - -	Inebriates Act, 1898, s. 9 (2) - - - applying— Municipal Corporations Act, 1882, ss. 106, 112. Local Government Act, 1888, s. 72.	Ditto - - ditto - - - - -
LUNATIC ASYLUMS - - - - - [Councils of County Boroughs and Boroughs being Local Authorities for purposes of Lunacy Acts.]	Lunacy Act, 1890, ss. 240, 274 (1) - applying— Municipal Corporations Act, 1882, ss. 106, 112. Local Government Act, 1888, s. 72.	Ditto - - ditto - - - - -
SMALL DWELLINGS, ACQUISITION OF [Councils of County Boroughs only.—Small Dwellings Acquisition Act, 1899, s. 9 (1).] [See also statement as regards Loans to Town Councils (acting as Sanitary Authorities), &c.]	Small Dwellings Acquisition Act, 1899, s. 9 (1), (5). applying— Municipal Corporations Act, 1882, ss. 106, 112. Local Government Act, 1888, s. 72.	Ditto - - ditto - - - - -
TECHNICAL INSTRUCTION - - - - -	Technical Instruction Act, 1889, s. 4, (1), (4), (6). applying— Municipal Corporations Act, 1882, ss. 106, 112. Local Government Act, 1888, s. 72. [See also Technical Instruction Act, 1891, and Technical and Industrial Institutions Act, 1892.]	Ditto - - ditto - - - - -
WORKMEN'S DWELLINGS, CONVERSION OF CORPORATE LAND INTO SITES FOR.	Municipal Corporations Act, 1882, ss. 106, 111 (2), (3), 112. Local Government Act, 1888, s. 72.	Ditto - - ditto - - - - -

LOANS TO TOWN COUNCILS.

(Acting as Municipal Authorities).

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
None - - - - -	Borough Fund or Borough Rate - Municipal Corporations Act, 1882, ss. 140 (1), 144 (1), (2), 149, and Schedule V.	Any corporate land, or the land proposed to be purchased, the Borough Fund or the Borough Rate, or all or any of those securities. Municipal Corporations Act, 1882, ss. 106, 109.
Ditto - - ditto - - - - -	Borough Fund or Borough Rate - Municipal Corporations Act, 1882, s. 119 (3).	Borough Fund or Borough Rate. Municipal Corporations Act, 1882, s. 119 (3), (4).
Ditto - - ditto - - - - -	Borough Fund or Borough Rate - Municipal Corporations Act, 1882, ss. 140 (1), 144 (1), (2), 149, and Schedule V.	Any corporate land or the land proposed to be purchased, the Borough Fund or the Borough Rate, or all or any of those securities. Municipal Corporations Act, 1882, s. 106.
Ditto - - ditto - - - - -	Borough Fund - Lunacy Act, 1890, s. 273.	Borough Fund and any Revenue of the Council, or on either such fund or revenues, or any part of the revenues. Lunacy Act, 1890, s. 274 (1).
Ditto - - ditto - - - - - [But see next column as to limitation of rate].	Borough Fund or Borough Rate - Small Dwellings Acquisition Act, 1899, s. 9 (3). (But if in any local financial year the expenses not reimbursed by receipts under the Act exceed a sum equal to 1d. in the £ on the rateable value of the County Borough, no further advance shall be made till five years after end of that financial year, and then not unless and until such expenses fall below that sum. See s. 9 (4) of Act).	Corporate land, or the land proposed to be purchased, the Borough Fund, or the Borough Rate, or all or any of those securities. Municipal Corporations Act, 1882, s. 106.
Ditto - - ditto - - - - - [But see next column as to limitation of rate].	Borough Fund or Borough Rate - Technical Instruction Act, 1889 ss. 1 (1), 4 (2) (6). The amount of the rate to be raised in any one year not to exceed 1d. in the £. See s. 1 (1) (g) of Act.	Ditto - - ditto.
Ditto - - ditto - - - - -	Borough Fund and Borough Rate - Municipal Corporations Act, 1882, s. 111 (5).	Ditto - - ditto.

LOANS TO TOWN COUNCILS (acting as Sanitary

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated).
PURPOSES OF PUBLIC HEALTH ACT, 1875, PUBLIC HEALTH ACTS AMENDMENT ACT, 1890, AND OTHER OF THE PUBLIC HEALTH ACTS NOT SPECIFICALLY REFERRED TO BELOW, <i>e.g.</i> :— Ambulances ; Bridges ; Cabmen's Shelters ; Costs of Provisional Orders ; Depôts ; Disinfectors ; Esplanades ; Fire Brigade purposes ; Hospitals ; Markets ; Mortuaries ; Offices ; Post-mortem Rooms ; Private Street Improvements ; Public Conveniences ; Public Clocks ; Public Lighting ; Public Walks and Pleasure Grounds. Public Street Improvements ; Refuse Destructor ; Refuse Tips ; Scavenging ; Sea Defences ; Sewerage and Sewage Disposal ; Slaughterhouses ; Water Supply.	Public Health Act, 1875, s. 233	60 years Public Health Act, 1875, s. 234 (4).

Note.—Under Section 33 of the Local Government Act, 1894, the Board are empowered, on the application of conferring on that council any powers, duties, or liabilities of a parish council, and applying, with the necessary where necessary, in such order to the effect that the purposes to which the order relates shall be deemed to be shall be defrayed in the same way as expenses under the last-mentioned Act.

ALLOTMENTS	Allotments Act, 1887, ss. 10 (4), (5), 17. applying— Public Health Act, 1875, ss. 233, 234	60 years Public Health Act, 1875, s. 234 (4).
BATHS AND WASHHOUSES [after adoption of Baths and Wash-houses Acts].	Public Health Act, 1875, ss. 233, 234. as made applicable by— Public Health Act, 1875, s. 10.	Ditto - - ditto
CEMETERIES	Public Health (Interments) Act, 1879, s. 2 (1). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto

Authorities) AND URBAN DISTRICT COUNCILS.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the borough or district. Public Health Act, 1875, s. 234 (2).	District Fund and General District Rate, with certain exceptions in special cases. Public Health Act, 1875, ss. 207, 208, 213, 216.	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. <i>See s. 233 of that Act.</i>
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the borough or district. Public Health Act, 1875, s. 234 (2).	To be defrayed (after deduction of sums received in respect of land acquired under the Act, otherwise than from sale or exchange) as part of general expenses of execution of Public Health Act, 1875. Allotments Act, 1887, s. 10 (1) (a), 3.	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. <i>See s. 233 of that Act.</i>
Ditto - ditto - -	District Fund and General District Rate, with certain exceptions in special cases. Public Health Act, 1875, ss. 10, 207, 208.	Ditto - - ditto.
Ditto - ditto - -	District Fund and General District Rate, with certain exceptions in special cases. Public Health Act, 1875, ss. 207, 208.	Ditto dit

the Council of any municipal borough, including a county borough, or or any other urban district, to make an order modifications, the provisions of that Act with reference thereto. It is the Board's practice to insert a provision purposes of the Public Health Act, 1875, and that expenses incurred in executing the powers thereby conferred

LOANS TO TOWN COUNCILS (acting as Sanitary

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
COMMONS, SCHEMES FOR DRAINAGE, LEVELLING AND IMPROVEMENTS OF.	Commons Act, 1899, s. 11 (3) applying— Public Health Act, 1875, ss. 233, 234.	60 years. Public Health Act, 1875, s. 234 (4.) -
ELECTRIC LIGHTING [Local Authorities authorised to supply electricity under Electric Lighting Act, 1882, s. 2.]	Electric Lighting Act, 1882, ss. 8, 31, and Schedule. applying— Public Health Act, 1875, ss. 233, 234.	Ditto ditto - -
HIGHWAYS AND BRIDGES ACT, 1891, PURPOSES OF.	Highways and Bridges Act, 1891, s. 3 applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HOUSING OF THE WORKING CLASSES ACT, 1890, PURPOSES OF PART I.	Housing of the Working Classes Act, 1890, s. 25 (1) (4), 92, and Schedule I. applying— Public Health Act, 1875, ss. 233, 234.	Ditto ditto - -
HOUSING OF THE WORKING CLASSES ACT, 1890, PURPOSES OF PART II.	Housing of the Working Classes Act, 1890, ss. 43, (1), 92, and Schedule I., and Housing of the Working Classes Act, 1894, s. 1. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HOUSING OF THE WORKING CLASSES ACT, 1890, PURPOSES OF PART III. WHEN ADOPTED,—see s. 56 OF ACT.	Housing of the Working Classes Act, 1890, ss. 66, 92, and Schedule I. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
MILITARY PURPOSES, PURCHASE OF LAND FOR. [Town Councils only.]	Military Lands Act, 1892, s. 6 - applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
MUSEUMS AND GYMNASIUMS - [Where Museums and Gymnasiums Act, 1891, has been adopted—see s. 3 of Act.]	Museums and Gymnasiums Act, 1891, ss. 10 (3), 14. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
OPEN SPACES - - - -	Open Spaces Act, 1887, ss. 1, 8 (1) - applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -

Authorities) AND URBAN DISTRICT COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the borough or district. Public Health Act, 1875, s. 234 (2).	To be treated as expenses incurred in executing powers of Public Health Acts. Commons Act, 1899, s. 11 (2).	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See s. 233 of that Act.
Ditto - - ditto - -	The fund or rate applicable to general purposes of the Public Health Act, 1875, in the district, or any other fund or rate applicable to lighting under any local Act. Electric Lighting Act, 1882, s. 7 and Schedule.	The funds or rates referred to in previous column, and any property of the local authority. Electric Lighting Act, 1882, s. 8 and Schedule.
Ditto - - ditto - -	General District Rate or Highway Rate, as determined by Public Health Act, 1875, s. 216, made applicable by Highways and Bridges Act, 1891, s. 3.	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See s. 233 of that Act.
Ditto - - ditto - -	Dwelling-House Improvement Fund (to be formed by receipts under Act) and the rate out of which the general expenses of the execution of the Public Health Acts are defrayed. Housing of the Working Classes Act, 1890, ss. 24 and 92 and Schedule I.	Ditto - - ditto.
Ditto - - ditto - -	Rate out of which the general expenses of the execution of the Public Health Acts are defrayed. Housing of the Working Classes Act, 1890, ss. 42 (1), and 92, and Schedule I., and Housing of the Working Classes Act, 1894, s. 1.	Ditto - - ditto.
Ditto - - ditto - -	Rate out of which the general expenses of the execution of the Public Health Acts are defrayed. Housing of the Working Classes Act, 1890, ss. 65 (ii) and 92, and Schedule I.	Ditto - - ditto.
Ditto - - ditto - -	Borough Fund or Borough Rate - Military Lands Act, 1892, s. 4 -	Borough Fund or Borough Rate. Military Lands Act, 1892, s. 6.
Ditto - - ditto - - [But see next column as to limitation of rate.]	So far as not defrayed from fees and other money received under the Act, to be defrayed as part of general expenses of execution of Public Health Acts. Museums and Gymnasiums Act, 1891, s. 10 (1), (2). Amount expended in any year not to exceed sum produced by rate of $\frac{1}{4}d.$ in the £. for gymnasium and $\frac{1}{2}d.$ in the £. for museum; see s. 10 (5) of Act.	Any fund or all or any rates or rate out of which the authority are authorised to defray the expenses incurred in the execution of the Public Health Act, 1875. See Section 233 of that Act.
Ditto - - ditto - -	District Fund and General District Rate, with certain exceptions in special cases. Public Health Act, 1875, ss. 207, 208.	Ditto - - ditto

LOANS TO TOWN COUNCILS (acting as Sanitary

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitation as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
PRIVATE STREET WORKS [under Private Street Works Act, 1892].	Private Street Works Act, 1892, s. 18 applying— Public Health Act, 1875, ss. 233, 234.	60 years Public Health Act, 1875, s. 234 (4).
PUBLIC LIBRARIES, PUBLIC MUSEUMS, SCHOOLS FOR SCIENCE, ART GALLERIES, AND SCHOOLS FOR ART. [Where Public Libraries Acts have been adopted. Public Libraries Act, 1892, ss. 1, 3, and Public Libraries (Amendment) Act, 1893, ss. 2 and 3.]	Public Libraries Act, 1892, ss. 4, 19, 27. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - - ditto
SMALL DWELLINGS (ACQUISITION OF). [Councils of Urban Districts other than County Boroughs who have passed resolutions undertaking to act under the Act, subject to consent of County Council in the case of the council of a district containing according to last census for the time being a population of less than 10,000. Small Dwellings Acquisition Act, 1899, s. 9 (1).]	Small Dwellings Acquisition Act, 1899, s. 9 (1), (5). applying— Public Health Act, 1875, ss. 233, 234	Ditto - - - ditto
SMALL HOLDINGS [Councils of County Boroughs only.]	Small Holdings Act, 1892, ss. 19 (1), 20. applying— Public Health Act, 1875, ss. 233, 234	50 years Small Holdings Act, 1892, s. 19 (1)
TECHNICAL INSTRUCTION [Urban District Councils other than Town Councils.]	Technical Instruction Act, 1889, s. 4 (1), (4) (c). applying— Public Health Act, 1875, ss. 233, 234. [See also Technical Instruction Act, 1891, and Technical and Industrial Institutions Act, 1892.]	60 years Public Health Act, 1875, s. 234 (4).
TELEPHONE SERVICES, MUNICIPAL [Where licence has been obtained.]	Telegraph Act, 1899, s. 2 (1). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - - ditto
WEIGHING MACHINES FOR LOCOMOTIVES.	Locomotives Act, 1898 s. 4 (3). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - - ditto

Authorities) AND URBAN DISTRICT COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the borough or district. Public Health Act, 1875, s. 234 (2). Ditto - - - ditto - - - [But see next column as to limitation of rate.]	Expenses payable by local authority to be defrayed as part of expenses incurred in execution of Public Health Acts. Private Street Works Act, 1892, s. 23. [See also Private Street Works Act, 1892, s. 15, as to contribution by urban authority to expenses.] If a borough.—Borough Fund or Borough Rate, or separate rate to be made, assessed and levied in like manner as Borough Rate. If an urban district other than a borough.—Rate applicable to general expenses incurred in execution of Public Health Acts, or separate rate to be made, assessed, and levied in like manner as the rate so applicable. Public Libraries Act, 1892, s. 18 (1), (a), (b). Rate not to be levied for purposes of Public Libraries Act, 1892, for any one year, to an amount exceeding 1d. in the £. See s. 2 (1) of Act. Any fund or rate applicable to general purposes of Public Health Acts. Small Dwellings Acquisition Act, 1899, s. 9 (3). But if in any local financial year the expenses not reimbursed by receipts under the Act exceed a sum equal to a 1d. in the £ on the rateable value of the district, no further advance shall be made till five years after end of that financial year, and then not unless and until such expenses fall below that sum. See s. 9 (4) of Act.	District Fund and General District Rates or other rate out of which general expenses incurred in executing the Public Health Act, 1875, are payable. Private Street Works Act, 1892, s. 18. Fund or rate applicable for purposes of Act. Public Libraries Act, 1892, s. 19 (1). Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See section 233 of that Act.
None. Small Dwellings Acquisition Act, 1899, s. 9 (6). [But see next column as to limitation of rate.]	Any fund or rate applicable to general purposes of Public Health Acts. Small Dwellings Acquisition Act, 1899, s. 9 (3). But if in any local financial year the expenses not reimbursed by receipts under the Act exceed a sum equal to a 1d. in the £ on the rateable value of the district, no further advance shall be made till five years after end of that financial year, and then not unless and until such expenses fall below that sum. See s. 9 (4) of Act.	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See section 233 of that Act.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the borough or district. Public Health Act, 1875, s. 234 (2). Ditto - - - ditto - - - [But see next column as to limitation of rate.]	Borough Fund or Borough Rate Small Holdings Act, 1892, s. 19 (5). District Fund and General District Rate, or other fund or rate applicable to the general purposes of Public Health Acts. Technical Instruction Act, 1889, ss. 1 (1), 4 (2) (c). The amount of the rate to be raised in any one year not to exceed 1d. in the £. See sec. 1 (11) (g) of Act.	Borough Fund or Borough Rate. Small Holdings Act, 1892, s. 19 (5). Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See s. 233 of that Act.
Ditto - - - ditto - - -	If a borough.—Borough Fund or Borough Rate. If an urban district other than a borough.—Rate out of which general expenses incurred in the execution of Public Health Acts are defrayed. Telegraph Act, 1899, s. 2 (1).	If a borough.—Borough Fund or Borough Rate. If an urban district other than a borough.—Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See s. 233 of that Act. Telegraph Act, 1899, s. 2 (1).
Ditto - - - ditto - - -	No express provision	Any fund or all or any rates or rate out of which the authority are authorised to defray expenses incurred in the execution of the Public Health Act, 1875. See s. 233 of that Act.

LOANS TO PORT

The Local Government Board may by Order (Provisional in the event of objection being made by a specified in Section 287 of the Public Health Act, 1875. Such authorities have for the purposes of their Act) as are conferred on urban and rural authorities by the Act, and are subject to the like restrictions [sec. 244 of the Local Authority, whether a Port Authority or a Contributory Riparian Authority, in the administration of &c.) Act, 1885, s. 3.]

LOANS TO

United Districts for any of the purposes of the Public Health Act, 1875, may be formed by Provisional Order such United Districts have, for the purposes of their constitution, like powers of borrowing (on the credit of any Act) and are subject to the like restrictions. The expenses of the Joint Board, unless otherwise determined by contributory places in proportion to the rateable value of the property in each district or contributory place authorities for other purposes of the Act [ss. 207 and 229].

LOANS TO RURAL

Purposes of Loans.	Enactments conferring borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated).
PURPOSES OF PUBLIC HEALTH ACT, 1875, and PUBLIC HEALTH ACTS AMENDMENT ACT, 1890, <i>e.g.</i> :— Ambulances ; Hospitals ; Mortuaries ; Post-mortem rooms ; Scavenging ; Sewerage and Sewage Disposal ; Water Supply.	Public Health Act, 1875, s. 233	60 years. Public Health Act, 1875, s. 234 (4)
ALLOTMENTS	Allotments Act, 1887, ss. 10 (4), (5), 17. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
CEMETERIES	Public Health (Interments) Act, 1879, s. 2 (1). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -

SANITARY AUTHORITIES.

contributory authority) permanently constitute a Port Sanitary Authority in one of several different ways constitution like powers of borrowing (on the credit of any fund or rate applicable by them to purposes of the Act). Expenses are to be defrayed out of the fund or rate or rates applicable to the payment of the expenses of the Public Health Act, 1875. [Public Health Act, 1875, ss. 287, 283, 293, 207 and 229, and Public Health (Ships,

JOINT BOARDS.

of the Local Government Board under Section 279 of the Act. Under Section 244 of the Act, Joint Boards for fund or rate applicable by them to purposes of the Act) as are conferred on urban and rural authorities by the the Provisional Order, are to be defrayed out of a common fund to be contributed by the component districts or [s. 283 of Act]. Such contributions will be raised in like manner as expenses incurred by each of the constituent

DISTRICT COUNCILS.

Limitations as regards Amount to be borrowed.	Fund or Rate out of which Expenses are to be defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within (a) the contributory place in question ; or (b) the district, if general expenses. Public Health Act, 1875, s. 234 (2).	If general expenses, out of common fund to be raised out of the poor rate of the parishes in the district according to the rateable value of each contributory place. Public Health Act, 1875, s. 229. If special expenses, by means of a special rate levied by the overseers of the contributory place in the same manner as the poor rate, save that tithes, agricultural land, woodlands, orchards, allotments, market gardens or nursery grounds, land covered with water, canals, and railways are only to be assessed on one-fourth of the rateable value or to be charged with one-fourth of the rate payable in respect of houses and other property. If, however, the amount required by any precept or precepts from any contributory place in respect of special expenses is less than 10 <i>l.</i> , or necessitates a rate of less than 1 <i>d.</i> in the <i>£</i> , the amount is to be paid as if it were required in respect of general expenses. Public Health Act, 1875, ss. 229 and 230. [As to the distinction between general and special expenses, see Section 229 of Public Health Act, 1875.]	If general expenses, on credit of common fund out of which such expenses are payable. If special expenses, on credit of any rate or rates out of which such expenses are payable. Public Health Act, 1875, s. 233.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the contributory place in question. Public Health Act, 1875, s. 234 (2).	To be defrayed (after deduction of sums received in respect of land acquired under the Act, otherwise than from sale or exchange), as special expenses incurred in execution of Public Health Act, 1875, and chargeable on contributory place on account of which the land has been acquired. Allotments Act, 1887, s. 10 (1) (b), (3).	Any rate or rates out of which special expenses are payable. Public Health Act, 1875, s. 233.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within (a) the contributory place in question, if special expenses ; or (b) the district, if general expenses. Public Health Act, 1875, s. 234 (2).	Same as in case of expenses in respect of "Purposes of Public Health Act, 1875, &c.," which see. Public Health Act, 1875, ss. 229 and 230, as applied by Public Health (Interments) Act, 1879, s. 2 (1).	If general expenses, on credit of common fund out of which such expenses are payable. If special expenses, on credit of any rate or rates out of which such expenses are payable. Public Health Act, 1875, s. 233.

LOANS TO RURAL

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
COMMONS, SCHEMES FOR DRAINAGE, LEVELLING, AND IMPROVEMENT OF.	Commons Act, 1899, s. 11 (3). applying— Public Health Act, 1875, ss. 233, 234.	60 years Public Health Act, 1875, s. 234 (4)
ELECTRIC LIGHTING [Local Authorities authorised to supply electricity under Section 2 of Electric Lighting Act, 1882.]	Electric Lighting Act, 1882, ss. 8, 31, and Schedule. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HIGHWAY PURPOSES	Local Government Act, 1894, s. 25 (1). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HIGHWAYS AND BRIDGES ACT, 1891, PURPOSES OF.	Highways and Bridges Act, 1891, s. 3, and Local Government Act, 1894, s. 25 (1). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HOUSING OF THE WORKING CLASSES ACT, 1890, PURPOSES OF PART II.	Housing of the Working Classes Act, 1890, ss. 43 (1), 92 and Schedule I., and Housing of the Working Classes Act, 1894, s. 1. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
HOUSING OF THE WORKING CLASSES ACT, 1890, PURPOSES OF PART III. WHEN ADOPTED—see s. 56.	Housing of the Working Classes Act, 1890, s. 66. applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - -
OPEN SPACES [See Open Spaces Act, 1887, s. 5; as amended by Commons Act, 1899, s. 17 (1).]	Open Spaces Act, 1887, ss. 1, 8, (1), (2). applying— Public Health Act, 1875, ss. 233, 234	Ditto - - ditto - -

DISTRICT COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within (a) the contributory place in question, if special expenses; or (b) the district, if general expenses. Public Health Act, 1875, s. 234 (2).	To be treated as expenses incurred in executing powers of Public Health Acts. Commons Act, 1899, s. 11 (2).	If general expenses, on credit of common fund out of which such expenses are payable. If special expenses, on credit of any rate or rates out of which such expenses are payable. Public Health Act, 1875, s. 233.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the contributory place in question. Public Health Act, 1875, s. 234 (2).	The rate or rates out of which special expenses incurred in respect of the contributory place or places comprised within the area of supply, are payable under the Public Health Act, 1875. Electric Lighting Act, 1882, s. 7 and Schedule.	The rate or rates referred to in previous column. Electric Lighting Act, 1882, s. 8 and Schedule.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the district. Public Health Act, 1875, s. 234 (2).	To be defrayed, as a rule, as general expenses, out of common fund raised out of the poor rate of the parishes in the district according to the rateable value of each contributory place. Public Health Act, 1875, s. 229, and Local Government Act, 1894, s. 29 (c). [For exceptions, see Local Government Act, 1894, s. 29 (c) (d).]	On credit of common fund out of which expenses are payable. Public Health Act, 1875, s. 233.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the district. Public Health Act, 1875, s. 234 (2).	To be defrayed, as a rule, as general expenses, out of common fund raised out of the poor rate of the parishes in the district according to the rateable value of each contributory place. Public Health Act, 1875, s. 229, and Local Government Act, 1894, s. 29 (a). [For exceptions, see Highways and Bridges Act, 1891, s. 3, and Local Government Act, 1894, s. 29 (c) (d).]	Ditto - - ditto - -
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the contributory place in question. Public Health Act, 1875, s. 234 (2).	Expenses other than those incurred in obtaining closing orders are to be paid out of the rate out of which special expenses of the execution of the Public Health Acts are defrayed. Housing of the Working Classes Act, 1890, ss. 42 (1), 92 and Schedule I.	Any rate or rates out of which special expenses are defrayed. Public Health Act, 1875, s. 233.
Ditto - ditto - -	The rate out of which special expenses of the execution of the Public Health Act, 1875, are defrayed; but, if the County Council so declare, the expenses are to be defrayed as general expenses, and, if they are not to be borne by the whole of the district, are to be paid out of a common fund to be raised out of the poor rate of each contributory place proportionately, according to its rateable value. Housing of the Working Classes Act, 1890, s. 65 (iii).	Ditto - ditto. subject to provisions referred to in previous column.
Ditto - ditto - -	The rate out of which special expenses under the Public Health Act, 1875, are defrayed. Open Spaces Act, 1887, s. 8 (2).	Any rate or rates out of which special expenses are payable. Public Health Act, 1875, s. 233.

LOANS TO RURAL

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
SMALL DWELLINGS, ACQUISITION OF. [Councils of Rural Districts who have passed resolutions undertaking to act under the Act, subject in the case of a Council of a District containing, according to the last census for the time being, a population of less than 10,000, to consent of County Council. Small Dwellings Acquisition Act, 1899, s. 9 (1).]	Small Dwellings Acquisition Act, 1899, s. 9 (1) (5). applying— Public Health Act, 1875, ss. 233, 234.	60 years - - - Public Health Act, 1875, s. 234 (4).
WEIGHING MACHINES FOR LOCOMOTIVES.	Locomotives Act, 1898, s. 4 (3). applying— Public Health Act, 1875, ss. 233, 234.	Ditto - - ditto - - -

LOANS TO METROPOLITAN

BATHS AND WASHHOUSES - - [When the Baths and Washhouses Act, have been adopted. As to this see Baths and Washhouses Act, 1846, s. 1; and London Government Act, 1899, ss. 4 (2), (4), 34.]	Baths and Washhouses Act, 1846, s. 21. as amended by— Baths and Washhouses Act, 1878, s. 9.	None - - -
DISINFECTING APPARATUS, &c. - [Including accommodation for persons removed from home.] POST-MORTEM AND INQUEST ROOMS. SANITARY CONVENIENCES, LAVATORIES AND ASHPITS.	Public Health (London) Act, 1891, s. 105 (2), (3), as amended by London County Council (General Powers) Act, 1896, s. 32. Metropolis Management Act, 1855, s. 183. London Government Act, 1899, s. 4 (1).	A sinking fund must be formed for paying off the loan by setting aside in every year not less than 2l. per cent. on the amount of the loan. Metropolis Management Act, 1855, s. 190.
MUSEUMS AND GYMNASIUMS - - [Where Museums and Gymnasiums Act, 1891, has been adopted. See s. 3 of that Act and s. 13 of Public Libraries Act, 1901.]	Museums and Gymnasiums Act, 1891, s. 10 (3) and Public Libraries Act, 1901, s. 13. applying— Public Health Act, 1875, ss. 233, 234.	60 years - - - Public Health Act, 1875, s. 234 (4).

DISTRICT COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
None - - - Small Dwellings Acquisition Act, 1899, s. 9 (6). [But see next column as to limitation of rate.]	Any fund or rate applicable to general purposes of Public Health Acts. Small Dwellings Acquisition Act, 1899, s. 9 (3). [But if in any local financial year the expenses not reimbursed by receipts under the Act exceed a sum equal to 1d. in the £. on the rateable value of the district, no further advance shall be made till five years after end of that financial year, and then not unless and until such expenses fall below that sum. See s. 9 (4) of Act.]	If chargeable as general expenses, on credit of common fund out of which such expenses are payable, but if declared by Order of the Board to be chargeable as special expenses, on credit of any rate or rates out of which such expenses are payable. - Public Health Act, 1875, s. 233.
Sum borrowed shall not at any time exceed, with the balances of all the outstanding loans contracted under the Sanitary Acts and the Public Health Act, 1875, in the whole the assessable value for two years of the premises assessable within the district. Public Health Act, 1875, s. 234 (2).	No express provision - - -	On credit of common fund out of which expenses are payable. Public Health Act, 1875, s. 233.

BOROUGH COUNCILS.

None - - -	General Rate unless Baths and Washhouses Acts are in force in part only of the borough, in which case, subject to the provisions of any scheme under the London Government Act, 1899, a separate rate is to be levied over that part as an additional item of the general rate. London Government Act, 1899, s. 10 (1), (2), (4).	General Rate. Baths and Washhouses Act, 1846, s. 21; London Government Act, 1899, s. 10 (2).
None - - -	General Rate - - - Public Health (London) Act, 1891, s. 103. London Government Act, 1899, s. 10 (1), (2).	All or any of the monies or rates authorised to be raised under the Metropolis Management Act, 1855. See s. 183 of that Act. [The provisions of the Act in question as to rates have now been varied by the London Government Act, 1899, s. 10.]
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans, in the whole the assessable value for two years of the premises assessable within the borough. Public Health Act, 1875, s. 234 (2). [But see next column as to limitation of rate.]	General Rate, so far as the expenses are not defrayed by fees and other money received under the Museums and Gymnasiums Act, 1891. London Government Act, 1899, s. 10 (1), (2), (4). Public Libraries Act, 1901, s. 13. Amount expended in any year not to exceed sum produced by rate of ½d. in the £ for gymnasiums; and ¼d. in the £ for museums. See s. 10 (5) of Museums and Gymnasiums Act, 1891, as applied by Public Libraries Act, 1901, s. 13.	General Rate. Public Health Act, 1875, s. 233. Public Libraries Act, 1892, s. 19 (1). London Government Act, 1899, s. 10 (2). Public Libraries Act, 1901, s. 13.

LOANS TO METROPOLITAN

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated).
PUBLIC LIBRARIES, PUBLIC MUSEUMS, SCHOOLS FOR SCIENCE, ART GALLERIES, AND SCHOOLS FOR ART. [Where Public Libraries Acts have been adopted. See Public Libraries Act, 1892, ss. 1, 3. Public Libraries (Amendment) Act, 1893, ss. 2, 3, as applied by Public Libraries Act, 1901, s. 13, and London Government Act, 1899, ss. 4 (2), (4), 34.]	Public Libraries Act, 1892, s. 19 applying— Public Health Act, 1875, ss. 233, 234.	60 years - - - - - Public Health Act, 1875, s. 234 (4).

LOANS TO

LOCAL GOVERNMENT ACT, 1894, PURPOSES OF, e.g. :- Fire Engines, &c. ; Offices ; Parish Rooms ; Public Walks ; Recreation Grounds ; Also purposes of Adoptive Acts, for which see below.	Local Government Act, 1894, s. 12 (1). applying— Public Health Act, 1875, ss. 233, 234, with modifications.	60 years - - - - - Public Health Act, 1875, s. 234 (4).
ALLOTMENTS, IMPROVEMENT AND ADAPTATION OF LAND FOR. [Where land has been purchased by the County Council and assured to the Parish Council—see Local Government Act, 1894, ss. 9 (14), (19), and 72 (4), applying Allotments Act, 1887, ss. 5 to 8.]	Ditto - ditto - - -	Ditto ditto - - -
BATHS AND WASHHOUSES [Where the Baths and Washhouses Acts have been adopted for the Parish—see Baths and Washhouses Act, 1846, s. 1 ; Local Government Board Act, 1871, s. 2 ; and Local Government Act, 1894, s. 7.]	Local Government Act, 1894, s. 12 (1), (3). applying— Public Health Act, 1875, ss. 233, 234, with modifications.	Ditto - ditto - - -
BURIAL ACTS, 1852 TO 1900, PURPOSES OF. [Where Acts have been adopted for the Parish—see Local Government Act, 1894, s. 7 (8).]	Ditto - ditto - - -	Ditto - ditto - - -
PUBLIC IMPROVEMENTS ACT, 1860, PURPOSES OF. [Where Act has been adopted for the Parish—see s. 2 of Act ; and Local Government Act, 1894, s. 7.]	Ditto - ditto - - -	Ditto - ditto - - -

BOROUGH COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans, in the whole the assessable value for two years of the premises assessable within the borough. Public Health Act, 1875, s. 234 (2). [But see next column as to limitation of rate.]	General Rate, unless Public Libraries Acts are in force in part only of the borough, in which case, subject to the provisions of any scheme under the London Government Act, 1899, a separate rate is to be levied over that part as an additional item of the general rate. London Government Act, 1899, s. 10 (1), (2), (4). Rate not to be levied for purposes of Public Libraries Act, 1892, for any one year to an amount exceeding 1d. in the £,—see s. 2 (1) of Act.	General Rate. Public Libraries Act, 1892, s. 19 (1). London Government Act, 1899, s. 10 (2).

PARISH COUNCILS.

Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted by the Parish Council, or by any authority whose powers, duties, and liabilities had been transferred to them, in the whole one half of the assessable value of the premises assessable within the parish. Local Government Act, 1894, s. 12 (1). Public Health Act, 1875, s. 234 (2). [But see next column as to limitation of expenses.]	Poor Rate - - - - - Local Government Act, 1894, s. 11 (4). Sum raised in any local financial year for expenses, other than those under the Adoptive Acts, must not exceed a sum equal to 6d. in the £ on the rateable value of the Parish at the commencement of the year. Term "expenses" includes annual charges, whether of principal or interest, in respect of any loan. Local Government Act, 1894, s. 11 (3).	Poor Rate and the whole or part of the revenues of the Parish Council. Local Government Act, 1894, s. 12 (1).
Ditto - - ditto - - - [But see next column as to limitation of expenses.]	Ditto - - ditto - - -	Ditto - - ditto.
Ditto - - ditto - - -	Poor Rate - - - - - Baths and Washhouses Act, 1846, s. 16. Local Government Act, 1894, s. 7 (6).	Ditto - ditto.
Ditto - - ditto - - -	Poor Rate - - - - - Burial Act, 1852, s. 19. Local Government Act, 1894, s. 7 (6).	Ditto - - ditto.
Ditto - - ditto - - - [But see next column as to limitation of expenses.]	Parish Improvement Rate not to exceed 6d. in the £. Public Improvements Act, 1860, ss. 4, 7. Local Government Act, 1894, s. 7 (6).	Ditto - - ditto.

LOANS TO PARISH

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated).
PUBLIC LIBRARIES, PUBLIC MUSEUMS, SCHOOLS FOR SCIENCE, ART GALLERIES, AND SCHOOLS FOR ART. [Where Public Libraries Act, 1892, has been adopted for the Parish—see ss. 1, 3 of that Act; and Local Government Act, 1894, s. 7.]	Local Government Act, 1894, s. 12 (1), (3). applying— Public Health Act, 1875, ss. 233, 234, with modifications.	60 years. Public Health Act, 1875, s. 234 (4).
PUBLIC LIGHTING - - - - - [Where Lighting and Watching Act, 1833, has been adopted for the parish—see ss. 4 to 8 of that Act; and Local Government Act, 1894, s. 7.]	Ditto - ditto - - - -	Ditto - ditto

LOANS UNDER THE LOCAL GOVERNMENT (JOINT COMMITTEES) ACT, 1897,
Joint Committee, under s. 53 of the Local Government Act,

LOCAL AUTHORITY:		
PARISH COUNCILS AND PARISH MEETINGS.	Local Government Act, 1894, s. 12 (1), (3). Local Government (Joint Committees) Act, 1897, s. 1. applying— Public Health Act, 1875, ss. 233, 234, with modifications.	60 years - - - - - Public Health Act, 1875, s. 234 (4).
TOWN COUNCILS - - - - -	Burial Act, 1852, s. 20 - - - - Burial Act, 1854, ss. 2, 3. Local Government Act, 1894, s. 53 (2). Local Government (Joint Committees) Act, 1897, s. 1.	A sinking fund must be formed for paying off the loan by setting aside every year not less than one-fiftieth part of the loan. Burial Act, 1857, s. 20.
URBAN DISTRICT COUNCILS - -	Burial Act, 1852, s. 20 - - - - Burial Act, 1862, s. 1. Local Government Act, 1894, s. 53 (2). Local Government (Joint Committees) Act, 1897, s. 1.	Ditto - - - ditto - - -

COUNCILS—continued.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Contracted.
Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted by the Parish Council or by any authority whose powers, duties, and liabilities have been transferred to them, in the whole one-half of the assessable value of the premises assessable within the parish. Local Government Act, 1894, s. 12 (1). Public Health Act, 1875, s. 234 (2). [But see next column as to limitation of expenses.]	Poor Rate, with qualification - - - Public Libraries Act, 1892, s. 18 (1) (c). Local Government Act, 1894, s. 7 (6). Rate not to be levied for purposes of Public Libraries Act, 1892, for any one year to an amount exceeding 1d. in the £. See 2 (1) of Act.	Poor Rate, and the whole or part of the revenues of the Parish Council. Local Government Act, 1894, s. 12 (1).
Ditto - ditto - - - - - [But see next column as to limitation of expenses.]	Poor Rate, with qualification - - - Lighting and Watching Act, 1833, ss. 32, 33. • Local Government Act, 1894, s. 7 (6). [See also s. 9 of Lighting and Watching Act, 1833, as to limitation of expenses.]	Ditto - - - ditto.

to Town Councils, Urban District Councils, Parish Councils, or Parish Meetings, appointing a
1894, for the purposes of the Burial Acts, 1852 to 1900.

Sum borrowed shall not at any time exceed, with the balances of all outstanding loans contracted by the Parish Council (or Parish Meetings), or by any authority whose powers, duties, and liabilities have been transferred to them, in the whole one-half of the assessable value of the premises assessable within the parish. Local Government Act, 1894, s. 12 (1). Public Health Act, 1875, s. 234 (2).	Poor Rate - - - - - Burial Act, 1852, s. 19. Local Government Act, 1894, s. 7 (6).	Poor Rate, and the whole or part of the revenues of the Parish Council (or Parish Meetings). Local Government Act, 1894, s. 12 (1).
None - - - - -	If the Burial District comprises the whole borough :— (a) The Borough Fund and Borough Rate; Burial Act, 1854, s. 3; or (b) A separate Burial Rate. Burial Act, 1857, s. 22. If any parish or parishes, wholly or partly in the borough and provided with sufficient burial grounds, are excluded from assessment by Order in Council :— A separate rate levied in the remainder of the borough. Burial Act, 1854, s. 9.	The moneys out of which the expenses are to be paid. Burial Act, 1854, s. 3.
None - - - - -	Poor Rate - - - - - (See the decision in the case of Rex. v. the Overseers of the Poor of Connah's Quay [1901] 2 K.B., 174).	Poor Rate.

LOANS TO BOARDS OF GUARDIANS, MANAGERS OF SCHOOL

Purposes of Loans.	Enactments conferring Borrowing Powers.	Limitations as regards Time for Repayment. (The Term mentioned is the Maximum Term, except where otherwise stated.)
ANY PERMANENT WORK OR OBJECT, OR ANY OTHER THING, THE COSTS OF WHICH OUGHT, IN THE OPINION OF THE LOCAL GOVERNMENT BOARD, TO BE SPREAD OVER A TERM OF YEARS, <i>e.g.</i> :— Purchase of Land for sites of Poor Law Buildings; Erection of Poor Law Buildings, viz. :— Workhouses; Infirmaries; Casual Wards; Separate Schools; Children's Homes; Board Rooms and Offices, &c.; Drainage, Water Supply, Machinery and Apparatus, Lighting, Laying-out Grounds, Furnishing, &c. for Poor Law Buildings; Alterations and additions to all classes of Poor Law Buildings; *Valuation expenses.	Poor Law Act, 1889, s. 2 (1)	60 years Poor Law Act, 1897, s. 1

* It is the practice in this case to sanction the loan under the Poor Law Act, 1889, and not under s. 8 of the Union repayable in five

LOANS TO MANAGERS OF

ANY PERMANENT WORK OR OBJECT, OR ANY OTHER THING, THE COSTS OF WHICH OUGHT, IN THE OPINION OF THE LOCAL GOVERNMENT BOARD, TO BE SPREAD OVER A TERM OF YEARS, <i>e.g.</i> :— Land for Sites of Buildings; Asylums for Imbeciles; Fever Hospitals; Homes for Children of Special Classes (Ophthalmic, Ringworm, Remand, Defective); Hospital Ships; Board Room and Offices; Training Ship for Boys; Ambulance Stations, River Ambulance Steamers; Drainage, Fittings, &c., for all the above, as in case of Poor Law Buildings.	Poor Law Act, 1889, s. 2, as applied by the Poor Law Act, 1897, s. 2. [See also Public Health (London) Act, 1891, s. 104 (3).]	60 years Poor Law Act, 1897, s. 1 (1). [In the case of Loans from the London County Council, see also the Metropolitan Board of Works (Loans) Act, 1869, the Acts amending the same, and the London County Council (Annual) Money Acts.]
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LOANS TO

Vestry Rooms - - - - - [Urban Parishes where Vestries Act, 1850, is in force only.]	Vestries Act, 1850, s. 5	The loan must be repaid by equal annual instalments not exceeding ten. Vestries Act, 1850, s. 5.
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DISTRICTS AND MANAGERS OF SICK ASYLUM DISTRICTS.

Limitations as regards Amount to be Borrowed.	Fund or Rate out of which Expenses are to be Defrayed.	Security on which Loan is to be Sanctioned.
(1) Guardians.—Total debt of Guardians must not exceed one-fourth of the total annual rateable value of the Union unless the said maximum has been extended by Local Government Board (by Provisional Order) to not exceeding double that amount. Poor Law Act, 1889, s. 2 (2), (3).	Poor Rate - - - - -	Poor Rates of separate Parish, or Common Fund of Union. Poor Law Amendment Act, 1834, s. 24. Union Loans Act, 1869, s. 4. Common Fund of School District or Sick Asylum District. Union Loans Act, 1869. applied by— Poor Law Act, 1879, s. 13. As to Metropolitan Districts, see Metropolitan Poor Amendment Act, 1869, s. 9.
(2) School Districts.—Total debt of Managers must not exceed one-sixteenth of the total annual rateable value of district unless as in (1) above. Poor Law Act, 1889, s. 2 (5).		
(3) Sick Asylum Districts.—Total debt of Managers must not exceed one-tenth of the rateable value of the district unless as in (1) above. Poor Law Act, 1897, s. 2.		

Assessment Committee Amendment Act, 1864, which is specially applicable, and under which the loan is equal annual instalments.

METROPOLITAN ASYLUM DISTRICT.

Total debt of Managers must not exceed one-tenth of the rateable value of the district, unless as in (1) above. Poor Law Act, 1897, s. 2.	Poor Rate - - - - -	Common Fund of district. Metropolitan Poor Amendment Act, 1869, s. 9. Union Loans Act, 1869. applied by— The Poor Law Act, 1879, s. 13.
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OVERSEERS.

None - - - - -	Poor Rate Parochial Offices Act, 1865, s. 1	Poor Rate. Vestries Act, 1850, s. 5.
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APPENDIX, No. 2.

(See Question 367.)

MEMORANDUM handed in by Sir *Herbert Jekyll*, 11th April, as to the powers and practice of the Board of Trade in fixing periods for the Repayment of Loans by Local Authorities.

(1.) *Tramways.*

The Tramways Act 1870 (Section 20) empowers local authorities to borrow, in respect of tramway schemes, an amount not to exceed a sum sanctioned by the Board of Trade, and to be repayable in the period, not exceeding 30 years, determined by the Board of Trade. The section goes on to provide as to the method of repayment, and for the disposal of any moneys received from rents or tolls, and left over after meeting all repayment charges.

For many years the applications to the Board of Trade for sanction under this section were limited to sums necessary for the construction of lines intended to be leased; and invariably for such purposes the period of repayment was fixed at the maximum of 30 years.

A few years since Parliament began to authorise local authorities to work as well as construct lines, and the practice being also adopted by the Board of Trade in Provisional Orders, it became necessary to provide local authorities with funds for electric equipment and cars. In regard to these, the Board of Trade endeavoured to ascertain the probable "life" of the things in question, and came to the conclusion that loans in respect of electrical equipment should be repayable in 20 years, and in respect of cars in 15 years.

It has been urged in regard to permanent way, electrical equipment and cars, that everything has to be maintained out of revenue in good condition, and that consequently the value is maintained unimpaired for an indefinite time beyond the periods limited for repayment of the borrowed money.

This argument is not altogether sound, because apart from the real deterioration, which no repairs can prevent, there is the tendency in all such things to become obsolete. With regard even to permanent way, in respect of which a period of 30 years for repayment had always been fixed, it was found when local authorities took over lines under their compulsory purchase powers, after 21 years, that the lines were partly obsolete and partly worn out, so that reconstruction with new materials was indispensable.

Some local authorities have even found themselves in the position of having to contract loans for reconstruction before they had repaid the money borrowed for the original construction.

In Tramway Bills promoted by local authorities there has been a tendency of late to grant periods of repayment in excess of 30 years. This has been done, it is believed, counter to the reports of the Local Government Board, and without reference to the Board of Trade. To the latter it has proved embarrassing both in fixing shorter periods for equipment and cars under Section 20 of the Tramways Act, 1870, and in causing applications by local authorities to have longer periods than 30 years authorised by their Provisional Orders. A conclusive answer to the demand has, however, been that Section 20 being in Part I. of the Act, the period of 30 years is not variable, by way of increase, under Provisional Order.

So far as the Board of Trade are aware, there is no reason for increasing the term of 30 years; experience pointing, as above indicated, in a contrary direction, as regards the "life" of the things for which money is borrowed. Moreover, tramway undertakings have been very successful in the hands of local authorities, and yielded revenue which made early repayment feasible. Indeed, an important question for consideration is whether means should not be taken to provide that profit-revenue from the tramways should be wholly applied in extinction of debt, and no part in relief of rates. The living generation has its advantage in the cheap and improved transit afforded, and all debt incurred should be paid off as rapidly as profits on working permit. There will always be a sufficient tendency to keep these as low as possible by cheapening fares.

As a set-off in favour of local authorities, it may be remarked that Section 20 of the Tramways Act, 1870, has been held to require that the repayment arrangements should come into operation immediately after the borrowing. Local authorities have shown with some force that this is a hardship, as it is one, two, or three years sometimes before the borrowed money begins to yield a return in the shape of revenue. Meantime the rates have to be called on to provide money for the repayments.

Recognising the plea of the local authorities, Parliament has in many cases provided that the commencement of repayment shall be deferred until such time as the undertaking will be at work and earning receipts. The Light Railway Commissioners have admitted the force of the same argument and made similar provision in some of their Orders, but the Local Government Board are reluctant to admit the plea, and in the face of their reluctance, the Board of Trade have not felt free to follow the lead of the Parliamentary Committees in this matter.

Local Authorities own 99 tramway undertakings in the United Kingdom, and have borrowed 14,000,000*l.* in respect of them.

(2.) *Light Railways.*

The Light Railways Act, 1896, empowers Local Authorities to promote Orders for the construction and working of lines; and Section 11 (g) provides that an Order so promoted may authorise the Local Authorities to borrow money for such purposes.

Eleven such Orders have been made by the Light Railway Commissioners and confirmed by the Board of Trade. A list of them is attached. The Orders fix the term of repayment by a clause and schedule provisions for sinking fund.

In nine cases the period of repayment was fixed at 40 years, in one case 30 years, and in one case 50 years. The periods were fixed by the Light Railway Commissioners, and, no objection having been taken, were not altered by the Board of Trade.

These light railways of Local Authorities were lines along public roads, of the nature of tramways, and the foregoing observations on tramway loans apply equally to light railway loans.

In case of the Light Railway Order of the Middlesex County Council, in which a period of 50 years was allowed for repayment, the borrowing authorised amounting to half a million of money, the Light Railway Commissioners introduced into their Order two provisions for the first time:—

(a) A provision enabling the Local Authority to pay interest out of borrowed money.

(b) A provision enabling the Local Authority to defer the commencement of repayment of loan for three years from the date of the Order.

The Local Government Board objected to both provisions, on the ground that they were not in accord with the tenour of the general Acts, though admitting that there were precedents in Private Acts. The Local Government Board left the decision of the questions to the Board of Trade, and the latter ultimately allowed provision (a) and rejected provision (b). This decision was probably not based on a preference by the Board of Trade for (a) over (b), but on the preference of the promoters. The points were discussed personally between the late Sir C. Boyle and Mr. Littler, the Chairman of the County Council, and the reasons for the decision have not been fully recorded.

The two questions are at present before the Department on a Light Railway Order of the Darlington Corporation, which contains both provisions; and the Local Government Board adopting the same attitude as before. The Corporation assert that there is no substantial objection to the provision (b) deferring repayment, and allege that it was given to them some years ago by Parliament for the purchase of their gas undertaking, and proved of great assistance.

LIGHT RAILWAYS ACT, 1896.

Periods allowed by Orders under the above-named Act for the repayment of loans by Local Authorities promoting Light Railways.

Barking and Beckton Order, 1898, 40 years.
Southend-on-Sea and District Order, 1899, 40 years.
Bradford and Leeds Order, 1899 (by Bradford Corporation), 30 years.
Doncaster Corporation Order, 1899, 40 years.
Nelson Order, 1901, 40 years.
Barrowford Order, 1901, 40 years.
Mitcham Order, 1901, 40 years.
Halesowen Order, 1901, 40 years.
County of Middlesex Order, 1901, 50 years.
Barton-upon-Irwell Order, 1901, 40 years.
Dartford Order, 1902, 40 years.

(3.) *Harbour Works.*

The General Pier and Harbour Act, 1861, enacts that a Provisional Order made by the Board of Trade may empower the undertakers to borrow (with provisions as to repayment), and it is the practice of the Board not to allow more than forty years for the repayment of the loan.

The principal reasons guiding the Department in fixing this period for repayment are the following:—

(a) In the Treasury Minute of the 4th May 1887, on Harbour Loans, it is stated that the First Lord and the Chancellor of the Exchequer are of opinion that every effort should be made to encourage loans for shorter periods than fifty years.

(The Minute itself gives fifty years as the outside limit.)

(b) The House of Lords' authorities in semi-official communications with officials of the Board in 1893 expressed the view that fifty years was then considered a long period for the repayment of a loan; in consequence the Board endeavoured to bring their practice into conformity with that of Parliament.

(c) It is not desirable to saddle the successors of the Harbour Authority effecting a loan with a debt extending over a very long period.

In consequence of these reasons the Board do not, unless in very exceptional circumstances, allow a longer period for repayment in case of harbours than forty years, which seems to the Department a reasonable time.

It will of course be borne in mind that the Treasury Minute above mentioned only applies to loans from the Public Works Loan Commissioners, but the same principle is adopted in all cases of loans for harbour works.

(4.) *Harbour Loans.* (See Question 434.)

The only Act under which the approval of the Board of Trade to harbour loans is necessary is the Harbours and Passing Tolls, &c. Act, 1861 (24 & 25 Vict. c. 47).

By Section 3 (3) of that Act the period for repayment is limited to 50 years.

Loans for harbour purposes can also be obtained under the Public Works Loans Act, 1875 (see Section 9 and Schedule 1). Board of Trade approval is not necessary under this Act, by Section 11 of which the term of repayment is fixed at 20 years, but this term can be extended by the Treasury (Section 11).

Of course the above only applies to loans from the Public Works Loan Commissioners. In very many cases harbour authorities have power under their special Acts to borrow from private sources, without any limitation of time for repayment being imposed.

APPENDIX, No. 3.

(See Question 449.)

MEMORANDUM handed in by Mr. *Lindsell*, 11th April, as to the powers and practice of the BOARD OF EDUCATION in fixing periods for the REPAYMENT OF LOANS BY LOCAL AUTHORITIES.

The statutory provisions under which the Board of Education have power to consent to Loans are the following:—

Section 10 of the Elementary Education Act, 1873 (amending Section 57 of the Elementary Education Act, 1870).

"The principal Act and Acts referring thereto shall be construed as if, for Section 57, which is repealed by this Act, there were substituted the following section:

Where a school board have incurred or require to incur any expense, either—

(a) In providing or enlarging a school-house; or

(b) In paying off any debt charged on a school-house provided by them, or on any land acquired by them by gift, transfer, purchase, or otherwise for the purposes of this Act; or

(c) In any works of improving or fitting up a school-house which, in the opinion of the Education Department, ought, by reason of the permanent character of such works, to be spread over a term of years,

they may, with the consent of the Education Department, spread the payment over such number of years, not exceeding 50, as may be sanctioned by the Education Department, and may, with the like consent, for that purpose borrow money on security of the school fund and local rate, and may charge that fund and the local rate with the payment of the principal and interest due in respect of the loan. They may, if they so agree with the mortgagee, pay the amount borrowed with the interest by equal annual instalments not exceeding 50, and if they do not so agree they shall annually set aside one-fiftieth of the sum borrowed as a sinking fund. Provided that no such consent of the Education Department shall be granted unless proof be given to their satisfaction that the additional school accommodation which it is proposed to supply is required in order to provide for the educational wants of the district.

For the purpose of such borrowing the clauses of 'The Commissioners Clauses Act, 1847,' with respect to the mortgages to be executed by the commissioners shall be incorporated with this Act; and in the construction of those clauses for the purpose of this Act, this Act shall be deemed to be the special Act, and the school board which is borrowing shall be deemed to be the commissioners.

The Public Works Loan Commissioners may, on the recommendation of the Education Department, lend any money required under this section on the security of the school fund and local rate without requiring any further or other security, such loan to be repaid within such number of years, not exceeding 50, as may be recommended by the Education Department, and to bear interest at the rate of three and a-half per cent. per annum.

Section 42 of the Elementary Education Act, 1876:—

"Where a school board satisfy the Education Department that having regard to the large population of the district of such board, it is necessary or proper that the board should provide an office, the Education Department may authorise the board to provide an office, and the board shall for that purpose have the same power as they have under the Elementary Education Acts, 1870 to 1873, for the purpose of providing sufficient school accommodation for their district, including the power of borrowing money under Section 10 of the Elementary Education Act, 1873, and the provision of such office shall be deemed to be a work for which a school board is authorised to borrow within the meaning of the Public Works Loans Act, 1875."

The words underlined in Section 10 of the Elementary Education Act, 1873, have been repealed by the Public Works Loans Act, 1897, which substitutes for them the following provision:—

Public Works Loans Act, 1897, Section 1.

"The rates of interest at which loans may be made out of the Local Loans Fund on the security of Local Rates may be fixed by the Treasury from time to time, having regard to the duration of the loans, and shall be such rates not less than two and three-quarters per cent. per annum as in the opinion of the Treasury are sufficient to enable such loans to be made without loss to the Local Loans Fund."

The rates at present in force have been fixed as follows by a Treasury minute of 31st January 1900.

Period of repayment.	Rate of interest.
Not exceeding 30 years	3½ per cent. per annum.
" 40 "	3½ " "
" 50 "	3½ " "

The practice of the Board of Education in fixing the period for repayment of a loan differs according to whether the loan is obtained from the Public Works Loan Board or in the open market.

Loans from the Public Works Loan Board.

In the case of loans from the Public Works Loan Board the Board of Education are required by Section 10 of the Elementary Education Act, 1873, to "recommend" a term of payment, and they consider that the use of this expression imposes on them somewhat greater strictness with regard to these loans than is necessary with regard to loans raised in the open market, to which they are only required to consent. It is also desirable in the interests of economy to limit the period of repayment when possible to a shorter term than the maximum allowed by the Statute, as a lower rate of interest is charged when the term is shorter. The following principles have therefore been adopted in dealing with these loans:—

(i) The Board of Education do not in ordinary cases recommend a term of repayment exceeding 40 years for new buildings, or for enlargements on so great a scale as to be properly classed with new buildings.

(ii) They do not in ordinary cases recommend a term exceeding 30 years for enlargements of less extent or for considerable structural improvements.

(iii) They recommend in ordinary cases a shorter term than 30 years, to be settled on the report of their architect, for inconsiderable improvements or other works of a less permanent character; in particular they do not recommend a term of repayment extending beyond the time at which the improvement will probably be exhausted.

(iv) Where the loan is required partly for new buildings or enlargements and partly for minor improvements, the Board of Education recommend such a term of repayment as appears to them to be fair and reasonable, having regard to the proportion borne by the cost of the new buildings to that of the improvements.

(v) If a School Board desire to spread repayment over a longer term than that which would be permissible under the above rules, and can prove to the satisfaction of the Board of Education that the effect of confining the repayment to the term so permissible will be to make it necessary to levy a rate exceeding 6d. in the £. for interest on loans and repayment of principal alone, having regard to existing loans as well as to that proposed to be raised, the Board of Education recommend such a term, within the statutory limit of 50 years, as appears to them equitable, in order, if possible, to secure that the rate levied for interest and repayment of loans shall not exceed 6d. in the £.

Open Market Loans.

Where the school board prefer to borrow in the open market, and the duty of the Board of Education is not to recommend a term of repayment, but only to consent, or refuse to consent, to the term proposed by the school board, they do not think it necessary to lay down any fixed rule. In these cases a longer term does not necessarily involve a higher rate of interest, and it is probable that it may often be easier to borrow for a longer than for a shorter term. In these cases accordingly the Board of Education have confined themselves to satisfying themselves on the advice of their architect that the period for which it is proposed to borrow is not longer than the period for which the work on which the loan is to be expended may be expected to last without requiring renewal.

APPENDIX, No. 4.

(See Question 601.)

STATEMENT handed in by Mr. *Lithiby*, 11th April, showing the BORROWING POWERS given by each BILL, the PURPOSES for which the LOANS are authorised, and the PERIODS assigned for their REPAYMENT in BILLS referred to the SELECT COMMITTEES ON POLICE AND SANITARY REGULATIONS during the Years 1893-1900.

1893.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Ashton-under-Lyne Corporation.	£. 40,000 35,000 Sum requisite - Such sums as the Local Government Board may sanction.	Construction of sewers and purchase of land for dry ashes depôt, and culverting a stream. Conversion of closet accommodation into slop water-closets. Costs of Act - - - - For any of the purposes above mentioned or for other purposes of the Act.	35 years - - - - 20 years - - - - 5 years - - - - Such period as the Local Government Board may sanction.	60 years. 60 years. 10 years.
Barnoldswick Local Board Gas.	14,500 Sums requisite - Sums necessary and approved by the Local Government Board.	Purchase of gas undertaking - Costs of Act - - - - For purposes of the gas undertaking.	35 years - - - - 5 years - - - - Such period, not exceeding 60 years, as the Local Government Board may sanction.	60 years. 20 years. Not in Bill.
Blackpool Improvement.	Sum requisite - 50,000 15,750 Such sums as the Local Government Board may sanction. Sum necessary -	Costs of Act - - - - North shore works - - - - Tramway property - - - - Tramway purposes - - - - Purchase of reversion of leasehold land occupied by the Corporation for market purposes. Purchase of portion of gas undertaking. Lodges, refreshment and retiring rooms in connection with markets and slaughter-houses. Hospital, infirmaries, and dispensaries.	5 years - - - - 50 years - - - - 25 years - - - - Such period, not exceeding 30 years, as the Local Government Board may sanction. 60 years. 20 years - - - - Such period, not exceeding 60 years, as the Local Government Board may sanction.	15 years. 60 years. 30 years. 30 years.
Fleetwood Improvement.	5,000 Such sums as the Local Government Board may sanction. Sums necessary and sanctioned by the Local Government Board. Sum requisite -	Purposes of Act - - - - Costs of Act - - - -	Such period as the Local Government Board may sanction. 5 years - - - -	40 years. 15 years.
Harrogate Corporation.	Any sums sanctioned by the Local Government Board.	Erection of new and enlargement of existing bath-houses, pump rooms, &c. Erection of buildings in Valley Gardens. Compensation in respect of pasture gates. Costs of Act.	Such period as the Local Government Board may sanction.	
Ilkley Local Board.	Sum not exceeding 20,000. Sums required - Sums required - Such sums as may be sanctioned by the Local Government Board.	Waterworks - - - - Purchase of gas undertaking - Costs of Act - - - - Waterworks, gasworks, and Town Hall.	55 years - - - - 40 years (30 years allowed by Police and Sanitary Committee). 10 years. Such period as the Local Government Board may approve.	60 years. 60 years.

1893—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Leeds Improvement	£. Sum not exceeding 250,000, to be sanctioned by Local Government Board. Sum not exceeding 250,000, to be sanctioned by Local Government Board. 450,000 - 30,000 - 210,000 Sums requisite - Such sums as the Local Government Board may sanction.	Gasworks - - - - Waterworks purposes - - Purchase of land and street improvements. Purchase of land and works of sewage disposal. Construction of sewers and for drainage. Costs of Act - - - - Other purposes of Act - -	Such period as the Local Government Board may sanction. 45 years. 40 years. Such period as the Local Government Board may sanction. 5 years. Such period as the Local Government Board may sanction.	30 years. 45 years.
Liverpool Corporation.	Sums necessary and sanctioned by the Local Government Board.	Extension and improvement of Chorley Waterworks.	Such period as the Local Government Board may fix.	35 years.
St. Helen's Corporation.	Sums requisite - Sum not exceeding 150,000, to be sanctioned by Local Government Board. Sum not exceeding 50,000, to be sanctioned by Local Government Board. 50,000 Sum requisite - Sums necessary and sanctioned by the Local Government Board.	Purchase or redemption of rents payable to the St. Helen's Waterworks Company, and purchase of shares in that Company. Other waterworks - - - - Sewerage - - - - Street improvement - - - - Costs of Act - - - - Any purposes of Act - -	60 years. Such period as the Local Government Board may sanction. 45 years - - - - 5 years - - - - Such period as the Local Government Board may sanction.	60 years. 60 years.
West Ham Corporation.	30,000 6,000 5,000 8,000 2,000 Such sums as the Local Government Board may sanction. Ditto - ditto - Sum requisite - 30,000	Connection of sewers with the sewers of the London County Council. New street and street widenings. Acquisition of land for horse and cart depôt. Acquisition of Abbey wharf and stores. Sanitary conveniences - Horse and cart depôt and recreation ground. Any of above purposes - Costs of Act - - - - Street improvements and construction of tramways.	40 years. Such period as the Local Government Board may prescribe. 5 years - - - - 30 years - - - -	60 years. 10 years.
Wigan Corporation.	Sum requisite - Sums necessary and sanctioned by the Local Government Board.	Costs of Act - - - - Purposes of Act - - - -	5 years - - - - Such period as the Local Government Board may sanction.	10 years. Various periods.

1894.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Bridlington Local Board.	£. Sum requisite 11,000 1,000 Sum requisite	Costs of Act Discharge of mortgages and purchase of lands. Completion of enlargement and improvement of Victoria Rooms. Costs of discharging mortgages and purchasing land.	5 years 40 years 25 years 40 years	15 years. 50 years. 50 years. 50 years.
Bury Corporation	50,000 Sum requisite	Gasworks Costs of Act	30 years 5 years	50 years. 10 years.*
Cambridge University and Corporation.	Sum requisite	Share of costs of Act	5 years	No period in Bill, but 10 years proposed.
Cardiff Corporation.	6,000 Sum requisite 11,400 350,000 235,000 770 1,000 1,500 10,000 6,000 Such sums as the Local Government Board may sanction.	Contribution to National University for Wales. Costs of Act Purchase of lands for markets Waterworks Street improvements Purchase of freehold of Docks Police Station. Purchase of freehold of Guildford Crescent Baths. Erection of a crematorium Parks Purchase of land for refuse destructors. Any of the above-mentioned purposes and other purposes of the Act.	20 years 5 years 45 years 45 years 45 years Such period, not exceeding 60 years, as the Local Government Board may sanction.	60 years.* 60 years.
Gloucester Corporation.	45,000 Sum requisite Such sums as the Local Government Board may sanction.	Purchase of land and execution of waterworks. Costs of Act Waterworks and any other purposes of the Act.	50 years 5 years Such period as the Local Government Board may sanction.	60 years. 15 years.
West Riding of Yorkshire Rivers.	No borrowing powers	—	—	—

1895.

Brighouse Corporation.	£. 52,000 29,000 10,000 Sum requisite Such further moneys as the Local Government Board may approve.	Purchase of gas undertaking Extension and improvement of gasworks. Part payment of principal moneys payable under scheduled agreement, and extension and improvement of waterworks. Costs of Act Purposes of gas or water undertakings, or any purposes of the Act.	30 years 30 years 40 years 5 years Such period as the Local Government Board may sanction.	60 years. 40 years. 10 years.
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* The period was apparently altered before the Bill was submitted to the Committee.

1895—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Croydon Corporation.	£. Any money authorised by the Act of 1890 to be borrowed with the sanction of the Local Government Board for the purpose of street improvements, the borrowing whereof shall have been sanctioned by the Board. Sum requisite	Street improvement works authorised by Local Act of 1890.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	Part 60 years. Part 15 years.
Southend-on-Sea Corporation.	20,700 Sum requisite Sums necessary and sanctioned by the Local Government Board.	Costs of Act New piers and works connected therewith. Costs of Act Purposes of Act	5 years 40 years 5 years Such period as the Local Government Board may sanction.	15 years. 50 years.*

1896.

Barry Urban District Council.	Sum requisite 6,280 Sum requisite Such sums as the Local Government Board may approve.	Acquisition of Cadocston Common. Construction of waterworks Costs of Act Any purposes of the Act or in relation to the gas and water undertakings.	30 years 30 years 5 years Such period as the Local Government Board may sanction.	40 years. 10 years.
Bilston Improvement.	7,750 Sum requisite Such further sums as the Local Government Board may sanction.	For payments to Corporation of Wolverhampton and extension and improvement of waterworks. Costs of Act Purposes of the Act	50 years 5 years Such periods, not exceeding 50 years, as the Local Government Board may sanction.	60 years.* 10 years. Such period as Board may sanction.
Brighton Corporation.	90,000 Such further sums as the Local Government Board may sanction. Such sum as the Local Government Board may sanction.	Embankments or retaining walls. Embankments or retaining walls. Construction of swimming and other baths.	50 years. Such periods, not exceeding 60 years, as the Local Government Board may sanction. Such period, not exceeding 60 years, as the Local Government Board may sanction.	
Burton-upon-Trent Corporation.	Sum requisite 5,300 Such sums as the Local Government Board may sanction.	Costs of Act Widening Little Burton Bridge, and road and works in connection therewith, and for acquisition of land and easements therefor. For any purpose of the Act to which capital is properly applicable.	5 years 30 years Such period, not exceeding 60 years, as the Local Government Board may sanction.	10 years.* 60 years.* 60 years.

* The period was apparently altered before the Bill was submitted to the Committee.

1896—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Leamington Corporation.	£. Any sum not exceeding the amount of the purchase money, together with the amount of any mortgage debt of the Company taken over by the Corporation. Sum requisite - Such sums as the Local Government Board may approve.	Purchase of the undertaking of the Leamington Priors Gas Company. Costs of Act - - - - Purposes of Act - - - -	40 years - - - 5 years - - - - Such period as the Local Government Board may sanction.	50 years.* 15 years.*
Saint Anne's-on-the-Sea Improvement.	2,600 4,484 Sum requisite - Such sums as the Local Government Board may sanction.	For laying out and improving the esplanade, promenade, and sea-walls. Widening Saint Anne's Road East and Saint Anne's Road West. Costs of Act - - - - Purposes of Act - - - -	40 years - - - 40 years - - - 5 years - - - - Such period as the Local Government Board may sanction.	60 years.* 60 years.* 15 years.*
South Shields Corporation.	Sum requisite - 24,054 132,000 2,500 7,000 Such sum as the Local Government Board may sanction.	Costs of Act - - - - Tramways - - - - Street works purposes, including the purchase of lands therefor. New quay purposes, including the purchase of lands therefor. Extension or widening of mill dam quay, including purchase of lands therefor. Providing sea-water baths and purchasing certain land; acquiring and providing quays for fish and other quay purposes, and purchasing lands for providing such quays; providing a supply of sea water for the purposes of watering streets and flushing sewers; purchase of lands for staith and for the collection and dealing with refuse; erection of cottages for firemen; cemetery; and town purposes.	5 years - - - - 30 years - - - - 45 years - - - - 50 years - - - - 50 years - - - - Such period as may be sanctioned by the Local Government Board.	10 years.* 50 years.*
Stafford Corporation	20,000£., with the sanction of the Local Government Board.	Purposes of the Act - - -	Such periods as may be sanctioned by the Local Government Board.	

1897.

Bradford Corporation Tramways and Improvement.	Sum requisite - 83,050 40,000 121,800 12,500 12,500	Costs of Act - - - - Tramways - - - - Waterworks - - - - Street improvements - - - - Compensation to woolcombers for loss of privileges as to trade refuse. Market extensions - - - -	5 years - - - - 30 years - - - - 60 years - - - - 50 years - - - - 50 years - - - - 50 years.	10 years. Not in Bill. Not in Bill.
Colne Corporation	110,000 12,000 12,000 12,000 7,000	Construction of waterworks and purchase of land. Construction of new street and purchase of land. Refuse destructor and purchase of land. Technical institute and purchase of land. Purchase of land for extension of burial ground and laying out such ground.	60 years. 35 years - - - - 35 years - - - - 35 years - - - - 35 years - - - -	50 years. 50 years. 50 years. 50 years.

* The period was apparently altered before the Bill was submitted to the Committee.

1897—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Period asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Colne Corporation—continued.	£. Sum requisite - With the approval of the Local Government Board, such further moneys as Corporation may require for purposes of Act.	Costs of Act - Any of the purposes of the Act	5 years. Such period, not exceeding 60 years, as the Local Government Board may sanction.	Not exceeding 60 years, and not less than 30 years.
Colwyn Bay and Colwyn Urban District Council.	Sum requisite - Such sums as may be necessary, and as shall be sanctioned by the Local Government Board.	Costs of Act - Any of the purposes of the Act	5 years. Such period as the Local Government Board may sanction.	10 years.
Great Yarmouth Corporation.	5,000 60,000 Such sum as may be necessary. Such sum as may be necessary. 2,500 Sum requisite - With the approval of the Local Government Board, such further moneys as Corporation may require for purposes of Act.	Purchase of lands for and execution of street improvements. Purchase of lands for and construction &c. of pier. Purchase of undertaking of Great Yarmouth Wellington Pier Company. Purchase of commonable and other rights over Southtown Common, and laying out that Common as a public park. Reconstruction of rifle range at North Denes. Costs of Act - Any of the purposes of the Act.	50 years - - - 40 years - - - 40 years - - - 40 years - - - 40 years - - - 5 years - - - - Such period as the Local Government Board may sanction.	60 years. 50 years. 50 years. Not in Bill. 50 years proposed before Committee. 10 years.
Hoyle and West Kirby Improvement.	24,000 2,500 13,500? Sum requisite - With the approval of the Local Government Board, such further sums as the Council may require for purposes of Act.	Construction of North and South Parades. Construction of Marine Lake - Improvement of Hoyle Lake - Costs of Act - Any of the purposes of the Act.	52 years - - - 40 years - - - 40 years - - - 7 years - - - - Such period as the Local Government Board may sanction.	60 years. 60 years. 60 years. 10 years.
Leicester Corporation.	Sum requisite - Such sums as the Local Government Board may sanction. Such sums as the Local Government Board may sanction. Such sum as the Board of Trade may sanction. 250,000 100,000 10,000 Sum requisite - With the approval of the Local Government Board, such further sums as the Council may require for purposes of Act.	Costs of Act - Public Hall; Crematorium; and acquiring private slaughter-houses and making compensation for the closing thereof. Purchase of fee simple of sewage farm; and purchase of lands for street improvement. Tramways - - - - Gas undertaking - - - - Water undertaking - - - - Acquisition of undertaking of Great Orme's Head Marine Drive Company. Costs of Act - Any of the purposes of the Act.	5 years. Such period, not exceeding 50 years, as the Local Government Board may prescribe. Such period, not exceeding 60 years, as the Local Government Board may sanction. Such period, not exceeding 30 years, as the Board of Trade may sanction. 30 years - - - - 40 years - - - - 50 years. 5 years. Such period as the Local Government Board may sanction.	50 years. 60 years. 30 years. 50 years. 50 years.
Llandudno Urban District Council.				

1898.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Blackburn Corporation (Tramways, &c.).	£.			
	12,000	New municipal offices and alterations to the Town Hall.	40 years.	
	10,000	Works of sewerage.	40 years.	60 years.
	50,000	Works of sewage disposal.	40 years.	60 years.*
	12,000	Purchase of land for and laying out of recreation grounds.	25 years.	60 years.*
	35,000	New street and street improvements, new bridges and alterations to bridges, including the purchase of the necessary lands.	40 years.	60 years.*
	12,400	Permanent wood paving.	20 years.	25 years.*
	87,000	Purchasing the undertaking and payment of the existing debenture debt of the Blackburn Corporation Tramways Company, Limited.	30 years.	40 years.
		Tramway extensions and conversion of present tramways to the electric system.	20 years.	40 years.
	Sum requisite	Costs of Act.	5 years.	30 years.*
	With the approval of the Local Government Board, such further sums as the Corporation may require for the purposes of the Act.	Any of the purposes of the Act.	Such period not exceeding 60 years, as the Local Government Board may sanction.	
East Ham Improvement.	5,000	Purchase of land as a site for the erection of public offices and police court, public library and technical institute, fire-engine station, public baths, sanitary offices, coroner's court and mortuary, depot and dwellings.	50 years.	
	55,000	For the erection of the buildings above mentioned.	50 years.	
	Sum requisite	Costs of Act.	5 years.	10 years.
	With the approval of the Local Government Board, such further sums as the Council may require for the purposes of the Act.	Any of the purposes of the Act.	Such period as the Local Government Board may sanction.	
Edmonton Urban District Council.	30,000	Purchase of Pymmes Park.	60 years from date of first borrowing.	10 years.
	Sum requisite	Costs of Act.	5 years.	
	With the approval of the Local Government Board, such further sums as the Council may require for the purposes of the Act.	Any of the purposes of the Act.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
Ilford Improvement.	25,000	Erection of a Town Hall and public offices.	50 years.	10 years.*
	Sum requisite	Costs of Act.	5 years.	
	With the approval of the Local Government Board, such further moneys as the Council may require for the purposes of the Act.	Any of the purposes of the Act.	Such period as the Local Government Board may sanction.	
Keighley Corporation.	45,000	Construction of waterworks and purchase of lands.	60 years.	60 years.
	185,000	Purchase of land for and construction of street works.	50 years.	60 years.
	Sum requisite	Costs of Act.	5 years.	10 years.

The period was apparently altered before the Bill was submitted to the Committee.

1898—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Keighley Corporation—continued.	£.			
	With the approval of the Local Government Board, such further moneys as may be necessary for any of the purposes of the Act (other than tramways).	Any of the purposes of the Act, other than tramways.	Such period as the Local Government Board may sanction.	
Leyton Urban District Council.	Such sums as the Board of Trade may sanction.	Tramways.	Such period as the Board of Trade may sanction.	
	Such sums as the Local Government Board may sanction.	Any of the other purposes of the Act.	Such period as the Local Government Board may sanction.	
	Sum requisite	Costs of Act.	5 years.	
Liverpool Corporation.	400,000	Street Improvement works and Acquisition of lands.	30 years.	{ As proposed before Committee. No periods in Bill.
			50 years.	
Middlesex County Council.	Sum requisite	Loans to local authorities.	Period to expire not more than one year after that for which the same was lent by them to the local authority.	
	Such sums as may be required.	Building or re-building any county bridge or for any of the purposes of the Act.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
Nottingham Corporation.	Such sum as may be required.	To make good any deficiency in the fire insurance fund.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	30 years.
	Sum requisite	Costs of Act.	1 year.	10 years.
Paignton Improvement.	Sum requisite	Purchase and acquisition of lands and draining, raising, levelling, improving and laying out the said lands, and for any other purposes of the Act.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
	Sum requisite	Costs of Act.	5 years.	10 years.
St. Helens Corporation.	50,000	Construction of Tramways.	Such period, not exceeding 30 years, as the Board of Trade may sanction.	
	Sum requisite	Costs of Act.	5 years.	10 years.
	With the approval of the Local Government Board, such further moneys as they may think fit.	Any of the purposes of the Act, except tramways.	Such period as the Local Government Board may sanction.	
West Ham Corporation.	With the approval of the Board of Trade such further moneys as they may think fit.	Tramways.	Such period, not exceeding 30 years, as the Board of Trade may sanction.	
	Such sum as the Local Government Board may sanction.	Lunatic Asylum.	50 years.	60 years.
	42,500	Extension of town hall and purchase of land.	50 years.	60 years.
	35,000	Technical institute and museum buildings (including land and fitting and furnishing the buildings).	50 years.	60 years.
	Such sum as the Board of Trade may sanction.	Tramways.	Such period, not exceeding 60 years, as the Board of Trade may sanction.	

1898—continued.

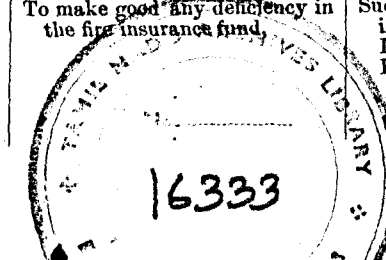
Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
West Ham Corporation—continued.	£. 106,000	Hospital—payment off of balance of existing loan and purchase of land.	50 years	60 years.
	2,000	New road	50 years	60 years.
	18,000	New street, new road and street widenings.	50 years	60 years.
	27,000	Recreation grounds	50 years	60 years.
	Sum requisite - With the approval of the Local Government Board, such further sums as may be required. With the approval of the Board of Trade such further sums as may be required.	Costs of Act Any of the purposes of the Act, except tramways Tramways	5 years. Such period, not exceeding 60 years, as the Local Government Board may sanction. Such period, not exceeding 60 years, as the Board of Trade may sanction.	

1899.

Blackpool Improvement.	Sum requisite - 345,000£., and such further sum as the Local Government Board may sanction.	Costs of Act Construction of parade works	5 years. 60 years.	
	25,000£., and such further sum as the Local Government Board may sanction.	North shore works	50 years.	
	Such sums as the Local Government Board may sanction.	Constructing groynes and other works for the protection of the sea-shore and the sea defences (including any land and works of the Corporation adjoining the sea-shore, and for levelling the surface of the sands).	Such period as the Local Government Board may sanction.	Such period as the Board of Trade may sanction.
	Such sum as the Local Government Board may sanction. 38,000	Purchase of land for extension of cemetery.	Such period, not exceeding 50 years, as the Local Government Board may sanction.	30 years.
	Such further sum as the Board of Trade may sanction.	Construction of tramways authorised by the Act. Tramway purposes	30 years. Such period, not exceeding 30 years, as the Board of Trade may sanction.	
Bootle Corporation	Such sum as the Local Government Board may sanction.	Purchase of land for street improvement.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	50 years.
	Such sum as the Local Government Board may sanction.	Market purposes	Such period, not exceeding 60 years, as the Local Government Board may sanction.	60 years.
	Sum requisite - Such sums as may be necessary, with the consent of the Local Government Board.	Costs of Act Any of the purposes of the Act	5 years Such period as the Local Government Board may sanction.	10 years.
Darwen Corporation	66,700£., and with the consent of the Board of Trade, such further sums as may be necessary.	Construction of new tramways and providing a system of electrical traction for existing and new tramways, including the partial relaying with suitable materials and the purchase of the necessary land.	30 years as to 66,700£., and such period as the Board of Trade may sanction as to further borrowings.	
	22,830 and, with the consent of the Local Government Board, such further sums as may be necessary.	Street works	30 years as to 22,830£., and such period as the Local Government Board may sanction as to further borrowings.	

1899—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Darwen Corporation—continued.	£. 37,787 and, with the consent of the Local Government Board, such further sums as may be necessary. 35,000 and, with the consent of the Local Government Board, such further sums as may be necessary. 6,000 and, with the consent of the Local Government Board, such further sums as may be necessary. Sum requisite	Waterworks purposes, including the purchase of the necessary lands and the lands forming the water-shed. Gasworks purposes, including the purchase of lands. Electric lighting Costs of Act	55 years as to 37,787£., and such period as the Local Government Board may sanction as to further borrowings. 30 years as to 35,000£., and such period as the Local Government Board may sanction as to further borrowings. 30 years as to 6,000£., and such period as the Local Government Board may sanction as to further borrowings. 5 years	60 years.
	140,000	Purchase of land for, and the extension and improvement of a market, and for other market and slaughter-house purposes.	40 years	50 years.
	30,000	Erection of the Smithfield Hall and for purposes connected therewith.	50 years.	
	320,000	Purchase of lands for and the construction of street works authorised by the Act.	50 years.	
	52,000	Construction of tramway authorised by the Act, and other tramway purposes.	30 years.	
Leeds Corporation	40,000	Construction and completion of the sanitary depot, stables, and works.	50 years.	
	Sum requisite	Costs of Act	5 years.	10 years.
	Such sum as the Local Government Board may sanction.	Burial ground	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
	Such sum as the Local Government Board may sanction.	Sewage, sewerage and drainage purposes, and for the purchase of additional lands by agreement for any purposes of the Act.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
	Such sum as the Local Government Board may sanction.	Any of the purposes of the Act, other than tramways.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	
Manchester Corporation (General Powers).	Such further sums as the Board of Trade may sanction.	Tramways	Such period, not exceeding 60 years, as the Board of Trade may sanction.	
	8,000	Widening and altering of bridges.	50 years.	
	3,500	Acquisition of lands for erection of public baths and public hall.	50 years.	
	Such sums as may be necessary and as shall be sanctioned by the Local Government Board.	Erection of public baths and public hall.	Such period not exceeding 50 years, as the Local Government Board may sanction.	Not in Bill.
	Such sums as may be necessary and as shall be sanctioned by the Local Government Board.	To make good any deficiency in the fire insurance fund.	Such period, not exceeding 60 years, as the Local Government Board may sanction.	



1899—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Newcastle - upon - Tyne Tramways and Improvement.	£. Sum requisite 400,000 Such sum as the Board of Trade may sanction. 770,000 Such further sums as the Local Government Board may sanction.	Costs of Act - - - Construction of tramways - - Purchase of tramways - - Tramway purposes other than purchase of tramways. Construction of street works - Any of the purposes of the Act, other than tramways.	5 years. 30 years. 30 years. Such period as the Board of Trade may sanction. 50 years. Such period as the Local Government Board may sanction.	
Salford Corporation	Sum requisite 250,000 Such sum as the Board of Trade may sanction. 12,666 <i>l.</i> , and such further sum as the Local Government Board may sanction. 200,000 Such sum as the Local Government Board may sanction.	Costs of Act - - - Tramways - - - Purchase of lands and buildings for tramway purposes, and for providing tramway plant, and for executing mechanical works without the Borough, and other purposes connected with the purchase of tramways. Construction of road - - - Street works - - - Contributions towards the conversion of existing closet accommodation into water-closet.	5 years. 30 years. Such period as the Board of Trade may sanction. 30 years as to 12,666 <i>l.</i> , and such period as the Local Government Board may sanction as to further borrowings. 50 years Such period as the Local Government Board may sanction.	
Stockport Corporation.	Such sums as the Board of Trade may sanction. Such sums as the Local Government Board may sanction. Sum requisite -	Tramways - - - Any of the purposes of the Act, other than tramways. Costs of Act - - -	Such period as the Board of Trade may sanction. Such period as the Local Government Board may sanction. 5 years - - -	Not in Bill.
Warrington Corporation.	147,000 25,000 10,000 14,400 5,000 15,000 2,000 50,000 Sum requisite - Such further sums as the Local Government Board may sanction.	Waterworks undertaking - - Purchase of land for the erection of new police court buildings and stations, and fitting up the same. Purchase of park - - - Extension of hospitals and of sanitary depot, and the purchase of land therefor. Erection of river wharves. Purchase of land and erection thereon of a technical institute and schools for secondary education. Widening of a lane - - - Purchase of land for street widenings and improvements. Costs of Act - - - Any of the purposes of the Act.	50 years - - - 50 years. 50 years - - - 50 years. 50 years - - - 50 years. 50 years - - - 50 years. 50 years - - - 50 years. 5 years - - - Such period as the Local Government Board may sanction.	15 years.* 60 years. 60 years. 60 years. 60 years. 60 years. 10 years.

1900.

Bradford Corporation (Tramways, Gas, and various powers).	Sum requisite 109,334 12,000 Sum necessary - Sum necessary 11,375 Such sums as the Local Government Board may sanction.	Costs of Act - - - Tramways - - - Electrical feeder cables and switchboard purposes. Purchase of lands - - - Purchase of gas undertaking - Payment of mortgage debt of gas company. Purposes of gas undertaking -	5 years 30 years. 30 years. 60 years. 40 years - - - 40 years - - - Such period as the Local Government Board may sanction.	50 years. Not in Bill.
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* The period was apparently altered before the Bill was submitted to the Committee.

1900—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Coventry Corporation.	£. 100,000 Sum requisite - Such further moneys as the Local Government Board may sanction.	Purchase of land for and construction of street works. Costs of Act - - - Any of the purposes of the Act	60 years. 5 years Such period as the Local Government Board may sanction.	10 years.*
Croydon Tramways and Improvements.	170,000 23,180 35,000 2,000 Sum requisite -	Tramways - - - Street improvements (including acquisition of land). Generating station - - - Crematorium - - - Costs of Act - - -	30 years. 40 years - - - 25 years - - - 30 years - - - 5 years.	50 years. 50 years.* 50 years.*
Farnworth Urban District Council.	Sum requisite 5,000 74,000 Sum requisite 29,150 <i>l.</i> , and any further sum the Board of Trade may sanction.	Costs of Act - - - Slaughter-houses - - - Construction of tramways - Purchase of tramways - - Tramway purposes (other than purchase of tramways).	5 years. 20 years - - - 30 years. 30 years. Such period as the Board of Trade may sanction. Committee (P. & S.) gave 30 years for the 29,150 <i>l.</i>	40 years.
Halifax Corporation	Sum requisite - Sum requisite - Sum requisite - Sum requisite 20,000 14,000 326,800 <i>l.</i> , and, with approval of Board of Trade, such further sums as may be necessary. 60,000 <i>l.</i> , and, with approval of Board of Trade, such further sums as may be necessary. 150,600 2,000	Costs of Act - - - Compensation to officers - - Repayment of mortgage debts of local authorities dissolved by the Act. Financial adjustment - - Purchase of land for drainage and drainage works. Purchase of land for and construction of sewage disposal works. Tramways - - - Electrical equipment in connection with the Corporation tramways. Street improvements - - - Conversion of closets - - -	5 years - - - 25 years, provided that if compensation be by way of payment of capital sum, period shall not exceed that adopted for calculating amount of capital sum. Unexpired portion of periods allowed to the local authorities. 25 years. 50 years - - - 50 years. 40 years as to 326,800 <i>l.</i> , and as to further borrowings such period as the Board of Trade may sanction. 30 years as to 60,000 <i>l.</i> , and as to further borrowings such period as the Board of Trade may sanction. 50 years - - - 20 years - - -	10 years. No proviso in Bill; otherwise unchanged. 60 years. 40 years (as to whole sum). 30 years (as to whole sum). 60 years. 30 years.
Hastings Corporation.	Sum requisite 3,000 5,000 Such further sums as the Local Government Board may sanction.	Costs of Act - - - Crematorium - - - Construction of a lift - - Any other purpose of the Act -	5 years - - - 30 years. 25 years - - - Such periods as the Local Government Board may sanction.	10 years.* 30 years.
Ilfracombe Improvement.	44,000 6,000 Sum requisite - Sum requisite - Such further sums as may be required, and as the Local Government Board may sanction.	Purchase of lands and wayleaves for and construction of water-works. Extension and improvement of waterworks undertaking. Construction of new or improved road. Costs of Act - - - Any of the purposes of the Act or otherwise in relation to the water undertaking.	60 years. 60 years. 35 years - - - 5 years - - - Such period as the Local Government Board may sanction.	Not in Bill. 10 years.

* The period was apparently altered before the Bill was submitted to the Committee.

1900—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Lancaster Corporation.	£. 70,000 55,500	Construction of tramways - Purchase of land for and making of street widenings and new street.	30 years - - - 45 years - - -	40 years. 55 years.
	7,000 18,750	Construction of footbridge - Purchase of land for and erection of markets and slaughter-houses.	30 years - - - 35 years - - -	55 years. 50 years.
	Sum requisite - Such further sums as the Local Government Board may sanction. Such further sums as the Board of Trade may sanction.	Costs of Act - Any of the purposes of the Act other than tramways. Tramways -	5 years - - - Such period, not exceeding 60 years, as the Local Government Board may sanction. Such period, not exceeding 60 years, as the Board of Trade may sanction.	10 years.
Liverpool Corporation.	280,000 66,000 750	Street improvements and acquisition of lands. Libraries and museums - Acquisition of graves or grave spaces, or land available for the same.	30 years as to works and 50 years as to lands. 40 years. 30 years.	
Oldham Corporation	50,000	Purchase of land for and extension and improvement of markets.	45 years - - -	60 years.
	131,700 20,000	Closet accommodation purposes Infectious hospital purposes -	30 years. 30 years - - -	40 years.* 10 years.
	Sum requisite - Such further sums as the Local Government Board may sanction.	Costs of Act - Any of the purposes of the Act	5 years - - - Such period as the Local Government Board may sanction.	
Preston Corporation	Sum requisite - 113,445 Sum requisite - 50,000	Costs of Act - Construction of tramways - Purchase of tramways - Other tramway purposes -	5 years. 30 years. 30 years. 30 years.	
Rochdale Corporation.	Sum requisite - 145,000 Sum requisite - 98,000 <i>l.</i> , and such further sum as the Board of Trade may sanction. 71,400	Costs of Act - Construction of tramways - Purchase of tramways - Tramway purposes other than purchase of tramways.	5 years. 30 years. 30 years. Such period as the Board of Trade may sanction.	
	Such sums as the Local Government Board may sanction.	Street works - Any other purpose authorised by the Act (other than street works).	45 years - - - Such periods as the Local Government Board may sanction.	60 years.
Scarborough Corporation.	Sum requisite - Sum requisite -	Costs of Act - Costs of borrowing, paying off and re-borrowing money.	5 years - - - Period for which the money is actually borrowed or re-borrowed.	10 years.
	13,000	New carriage road and purchase of land therefor.	40 years - - -	60 years.*
	2,700	Alteration of line of sea wall -	40 years - - -	50 years (apparently). 20 years.
	Such sums as the Local Government Board may sanction - 3,000	Compensations to owners and occupiers of slaughter-houses. Purchase of undertaking of Electric Supply Company.	Such period as the Local Government Board may sanction. 30 years.	50 years.
	8,000	Erection of warehouses or buildings.	45 years - - -	60 years.
	Sums requisite -	Construction of sea-water swimming and other baths. Compensation to any assistant overseer or collector of rates, if such compensation be a sum in gross.	20 years.	

* The period was apparently altered before the Bill was submitted to the Committee.

ON REPAYMENT OF LOANS BY LOCAL AUTHORITIES.

305

1900—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period assigned for Repayment.	Periods asked for in the Bill as deposited. They are only given in cases in which they were altered by the Committee.
Sheffield Corporation	£. 445,176	Street improvements and purchase of lands and works.	45 years - - -	60 years.
	349,495	Tramways	30 years.	
	Sum requisite -	Compensation payable in gross sum to authorities or officers.	10 years - - -	30 years.
	Sum requisite -	Costs of Act -	5 years.	
Southport Corporation.	50,000 23,500	Street works and improvements Purchase of land for branch police and fire brigade stations, and for erecting and fitting up such stations.	50 years. 50 years.	
	Sum requisite - Such further sums as the Local Government Board may sanction.	Costs of Act - Any of the purposes of the Act	5 years. Such period as the Local Government Board may sanction.	
Taunton Corporation	10,000	Contribution towards expense of erecting, furnishing, and equipping a town hall.	45 years - - -	50 years.*
	500	Payment to official trustees of charitable funds.	45 years - - -	Not in Bill.
	Sum requisite -	Repayment of loans of the market trustees, if undertaking acquired by corporation.	45 years - - -	Not in Bill.
	Sum requisite - Such further sums as the Local Government Board may sanction.	Costs of Act - Any purposes of the Act or of the water undertaking, or of the market undertaking when acquired.	5 years - - - Such period as the Local Government Board may sanction.	10 years.
West Bromwich Corporation.	Such sums as the Board of Trade may sanction. Such sums as the Local Government Board may sanction.	Tramways - Any other purposes of the Act -	Such period as the Board of Trade may sanction. Such period as the Local Government Board may sanction.	
	Sum requisite -	Costs of Act -	5 years - - -	10 years.
West Ham Corporation.	232,750 38,000 23,000 300,000 275,000	Tramways - Extension of town hall - Technical institute and museum Lunatic Asylum - New streets and street improvements.	40 years - - - 50 years. 50 years. 50 years. 50 years.	50 years..
	218,125	Extension of Electric generating station.	40 years - - -	50 years.
	3,210 16,000	Purchase of land for a mortuary Stabling and purchase of land therefor.	50 years. 50 years.	
	60,000	Public baths -	50 years.	
	Sum requisite -	Costs of Act -	5 years.	

* The period was apparently altered before the Bill was submitted to the Committee

APPENDIX, No. 5.
(See Question 602.)

SESSION 1901.

STATEMENT handed in by Mr. *Lithiby*, 11th April, showing, as regards the Bills included in Groups K. and L., the Borrowing Powers given by each Bill as passed, the purposes for which the Loans were authorised, and the Periods assigned for their Repayment.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
	£.		
Barrow-in-Furness Corporation. (K.)	175,000	Purchase of land for, and construction of, waterworks.	50 years.
	83,000	Purchase of land for, and construction of, street works.	50 years.
	25,000	Gas mains, gas plant, and other gasworks purposes.	30 years.
	Sum requisite	Costs of Act	5 years.
	Such further sums as the Local Government Board may sanction.	Above purposes	Such period as the Local Government Board may sanction.
Bingley Urban District Council. (K.)	Sum requisite	Purchase of gas company's undertaking.	40 years.
	45,900	Purchase of land for, and construction of, street works.	45 years.
	Sum requisite	Costs of Act	5 years.
	Such further sums as the Local Government Board may sanction.	Purposes of gas undertaking, or other purposes of the Act.	Such period as the Local Government Board may sanction.
Blackpool Improvement (L.)	Sum requisite	Costs of Act	5 years.
	350L., and such further sum as the Local Government Board may sanction.	Parade works	60 years.
	8,000	Completing and furnishing town hall and municipal buildings.	40 years.
	25,000L., and such further sum as the Local Government Board may sanction.	Protection of Gynn Estate	50 years.
	20,000L., and such further sum as the Local Government Board may sanction	North shore works	50 years.
	47,000	Construction of tramways and tramroads.	30 years.
	Such further sum as the Board of Trade may sanction.	Tramway and tramroad purposes.	Such period not exceeding 30 years as the Board of Trade may sanction.
	35,000L., and such further sum as the Local Government Board may sanction	Street works	50 years.
	5,000	Diversion of Spen Dyke	30 years.
	1,500	Alterations in market buildings.	30 years.
	Such sums as the Local Government Board may sanction.	Contribution towards military camping or manœuvring grounds and rifle ranges.	Such periods not exceeding 60 years as the Local Government Board may sanction.
		Any purposes authorised by the Act other than those specifically named above.	
	Such sums as the borrowing authority are authorised to borrow.	Loans to other local authorities.	A period expiring not more than one year after the period for which the sum was lent to the local authority.

Appendix, No. 11.—Statement showing, as regards the Bills included in Groups K. and L., &c.—continued.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
	£.		
Bradford Corporation (K.)	Sum requisite	Costs of Act	5 years.
	31,150	Conditioning house purposes	40 years.
	368,168	Tramway purposes	30 years.
	19,500	Purchase of lands, buildings, and plant of the lessees of the Corporation Tramways.	30 years.
	85,000	Electrical feeder cables and switchboard purposes in connection with the tramways.	30 years.
	150,000	Gas undertaking	40 years.
	162,447	Construction of street works and new roads.	40 years.
	52,620	Market and slaughter-houses	40 years.
		Purchase of lands	60 years.
Brighton Corporation (L.)	30,000	Purchase of Aquarium undertaking.	50 years.
	Such sums as the Local Government Board may sanction.	Improving the Aquarium Estate.	Such period not exceeding 60 years as the Local Government Board may sanction.
	40,000L., and such further sums as the Local Government Board may sanction.	Street improvements (including purchase of land).	50 years as to the 40,000L., and such period not exceeding 60 years as the Local Government Board may sanction as to further borrowing.
	Sum requisite	Costs of Act	5 years.
	Sum requisite	Compensation to collectors of poor rates.	15 years.
Burton-upon-Trent Corporation. (L.)	Sum requisite	Costs of Act	5 years.
	Such sum as the Local Government Board may sanction.	Acquisition of land for Town Hall.	Such period not exceeding 60 years as the Local Government Board may sanction.
	52,057	Construction of tramways	30 years.
	41,900	Tramways purposes	30 years.
	7,110	Construction of street works	40 years.
	3,620	Construction of flood walls	40 years.
	916	Construction of sewage mains	40 years.
	31,600	Sewage purposes (including purchase of land).	50 years.
	1,500	Purchase of land for Infectious Diseases Hospital.	50 years.
	Such further sum or sums as the Local Government Board may sanction.	Any purposes of the Act other than Infectious Diseases Hospital or purchase of land in connection therewith.	Such period not exceeding 60 years as the Local Government Board may sanction.
Chesterfield Improvement. (K.)	167,000	Street improvements (including acquisition of land).	50 years.
	6,000	Markets (including acquisition of land).	50 years.
	4,000	Erection and equipment of abattoirs (including acquisition of land).	40 years.
	Sum requisite	Costs of Act	5 years.
	Such further sums as the Local Government Board may sanction.	Any of the purposes of the Act.	Such period as the Local Government Board may sanction.
Derby Corporation. (L.)	234,531L., and such further sums as the Board of Trade may sanction.	Tramways, including generating station.	40 years as to 234,531L., and such period as Board of Trade may sanction as to further borrowings.
	50,962	Waterworks	50 years.
	290,000	Sewerage and sewage disposal.	40 years.
	24,570	Street Improvement, including acquisition of land.	50 years.
	2,500	Crematorium	40 years.
	Such sum as Local Government Board may sanction.	Conversion of existing closet accommodation into closet accommodation on the water carriage system.	Such period as Local Government Board may sanction.
	6,000	Technical College purposes	30 years.

APPENDIX, No. 11.—Statement showing, as regards the Bills included in Groups K. and L., &c.—*continued*.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
Derby Corporation. (L.)— <i>continued</i> .	£.		
	Sum requisite - - -	Compensation payable in a gross sum to authorities or officers.	20 years.
	Sum requisite - - -	Costs of Act - - -	5 years.
	Sum requisite - - -	Payment of mortgage debts of affected authorities.	Original period prescribed for repayment.
	Such sum as may be sanctioned by Local Government Board.	Branch sewers.	Such period as Local Government Board may sanction.
Eccles Corporation. (K.)	Such sum as may be sanctioned by Local Government Board.	Any purposes of the Act -	Such period as Local Government Board may sanction.
	Sum requisite - - -	Costs of Act - - -	5 years.
	65,000£. and such further sums as the Board of Trade may sanction.	Construction of tramways -	30 years as to 65,000£., and such period as the Board of Trade may sanction as to further borrowings.
	Such sum as the Board of Trade may sanction.	Purchase of lands and buildings for tramways purposes and for providing plant.	30 years.
	30,000£. and such further sum as the Local Government Board may sanction.	Street works - - -	45 years as to 30,000£., and such period as the Local Government Board may sanction as to further borrowings.
Mansfield Corporation. (L.)	Such sum as Local Government Board may sanction.	Works of a permanent character not otherwise provided for. (Including conversion of existing closet accommodation into waterclosets, alteration of streets, &c.)	Such period as the Local Government Board may sanction.
	1,350	Street widening - - -	40 years.
	30,000£. and with consent of Local Government Board such further sums as may be required.	Purchase of gas undertaking and gasworks purposes, including purchase of land.	40 years as to 30,000£., and such period as the Local Government Board may sanction as to further borrowings.
	20,000£. and with consent of Local Government Board such further sums as may be required.	Waterworks - - -	50 years as to 20,000£., and such period as the Local Government Board may sanction as to further borrowings.
	50,000£. and with consent of Local Government Board such further sums as may be required.	Electrical power purposes, including generating stations and refuse destructor and purchase of land.	30 years as to 50,000£., and such period as the Local Government Board may sanction as to further borrowings.
Rhyl Improvement. (K.)	2,000£. and with consent of Local Government Board such further sums as may be required.	Conversion of existing closet accommodation into waterclosets.	30 years as to 2,000£., and such period as the Local Government Board may sanction as to further borrowings.
	Sum requisite - - -	Costs of Act - - -	5 years.
	18,000	Purchase of lands and wayleaves for and construction of works (of water supply).	60 years.
	2,000	Construction of wharves, jetties, quays and other works.	20 years.
	Sum requisite - - -	Costs of Act - - -	5 years.
	Such further sums as the Local Government Board may sanction.	Water undertaking - - -	Such period as the Local Government Board may sanction.

APPENDIX No. 6.

(See Question 602.)

SESSION 1901.

STATEMENT handed in by Mr. *Lithiby*, April 11th, showing, as regards Bills containing Police and Sanitary Provisions (other than those included in Groups K. and L.), the Borrowing Powers given by each Bill, the purposes for which the Loans were authorised, and the periods assigned for their repayment.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
Blackburn Corporation	£.		
	80,000	Alterations to town hall, new assembly rooms, and furnishing the same.	40 years.
	60,000	New sessions house, police courts, police station, fire brigade station, and firemen's houses and furnishing the same.	40 years.
	80,000	Purchase of lands for extension of town hall, new sessions house, &c. (as above).	60 years.
	10,000	Land for extension of cattle market, abattoirs and store yards.	50 years.
	20,000	New street and street works -	40 years.
	14,000	Cold air stores and ice making apparatus.	25 years.
	40,000	Conversion of closet accommodation into water closets.	25 years.
	190,000	Tramways - - -	20 years.
	10,000	Electrical supply - - -	20 years.
	Sum necessary - - -	Costs of Act - - -	5 years.
	Such further sums as the Board of Trade may sanction.	Tramways - - -	Such period not exceeding 60 years as the Board of Trade may sanction.
	Such further sums as the Local Government Board may sanction.	Any other purposes of the Act and the Local Acts, including sewerage within added area, and such other sums as may have to be expended in respect of financial adjustment with the County of Lancaster, compensation of officers and other matters arising in consequence of the extension of the borough.	Such period, not exceeding 60 years, as the Local Government Board may sanction.
Bolton Corporation	Sum requisite - - -	Costs of Act - - -	5 years.
	75,000	Purposes of Technical Instruction Acts.	50 years.
	215,000	Tramway works - - -	30 years.
	32,016	Electric traction works - -	30 years.
	303,500	Street works (including purchase of land therefor).	60 years.
	20,000	Supply of electric energy -	30 years.
	Such sum as the Local Government Board may sanction.	To make good deficiency in Fire Insurance Fund caused by loss or damage sustained by the Corporation by or in consequence of fire.	Such period, not exceeding 60 years, as the Local Government Board may sanction.
Broadstairs and St. Peter's Water and Improvement.	Sum necessary - - -	Purchase of the water undertaking.	51 years for paying off the debenture debt and temporary loan of the company, and 50 years for the remainder.
	12,000	Purchase of land and wayleaves for, and construction of works authorised by the Act (i.e., waterworks).	60 years.

Appendix, No. 12.—Statement showing, as regards Bills containing Police and Sanitary Provisions, &c.—*continued*.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
Broadstairs and St. Peter's Water and Improvement— <i>cont.</i>	£. 18,000	Extension and improvement of the waterworks undertaking of the Council and for working capital.	15 years.
Bury Corporation	Sum requisite Such further moneys as the Local Government Board may approve. 60,000 51,000 27,000 17,000 10,000 7,000	Costs of Act - - - Any of the purposes of the Act or otherwise in relation to the water undertaking. Purchase of land for sewage disposal works, construction of works and other purposes. Gas undertaking and purchase of land. Infectious diseases and small-pox hospitals and purchase of lands. Fire brigade stations and purchase of lands. Art gallery - - - Abattoirs, cool air stores and works for the manufacture of ice. Costs of Act - - -	5 years. Such period as the Local Government Board may sanction. 45 years. 30 years 45 years 45 years. 45 years. 40 years. 5 years.
Harrogate Corporation	Sum requisite - - - Sum requisite - - - 10,000 Such sums as the Local Government Board may sanction.	Costs of Act - - - Costs of Act and of the Harrogate Extension Order, 1900. Street works - - - For defraying expenditure on other works of a permanent character.	5 years. 5 years. 60 years. Such period as the Local Government Board may sanction.
Leeds Corporation (General Powers).	60,000 450,000 60,000 300,000 Sum requisite - - - Such further sums as the Board of Trade may sanction. Such further sums as the Local Government Board may sanction.	Experimental and other works of sewage disposal and experiments in connection therewith. Purchase of land and construction of street works. Construction of tramways and other tramway purposes. Gasworks - - - Costs of Act - - - Tramways - - - Any purposes of the Act other than tramways.	40 years. 60 years. 30 years. 40 years. 5 years. Such period not exceeding 60 years as the Board of Trade may sanction. Such period not exceeding 60 years as the Local Government Board may sanction.
Lowestoft Corporation	60,000 45,000 Sum requisite - - - Such further sums as the Board of Trade may sanction. Such further sums as the Local Government Board may sanction.	Tramways - - - Purchase of lands for street improvements and the widening and improvement of streets and roads. Costs of Act - - - Tramways - - - Any purposes of the Act, other than tramways.	40 years. 60 years. 5 years. Such period as the Board of Trade may sanction. Such period as the Local Government Board may sanction.
Manchester Corporation	23,000 45,000 25,000 120,000 6,000 50,000	Tramways - - - Street works and improvements. Acquisition of land and erection and equipment of buildings for purposes of Weights and Measures Acts. Land for the purposes of the fire brigade and police and the erection and equipment of buildings. Parks and recreation grounds Works of paving and sewerage.	40 years. 50 years. 50 years. 50 years. 40 years. 40 years.

Appendix, No. 12.—Statement showing, as regards Bills containing Police and Sanitary Provisions, &c.—*continued*

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
Ripon Corporation	£. 20,000 10,000 Sum requisite - - - Such further sums as the Local Government Board may sanction.	Purchase of lands and way-leaves for, and construction of, the waterwork authorised by the Act, and extension and improvement of the water undertaking. Purchase of lands and way-leaves for, and construction of Aldfield Spa Works. Costs of Act - - - Any of the purposes of the Act or in relation to the water undertaking.	50 years. 50 years. 5 years. Such period as the Local Government Board may sanction.
Rugby Water and Improvement.	45,500 1,600 6,000 Sum requisite - - - Such further sums as the Local Government Board may sanction.	Waterworks (including purchase of lands). Sum expended in laying water-mains. Street improvements and new road (including purchase of lands). Costs of Act - - - Any of the purposes of the Act or in relation to the water undertaking.	60 years. 60 years. 50 years. 5 years. Such period as the Local Government Board may sanction.
Shipley Improvement.	Sum necessary - - - Sum requisite - - - 25,000 70,000 and such further sums as the Board of Trade may sanction. Such sum as the Board of Trade may sanction. 40,000 6,500 Such sums as the Local Government Board may sanction.	Costs of Act - - - Purchase of gas undertaking - - - Improvement and extension of gas works. Tramways - - - Tramway purposes (including purchase of lands). Street works - - - Discharge of debt of school governors. Water undertaking - - - Purchase of lands and erection of buildings for offices of the council and fire brigade stations. Purchase of lands and construction of sewage disposal works. Public baths - - - Refrigerator and cold air stores Electricity supply - - - Expenditure on other works of a permanent character.	5 years. 40 years. 40 years. 30 years. 30 years. 50 years. 45 years. Such period as the Local Government Board may sanction.
Smethwick Corporation	89,000 50,000 Sum requisite - - - Such further sums as the Board of Trade may sanction. Such further sums as the Local Government Board may sanction.	Gas undertaking - - - Tramways - - - Costs of Act - - - Tramways - - - Any purposes of the Act other than tramways.	40 years. 30 years. 5 years. Such period as the Board of Trade may sanction. Such period as the Local Government Board may sanction.
Stratton and Bude Improvement.	Sum necessary - - -	Purchase of the undertaking of the Bude Canal and Harbour Company.	60 years.

Appendix, No. 12.—Statement showing, as regards Bills containing Police and Sanitary Provisions, &c.—*continued*.

Name of Bill.	Amount Authorised.	Purpose.	Period Assigned for Repayment.
Stratton and Bude Improvement— <i>cont.</i>	£.		
	16,700	Purchase of land for and construction of waterworks.	60 years.
	2,000	Extension of waterworks and working capital.	45 years.
	1,500	Extension and improvement of the harbour.	45 years.
	Sum requisite	Costs of Act	5 years.
	Such further sums as the Local Government Board may sanction.	Any of the purposes of the Act or otherwise in relation to the water and harbour undertakings of the Council.	Such period as the Local Government Board may sanction.
Wallasey Improvement	4,500	Purchase of land for and construction of railway in connection with gas undertaking.	35 years.
	45,500	Extension of gas works	35 years.
	Sum requisite	Costs of Act	5 years.
	Such further sums as the Local Government Board may sanction.	Any of the purposes of the Act and of the gas undertaking.	Such period as the Local Government Board may sanction.

APPENDIX, No. 7.

(See Question 602.)

PAPER handed in by Mr. *Lithiby*, 11 April.

INDEX to the purposes for which Loans have been authorised in Bills (relating to England and Wales) referred to the Select Committee on Police and Sanitary Regulations, of the years 1882-1900, showing the periods allowed for the repayment of the Loans.

An asterisk denotes that the purposes for which the Loan was granted included the purchase of land, or other purposes besides that specified.

Act, costs of, generally 10 years, 1882-1892, 5 years, 1893-1900.

Art Gallery, museum, schools of science and art, 25*, Southport (1885).

Asylum, Lunatic, purposes, 50*, West Ham (1900).

Baths, 60*, Accrington (1882); 60*, Blackburn (1882); 60*, Newcastle-upon-Tyne (1882); 25*, Cardiff (1884). Sanction (not exceeding 50), Manchester (1899); 50*, West Ham (1900).

Seawater, etc., 45, Scarborough (1900). *See also* Offices.

Bridge, Purchase of undertaking, 40*, Chester (1884). New, 20*, Southport (1885); 40*, Kingston-upon-Thames (1888); 40*, Blackburn (1898). Widening, 60*, Nelson (1888); 30*, Burton-upon-Trent (1896); 50, Manchester (1899). Works, 25*, Cardiff (1884); 40*, Reading (1887). (*See also* Footbridge.)

Buildings in Pleasure Grounds, 20*, Scarborough (1889).

Burial Ground, extension and laying out, 35*, Colne (1897).

Cab Stands, 30*, Weymouth and Melcombe Regis (1887).

Carriage Road, construction, 50*, Scarborough (1889); 40*, Scarborough (1900).

Cemetery, enlarging, fencing etc., 30, Darwen (1887). Purposes, 45*, Macclesfield (1882).

Clock for Town Hall, 20*, Middlesbrough (1892).

Closet accommodation, conversion of, into slop-water closets or other like accommodation, 20, Ashton-under-Lyne (1893).

Conversion to water-carriage system, 20, Halifax (1900).

Purposes, 30, Oldham (1900).

Common, compensation for acquisition, 30*, Barry (1896).

Laying out as public park and pleasure ground, 40*, Great Yarmouth (1897).

Commonable rights, purchase of, 40*, Great Yarmouth (1897).

Compensation:

To assistant overseer or rate collector (if sum in gross), 20, Scarborough (1900).

To authorities or officers (if payable in gross), 30*, Lancaster (1888); 10, Sheffield (1900).

For lapsed charities, 45, Taunton (1900).

In respect of street widenings, 50*, Manchester (1891).

To wool-combers for loss of privileges as to trade refuse, 50, Bradford (1897).

To officers on extension of borough, 25, Halifax (1900) (provided that if given in form of capital sum, period not greater than number of years purchase on which sum calculated).

For acquisition of common, 30, Barry (1896).

To holders of securities for compulsory redemption, period allowed for repayment of loan in respect of which compensation was made, Tunbridge Wells (1890).

Coroner's Court. (*See* Offices.)

Costs of Act. (*See* Act.)

Of borrowing, paying off, and re-borrowing money; period for which money is actually borrowed, Scarborough (1889); Scarborough (1900).

Crematorium, sanction (not exceeding 50), Leicester (1897); 30, Croydon (1900); 30, Hastings (1900).

Culverting stream, 35*, Ashton-under-Lyne (1893).

Depôt, Sanitary, 45*, Dewsbury (1884); 25*, Hastings (1885); 10, Ashton-under-Lyne (1886); and stables, 50*, Leeds (1899); 50*, Warrington (1899). (*See also* Land.)

Destructor, Refuse, 45*, Dewsbury (1884); 10, Hastings (1885); 35*, Colne (1897).

Dispensary. (*See* Hospital.)

Electrical feeder, cables and switchboard purposes, 30, Bradford (1900).

Electric lighting purposes, 30, Darwen (1899).

Embankments. (*See also* Works, Shore).

Or retaining walls, 25*, Brighton (1884); 50, Brighton (1896).

River, 40*, Reading (1887).

Esplanade promenade and sea walls, 40*, St. Anne's-on-Sea (1896).

Farm buildings and improvements at sewage farms, 60*, Blackburn (1882).

Financial adjustment on extension of Borough, moneys properly chargeable to capital and payable by reason of, 25, Halifax (1900).

Fire Brigade Station. (*See also* Offices.) 50*, Southport (1900).

Flood-works purposes, 50*, Leicester (1884).

Footbridge over river, 30, Lancaster (1900).

And footpaths, 20, West Ham (1888).

Foreshore and marsh land, 50, Southport (1885).

Furnishing Town Hall and buildings, 7, Birkenhead (1884); 7, Torquay (1886); 40*, Dewsbury (1891).

Gardens, 10*, Brighton (1884); 20, Scarborough (1889).

Gas, purchase of undertaking, 35, Barnoldswick (1893); 20, Blackpool (1893); 40, Ilkley (1893); 30, Brighouse (1895); 40, Leamington (1896); 40, Bradford (1900).

Purposes of undertaking, 45*, Macclesfield (1882); 27, Bury (1885); 30, Bradford (1885); 40*, Nelson (1886); 30, Carlisle (1887); 30, Nelson (1888); 40*, Middlesbrough (1892); 30, Bury (1894); 30, Leicester (1897); 30*, Darwen (1899).

Extension or improvement of undertaking, 60*, Bolton (1882); 30*, Darwen (1887); 30, Brighouse (1895).

Generating station, 25, Croydon (1900); 40*, West Ham (1900).

Graves, or grave spaces, acquisition of, 30, Liverpool (1900).

Groynes, 25, Eastbourne (1885).

Hall. (*See* Public Hall.)

Harbour purposes, 50 (purchase) and 25 (works), Torquay (1886); 50*, Weymouth and Melcombe Regis (1887).

Hospital, dispensaries and infirmaries:

Purposes, including paying off existing loan on, 50*, West Ham (1898).
 And sanitary depot, 50*, Warrington (1899).
 Infectious, purposes of, 30*, Oldham (1900).
 For contagious diseases, 60*, Accrington (1882).
 Houses, insanitary, purchase of, 30*, Wigan (1889).
 House property, purchase of, 40*, Bridlington (1894).
 Hydraulic pressure, supply of water for, 40, Manchester (1891).

Infirmaries. (See Hospital.)

Infectious hospital. (See Hospital.)

Lake, improvement of, 40, Hoylake and West Kirby (1897).

Land, purchase of.

- Purpose not specified:—
 40, Eastbourne (1885); 50, Liverpool (1898).
- Purchase of land for following purposes:—
 Assembly Rooms, 40, Bridlington (1894).
 Cemetery extension, sanction (not exceeding 50), Blackpool (1899).
 Horse and cart depot, 40, West Ham (1893).
 Markets, 60, Blackpool (1893); 45*, Cardiff (1894).
 Markets and slaughter-houses, 50, Manchester (1891).
 Mortuary, 50*, West Ham (1900).
 Public Baths and Public Hall, 50, Manchester (1899).
 Sewage purposes, 30, West Ham (1888).
 Street improvements, 30*, Wigan (1893); 50, Liverpool (1900).
 Street widenings and improvements, 50, Manchester (1891); 50, Warrington (1899).
 Waterworks, and protection of waterworks, 60, Bradford (1900); 55, Darwen (1899).
- Purchase of land for following purposes, combined with execution of works for those purposes only:—
 Bridge widening, 30, Burton (1896).
 Gasworks, 30, Darwen (1899).
 Libraries and reading-rooms, 40, Ashton-under-Lyne (1886).
 Markets and slaughter-houses, 40, Leeds (1899); 35, Lancaster (1900).
 Market extension and improvement, 40, Leeds (1899); 45, Oldham (1900).
 Market place extension, 40, Carlisle (1887).
 Parks, 60*, Accrington (1882).
 Pier, 40, Clevedon (1891).
 Pleasure grounds, 50, Cheltenham (1899).
 Police station and fire brigade station, 50, Southport (1900).
 Public offices, 50, East Ham (1898).
 Quay and quay extension, 50, South Shields (1896).
 Recreation ground, 45, Hastings (1885); 25, Blackburn (1898).
 Sewage works, 40, Nelson (1888); 40, Leeds (1893); 50, Halifax (1900).
 Street works or street improvement works, 40, Birkenhead (1884); 55, Oxford (1890); 45, Leeds (1893); 45, South Shields (1896); 50, Great Yarmouth (1897); 50, Keighley (1898); 50*, Leeds (1899); 60, Coventry (1900); 40, Croydon (1900); 45, Lancaster (1900); 45, Sheffield (1900).
 Town Hall, 30, Birkenhead (1884); 30, Torquay (1886).
 Waterworks, and protection of waterworks, 45, Ripon (1886); 60, Barmouth (1891); 50, Gloucester (1894); 60, Colne (1897); 60, Keighley (1898); 50, Halifax (1900); 60, Ilfracombe (1900).
- Purchase of land for following purposes, combined with execution of works for same or other purposes:—
 Baths and washhouses, 40, Dewsbury (1891).
 Burial ground extension, 35, Colne (1897).
 Cemetery purposes, 30, Darwen (1887).
 Dry ashes depot, 35, Ashton-under-Lyne (1893).
 Hospital, 50, West Ham (1898).
 Hospital and sanitary depot extension, 50, Warrington (1899).
 Library, 40, Dewsbury (1891).
 Markets, 40, Dewsbury (1891).
 Pier, 40, Ventnor (1884); 40, Great Yarmouth (1892).
 Police courts and stations, 50, Warrington (1899).
 Refuse destructor, 35, Colne (1897).

Sewerage and sewage disposal, 40, Reading (1887).

Stabling, 50, West Ham (1900).

Street works or street improvement works, 40, Middlesbrough (1892); 35, Colne (1897); 40, Blackburn (1898).

Technical Institute, 35, Colne (1897); 50, West Ham (1898).

Technical institute and secondary schools, 50, Warrington (1899).

Town Hall extension, 50, West Ham (1898).

Lavatories, w.c.'s and urinals, public, 25*, Southport (1885).

Legal expenses, 10, Swansea (1839).

Library, and museum purposes, 40*, Ashton-under-Lyne (1886); 40, Liverpool (1900). (See also Offices.)

Lift, 25, Hastings (1900).

Loans to local authorities, period to expire not more than one year after that for which the loan was made by them to the local authority, Norwich (1889); Burton-upon-Trent (1896); Great Yarmouth (1897); Salford (1897); Middlesex (1898).

To School Board, 60*, Newcastle-upon-Tyne (1892).
 Marine lake, 40, Holylake and West Kirby (1897).

Marine drive (acquisition of Company's undertaking), 50, Llandudno (1897).

Market, 45*, Macclesfield (1882); 30*, Brighton (1884); 30*, Carlisle (1887); 30*, Wigan (1889); 25, Hastings (1885); 30*, Weymouth and Melcombe Regis (1887); 40*, Dewsbury (1891); 50*, Bradford (1897); 45*, Oldham (1900).

Markets and slaughter-houses, 60*, Accrington (1882); 25*, Cardiff (1884); 30*, Lancaster (1888); 40*, Leeds (1899); 35*, Lancaster (1900).

Marshland and foreshore, 50, Southport (1885).

Mortgage, discharge of, 40*, Bridlington (1894).

Debt of Bridge Commissioners, 30, Norwich (1889).

Debt of local authorities dissolved by Act, unexpired portion of periods allowed to local authorities, Halifax (1900).

Mortuary, 45*, Dewsbury (1884). (See also Offices.)

Municipal buildings. (See Offices, Town Hall.)

Museum. (See Art Gallery, Technical Institute, Library, Schools.)

Offices. (See also Town Hall.)

Completing town hall, sessions courts, and police courts, 30*, Birkenhead (1884).

Municipal, 60*, Accrington (1882); 30*, Brighton (1884); 40, Blackburn (1898).

Municipal and police courts, 25*, Southport (1885).

Public (police court, public library, and technical institute, fire engine station, public baths, sanitary offices, coroner's court and mortuary), 50, East Ham (1898).

Organ for Town Hall, 20*, Middlesbrough (1892).

Parade, and promenade, extension of sea-wall, sanction (not exceeding 50), Bridlington (1889); 52, Holylake and West Kirby (1897); 60, Blackpool (1899).

Park, 60*, Accrington (1882); 60*, Bolton (1882); 60*, Newcastle-upon-Tyne Improvement (1882); 10, Southport (1885); 60, Edmonton (1898); 50*, Warrington (1899).

Paving, permanent wood, 20, Blackburn (1898); flagging and street improvements; 20*, York (1884); 25, Ashton-under-Lyne (1886); 40*, Reading (1887); 30*, Lancaster (1888).

Pier, 40*, Ventnor (1884); 50* and 30*, Weymouth and Melcombe Regis (1887); 40*, Clevedon (1891); 40, Southend-on-Sea (1895); 40*, Great Yarmouth (1897).

Pleasure Grounds, purchase and improvement, 50, Cheltenham (1889); 40*, Great Yarmouth (1897).

Police courts and stations (see also Offices), 25*, Cardiff (1884); 50*, Warrington (1899); 50*, Southport (1900).

Private Street Improvements, 30*, Chadderton (1882); 20*, West Derby (1884); 20, Nelson (1888).

Promenade. (See Esplanade, parade, sea-wall.)

Public Hall, sanction (not exceeding 50), Leicester (1897); 50, Leeds (1899); sanction (not exceeding 50), Manchester (1899).

Quay, 50*, South Shields (1896).

Recreation Ground. (See also Park.) 40*, Nelson (1886); 30*, Weymouth and Melcombe Regis (1887); 20, Scarborough (1889); 25*, Blackburn (1898); 50*, West Ham (1898).

Refuse Destructor. (See Destructor.)

Rent Charge, redemption of waterworks, 60*, Bolton (1882); 60*, St. Helens (1893).

Repayment of loans of market trustees if undertaking acquired by Corporation, 45, Taunton (1900); of transferred local authorities, 20*, York (1884).

Rifle range, 40, Great Yarmouth (1897).

River improvements and works, 60*, Accrington (1882).
 Road, new, 25*, Brighton (1884); 20*, Ventnor (1884);

50*, Scarborough (1889); 40*, Newport (Mon.) (1889); 50*, West Ham (1898); 30, Salford (1899); 35, Ilfracombe (1900); 40, Scarborough (1900).

Widening, 40, West Ham (1888); 30, Scarborough (1889); 40*, St. Anne's-on-Sea (1896).

Rooms, completion and enlargement of Assembly Rooms, 25, Bridlington (1894).

Sanitary conveniences, 40*, West Ham (1893).

Sanitary purposes, 60*, Bolton (1882).

Schools, secondary and technical institute, 50*, Warrington (1899); of science and art and museum and art gallery, 25*, Southport (1885).

Sea-wall. (See also Works, Esplanade.) Sanction (not exceeding 50), Bridlington (1889); 50*, Scarborough (1889); 40, Scarborough (1900).

Sea-side improvements, 15, Brighton (1884).

Sea-water baths. (See Baths.)

Sewers, 60, Chadderton (1882); 25*, Cardiff (1884); 45*, Dewsbury (1884); 40, York (1884); 40*, Nelson (1886); 40*, Reading (1877); 30, West Ham (1888); 40, Norwich (1889); 35*, Ashton-under-Lyne (1893); 40, Blackburn (1898).

Sewage disposal works, 40*, Nelson (1886); 40*, Reading (1877); 40*, Nelson (1888); 40*, Leeds (1893); 40, Blackburn (1898); 50*, Halifax (1900).

Sewage farm and plantations, purchase of freehold, sanction (not exceeding 50), Leicester (1897).

Sewer connections, 40*, West Ham (1893).

Shares in waterworks company, 60*, St. Helens (1893).
 Shelters on esplanade, 30*, Weymouth and Melcombe Regis (1887).

Slaughter-houses. (See also Markets.) Sanction (not exceeding 50), Leicester (1897); 20, Farnworth (1900); 35*, Lancaster (1900).

Stables. (See also Depot.) 60*, Accrington (1882); 25, Hastings (1885); 50*, West Ham (1900).

Street works, 60*, Accrington (1882); 60*, Blackburn (1882); 60*, Bolton (1882); 45*, Macclesfield (1882); 30*, Chadderton (1882); 60*, Newcastle-on-Tyne (1882); 40*, Birkenhead (1884); 25*, Cardiff (1884); 40*, Chester (1884); 45*, Dewsbury (1884); 20*, York (1884); 40, Liverpool (1885); 20, Southport (1885); 40*, Reading (1887); 30*, Weymouth and Melcombe Regis (1887); 40*, Kingston-on-Thames (1888); 30*, Lancaster (1888); 60*, Nelson (1888); 40, West Ham (1888); 40, Swansea (1889); 30, Wigan (1889); 55*, Oxford (1890); 40*, Middlesbrough (1892); 50, Newcastle-on-Tyne (1892); 45*, Leeds (1893); 45, St. Helens (1893); 40*, West Ham (1893); 30*, Wigan (1893); 45*, Cardiff (1894); 40, St. Anne's-on-Sea (1895); 45*, South Shields (1896); 35*, Colne (1897); 50, Bradford (1897); 50*, Great Yarmouth (1897); 40*, Blackburn (1898); 50*, Keighley (1898); 50*, West Ham (1898); 30, Liverpool (1898); 50, Newcastle-on-Tyne (1899); 50, Salford (1899); 30, Darwen (1899); 50*, Leeds (1899); 50*, Warrington (1899); 60*, Coventry (1900); 40*, Croydon (1900); 50, Halifax (1900); 45*, Lancaster (1900);

30, Liverpool (1900); 45, Rochdale (1900); 45*, Sheffield (1900); 50*, Southport (1900); 50*, West Ham (1900).

Subway, 40*, Newport (Mon.) (1889).

Technical Institute (see also Offices), 35*, Colne (1897); And museum, 50*, West Ham (1898); 50*, West Ham (1900).

And secondary schools, 50*, Warrington (1899).

Town hall, 60*, Accrington (1882); 60*, Bolton (1882); 30*, Chadderton (1882); 25*, Cardiff (1884); 30 (site and construction), 7 (furnishing), Birkenhead (1884); ditto Torquay (1886); 30*, Lancaster (1883); 60, Middlesbrough (1892); 40*, Blackburn (1898); 50, Ilford (1898); 50*, West Ham (1898); 45*, Taunton (1900); 50*, West Ham (1900). (See also Offices.)

Towpath, bridge, and embankments, 40*, Reading (1887).

Tramways, 60*, Blackburn (1882); 60*, Newcastle-on-Tyne Improvement (1882); 30, Stockton-on-Tees (1889); 30 and sanction (not exceeding 30), Newcastle-on-Tyne (1892); 25 (for plant) and sanction (not exceeding 30), Blackpool (1893); 30*, Wigan (1893); 30, South Shields (1896); 30, Bradford (1897); sanction (not exceeding 30), Leicester (1897); 30, Blackburn (1898); sanction (not exceeding 30), St. Helens (1898); 30, Blackpool (1899); 30, Darwen (1899); 30, Leeds (1899); 30, Newcastle-on-Tyne (1899); 30, Salford (1899); 30, Bradford (1900); 30, Croydon (1900); 30, Farnworth (1900); 40 and 50, electrical equipment, Halifax (1900); 30, Lancaster (1900); 30, Preston (1900); 30, Rochdale (1900); 30, Sheffield (1900); 40*, West Ham (1900).

Conversion to electric system, 20, Blackburn (1898).

University, contribution to, 20, Cardiff (1894).

Urinals and w.c.'s, 25*, Southport (1885).

Warehouses and buildings, 30, Scarborough (1900).

Water annuities redemption, 60 years from creation of annuities in 1878, Scarborough (1889).

Watercourses improvement, 30*, Lancaster (1888); 40*, Dewsbury (1891).

Water supply, extraordinary expenses owing to failure of, 10, Swansea (1889).

Waterworks 60*, Bolton (1882); 45*, Macclesfield (1882); 50, Cardiff (1884); 40, Croydon (1884); 55, Bury (1885); 60, Bradford (1885); 50, Otley (1885); 40*, Nelson (1886); 45*, Ripon (1886); 30, Carlisle (1887); 30*, Darwen (1887); 50, Wakefield (1887); 40, Weston-super-Mare (1887); 50, Nelson (1888); 60, Heywood (1889); 60, Warrington (1899); 60*, Barmouth (1891); 60, Keighley (1891); 60, Manchester (1891); 50, Penmaenmawr (1891); 55, Ilkley (1893); 45*, Cardiff (1894); 50, Gloucester (1894); 40, Brighouse (1895); 30, Barry (1896); 50, Bilston (1896); 60, Bradford (1897); 60*, Colne (1897); 40, Leicester (1897); 60*, Keighley (1898); 55*, Darwen (1899); 50*, Warrington (1899); 60*, Ilfracombe (1900).

Drainage of land for protection of, 50*, Halifax (1900).

Wharf and stores, 40*, West Ham (1893).

Wharves, river, 50*, Warrington (1899).

Works, North Shore (carriage drive, embankment, and sea wall), 50, Blackpool (1893) and (1899).

APPENDIX, No. 8.

(See Question 602.)

STATEMENT handed in by Mr. Litheby, April 11th, in regard to BORROWING POWERS conferred on LOCAL AUTHORITIES by LOCAL ACTS passed in Years 1893-1901 (other than Bills referred to the Police and Sanitary Committees) showing Periods of Repayment allowed, and other information. The Statement excludes (1) Loans made subject to sanction, if the Period is also subject to sanction; (2) Loans for Advances to other Local Authorities; and (3) Loans sanctioned by the London County Council Acts and certain Harbour Acts.

1893.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Barking Town Wharf, 1893	Costs of Act (subject to Board's sanction).	Requisite sum	10 years - - -	50 years.
Barry and Cadoston Local Board (Gas and Water), 1893.	Costs of Act - - - - - Gas and water. Purchase of undertaking, and incidental costs.	Requisite sum - ditto -	10 years - - - Gas 40 years - - Water 50 years -	15 years. 60 years.
Bilston Commissioners (Water), 1893.	Waterworks authorised by Act and purposes of agreement with Corporation of Wolverhampton. Costs of Act	46,000 Requisite sum	50 years - - - 10 years - - -	60 years. 10 years.
Bolton Corporation Tramways, 1893.	Costs of Act - - - - -	ditto -	10 years - - -	10 years.
Bristol Dock, 1893	Street works - - - - - Dock undertaking - - - - - Costs of Act - - - - -	79,165 130,000* Requisite sum*	60 years - - - 60 years - - - 10 years - - -	60 years.
Devonport Waterworks, 1893. [East Stonehouse Local Board.]	Purchase of portion of water undertaking, and costs of purchase.	ditto -	60 years - - -	60 years.
East Stonehouse Water, 1893.	Costs of Act - - - - -	ditto -	15 years - - -	20 years.
Manchester Corporation (Ship Canal), 1893.	Loan to Canal Company - - -	2,000,000	47 years from 1st January 1897.	As in Act.
Paddington Recreation Ground, 1893. [Various local authorities]	Costs of Act and works - - - Contributions towards purchase of land.	2,000 33,000	60 years - - - 60 years - - -	60 years. 60 years.
Plymouth Corporation Water, 1893.	Purposes of Act - - - - - Costs of Act - - - - -	150,000	60 years - - - 15 years - - -	60 years. 20 years.
Pontypridd Local Board (Gas), 1893.	Costs of Act - - - - - Purchase of gas undertaking - - - Gas—works and lands - - -	Requisite sum - 35,000£. and any further sum payable to Gas Company. 60,000	10 years - - - 40 years - - - 40 years - - -	10 years. 60 years. 60 years.
Runcorn Commissioners, 1893.	Costs of Act - - - - - Purchase of water undertaking and costs of purchase.	Requisite sum - ditto -	10 years - - - 60 years - - -	20 years. 60 years.
St. George-the-Martyr, Southwark (Rector's Rate), 1893.	Costs of Act - - - - - Payment to Ecclesiastical Commissioners. Cost of raising 5,000£. loan - - -	Requisite sum - 5,000 Requisite sum -	6 years - - -	6 years.
Salford Improvement, 1893	Costs of Act - - - - - Street Works (including land) - - -	ditto - 37,000	10 years - - - 40 years - - -	10 years. 40 years.

* By Stock.

1893—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Stockton-on-Tees Corporation (Gas), 1893.	Purposes of Gas Acts - - -	£. 68,000	Costs of Act, 10 years. Other purposes, 40 years.	40 years.
Todmorden Local Board Gas Purchases, 1893.	Purchase of gas undertaking, extensions, &c. of gas works. Costs of Act - - - - -	150,000	50 years - - - 10 years - - -	60 years. 10 years.
Warkworth Harbour, 1893	Harbour purposes - - - - - Costs of Act - - - - -	30,000	40 years. 10 years.	40 years. 10 years.

1894.

Aberdare Local Board Waterworks, 1894.	Waterworks (purchase of lands and execution of works). Costs of Act - - - - -	28,000	50 years. 10 years.	50 years. 10 years.
Aberdare Local Board (Gas and Water), 1894.	Gas (purchase of undertaking) - Gas (renewing and extending mains and pipes) - Water (purchase of undertaking) - Water (renewing and extending mains and pipes) - Water (new works) - Costs of Act and of expenses incidental to transfer of undertaking.	12,000 6,000 5,000 17,000 30,000 Sums requisite	45 years - - - 45 years - - - 45 years - - - 45 years - - - 45 years - - - 10 years - - -	60 years. 60 years. 60 years. 60 years. 60 years. 15 years.
Accrington District Gas and Water Board, 1894.	Payment to Company - - - - - Redemption of Annuities and Debenture Stock.	5,000 Sum requisite	Subject to Board's sanction. 60 years from passing of Act.	60 years. Unexpired periods for redemption or provision for redemption.
	Costs of Act and expenses incidental to transfer. Current expenses - - - - -	Sums requisite - Half of estimated revenue for year.	10 years - - - During the then current year.	60 years.
Bacup Corporation Water, 1894.	Paying off Company's mortgage debt Redemption of annuities - - - Water Undertaking - - - Costs of Act and of transfer of undertaking.	6,870 Sum requisite 7,000 Sum requisite	50 years from date of vesting. ditto - - - 50 years - - - 5 years - - -	60 years. 60 years. 60 years. 60 years.
Bangor Corporation (Pier, &c.), 1894.	Pier and approach - - - - - Acquiring ferry - - - - - Improving, enlarging, and extending landing place. Improving and extending jetty Costs of Act - - - - -	16,000 5,500 300 500 Sum requisite	35 years - - - 50 years - - - 35 years - - - 35 years - - - 5 years - - -	35 years. 50 years. 35 years. 35 years.
Fulwood Local Board (Water), 1894.	Construction of waterworks and purchase of land. Costs of Act - - - - -	10,000 Sum requisite	50 years - - - 10 years - - -	60 years. 10 years.
Great Western Railway, 1874. [Cardiff Corporation.]	Expenses in connection with widening of bridges.	Sum requisite	Subject to Board's approval.	60 years.
Kendal Corporation Gas and Water, 1894.	Purchase of Company's undertaking (gas and water), and costs incidental, and payment of Company's mortgage debt. Extension and improvement of gas-works. Purchase of land for and execution of waterworks, and adaptation, extension, and improvement of existing works. Costs of Act - - - - -	90,200 21,000 28,800 Sum requisite	50 years - - - 50 years - - - 50 years - - - 10 years - - -	60 years. 60 years. 60 years. 15 years.
King's Lynn Corporation, 1894.	Removal of wreck of ship Costs of Act, and costs of reborrowing or repayment.	18,000 Sum requisite	40 years - - - 10 years - - -	60 years. 10 years.
Manchester Corporation, 1894.	Street improvements, general improvement purposes, works for improvement of city, and costs in connection with removal of remains from cemetery. Acquisition of land for purposes connected with gas undertaking. Acquisition of land for sewage purposes	173,000 6,000 10,000	50 years - - - 55 years - - - 60 years - - -	50 years. 55 years. 60 years.

1894—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Millom Local Board, 1894 -	Gas and water works - - - - - Costs of Act	£. As Board sanction Sum requisite	30 years - - - 10 years. - - -	30 years. 10 years.
Neath Corporation Water, 1894.	Purchase of undertaking - - - Redemption of Company's debenture debt. Works, and general purposes of undertaking, and Costs of Act	30,070 Sum requisite 25,000	50 years from passing of Act. 50 years from passing of Act. 60 years - - - 10 years - - -	60 years. 60 years. 60 years. 60 years.
Newcastle-upon-Tyne Corporation (Byker Bridge), 1894.	Purchase money for bridge undertaking. Expenses incidental to winding up company. Costs of Act, and of payment off, and re-borrowing. Payment to Railway Company for free use of footbridge by passengers.	112,000 Sum requisite ditto 4,500	50 years - - - 50 years - - - 10 years - - - 10 years - - -	50 years. 50 years. 10 years. 10 years.
Queen's Ferry Bridge 1894 : [Flint County Council] - [Cheshire County Council]	Purposes of Act (construction of bridge and maintenance of roads). Payment to Flint County Council for part of the cost.	6,000 Sum requisite not exceeding 3,000.	60 years - - - 60 years - - -	60 years. 60 years.
Swinton Local Board, 1894	Waterworks purposes, including purchase of lands. Costs of Act	10,000 Sum requisite	60 years - - - 10 years - - -	60 years. 10 years.
Wakefield Corporation Water, 1894.	Erection of new works, completion, extension and improvement of works. Costs of Act	70,000	50 years - - - 10 years - - -	60 years. 10 years.
Wallasey Embankment (Commissioners), 1894.	Quarter of Costs of Act - - - Extension and improvement of embankment. Repairing and restoring embankment in sudden contingency.	Sum requisite 20,000 6,000	5 years - - - 31 years - - - 10 years - - -	31 years. Not in original Bill.

1895.

Ambleside U.D.C. (Gas and Water), 1895.	Gas and water. Purchase of undertaking and incidental costs, and repayment of Company's mortgage debt. Gas works. Land and extension and improvement of gas works. Water Works. Land and extension and improvement of waterworks. Costs of Act	Requisite sum 9,000 6,000	45 years - - -	55 years.
Bridlington Water, 1895	Purchase of undertaking and incidental costs. Repayment of Company's mortgage debt. Costs of Act	Requisite sum	50 years - - - 50 years from date of vesting. 10 years - - -	Not in Bill.
Bristol Corporation, 1895	Costs of Act Costs of borrowing and re-borrowing Compensation payable under Act Mortgage debts of burial board Mortgage debts of local authorities (whose areas have been added to borough).	ditto ditto ditto ditto ditto	5 years - - - 25 years - - - Periods sanctioned for such debts.	5 years. 60 years. As in Act.
Chesterfield Gas and Water Board, 1895.	Purchase of undertaking and costs, &c., of transfer. Paying off mortgage debt of Company. Costs of Act For current expenses.	ditto ditto ditto One-half of approximate amount of revenues for the then current year.	Gas 40 years, water 50 years. 10 years - - - During the then current year.	60 years. 10 years. During the then current year.

1895—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Hebden Bridge and Mytholmroyd Gas Board, 1895.	Purchase of undertaking and incidental costs, and for land and extensions and improvements. Working capital	£. 103,000 5,000	45 years - - - 30 years - - - 10 years - - - 10 years - - -	60 years. Not in Bill. 10 years.
[District Councils]	Costs of Act (part) Costs of Act (part) and opposing company's Bill of 1894.	Requisite sum Subject to Board's sanction.		
Merthyr Tydfil District Council Waterworks, 1895.	Purposes of Act [Land and Works] Costs of Act	120,000	50 years - - - 10 years - - -	50 years. 10 years.

1896.

Barnsley Corporation (Water), 1896.	Purposes of Act—Purchase of land, construction of works, and payment of compensation. Costs of Act and opposition to Sheffield Bill.	170,000 Sum requisite	60 years - - - 10 years - - -	60 from 7 years after first borrowing. 15 years.
Blackpool Improvement, 1896.	North Shore works - - - Purchase and laying out of Claremont Park. Costs of Act	27,000 6,500 Sum requisite	50 years - - - 50 years - - - 5 years - - -	50 years. 50 years. 5 years.
Brighton Corporation Water, 1896.	Purposes of Act [Purchase of undertaking and lands, and construction of works] and general waterworks purposes. Costs of Act, and incidental expenses of transfer.	125,000 Sum requisite	50 years - - - 5 years - - -	50 years. 5 years.
Brixham Harbour and Market, 1896.	Harbour purposes	Sums authorised by Harbour Order of 1875.	50 years for new loans. Moneys already borrowed to be repaid in accordance with the Order.	—
	Repayment of loans raised for market purposes. Costs of Act	Sum requisite Included in above	50 years - - - 10 years - - -	— 20 years.
Cavendish, Harrington and Willington Bridges Transfer, 1896.	Freeing bridges from toll. (Derby County Council.)	Sum requisite	40 years - - -	50 years.
Dewsbury and Heckmondwike Water, 1896 : [Dewsbury T.C.] [Heckmondwike U.D.C.] [T.C. and U.D.C.]	Acquiring land and executing works - ditto - - - ditto - - - Costs of Act, &c. - - -	49,540 15,180 Sum requisite	60 years - - - 60 years - - - 10 years - - -	60 years. 60 years. 15 years.
Great Western Railway Act, 1896 : [Cardiff Corporation]	Widening bridges	ditto	Subject to Board's approval.	Not in original Bill.
Huddersfield Waterworks, 1896.	Costs of Act	ditto	5 years - - -	Not in Bill.
Kings Lynn Corporation, 1896.	Covering over a portion of a stream (including land). Costs of Act	4,689 Sum requisite	50 years - - - 5 years - - -	50 years. 10 years.
Lancashire and Yorkshire Railway, 1896 : [Brighouse Corporation]	Widening lane, &c.	3,000	50 years - - -	Not in original Bill.
Leeds Corporation Tramways, 1896.	Tramway purposes Costs of Act	213,000	30 years - - - 10 years - - -	40 years. 15 years.

1896—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Liverpool Electric Supply (Transfer), 1896.	Purchase of and initial expenditure on electric supply undertaking.	500,000.	42 years	42 years.
Llanely Harbour, 1896	Costs of Act Construction of works, including purchase of land.	Sum requisite 115,000	60 years.	60 years.
Malvern Link (Extension and Water), 1896.	Purchase of lands for and construction of works. Costs of Act	50,000 Sum requisite	60 years 10 years	60 years. 10 years.
Manchester Corporation, 1896.	Street improvements, general improvement purposes and improvement of the City (including land). Purchase of hospital, and recoupment to Corporation of expenses, previously incurred in connection with the treatment of infectious diseases.	30,000 40,000	50 years 30 years	50 years. 50 years.
Matlock Bath Gas, 1896	Purchase of undertaking and incidental expenses. Purchase of lands for, and extension and improvement of gasworks. Costs of Act	Sum requisite 10,000 Sum requisite	50 years 50 years 10 years	50 years. 50 years. 10 years.
Padiham U.D.C. (Water), 1896.	Costs of Act	ditto	10 years	15 years.
Ribble Navigation (Pres-ton), 1896.	Harbour works, including purchase land Construction of branch railway, including purchase of land Construction of graving dock and timber pond. Enclosing and equipping dock Payment of interest on borrowed moneys for three years. Costs of Act	79,250 912 28,000 51,838 Sum requisite ditto	60 years 60 years 60 years 60 years 60 years 60 years	60 years. 60 years. 60 years. 60 years. 60 years. 60 years.
Rotherham Corporation, 1896.	Gasworks purposes, including purchase of land Waterworks, including purchase of land. Costs of Act	20,000 30,000 Sum requisite	40 years 50 years 10 years	50 years. 60 years. 15 years.
Sheffield Corporation Water 1896.	Purchase of land, execution of works, extension of mains, &c. Costs of Act, &c. Provision of meters (water)	800,000 50,000	60 years 10 years 50 years.	60 years. 60 years. 60 years.
Wallasey U. D. C. (Promenade) 1896.	Purchase of land and execution of works. Costs of Act	Sum requisite	10 years.	10 years.
Weaver Navigation (Trustees), 1896 (Chester County C.).	Redemption of terminable annuities. Purpose of lending to Trustees	Sum requisite 270,000	60 years. 60 years.	Not in Bill. Under Local Government Act, 1893.
Weston-super-Mare U. D. C., 1896.	Purchase of undertaking of Knightstone Company (baths), and incidental costs. Widening and extension of parade including purchase of land Costs of Act	Sum requisite 7,900 Sum requisite	40 years 40 years 10 years	60 years. 60 years. 10 years.
Yeovil Corporation (Water-works), 1896.	Purchase of land and execution of works. Costs of Act	10,000 Sum requisite	50 years 10 years	50 years. 10 years.
Ystradfydwg U. D. C. (Gas and Water) 1896.	Acquisition of undertaking and incidental expenses and redemption of Company's debenture stock. Purchase of land and construction of water works. Costs of Act	ditto 87,000 Sum requisite	45 years 45 years 10 years]	50 years. 50 years. 10 years.

1897.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Ashford Urban District Gas, 1897.	Purchase of undertaking, repayment of debt of Company, and incidental costs. Costs of Act	Requisite sum ditto	40 years 10 years	50 years 10 years.
Birkenhead Corporation, 1897.	Gas mains and meters Purchase of library buildings Costs of Act	20,900 1,350 Requisite sum	20 years 20 years 5 years	35 years. — 10 years.
Birkenhead Corporation (Ferries), 1897.	Ferries Costs of Act	38,000 Requisite sum	30 years 5 years	55 years. 10 years.
Birmingham, Tame and Rea District Drainage Board, 1897.	Purposes of Act Costs of Act	400,000	60 years 10 years	60 years. 10 years.
Bolton Tramways and Improvement, 1897.	Costs of Act Compensation to officers Tramway purposes Fire engine station purposes Recreation ground (land) Highway works (including land) Hospital Lavatories	Requisite sum ditto 290,000 14,600 Requisite sum 22,390 6,000 3,000	5 years. 5 years. 30 years 50 years 60 years 50 years 50 years 50 years	5 years. Not in Bill. 30 years. 50 years. 60 years. 50 years. 50 years. 50 years.
Bristol Corporation, 1897	Costs of Act and of borrowing, and re-borrowing. Compensation Repayment of mortgage debts of local authorities transferred to Corporation. Adjustment moneys	Requisite sum ditto ditto ditto	5 years 25 years Outstanding periods 25 years	5 years. 25 years. Outstand- periods. 25 years.
Bristol Dock, 1897	Costs of Act Railway and other works Dock undertaking	ditto 164,400 150,000	5 years 60 years	5 years. 60 years.
Carnarvon Corporation, 1897.	Land, pier and other works Dredging and provision of necessary plant. Land swing bridge and other works, purchase of Ferry or compensation to Company Road widening Costs of Act	5,000 2,200 7,000 2,000 Requisite sum	50 years 30 years 60 years 50 years 10 years	50 years. 30 years. 60 years. Not in Bill. 10 years.
Chichester Corporation Water, 1897.	Purchase of undertaking of Company and costs of transfer, &c. Improvement and extension of water works. Costs of Act	ditto 20,000 Requisite sum	60 and 50 years 60 years 10 years	67 years. — 22 years.
Cirencester Water, 1897	Purchase of undertaking of Company, and costs of transfer. Improvement of works Costs of Act	ditto 2,000 Requisite sum	50 years 50 years 10 years	60 years. 10 years.
Cowes Harbour, 1897	Costs of Act and other Bills Purchase of land, improvements, dredging.	Sum requisite Not exceeding 15,000, subject to sanction of Board of Trade.	15 years 50 years	50 years.
Cowes Urban District Council Gas, 1897.	Purchase of undertaking of Company, costs of transfer, &c., &c. Costs of Act Repaying debts of Company	ditto ditto ditto	40 years 10 years 40 years from transfer.	50 years. 10 years. Not in Bill.
Deal and Walmer Water, 1897.	Joint Board may borrow temporarily from constituent authorities before payment of Joint Board's precepts by constituent authorities.	Requisite sums	During current financial year	As in Act.
Deal Corporation and Walmer, U.D.C.	Purchase of undertaking, costs of transfer, &c. Costs of Act Extension and improvement of waterworks.	Requisite sum ditto 25,000	50 years 10 years 50 years	60 years. 15 years. 60 years.

1897—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
East Warwickshire Waterworks 1897 (Nuneaton) and Chilvers Coton Urban District Council).	Paying off Company's bonds - - - Amount payable to Company - - - Further works and other purposes of Act and water undertaking including purchase of land Costs of transfer and of Act - - -	23,600 5,400 50,000 Requisite sum	50 years - - 60 years - - 10 years - -	50 years. 60 years. 10 years.
Fylde Waterworks (Transfer), 1897.	Purchase of undertaking and costs, &c., of transfer, payment of debt of Company and completion of works. Costs of Act - - - - - Current expenses - - - - -	- ditto - - - - ditto - - - Half of estimated monies for year	50 years - - 10 years - - During current year	60 years. 15 years. As in Act.
Halifax Corporation Tramways, 1897.	Tramway current expenses works Costs of Act - - - - -	20,000 - ditto - - -	30 years - - 10 years - -	40 years. 15 years.
Harrogate Corporation (Water Transfer), 1897.	Purchase of undertaking, costs of transfer, &c. Payment of mortgage debt of Company. Lands and works authorised by Harrogate Waterworks Act, 1897 Costs of Act - - - - -	Requisite sum - ditto - - - - ditto - - -	50 years - - 10 years - - 50 years - -	60 years. 15 years. —
Hastings Harbour District Railway, 1897 (Hastings Corporation).	Purchase of parade and sea-wall - - -	- ditto - - -	50 years - -	—
Highgate Woods Preservation (Middlesex C.C., 1899.	Contribution towards cost of land - - -	Such sum as Local Government Board may sanction	60 years - -	60 years.
Huddersfield Corporation, 1897.	Costs of Act - - - - - Street works and improvements - - Lands for sanitary purposes - - -	Requisite sum 18,123 16,516	5 years - - 50 years - -	10 years. 60 years.
King's Lynn Conservancy, 1897: (Corporation) (Conservancy Board)	Half of costs of Act - - - - - Purposes of Act - - - - -	Requisite sum Such sums as Board of Trade sanction, not exceeding £40,000.	5 years - - 60 years - -	5 years. 60 years.
Kingston-upon-Hull Corporation, 1897.	New bridge (land and works) - - - New streets (land and works) - - - Crematory - - - - - Purchase of undertaking of Gas Company and other purposes of Act. Costs of Act - - - - -	25,000 200,000 1,900 Requisite sum - ditto - - -	50 years - - 10 years - -	50 years. 10 years.
Lancashire and Yorkshire Railway, 1897: [Chadderton U.D.C.]	Contribution in respect of bridge-widening.	700	30 years - -	Not in original Bill.
[Dewsbury Corporation].	Altering level of street - - - - -	Requisite sum	30 years - -	
[Dewsbury Corporation and Thornhill U.D.C.]	Contribution towards re-construction of bridge.	2,500	30 years - -	
Leeds Corporation, 1897 -	Land and drainage works (protection of waterworks). Tramways (land and works) - - - Street improvements (land and works). Costs of Act - - - - -	335,500 320,000 550,000 Requisite sum	60 years - - 30 years - - 50 years - - 5 years - -	60 years. 45 years. 50 years. 10 years.
Liverpool City Churches, 1897 (Corporation): [Churchwardens of Parish of Liverpool.]	Purposes of Act - - - - - Commutation and compensation moneys.	95,000 48,000 Further sums with Board's sanction.	50 years - - 50 years - - 50 years - -	60 years. 50 years. 50 years.
Liverpool Corporation Loans, 1897.	Contribution to Hospital and conveyance of land.	15,000	40 years - -	No period in Bill.

1897—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Liverpool Corporation Tramways, 1897.	Purchase of undertaking, working capital, compensations, and repayment of Company's debt. Re-construction, extension, and improvement of undertaking.	620,000 750,000	30 years - - 25 years - -	42 years. 42 years.
Loughborough Corporation 1897.	Waterworks, including land - - Street widening, including land - Costs of Act - - - - -	65,000 1,000 Requisite sum	60 years - - 30 years - - 5 years - -	60 years. 30 years. 5 years.
Malvern Link Gas, 1897 -	Purchase of undertaking and incidental costs. Payment of mortgage debt of Company. Improvement of Gas Works - - Costs of Act - - - - -	- ditto - - - 1,500 10,000 Requisite sum	- - - 40 years - - 10 years - -	- - - 50 years. 10 years.
Manchester Corporation, 1897.	Water supply for hydraulic pressure Other works of water supply - - Street improvements, &c. including land.	100,000 110,000 245,000	40 years - - 60 years - - 50 years - -	40 years. 60 years. 50 years.
Neath Corporation Tramways, 1897.	Purchase of undertaking and incidental expenses. Tramway works (including renewals and purchase of land). Costs of Act - - - - -	Requisite sum 34,300 Requisite sum	30 years - - 30 years - - 10 years - -	30 years. 60 years. 10 years.
Newark Corporation Waterworks, 1897.	Costs of Act - - - - - Land and works - - - - - Extensions, &c. - - - - -	- ditto - - - 4,116 12,432	10 years - - 50 years - -	5 years. 50 years.
New Hunstanton Water and Gas, 1897.	Costs of Act - - - - - Water: Purchase of undertaking (including Company's debt; incidental expenses. " Extensions, &c. - - - - - Gas: Purchase of undertaking (including company's debt) and incidental expenses. " Extensions, &c. - - - - -	Requisite sum - ditto - - - 5,000 Requisite sum 5,000	10 years - - 50 years - - 50 years - - 40 years - -	10 years. 60 years. 60 years.
Newport Corporation, 1897	Waterworks (including land) - - Tramways and street improvement Costs of Act - - - - - University contribution - - - - -	150,000 29,500 Requisite sum 6,000	60 years - - 30 years - - 10 years - - 30 years - -	60 years. 50 years. 10 years. 50 years.
Norwich Electric Tramways, 1897. [Norwich Corporation].	Street improvement, &c. - - - - -	72,000	60 years - -	Not in Bill.
Nottingham Corporation Water, 1897.	Lands and works - - - - - Costs of Act - - - - -	300,000 Requisite sum	50 years - - 10 years - -	60 years. 10 years.
Nottingham Improvement, 1897.	Land and street works - - - - - Costs of Act - - - - -	153,000 Requisite sum	60 years - - 10 years - -	60 years. 10 years.
Plymouth Corporation, 1897	Purchase of Lary bridge - - - - - Costs of Act - - - - -	44,400 Requisite sum	60 years - - 10 years - -	60 years. 10 years.
Pwllheli Corporation, 1897	Harbour purposes - - - - -	5,000	Not less than 30 nor more than 50 as Board of Trade sanction.	50 years.
	Bridge, embankment, &c. - - - Markets, land and works - - - Purchase of water undertaking and incidental expenses. Waterworks, land and works - - Costs of Act - - - - -	800 4,000 8,000 4,000 Requisite sum	50 years - - 60 years - - 10 years - -	50 years. 50 years. 60 years. 10 years.
Salford Corporation, 1897 -	Costs of Act - - - - - Tramways - - - - - Gas works - - - - - Street improvement [land and works]	- ditto - - - 19,534 85,000 14,000	5 years - - 30 years - - 30 years - - 50 years - -	5 years. 30 years. 30 years. 50 years.
Sheffield Corporation Streets and Tramways, 1897.	Street improvements and lands Tramway purposes - - - - - Costs of Act - - - - -	353,935 621,440 Requisite sum	60 years - - 30 years - - 5 years - -	60 years. 30 years. 10 years.
Southampton Corporation Tramways, 1897.	Costs of Act - - - - - Purchase of undertaking - - - - - Tramway purposes - - - - -	- ditto - - - - ditto - - - 30,000	5 years - - 30 years - - 30 years - -	5 years. 30 years. 30 years.
Swadlincote District Gas, 1897.	Purchase of undertaking and incidental expenses. Land and general purposes of undertaking. Costs of Act - - - - -	Requisite sum 10,000 Requisite sum	45 years - - 10 years - -	50 years. 10 years.

1897—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Taff Vale Railway, 1897 : [Cardiff Corporation]	Expenses in connection with bridge-widening and construction of railway siding.	£. Subject to sanction of Local Government Board.	60 years	Not in Bill.
Torquay Corporation Water 1897.	Land (water purposes) - - - Costs of Act - - -	40,000 Requisite sum	60 years 10 years	60 years. 10 years.
Tynemouth Corporation (Water), 1897.	Purchase of undertaking and incidental costs. Waterworks purposes - - - Costs of Act - - -	ditto - - - 30,000 Requisite sum	50 years 50 years 10 years	60 years. 60 years. 10 years.

1898.

Bacup Corporation Water, 1898.	Purchase of lands, and execution of works. Costs of Act - - -	140,000 Sum requisite	60 years 10 years	60 years. 10 years.
Bakewell Gas, 1898	Purchase of undertaking and incidental expenses. Purchase of land, and extension and improvement of works. Costs of Act - - -	20,000 5,000 Sum requisite	45 years 45 years 10 years	50 years. 50 years. 10 years.
Blackpool Improvement, 1898.	Tramways - - - North Shore works - - - Town hall and municipal buildings - - - Market purposes - - - Costs of Act - - -	500 20,000 25,000 6,000 Sum requisite, not exceeding 1,500	30 years 50 years 40 years 40 years 5 years	30 years. 50 years. 60 years. 50 years. 5 years.
Bolton, Turton and Westhoughton Extension, 1898 : [Bolton Corporation] - [Turton U.D.C. and Westhoughton U.D.C.]	Compensation - - - Repayment of mortgage debts taken over. Payment under any adjustment - - - Costs of Act (share) and costs of re-borrowing and repayment. Same as Bolton Corporation.	Sum requisite ditto - - - ditto - - - ditto - - -	30 years Unexpired periods. 30 years 5 years	30 years. 30 years. 30 years. 5 years.
Cardiff Corporation, 1898	Purchase of park - - - Erection of town hall and law courts - - - Roads, bridges and sewers near park - - - Tramways - - - Purchase of land for tramway purposes. Costs of Act - - - Payments to University College - - - Purchase of land for hospital - - -	161,000 200,000 44,000 261,510 Sum requisite ditto - - - 1623 <i>l.</i> 16 <i>s.</i> 8 <i>d.</i> Sum requisite	60 years 50 years 40 years 30 years 60 years 10 years 30 years 60 years	60 years. 50 years. 30 years. 60 years. 10 years. 30 years. 60 years.
Carlisle Corporation (Water) 1898.	Purposes of Act : Obtaining water from River Gelt. Costs of Act - - -	150,000 Sum requisite	60 years 10 years	60 years. 10 years.
Carmarthen Improvement 1898.	Waterworks and improvement of water undertaking. Land for extension and improvement of market. Repayment of mortgage debt on market undertaking.	25,000 4,550 6,000	60 years 50 years 30 years	60 years. 50 years. Not in Bill but 50 years allowed by 1st Committee.
	Land for and laying out of recreation ground. Costs of Act - - -	4,000 Sum requisite	50 years 10 years	50 years. 10 years.
Clacton Gas and Water 1898.	Acquisition of undertaking incidental costs, and redemption of Company's mortgage debt. Costs of Act and of arbitration - - - Purchase of land and construction of waterworks. Purchase of land, alterations to gas-works and working capital.	ditto - - - ditto - - - 50,000 10,000	Gas 40 years - Water 60 years 10 years 60 years 40 years	40 years. 60 years. 10 years. 60 years. 40 years.
Coventry Corporation Gas, 1898.	Purchase of land and construction of works. Costs of Act - - -	250,000 Sum requisite	40 years 10 years	50 years. 10 years.

1898—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Felxtowe and Walton Water, 1898.	Purchases of undertaking and incidental costs. Improvement of works and distributing apparatus. Costs of Act - - -	£. Sum requisite 10,000	50 years 50 years 10 years	60 years. 60 years. 10 years.
Filey Water and Gas, 1898	Acquisition of gas undertaking - Acquisition of water undertaking - Incidental costs of purchase - Payment of mortgage debt - Extension of undertakings - Costs of Act - - -	23,100 31,900 Sum requisite Sum requisite 10,000 Sum requisite	40 years 50 years. { Gas 40 years Water 50 years. 50 years 10 years	50 years. { 50 years (Costs). Not in Bill (Debt). 50 years. 10 years.
Halifax Corporation, 1898	Purposes of water undertaking including land. Tramway purposes - - - Purposes of gas undertaking including land. Purposes of electric lighting undertaking. Street improvements and works including land. Costs of Act - - - Redemption of market stock - - -	157,000 77,270 150,000 5,000 9,200 Sum requisite ditto	60 years 30 years 40 years 30 years 60 years 10 years 40 years from 1 Jan. 1899.	60 years. 40 years. 45 years. 30 years. 60 years. 10 years. As allowed in Act.
Heywood Waterworks (Transfer), 1898 : [Water Board]	Execution of works under earlier Act, not then constructed. Strengthening embankment of reservoir. Costs of Act - - -	55,000 10,000 Sum requisite	60 years 40 years 10 years	60 years. 40 years. 10 years.
Ilkeston Corporation, 1898	Execution of waterworks, and purposes of undertaking. Purposes of gas undertaking - - Costs of Act - - -	30,000 5,000 Sum requisite	50 years 30 years 10 years	50 years. 50 years. 10 years.
Ipswich Dock, 1898	Purposes of Act, &c. - - -	35,000	60 years	30 years.
Kettering Water, 1898	Purchase of undertaking and incidental expenses. Repayment of Company's debt - Improvement of works and distributing apparatus. Costs of Act - - -	ditto - - - 16,500 Sum requisite	50 years 50 years from transfer. 50 years 10 years	60 years. 60 years from transfer. 60 years. 10 years.
Kew Bridge, 1898 : [Middlesex County Council.] [Surrey County Council]	Re-building of bridge - - - - ditto - - -	75,000 75,000	60 years 60 years	60 years. 60 years.
Lancashire and Yorkshire Railway, 1898 : [Wakefield Corporation.] [Blackpool Corporation.]	Contribution towards cost of bridge Widening of street - - -	1,000 1,100	40 years 40 years	40 years. Not in original Bill.
Liskeard Corporation, 1898	Purchase of undertaking and incidental costs. Costs of Act - - -	Sum requisite ditto	50 years 10 years	60 years. 15 years.
London, Brighton, and South Coast Railway, 1898 : [Croydon Town Council] [Croydon Rural District Council.]	Contribution towards cost of bridge - ditto - ditto - - -	Under the Public Health Act. ditto	40 years 40 years	Not in original Bill.
Maldon Water, 1898	Purchase of undertaking, repayment of Company's debenture debt, incidental expenses, &c. Construction and improvement of works. Costs of Act - - -	Sum requisite not exceeding 20,000. 10,000 Sum requisite	51 years 51 years 11 years	Not in original Bill.
Market Harborough Urban District Council Gas, 1898.	Purchase of undertaking, compensation, &c. Purchase of lands for and extension and improvement of gasworks. Costs of Act and opposition to Company's order.	ditto - - - 20,000 Sum requisite	40 years 40 years 5 years	45 years. 45 years. 5 years

1898—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment	Periods proposed in Bill.
		£.		
Matlock Urban District Council, 1898.	Purchase of water undertaking and incidental expenses.	ditto	50 years	60 years.
	Purchase of land and construction of waterworks.	43,000	60 years	60 years.
	Additions and alterations to waterworks and mains.	5,000	30 years	60 years.
	Alteration, enlargement, and furnishing Town Hall.	2,000	30 years	30 years.
	Costs of Act	Sum requisite	10 years	10 years.
Middlesbrough Corporation (Gas), 1898.	Gas purposes (including land)	150,000	40 years	50 years.
	Costs of Act	Sum requisite	10 years	10 years.
Morley Corporation (Gas, &c.), 1898.	Purchase of undertakings	ditto	40 years	50 years.
	Repayment of Company's debt	ditto	40 years from transfer.	50 years.
	Extension and improvement of gas undertaking.	45,000	40 years	50 years.
	Working capital for gas undertaking	10,000	20 years	20 years.
	Costs of Act	Sum requisite	10 years	10 years.
Newcastle-upon-Tyne Corporation (New Infirmary Site), 1898.	Purchase of land for addition to town moor, and Corporation.	ditto	15 years	15 years.
	Costs of Act	ditto	5 years	15 years.
Newhaven and Seaford Sea Defences 1898. [East Sussex County Council, Seaford and Newhaven Urban District Councils, and Newhaven Rural District Council],	Construction of sea walls and works and payments to reserve fund.	ditto	50 years	50 years.
	Purchase of undertaking and incidental expenses.	Sum requisite	50 years	60 years.
	Improvement of works and distributing apparatus.	10,000	50 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Northam Urban District Water, 1898.	Purchase of lands and wayleaves and construction of works.	27,000	60 years	60 years.
	Purchase of lands near reservoir	Sum requisite	60 years	60 years.
	Costs of Act	ditto	10 years	10 years.
Plymouth Corporation, 1898.	Purchase of undertaking of embankment company.	24,000	60 years	60 years.
	Purchase of land and construction of street works.	42,000	60 years	60 years.
	Construction of tramway, and other tramway purposes.	4,000	30 years	30 years.
	Purchase of land and construction of wharf works.	70,000	60 years	60 years.
	In connection with cattle market	15,000	60 years	60 years.
	Purchase of land for recreation grounds, &c.	30,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	15 years.
Portsmouth Corporation Tramways, 1898.	Payment to companies for purchase of tramways.	Sum requisite	30 years	30 years.
	Construction of tramways and adaptation for mechanical traction.	35,000	30 years	30 years.
	Purchase of land	3,300	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Rochdale Corporation Water, 1898.	Purchase of undertaking	ditto	50 years	60 years.
	Payment off of company's mortgage debt.	11,000	50 years from transfer.	60 years.
	Redemption of annuities	Sum requisite	50 years from transfer.	60 years from transfer.
	Construction of works	235,800	60 years	60 years.
	New mains and extensions of mains and pipes.	15,000	50 years	50 years.
St. Marylebone (Church Rate Abolition) (Vestry), 1898.	Costs of Act	Sum requisite	5 years	5 years.
	Total not to exceed	450,000.		
St. Marylebone (Church Rate Abolition) (Vestry), 1898.	Payment to Ecclesiastical Commissioners.	82,700	45 years	45 years.
	Costs of raising that sum	Sum required	45 years	45 years.
	Costs of Act	ditto	45 years	45 years.

1898—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods Proposed in Bill.
		£.		
St. Matthew, Bethnal Green (Church Rate Abolition) (Vestry), 1898.	Payment to Ecclesiastical Commissioners and costs of raising loan.	20,500	60 years	60 years.
Sheringham and Beeston Protection, 1898.	Costs of Act			
	Purchase of land and execution of works.	15,000	60 years	60 years.
Todmorden Corporation Water, 1898.	Costs of Act	Sum requisite	10 years	10 years.
	Purchase of land and execution of works.	109,000	60 years	60 years.
Tyne Improvement, 1898.	Purchase of water mains and apparatus.	Sum requisite	30 years	30 years.
	Costs of Act and opposition to Rochdale Corporation Water Bill.	ditto	10 years	10 years.
Tynemouth Corporation (Water) 1898.	Purposes of Act—Works, &c.	488,000	60 years	60 years.
	Water purposes (Land and Water)	430,000	60 years	60 years.
Wath-upon-Deane Urban District Council (Water), 1898.	Payment of compensation	Sum requisite	60 years	60 years.
	Costs of Act	ditto	10 years	10 years.
Wigan Corporation, 1898.	Purchase of undertaking and incidental expenses.	ditto	50 years	50 years.
	Costs of Act	ditto	5 years	10 years.
Yeovil Corporation, 1898.	Construction of tramways and purchase of undertaking.	33,500	30 years	30 years.
	Purchase of lands for and construction of street works.	12,000	60 years	60 years.
	Widening, &c., street and making new streets (including land).	20,000	60 years	60 years.
	Purchase of land for and construction of settling tanks.	3,000	60 years	60 years.
	Purchase of land to be conveyed to Technical School Trustees.	Sum requisite	60 years	60 years.
	Extension of courts, police station, and offices, and purchase of land therefor.	1,500	60 years	60 years.
	Construction of public conveniences and lavatories.	2,000	30 years	30 years.
	Costs of Act	Sum requisite	10 years	10 years.
	Purchase of land for and execution of waterworks.	50,000	60 years	60 years.
	Purchase of gas undertaking and incidental expenses.	Sum requisite	40 years	50 years.
	Costs of Act	ditto	10 years	10 years.

1899.

Birkenhead Corporation, 1899.	Purposes of street improvement	14,300	25 years	25 years.
	Costs of Act	Sum requisite	5 years	5 years.
	Tramway purposes	Such sum as Board of Trade may sanction.	20 years from expiration of 1 year from passing of Act.	25 years from expiration of 5 years from passing of Act.
Birmingham Corporation, 1899.	Purchase of and capital expenditure on electric undertaking.	500,000	42 years	42 years.
	Costs of Act			
Bradford Tramways and Improvement, 1899.	Technical college	12,000	60 years	60 years.
	Tramway purposes	135,000	30 years.	30 years.
	Electrical purposes	15,000	30 years.	30 years.
	Street improvements (including land)	220,000	60 years.	60 years.
	Purposes of recreation ground.	20,000	50 years.	50 years.
Brigg U.D. Gas, 1899.	Purchase of land.	Sum requisite	5 years.	5 years.
	Costs of Act			
Bristol Floods Prevention, 1899.	Purchase of undertaking and incidental expenses.	Sum requisite	40 years	50 years.
	Extension and improvement of undertaking and working capital.	10,000	40 years	50 years.
Burley-in-Wharfedale U.D. Water, 1899.	Costs of Act	Sum requisite	10 years	10 years.
	Flood relief works, including construction of culvert. (Land).	27,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	5 years.
	Construction of waterworks, and other waterworks purposes.	12,000	55 years	60 years.
	Costs of Act	Sum requisite	10 years	15 years.

1899—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Bury Corporation, 1899	Erection of libraries, art gallery, and purchase of land.	30,000	50 years	50 years.
	Infectious diseases hospital purposes, and purchase of land.	20,000	50 years	50 years.
	Purchase of rent-charges, etc.	15,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Bury Corporation Water, 1899.	Construction of waterworks, including purchase of land.	243,000	60 years	60 years.
	Purchase of land in drainage areas and construction of drainage works.	160,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Clay Cross Water, 1899	Purchase of undertaking and incidental expenses.	ditto	50 years	50 years.
	Costs of Act	ditto	10 years	10 years.
	Current expenses	Half of estimated revenue.	During year	As allowed in Act.
Coalville U.D. Gas, 1899	Purchase of undertaking and incidental expenses.	Sum requisite	40 years	40 years.
	Repayment of company's mortgage debt.	Sum requisite	40 years from passing of Act.	40 years.
	Costs of Act	ditto	10 years	10 years.
Cromer Protection, 1899	Purchase of land for and construction of promenade.	34,000	60 years	60 years.
	Purchase of land for and construction of pier.	11,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Derby Corporation Tramways, &c., 1899.	Purchase of tramways	35,000	40 years	60 years.
	General purposes of tramway undertaking.	52,000	40 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Derwent Valley Water, 1899: (Water Board)	Purchase of lands for and execution of works.	5,500,000	If borrowed within 10 years from date of Act—60 years from 25th March 1909, otherwise 60 years from borrowing.	Same as allowed but 30th June for 25th March.
	Costs of Act, and of promotion and opposition to Bills	Sum requisite	60 years from 25th March 1909, otherwise 60 years from borrowing.	Same as allowed but 30th June for 25th March.
	Payment of interest on borrowed moneys until 10 years from passing of Act.	Sum requisite	60 years from 25th March 1909, otherwise 60 years from borrowing.	Same as allowed but 30th June for 25th March.
	Current expenses	Half of estimated revenue.	During year	As allowed.
(Derby Town Council)	Purchase of lands and execution of works.	120,000	Same as Water Board above.	As prepared for Water Board above.
	Payment of interest on borrowed moneys until 10 years from passing of Act.	Sum requisite	Same as Water Board above.	ditto.
(Leicester Town Council)	Purchase of land and execution of works.	600,000	Same as Water Board above, except 30th June for 25th March.	ditto.
	Payment of interest on borrowed moneys until 10 years from passing of Act.	Sum requisite	Same as Water Board above, except 30th June for 25th March.	ditto.
(Sheffield Town Council)	Purchase of land and execution of works.	425,000	60 years	60 years.
(Rotherham Town Council)	Extension of mains, etc.	45,000	60 years	Not in Bill.
Fylde Water Board, 1899	Costs of Act	Sum requisite	10 years	10 years.
Gainsborough Urban District Council (Gas), 1899.	Purchase of undertaking, incidental expenses, payment of compensation, Repayment of Company's mortgage debt.	ditto	40 years	40 years.
	Extension and improvement of undertaking.	10,000	40 years from transfer.	40 years.
	Costs of Act	Sum requisite	40 years	40 years.
Glastonbury Water, 1899	Purchase of lands and wayleaves, and construction of works.	15,000	55 years	60 years.
	Repayment of existing debt on water undertaking.	3,560	55 years from passing of Act.	50 years.
	Costs of Act	Sum requisite	10 years	10 years.
Godalming Corporation Water, 1899	Purchase of undertaking, and incidental expenses.	Sum requisite	50 years	52 years.
	Construction of new and additional works.	20,000	50 years	52 years.
	Purchase of lands or rights over lands.	Sum requisite	50 years	52 years.
	Costs of Act	ditto	10 years	10 years.
	Costs of winding up company	ditto	50 years	52 years.

1899—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Goole Urban District Council, 1899.	Purchase of lands for and construction of waterworks and improvement of gas and water undertakings.	25,000	40 years	50 years.
	Costs of Act	Sum requisite	10 years	10 years.
Great Western Railway, 1899 (Cardiff Corporation).	Purchase of land, and construction of bridge and approaches.	Sum requisite	60 years	Not in original bill.
Great Yarmouth Corporation, 1899.	Construction of tramways, and tramway purposes.	44,000	40 years	40 years.
	Purchase of lands for and construction of street improvements.	11,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Hastings Harbour, 1899	Purchase, completion, and equipment of harbour and repayment, &c., of borrowed moneys.	As Board sanctioned	40 years	40 years.
	Costs of Act	ditto	10 years	10 years.
Horsforth Urban District Council Waterworks, 1899.	Acquisition of undertaking	Sum requisite	50 years from transfer.	60 years from transfer.
	Costs of Act	ditto	5 years	5 years.
Humber Conservancy, 1899.	Any purposes of the Humber Conservancy Acts to which capital is applicable.	50,000	50 years	50 years.
	Cost of Acts	Sum requisite	10 years	15 years.
Ilford Urban District Council (Rates), 1899.	Payment of compensation to assistant overseers, &c.	ditto	20 years	20 years.
	Costs of Act	ditto	10 years	10 years.
Kew Bridge, 1899 (Middlesex C.C. and Surrey C.C.)	Re-building bridge	25,000 (each)	60 years	60 years.
Lancashire and Yorkshire Railway (Various Powers), 1899 (Chadderton U.D.C.)	Contribution towards reconstruction of bridge.	1,400	30 years	Not in original Bill.
Leigh-on-Sea Urban District Council, 1899.	Purchase of gas undertaking	Requisite sum	40 years	50 years.
	Gas—General purposes (lands and works).	15,000	50 years	50 years.
	Sewage (land and works)	17,700	60 years	60 years.
	Wharf (purchase, maintenance, extension, &c.)	500	30 years	30 years.
	Recreation ground (purchase, laying out and maintenance).	3,000	50 years	50 years.
	Groynes	500	50 years	50 years.
	Offices (lands and works)	3,500	50 years	50 years.
	Street improvements (lands and works).	2,500	50 years	50 years.
	Costs of Act	Requisite sum	10 years	10 years.
Loughborough Corporation, 1899.	Purchase of gas undertaking and incidental costs &c., and compensation to officers.	Requisite sum	40 years	45 years.
	Extension and improvement of gas works.	40,000	40 years	45 years.
	Working capital (gas)	10,000	20 years	20 years.
	Payment of company's debt	Requisite sum	40 years from transfer.	45 years from transfer.
	Electric lighting, including railway and lands.	25,000	30 years	30 years.
	Costs of Act	Requisite sum	5 years	5 years.
Milton Creek Conservancy, 1899.	Cost of Act	Sum requisite	15 years.	—
	Purposes of Act to which capital is properly applicable	20,000	50 years.	—
North-Eastern Railway, 1899. (Scarborough Corporation)	Bridge contribution	1,000	30 years	Not in original Bill.
Nottingham Corporation, 1899.	Tramways	585,000	30 years	30 years.
	Waterworks—Land and works	144,000	50 years	60 years.
	Street improvements—ditto ditto	54,000	60 years	60 years.
	Costs of Act	Requisite sum	10 years	10 years.

1899—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£		
Nuneaton and Chilvers Coton Urban District Council Waterworks, 1899.	Costs of Act	ditto	10 years	10 years.
Oldham Corporation, 1899	Tramways construction	71,000	30 years	30 years.
	New street—Land and works	20,000	60 years	60 years.
	Costs of Act	Requisite sum	10 years	10 years.
Portsmouth Corporation, 1899.	Costs of Act	ditto	5 years	5 years.
Queen's Ferry Bridge, 1899 [Flint County Council.]	Bridge purposes and costs of Act	10,000	60 years	60 years.
Rhonda Urban District Council, 1899.	Costs of Act	Requisite sum	30 years	10 years.
	Purchase of land; construction of tramroad, road and waterworks.	60,000	45 years	45 years.
Scunthorpe Urban District Gas and Water, 1899.	Costs of Act	Requisite sum	10 years	10 years.
	Purchase of undertaking and incidental costs.	ditto	40 years	40 years.
	Gas—Works and land	25,000	50 years	60 years.
	Water—ditto	25,000	60 years	60 years.
	Purchase of undertaking	535,000	5 years	5 years.
	Costs of Act			
Sheffield Corporation (Markets), 1899.				
Skipton Urban District Gas, 1899.	Purchase of undertaking and incidental expenses.	Requisite sum	45 years	50 years.
	Payment of mortgage debt of Company.		45 years from transfer.	50 years from transfer.
	Land and works (including removal and reconstruction of works).	30,000	45 years	50 years.
	Working capital	5,000	30 years	30 years.
	Costs of Act	Requisite sum	10 years	10 years.
Stockport Corporation Water, 1899.	Purchase of undertaking, and incidental costs. Redemption of annuities and mortgage debt.	ditto	55 years from transfer.	60 years from transfer.
	Waterworks extensions	45,000	55 years	55 years.
	Costs of Act	Requisite sum	10 years	15 years.
Sunderland Corporation	Costs of Act	ditto	5 years	5 years.
	Tramways construction	160,000	30 years	30 years.
	Tramways purchase	Requisite sum	30 years	30 years.
	Other tramways purposes	50,000	As Board of Trade sanction.	As in Act.
	Land for street widening	300	60 years	60 years.
Taff Vale Railway, 1899: [Cardiff Corporation]	Purchase of land	Sum requisite	As Local Government Board approve.	Not in original Bill.
Tees Valley Waterworks, 1899.	Land and Works:			
	Stockton Corporation	153,460	60 years	60 years.
	Middlesbrough ditto	184,152		
	Thornaby ditto	30,692		
	Costs of Act	Requisite sum	10 years	15 years.
Wakefield Corporation	Costs of Act	ditto	10 years	10 years.
Wallasey Tramways and Improvements, 1899.	Tramways (construction and reconstruction.)	87,000	40 years	40 years.
	Street improvements (land and works.)	92,000	60 years	60 years.
	Promenades (land and works)	90,000		
	Costs of Act	Requisite sum	10 years	10 years.
Whitehaven Corporation, 1899.	Waterworks (including land)	15,000	60 years	60 years.
	Costs of Act	Requisite sum	7 years	10 years.
Wolverhampton Corporation, 1899.	Construction of tramways and tramway purposes.	210,171	40 years	40 years.
	Purchase of lands for street improvements.	7,963	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Workington Corporation, 1899.	Waterworks. Land and works	95,000	60 years	60 years.
	Construction of bridge	5,000		Not in Bill
	Costs of Act	Requisite sum	10 years	10 years.

1900.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Alexandra Park and Palace (Public Purposes) 1900:				
Middlesex C.C.		49,000		
Hornsey U.D.C.		35,000		
Wood Green U.D.C.		35,000		
Friern Barnet U.D.C.		3,500		
Finchley, U.D.C.		3,000		
Tottenham U.D.C.		5,000		
Vestry of St Mary, Islington.		15,000		
Any Vestry or District Board within meaning of Metropolitan Management Acts.	Contributions towards purchase of Alexandra Park and Palace and other lands.	Such sum as they see fit.	60 years	80 years.
Aston Manor Tramways, 1900.	Construction of new tramways, and electrical equipment.	27,000	40 years	40 years.
	Costs of Act	Sum requisite	5 years	5 years.
	Adaptation of old tramways for electrical traction.	As sanctioned by Board of Trade.	30 years	Such period not exceeding 40 years as Local Government Board may sanction
Bournemouth Corporation, 1900.	Purchase of commons and connected purposes.	10,000	60 years	As sanctioned by Board.
	Crematorium purposes	3,500	30 years	ditto.
	Costs of Act	Sum requisite	5 years	ditto.
Brighton Corporation, 1900	Purposes of tramway, including street improvements (land and works).	200,000	40 years	50 years.
	Purposes of water undertaking	350,000	50 years	50 years.
	Purposes of electrical undertaking including land.	400,000	40 years	50 years.
	Costs of Act	Sum requisite	5 years	10 years.
Burnley Corporation, 1900	Construction of tramways and equipment.	147,008	30 years	30 years.
	Construction of tramways in other local authorities' districts.	36,492	30 years	30 years.
	Street improvements widening bridges, including purchase of lands.	42,000	40 years	40 years.
	Costs of Act	Sum requisite	5 years	5 years.
Bury and District Water (Transfer), 1900. (Joint Water Board.)	Payment to Bury T.C. in connection with sinking fund account.	Sum requisite	60 years	60 years.
	Costs of Act	ditto	5 years	10 years.
	Current expenses	Half of estimated revenue.	During the year in which borrowed.	As in Act.
Cowes Pier, 1900	Construction of pier, &c.	15,000	30 years	40 years.
	Costs of Act	Sum requisite	5 years	10 years.
Devonport Corporation, 1900.	Tramways	As Board of Trade sanction.	30 years.	40 years.
	Costs of Act	Sum requisite	5 years	10 years.
Exeter Corporation, 1900	Payment of compensation	Sum requisite	15 years	25 years.
	Payment under adjustment	ditto	15 years	25 years.
	Purchase of lands for and execution of bridge and street works.	50,000	60 years	60 years.
	Costs of Act	Sum requisite	10 years	10 years.
Exmouth U.D. Water, 1900	Purchase of undertaking and incidental expenses.	ditto	50 years	60 years.
	Payment off of company's mortgage debt.	ditto	50 years from transfer.	Not in Bill.
	Purchase of land and extension of water undertaking.	4,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Glastonbury Corporation Gas, 1900.	Purchase of undertaking, compensation, &c.	Sum requisite	40 years	45 years.
	Extension and improvement of undertaking, working capital.	7,000	40 years	45 years.
	Costs of Act	Sum requisite	10 years	10 years.
Glyncorrwg U.D.C. Gas, 1900.	Purchase of undertaking and incidental expenses.	3,500	40 years	50 years.
	Purchase of land for and construction of works.	7,500	40 years	50 years.
	Working capital	500	20 years	20 years.
	Costs of Act	Sum requisite	5 years.	10 years.

1900—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Period proposed in Bill.
		£.		
Great Western Railway (Cardiff Corporation), 1900.	Contribution towards cost of bridge	As Local Government Board sanction.	60 years	Not in Bill.
Great Yarmouth Port and Haven, 1900.	General purposes of undertaking	45,000	50 years	60 years.
Gwyrfa District Water, 1900.	Payment of cost of part of existing works.	1,000	50 years	50 years.
	Purchase of land	1,000	50 years	50 years.
	Costs of Act	Sum requisite	7 years	30 years.
	Costs of legal action	ditto	7 years	30 years.
Hemel Hempstead Corporation Water, 1900.	Purchase of undertaking, incidental expenses	ditto	50 years	60 years.
	Repayment of company's mortgage debt		50 years from transfer.	60 years.
	Improvement and extension of works	15,000	50 years	60 years.
	Costs of Act	Sum requisite	7 years	10 years.
Hoyle and West Kirby Improvement, 1900.	Construction of parade, streets, and sewer.	43,500	52 years	60 years.
	Construction of sewer outfall	10,000	52 years	60 years.
	Construction of pier	5,000	52 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Huddersfield Corporation Tramways, 1900.	Construction of tramways	261,203	30 years	30 years.
	Tramway purposes	138,147	Such period, not exceeding 30 years, as Board of Trade sanction.	As in Act.
	Costs of Act	Sum requisite	5 years	5 years.
Ipswich Corporation (Tramways, &c.), 1900.	Construction and re-construction, &c., of tramways.	110,000	40 years	40 years.
	Street improvements (land and works)	43,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Kingston-upon-Thames Corporation, 1900.	Street widenings	15,000	40 years	50 years.
	Electric undertaking purposes	10,000	40 years	50 years.
	Purchase of lands for recreation grounds.	9,000	40 years	50 years.
	Free library	6,000	40 years	50 years.
	Costs of Act	Sum requisite	5 years	5 years.
Lancashire and Yorkshire Railway, 1900: (Rochdale Corporation).	Construction of bridge or footbridge	Sum requisite	30 years	Not in original Bill.
Lancashire Inebriates Acts Board, 1900.	Purposes of Inebriates Acts— Land Buildings Furniture and fittings	50,000	50 years 30 years 15 years	50 years. 30 years. 15 years.
Lincoln Corporation (Tramways, &c.), 1900.	Street works and alterations to bridges (including land).	6,000	40 years	40 years.
	Construction of tramways and conversion to electric system of existing tramways.	80,000	30 years	30 years.
	Costs of Act	Sum requisite	5 years	5 years.
Manchester Corporation Tramways, 1900.	Construction of tramways and other tramway purposes.	900,000	40 years	40 years.
	Purchase of existing tramways	Sum requisite	40 years	40 years.
	Costs of Act	ditto	5 years	10 years.
Margate Corporation, 1900	Purchase of land for water purposes, and extension of undertaking.	15,000	60 years	60 years.
	Promenades, sea walls, and street improvements (land and works), and land for recreation ground.	129,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years.	10 years.
Market Weighton Drainage, 1900.	Drainage purposes	5,000	30 years	30 years.
	Costs of Act	Sum requisite	30 years	30 years.
Menstone Waterworks (Transfer), 1900.	Purchase of undertaking and incidental expenses.	ditto	55 years	60 years.
	Purchase of land and construction of works and distributing plant.	5,000	55 years	60 years.
	Payment of company's mortgage debt.	Sum requisite	55 years from transfer.	-
	Costs of Act and of opposition to Company's Act.	ditto	5 years	10 years.
Midland Railway, 1900: (Thornhill, U.D.C.)	Contribution towards cost of bridge	1,000	60 years.	Not in original Bill.
(Great Yarmouth, T.C.)	ditto	5,000	60 years.	Ditto

1900—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Morecambe, U.D.C. (Gas), 1900	Purchase of undertaking, payment of compensation. Repayment of company's mortgage debt.	Sum requisite	40 years	50 years.
			40 years from transfer.	40 years from transfer.
	Extension and improvement of undertaking.	40,000	40 years	50 years.
	Costs of Act and of opposition to Order.	Sum requisite	5 years	10 years.
Morley Corporation, 1900	Purchase of land for, and erection of, police buildings.	2,500	50 years	50 years.
	Costs of Act	Sum requisite	5 years	10 years.
Mountain Ash Water and Gas, 1900.	Purchase of lands and wayleaves, and construction of waterworks.	60,000	60 years	60 years.
	Extension and improvement of waterworks.	5,000	60 years	60 years.
	Extension and improvement of gas-works	10,000	45 years	45 years.
	Costs of Act	Sum requisite	5 years	10 years.
Newport Corporation, 1900.	Purposes of electric undertaking, including land.	40,000	40 years	40 years.
	Purposes of tramways	90,000	40 years	40 years.
	Transporter bridge including land	90,000	50 years	60 years.
	Land for, and erection of, lunatic asylum, construction and removal of bridges, etc.	85,000	60 years	60 years.
	Costs of Acts	Sum requisite	5 years	10 years.
Newtown and Llanllwchaearn U.D. Gas, 1900.	Purchase of undertaking and incidental expenses.	ditto	40 years	45 years.
	Purchase of land for, and extension and improvement of gas undertaking.	5,000	40 years	45 years.
	Costs of Act, and opposition to Order.	Sum requisite	5 years	10 years.
Nottingham Corporation, 1900.	Purchase of land for, and construction of, street widenings.	140,500	60 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Ossett Corporation Gas, 1900.	Purchase of undertaking and incidental expenses.	Sum requisite	45 years	50 years.
	Repayment of company's mortgage debt.		45 years from transfer.	50 years.
	Extension and improvement of gas-works.	25,000	45 years	50 years.
	Costs of Act	Sum requisite	10 years	10 years.
Otley U.D.C. (Water-works), 1900.	Purchase of land for and execution of works.	55,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Paignton U.D. Water, 1900.	Purchase of land and execution of works.	70,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
Portland U.D. (Gas, &c.), 1900.	Purchase of undertaking	28,656	40 years	40 years.
	Incidental expenses of transfer	Sum requisite	40 years	40 years.
	Extension and improvement of undertaking.	7,500	40 years	40 years.
	Working capital	2,500	40 years	40 years.
	Costs of Act.	Sum requisite	5 years	10 years.
Ramsgate Corporation, 1900.	Purchase of and laying out seashore and land adjacent.	45,300	50 years	50 years.
	Erection of pavilions, shelters, baths, conveniences, &c.	30,000	30 years	40 years.
	Costs of Act	Sum requisite	5 years	10 years.
Rawmarsh Urban District Council (Tramways), 1900.	Construction and equipment of tramways and works for working same and electrical purposes in connection.	54,111	30 years	40 years.
	Purchase of land and construction of street improvements.	4,000	40 years	40 years.
	Purposes of gas undertaking	20,000	30 years	Not in Bill.
	Costs of Act	Sum requisite	5 years	10 years.

1900—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Reading Corporation (Tramways), 1900.	Construction and equipment of tramways and works for same, and electrical purposes in connection (including land). Works in connection with covering up of stream (including land). Costs of Act	135,000 12,000 Sum requisite	30 years - - - 50 years - - - 5 years - - -	40 years. 60 years. 10 years.
Rotherham Corporation, 1900.	Construction, &c., of tramways Purchase of land for and construction of new streets and widening. Purposes of gas undertaking Costs of Act	150,000 130,000 65,000 Sum requisite	30 years - - - 60 years - - - 40 years - - - 5 years - - -	30 years. 60 years. 45 years. 10 years.
Salford Corporation, 1900	Recreation ground purposes (including land). Sewage purification purposes - - Sewer works purposes (including land). Street works purposes (including land). Gas undertaking - - - - Costs of Act	27,000 150,000 15,000 150,000 200,000 Sum requisite	50 years - - - 40 years - - - 40 years - - - 50 years - - - 40 years - - - 5 years - - -	50 years. 40 years. 40 years. 50 years. 40 years. 5 years.
Southampton Harbour, 1900.	Construction of works, and other purposes of undertaking.	100,000	60 years - - -	60 years.
Southport. Extension and Tramways, 1900.	Construction of tramways and works connected. Costs of Act	40,000 Sum requisite	40 years - - - 5 years - - -	40 years. 10 years.
South Shields Corporation, 1900.	Street works and improvements, including purchase of land. Costs of Act	258,087 Sum requisite	50 years - - - 5 years - - -	50 years. 10 years.
Spalding Water, 1900	Purchase of undertaking and incidental expenses. Improvement of works and distributing apparatus. Costs of Act	Sum requisite 10,000 Sum requisite	50 years - - - 50 years - - - 5 years - - -	60 years. 60 years. 10 years.
Stockport Corporation Tramways, 1900.	Construction of tramways and works connected. Providing tramway plant and electrical equipment. Costs of Act	102,000 78,900 Sum requisite	40 years - - - 30 years - - - 5 years - - -	40 years. 40 years. 10 years.
Sunderland Corporation, 1900.	Contribution towards cost of bridge Payment to railway company for the purchase of lands. Costs of Act and of repayment and of re-borrowing of loans.	146,000 Sum requisite ditto	50 years - - - 50 years - - - 5 years - - -	50 years. 50 years. 5 years.
Tottenham Urban District Council, 1900.	Purchase, laying out, and improvement of Lammes lanes, extinction of Lammes rights, and incidental expenses. Costs of Act	12,000 Sum requisite	60 years - - - 5 years - - -	60 years. 5 years.
Wakefield Corporation Market, 1900.	Purchase of undertaking and incidental expenses. Extension and improvement of market and slaughter-houses, including purchase of land. Costs of Act	Sum requisite 25,000 Sum requisite	60 years - - - 60 years - - - 5 years - - -	60 years. 60 years. 10 years.
Walsall Corporation, 1900	Construction of tramways, purchase and re-construction of existing tramways. Purchase of land for and erection of municipal buildings. Construction of gasworks, and gasworks purposes. Costs of Act	160,000 75,000 125,000 Sum requisite	40 years - - - 60 years - - - 40 years - - - 5 years - - -	40 years. 60 years. 40 years. 10 years.
Withington Urban District Council, 1900.	Street works (including land). Construction of tramways Tramways purposes - - - Costs of Act	42,454 106,114 12,000 Sum requisite	60 years - - - 30 years - - - As sanctioned by Board of Trade. 5 years - - -	60 years. 30 years. As sanctioned by Board of Trade. 5 years.
Workington Railways and Docks, 1900. [Workington Corporation.]	Taking shares in capital of the Workington Harbour and Dock Company - - - - Costs of Act	50,000 Sum requisite	50 years - - - 5 years - - -	50 years. 5 years.

1901.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
Aldeburgh Corporation, (Water) 1901.	Costs of Act - - - Acquiring water undertaking - - Purchase of land and construction of works.	Sum requisite ditto - 7,000	5 years - - - 50 years - - - 50 years - - -	10 years. 50 years. 50 years.
Aspatia Silloth and District Water, 1901.	Purchase of land and construction of works authorised by the Act. Working capital Costs of Act	35,000 3,000 Sum requisite	60 years - - - 10 years - - - 5 years - - -	60 years. Not in Bill. 5 years.
Bexley Tramways, 1901	Costs of Act - - - Purchase of land and construction of tramways and works, including street works. Tramway purposes - - - -	ditto - 50,820 37,500	5 years - - - 30 years - - - 30 years - - -	5 years. 30 years. 30 years.
Biggleswade Water, 1901	Purchase of lands for and construction of works authorised by the Act. Working capital - - - - Costs of Act	37,400 1,500 Sum requisite	60 years - - - 10 years - - - 5 years - - -	60 years. Not in Bill. 5 years.
[Biggleswade U.D.C.]	Laying down of mains and construction of other waterworks	4,000	50 years - - -	60 years.
[Biggleswade R.D.C.]	Purchase of lands for and construction of works and laying down mains and construction of other waterworks.	41,400	50 years - - -	60 years.
Birmingham (City of) Tramways, 1901. [Birmingham Corporation.]	Construction of Tramways	Sum requisite (with sanction of Board Trade).	30 years - - -	40 years.
Bournemouth Corporation, 1901.	Construction of tramways and other purposes connected therewith. Purchase of lands for purposes of the Act and cost of street improvements. Costs of Act	16,000 88,500 Sum requisite	40 years - - - 60 years - - - 5 years - - -	60 years. 60 years. 5 years.
Bristol Corporation (Cemetery), 1901.	Costs of Act - - - Enlargement, laying out, draining and planting Greenbank Cemetery.	ditto - 5,000	5 years - - - 30 years - - -	5 years. 30 years.
Bristol Docks and Railways, 1901.	Costs of Act Avonmouth works (including land) Graving dock (land and works) Equipment of Avonmouth works and engineering expenses. Completing works authorised by Dock Act of 1897, and for acquiring lands and executing works under the provisions of the Great Western Act of 1897. Constructing deep water wharf General purposes of City Docks	Sum requisite 1,428,885 250,000 271,500 114,600 190,000 182,722	5 years - - - 53 years - - - 60 years - - - 30 years - - - 60 years - - - 60 years - - -	5 years. 60 years. 60 years. 30 years. 60 years. 60 years.
	Payment of interest on moneys borrowed or stock created for construction of Avonmouth works for period of seven years from passing of Act. Construction of Canons Marsh Road Construction of Street works - Repayment of Mortgage debts of Barton Regis Council.	Such further sums as may be necessary. 4,000 9,500 Amount apportioned.	53 years - - - 60 years - - - 60 years - - - Unexpired periods remaining for repayment at date of transfer to the Corporation.	60 years. 60 years. 60 years. Periods sanctioned for such debts.
	Compensation by way of gross sum to be paid by Corporation. Repayment of portions (if any) apportioned to Corporation of mortgage debts of County Councils and Parish Councils.	Sum necessary Sum necessary	30 years - - - Unexpired periods remaining for repayment at date of transfer to the Corporation.	30 years. Periods sanctioned for such debts.
	Repayment of any moneys properly chargeable to capital and payable by reason of any adjustment made under the provisions of the Act.	Sum necessary	30 years - - -	30 years.
Bury Corporation Tramways, 1901.	Tramway purposes - - - Tramways—electrical equipment - Street improvements, land and works Costs of Act	£. 132,000 39,000 114,000 Sum requisite	40 years - - - 30 years - - - 60 years - - - 5 years - - -	60 years. 40 years. 60 years. 10 years.

1901—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Cardiff Corporation, 1901	Costs of Act - - - - -	Sum requisite	5 years from passing of Act.	10 years.
	Construction of sewers and works, including the cost of lands and easements.	181,000	45 years - - -	60 years.
Chester Corporation, 1901	Costs of Act - - - - -	Sum requisite	5 years - - -	5 years.
	Construction of tramways - - -	13,800	40 years - - -	40 years.
	Purchase of freehold land and buildings.	8,000	60 years - - -	60 years.
	Tramways or any other purpose of the Act.	69,000	40 years - - -	40 years.
	- ditto - - ditto - - -	Such further sum as the Board of Trade may sanction.	40 years - - -	40 years.
Colwyn Bay and Colwyn Urban District Gas, 1901.	Purchase of gas undertaking, compensation to the secretary of the company.	Such sums as may be required.	40 years - - -	50 years.
	Repayment of mortgage debt of company.		40 years from transfer.	
	Costs of Act - - - - -	Sum requisite	5 years - - -	10 years.
Cowes Ferry, 1901 - -	Purposes of Act - - - - -	15,000	30 years - - -	40 years.
	Costs of Act - - - - -	Sum requisite	5 years - - -	5 years.
Cromer Water, 1901 [Cromer U. D. C.].	Purchase of undertaking, and incidental costs. Compensation to officers.	Sum requisite	50 years - - -	Not in original Bill.
	Repayment of Company's debt -	Sum requisite	50 years from transfer -	
	Purchase of land, and construction works and mains.	58,000	60 years - - -	
	Additions and alterations to Water-works.	28,000	40 years - - -	
	Costs of Act, &c.	Sum requisite	5 years - - -	As in Act.
Derwent Valley Water, 1901.	Costs of Act - - - - -	Sum requisite.	If borrowed within 10 years from passing of Act of 1899. — 60 years from 25-3-09; otherwise 60 years from borrowing.	
	Purchase of land, execution of works and other purposes of Act.	282,000		
	Payment of interest on moneys borrowed until ten years from passing of Act of 1899. (Aggregate not to exceed 400,000 <i>l</i> .)	Sum requisite.		
Devonport Corporation (Gas), 1901.	Purchase of gas undertaking - -	Sum requisite	40 years - - -	50 years.
	Repayment of mortgage debt of company.		40 years from transfer.	
	Purchase of lands and extension and improvement of gasworks.	100,000	40 years - - -	50 years.
	Costs of Act - - - - -	Sum requisite	5 years - - -	5 years.
	Compensation to officers of the company.	Sum requisite	40 years - - -	50 years.
Dover Corporation, 1901	Purchase of land for and construction of new streets.	129,000	60 years - - -	60 years.
	Construction of tramway - - -	4,500	40 years - - -	40 years.
	Costs of Act - - - - -	Sum requisite	5 years - - -	5 years.
Great Western Railway, 1901 [Swindon Corporation].	Contribution towards cost of bridge	2,000	40 years - - -	Not in original Bill.
	Lowering roadway - - - - -	600		
	Widening bridge - - - - -	Sum requisite.		
Handsworth Urban District Council, 1901.	Costs of Act - - - - -	- ditto -	5 years - - -	5 years.
	Purchase and reconstruction of tramways, purchase of lands, and erection of depot and generation station.	107,250	40 years - - -	40 years.
	Electric supply purposes - - -	49,050	30 years - - -	40 years.
Harrogate Water, 1901	Costs of Act - - - - -	Sum requisite	5 years - - -	7 years.
	Purchase of land for and construction of waterworks.	325,000	60 years - - -	*60 years.
	Payment of interest on borrowed moneys until 10 years from passing of Act.	Sum requisite	60 years. - - -	
Heywood and Middleton Water Board, 1901.	Purchase of lands for and execution of works.	110,000	60 years - - -	60 years.
	Completing reservoir, constructing filter beds and for other water-works purposes.	65,000	60 years - - -	60 years.
	Costs of Act - - - - -	Sum requisite	5 years - - -	10 years.

* In the case of moneys borrowed within 10 years from the passing of the Bill it was proposed that the 60 years should run from 25th March 1910.

1901—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Honley Urban District Council (Gas), 1901.	Purchase of gas undertaking	18,500	30 years	40 years.
	Costs of Act	Sum requisite	5 years	5 years.
Ilkeston and Heanor Water, 1901.	Purchase of water undertaking	6,000	60 years	60 years.
	Purchase of lands for and construction of works.	106,500	60 years	60 years.
	Working capital	5,000	10 years.	Not in original Bill.
	Costs of Act			
[Heanor U. D. C.]	Construction of waterworks and extension and improvement of water undertaking.	Sum requisite	5 years	5 years.
		12,000	60 years	60 years.
Kettering Urban District Water, 1901.	Purchase of lands for and construction of works.	126,500	60 years	60 years.
	Purposes of water undertaking and extension and improvement thereof.	10,000	50 years	60 years.
	Costs of Act	Sum requisite	5 years	10 years.
King's Norton and Northfield Urban District Tramways, 1901.	Construction of tramways and other purposes of the tramway undertaking.	Such sums as the Board of Trade may sanction.	40 years	40 years.
	Costs of Act	Sum requisite	5 years	10 years.
Kingston-upon-Hull Corporation, 1901.]	Purchase of land for and execution of street works.	560,000	60 years	60 years.
	Purchase of land for and construction of bridge and approaches.	36,000	60 years	60 years.
	Completion of new bridge	7,000	50 years	50 years.
	Construction of tramways and other tramway purposes.	27,000	40 years	40 years.
	Purchase of land and other water-works purposes.	37,000	60 years	60 years.
	Costs of Act	Sum requisite	5 years	5 years.
Lancashire and Yorkshire Railway (Various Powers), 1901:] [Blackpool Corporation]	Contribution towards cost of Bridges	9,000	50 years	Not in original Bill.
Leeds Corporation Water, 1901.	Purchase of land for and construction of works and other purposes of water undertaking.	2,200,000	60 years	60 years.
	Payment of interest on borrowed money until 10 years from passing of Act.	Sum requisite	60 years	*60 years.
	Costs of Act	ditto	5 years	*60 years.
Llandrindod Wells Water, 1901.	Purchase of water undertaking	ditto	50 years	60 years.
	Purchase of land and wayleaves for and for construction of water-works.	10,800	50 years	60 years.
	Extension and improvement of water-works.	4,000	50 years	60 years.
	Costs of Act	Sum requisite	5 years	7 years.
Llanelly Harbour, 1901	Cost of Act	Sum requisite		
	Completion and equipment of work authorised by Act of 1896.	20,000		
	Other purposes of vested Acts	Such sums as Board of Trade may sanction, not exceeding £10,000.	60 years	60 years.
London Bridge Widening, 1901.	Purposes of Act	100,000	60 years if raised under Local Loans Act, 1875.	60 years if raised under Local Loans Act, 1875.
London (City) School for Orphans of Freemen, 1901.	Purposes of Act	50,000	60 if raised under Local Loans Act, 1875.	60 years if raised under Local Loans Act, 1875.

* In the case of moneys borrowed within 10 years from the passing of the Bill it was proposed that the 60 years should run from 25th March, 1910.

1901—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
North Eastern Railway, 1901. [Kingston-upon-Hull Corporation.]	Alteration of roads and bridges	12,500	40 years - - -	Not in Bill.
[Scarborough Corporation]	Contribution towards cost of bridge. Cost of opposition to Act, &c.	500 Sum requisite	30 years - - - 5 years - - -	30 years. Not in Bill.
Portmadoc, Beddgelert, and South Snowdon Railway, 1901. [Carnarvonshire County Council and Merionethshire County Council.]	Advance to Company as loan or share capital.	10,000 (each)	40 years - - -	40 years.
[Ynysychnaiam U.D.C. and Glaslyn R.D.C.]	Do.	5,000 (each)	40 years - - -	40 years.
Poulton-le-Fylde Gas, 1901	Purchase of undertaking, and defraying cost of transfer. Repayment of mortgage debt of Company.	Sum requisite	40 years - - - 40 years from transfer.	45 years. 45 years from passing of Act.
	Extension and improvement of gas works and for working capital.	5,000	40 years - - -	45 years.
	Costs of Act	Sum requisite	5 years - - -	10 years.
Prestatyn Water, 1901.	Purchase of undertaking and costs of transfer.	Sum requisite	50 years - - -	60 years.
	Extension and improvement of works and distributing apparatus.	5,000	50 years - - -	60 years.
	Purchase of lands and wayleaves for and the execution of works.	4,000	50 years - - -	60 years.
	Costs of Act	Sum requisite	5 years - - -	7 years.
St. Bartholomew's Hospital, 1901.	Purposes of Act	Sum requisite, with sanction of Charity Commissioners.	50 years - - -	50 years.
Salford Corporation, 1901 -	Costs of Act	Sum requisite	5 years - - -	5 years.
Sheffield Corporation, 1901	New streets, street widenings and improvements, including purchase of lands.	200,293	45 years - - -	45 years.
	Tramway purposes	31,535	30 years - - -	30 years.
	Markets and abattoirs, including purchase of lands and works.	310,263	50 years - - -	50 years.
	Depôt and purchase of lands and works.	43,868	30 years - - -	30 years.
	Crematorium and works	5,000	40 years - - -	40 years.
	Costs of Act	Sum requisite	5 years - - -	5 years.
South Essex Waterworks. [Ilford U.D.C., Barking Town U.D.C., Grays Thurnock U.D.C., Orsett R.D.C., Romford R.D.C.]	Cost of Opposition to or Promotion of previous Bills.	Sums requisite	5 years - - -	-
Southport Water (Transfer), 1901.	Purchase of water undertaking, costs of transfer, redemption of debenture stock, and completion of works.	Sum requisite	50 years - - -	60 years.
	Working capital	15,000	10 years - - -	Not in Bill.
	Costs of Act	Sum requisite	5 years - - -	10 years.
Stalybridge, Hyde, Mossley, and Dukinfield Tramways and Electricity Board, 1901.	Construction of tramways	220,000	30 years - - -	30 years.
	Purchase of tramways	Sum requisite	30 years - - -	30 years.
	Tramway purposes	75,000	30 years - - -	30 years.
	Construction of bridge	Sum requisite	60 years - - -	60 years.
	Purchase of lands for generating and transformer stations.	17,000	60 years - - -	60 years.
	Electricity purposes, including construction of generating station.	144,000	30 years - - -	30 years.
	Working capital for tramway undertaking.	15,000	10 years - - -	Not in Bill.
	Working capital for electricity undertaking.	10,000	10 years - - -	Not in Bill.
	Expenses of Act and Orders.	Sum requisite	5 years - - -	10 years.
Stalybridge Corporation]	Purchase of land for and construction of new street, and improving road.	40,000	60 years - - -	60 years.
[Hyde Corporation]	Purchase of land and street improvements.	16,000	60 years - - -	60 years.

1901—continued.

Local Act.	Purpose of Borrowing Power.	Amount of Borrowing Power.	Periods for Repayment.	Periods proposed in Bill.
		£.		
Stockport Corporation Water, 1901.	Purchase of land and construction of works, and mains.	756,000	60 years - - -	60 years.
	Purchase of land, and for drainage and other works.	64,000	60 years - - -	60 years.
	Costs of Act	Sum requisite	5 years - - -	10 years.
Sutton in Ashfield Urban District Council (Water) 1901.	Water undertaking	5,000	25 years - - -	25 years.
	Costs of Act	Sum requisite	5 years - - -	5 years.
Swansea Harbour, 1901. [Swansea Corporation]	Payment to Harbour Trustees	50,000	60 years.	60 years.
	Payment to Trustees on account of deficiency in revenue of undertaking for 10 years.	Sum necessary, not exceeding £150,000	20 years.	20 years.
Tees Valley Water Board, 1901.				
[Stockton-on-Tees, Middlesbrough and Thornaby-on-Tees Corporations.]	Costs of Act	Sum requisite	10 years - - -	10 years.
Wells Corporation Water, 1901.	Purchase of water undertaking, costs of transfer, and compensation to officers of the company.	Sum requisite	50 years - - -	50 years.
	Purchase of lands for and construction of waterworks.	10,000	60 years - - -	60 years.
	Costs of Act	Sum requisite	5 years - - -	5 years.
Wigan Corporation, 1901.	Construction of tramways	65,950	40 years - - -	40 years.
	Purchase of lands, street improvements, and widening of bridge.	5,800	60 years - - -	60 years.
	Costs of Act	Sum requisite	5 years - - -	5 years.
Winsford Urban District (Gas Transfer) 1901.	Purchase of gas undertaking	15,892	40 years.	50 years.
	Costs incidental to purchase	Sum requisite	40 years.	50 years.
	Extension and improvement of gas undertaking.	2,000	40 years.	50 years.
	Working capital	1,000	20 years.	50 years.
	Costs of Act.	Sum requisite	5 years.	5 years.

APPENDIX, No. 9.

(See Question 604).

PAPER handed in by Mr. *Lithiby*, April 11th.EXTRACTS from the REPORTS of the SELECT COMMITTEES on POLICE and SANITARY REGULATION
for the YEARS 1882—1900.

SPECIAL REPORT of the Select Committee of 1882.

(Parliamentary Paper, No. 226. Session 1882.)

Par. 8.—As regards finance, the Committee have in no case permitted the repayment of a loan to be extended beyond the period of 60 years, which is the maximum period sanctioned by the Public Health Act, and for moneys borrowed by the Metropolitan Board of Works. They recommend that means should be taken to secure in future a strict adherence to this maximum.

(No Committee appointed in 1883.)

SPECIAL REPORT of the Select Committee of 1884.

(No. 298. Session 1884.)

Par. 8.—The Committee have also carefully considered the periods sought to be obtained for the repayment of loans, and have in every case curtailed the periods demanded in the Bills submitted to them.

Par. 9.—They have not in any case permitted a longer period than 50 years, and in most cases have imposed a much shorter period.

SPECIAL REPORT of the Select Committee of 1885.

(No. 301. Session 1885.)

Last par., p. iv.—As regards finance, the Committee are glad to observe that the parties promoting these Bills have adopted the suggestions previously made, and have not, in most instances, proposed unreasonable periods for the repayment of borrowed moneys.

First par., p. v.—The Committee have, however, where it seemed to them practicable, still further reduced these periods, believing it to be the desire of the House that municipal improvements . . . even when they assume a more permanent character, . . . should be defrayed in periods not exceeding at the utmost 60 years, which the Committee think might reasonably be reduced still further.

SPECIAL REPORT of the Select Committee of 1886.

(No. 178. Session 1886.)

Par. 6, p. iii.—The Committee have carefully considered the periods sought to be obtained for the repayment of loans, and have in every case curtailed the periods demanded in the Bills submitted to them.

SPECIAL REPORT of the Select Committee of 1887.

(No. 250. Session 1887.)

Par. 3.—The Committee have adhered, as far as was possible, to the precedents set by their predecessors, dating from the Session of 1882, and have borne in mind the principles of legislation laid down by the House in that Session . . . to refuse powers for lavish borrowing on the part of local authorities; and to curtail, as far as may reasonably be done, the periods for repayment of loans.

SPECIAL REPORTS of the Select Committees of 1893, 1894, and 1895.

(No. 321 : Session 1893, penult. par., p. iii. No. 213 : Session 1894, par 4, p. iii. No. 386 : Session 1895, par 4, p. iii.)

With reference to the terms [*periods* in Session 1895 Report] for repayment of loans, your Committee have most carefully differentiated between work of a permanent and that of a temporary character, and they have endeavoured to put into practice the principle that the term for repayment shall be based upon the estimated life of the work in question, so that unfair burdens should not be thrown upon a future generation.

SPECIAL REPORTS of the Select Committees of 1896, 1897, 1898, 1899, and 1900.

(No. 305 : Session 1896, par. 4, p. 3. No. 336 : Session 1897, par. 4, p. 3. No. 291 : Session 1898, par. 5, p. iii. No. 285 : Session 1899, par. 4, p. iii. No. 355 : Session 1900, par. 5, p. iii.)

With reference to the periods for repayment of loans, your Committee have differentiated between work of a permanent and that of a temporary character, and they have endeavoured to put into practice the principle that the term for repayment shall be based upon the estimated life of the work in question, so that unfair burdens should not be thrown upon a future generation.

APPENDIX, No. 10.

(See Question 831.)

MEMORANDUM handed in (April 15th) by Mr. Stevenson, one of the Commissioners of Public Works in Ireland, as to the periods of Repayment of Loans made by them to Local Authorities.

PRIOR to the Local Government (Ireland) Act, 1898, loans were made, and the period for their repayment fixed, under a great variety of statutes. By the operation of that Act and of Section 4 of the Public Works Loans Act of the same year a much greater degree of uniformity has been produced and this memorandum deals with the existing state of affairs thus brought about.

Speaking generally it may be stated that (1) the maximum period for the repayment of a loan whether borrowed from the outside public or the State is fixed by a public general statute, (2) the Local Government Board fixes within that maximum the period within which the local body must repay the loan, from whatever source obtained, (3) in the case of loans from the Local Loans Fund, of which the Commissioners of Public Works in Ireland are the Irish agents, the Commissioners or the Treasury under whose direction they act, and are not obliged to accept the period fixed by the Local Government Board and have power to require that if the loan is to be made by the State the period of repayment must be shortened, but they have no power to lengthen the period fixed by the Local Government Board.

Leaving out of account,

(a) Loans for public works such as railways, harbours, &c., in which under special statutes loans have been guaranteed by local authorities, and

(b) Loans for special or temporary purposes such as seed loans for which a special Act is required, and the period of repayment is fixed by that Act, and loans for emigration which are not now made, and loans for repairs of post roads and of fishery piers (which are of a purely temporary character),

the amount of the loans advanced to local authorities by the Commissioners of Public Works in Ireland and secured on local rates was, up to the 31st March 1901, the latest date to which the accounts have been made up, 9,049,645*l.*, of which 4,420,104*l.* on the same date remained outstanding. In this 4,420,104*l.* loans are included for Public Health purposes amounting to 1,264,873*l.*, for lunatic asylums 1,151,789*l.*, and for Labourers' Cottages 1,606,500*l.* (together 4,023,162*l.*) and as the money for these purposes forms more than eight-ninths of the total, they are first dealt with.

I.—Public Health Loans.

These are made to Urban and Rural Sanitary Authorities. The maximum period for repayment allowed by the principal Act is 60 years (sec. 238), but sec. 246 of the same Act limits the maximum period for which the Commissioners of Public Works in Ireland may lend to 50 years, and in determining the period of repayment of the loan they must have regard to the probable duration and continuing utility of the works in respect of which the loan is required.

If the Local Government Board, after inquiry by one of their inspectors, decide to sanction the borrowing of the loan by the local authority either from the outside public or the State, they fix, in their letter of sanction, the period of repayment. If the local authority then applies to the Commissioners for the loan, and if the Local Government Board recommend that it should be made by the State, the Commissioners have to report to the Treasury the period for which they think that the loan should be made, and if they differ from the Local Government Board the grounds for differing are given and the Treasury decides.

As a rule in Public Health loans the periods for which loans for different classes of works should be made are so settled by precedent that no question arises as to accepting the period recommended by the Local Government Board.

The usual periods for repayment of loans for the different classes of works are:—

Purposes.	Years.
Ambulances - - - - -	10 and 5.
Baths and Washhouses - - - - -	30.
Band Stands and Promenades - - - - -	30.
Bathing Places - - - - -	30.
Concrete Paving - - - - -	7 and up to 15.
Cemeteries - - - - -	50, 40, 35, and 30.
Disinfecting Chambers - - - - -	20 and 10.
Electric Lighting - - - - -	25 and 20.
Erection of Urinals - - - - -	30 and 10.
Flagging - - - - -	20.
Fire Brigade Stations - - - - -	30.
Gas Works - - - - -	50, 40, 30, and 20.
Granolithic Paving - - - - -	15 and 7.
Hospitals - - - - -	35 and 30.
Markets - - - - -	50, 35, 30, and 20.
Municipal Plant - - - - -	20, 10, 7.
Parks and Pleasure Grounds - - - - -	30 and 20.
Sewerage Works - - - - -	30 and 20.
Street Improvements - - - - -	50 and 15.
Street Crossings - - - - -	30 and 20.
Steam Rollers - - - - -	10.
Town Halls - - - - -	50, 40, 30.
Underground Urinals - - - - -	30.
Water Works - - - - -	50, 40, 30.
Well Sinking and Pumps - - - - -	20.
Wood Paving - - - - -	12 and 10.
Weighbridges - - - - -	20 and 10.

Public Health
Ireland Acts,
41 & 42 Vict. c. 52,
42 & 43 Vict. c. 57,
47 & 48 Vict. c. 77,
53 & 54 Vict. c. 59.

II.—Lunatic Asylum Loans.

These loans were formerly made to the Board of Control of Lunatic Asylums, and Grand Juries were obliged to present for the payment of interest and instalments of principal.

Prior to 1893 the period for repayment was 20 years. The Public Works Loans Act, 1893, directed that every loan made after the passing of that Act for the purpose of Lunatic Asylums should be repaid within such period not exceeding 50 years from the date of the advance as the Treasury by Order from time to time fixed, and should bear interest at the rate of 3½ per cent. per annum, or such other rate as might in the judgment of the Treasury be necessary to enable the loan to be made without loss to the Exchequer. (Provided that in determining the time for the repayment of the loan, regard should be had to the probable duration and continuing utility of the works in respect of which the loan was required). The periods fixed by the Treasury were (a) 50 years for the acquisition of lands, easements, and rights in connection therewith, and permanent works and buildings including all necessary fixtures and furniture for new buildings except special equipments such as those described below, and (b) 20 years for temporary buildings of wood, iron, &c., and for the equipment of kitchen and laundry, electric lighting installations and other similar special appliances. Their Lordships further decided that where it was proposed to borrow at the same time for purposes, one of which would entitle to the longer and the other to the shorter period only, and the application sought that an equated period for the repayment of the entire amount should be substituted for separate periods for each sum, the equated period should be a mean between the periods applicable to the separate loans, to be ascertained and determined by dividing the entire loan by the total annual principal instalment arrived at on the assumption that the two component parts of such loan had each its own period of repayment.

Since 1898 the loans are made to County Councils or Joint Committees of two or more Councils. Though not made under the Public Health Act they require the assent of the Local Government Board.

By 61 & 62 Vict. c. 54 (Public Works Loans Act, 1898) the Commissioners are empowered to lend for such period as they think fit. After correspondence between the Treasury, the Commissioners, and the Local Government Board, the following general heads have been agreed to as to the periods for which loans should be made for Lunatic Asylum purposes:—

Object of Loan.	Period.
1. Acquisition of land - - - - -	50 years.
2. New buildings—first class - - - - -	40 "
3. Alterations in existing buildings - - - - -	35 "
4. Drainage and water supply - - - - -	30 "
5. Baths (hot water), closets, disinfecting chamber, electric lighting, strong closet - - - - -	25 "
6. Kitchen laundry - - - - -	15 "

III.—Loans for Labourers' Cottages.

These loans are made to Rural Sanitary Authorities, and as regards borrowing powers come under the Public Health Act, and the maximum period, viz., 60 years, for the repayment of a loan from any source and the maximum period for which the Commissioners may lend, viz., 50 years, are determined by that Act.

But the actual periods within which loans must be repaid are, under Section 18 of the Labourers' (Ireland) Act, 1883, determined by a Treasury Minute of 16th August 1879, or by any subsequent Minute under the Act.

On 23rd September 1885, the Treasury fixed three periods—35, 40, and 50 years, and on 23rd September 1895 four periods—20, 30, 40, and 50 years, with varying rates of interest, and in practice the Board allow whatever period within the limit of 50 years is recommended by the Local Government Board who hold an inquiry and learn the wishes of the locality before they sanction a loan.

IV.—Housing of the Working Classes Loans.

These loans are made to Urban Sanitary Authorities. By Section 25 (5) of the Housing of the Working Classes Act, 1890, the maximum period for repayment is limited to 50 years. The Treasury Minute of 14th November 1890 recognises four periods for repayment—20, 30, 40, or 50 years, and in practice the loans are made for any period within the maximum that the Local Government Board recommend.

V.—Loans to County Councils (other than Lunatic Asylum, and Fishery, Pier, and Harbour Loans).

Power to lend on the security of county rates was originally given the Commissioners of Public Works for Ireland by 1 & 2 Wm. IV., c. 33. This power was exercisable in favour of the Grand Jury. The Statute enabled the Commissioners to lend "for the purpose of any public work."

The Local Government Act of 1898 substituted County Councils for Grand Juries, and gave them extended powers of borrowing. It did not deal specifically with the lending powers of the Board of Works, but the Public Works Loans Act of that year (61 & 62 Vict. c. 54), by section 4, empowers the Commissioners of Public Works in Ireland to lend under the Public Works (Ireland) Acts from 1831 to 1886 for the purpose of any work for which the council of a county are authorised to borrow, and provides that the loan may be made for such term as the Commissioners think fit, not exceeding the term for which the borrowing Council are authorised to borrow.

"The term for which the borrowing councils are authorised to borrow" is fixed by the Local Government Act, the orders made thereunder, and the limit imposed by the Local Government Board in sanctioning the individual act of borrowing by the council. The maximum period which the Local Government Board is permitted to allow is 60 years. Fifty years, which is the maximum period for repayment under the Public Health Act, would, by direction of the Treasury, be regarded as the maximum period for repayment of loans to counties under the Public Works Loans Act of 1898.

Only a few loans have been made to counties since 1898. For durable purposes, such as the construction of county infirmary buildings, the period of repayment has been fixed at 30 years; for heating of court house, 20 years; for concreting side walks and purchase of steam roller, 10 years.

VI.—Fishery Piers and Harbours—Construction.

County Councils have power to borrow for these purposes under 9 Vict. c. 3, 29 & 30 Vic. c. 45, and 46 & 47 Vict. c. 26.

The Board have power to lend for them under the Public Works (Ireland) Acts, 1831–1886. These loans stand as regards period for repayment in the same position as loans to County Councils for other public works already referred to. Only one loan has been made since the passing of the Local Government Act and the Public Works Loans Act of 1898. The period for repayment in that case sanctioned by the Local Government Board, and adopted by the Board of Works, is seven years.

1 & 2 Geo. IV. c. 33.
8 & 9 Vict. c. 107.
18 & 19 Vict. c. 109.
40 & 41 Vict. c. 27.
56 & 57 Vict. c. 65.
61 & 62 Vict. c. 54.

46 & 47 Vict. c. 60;
48 & 49 Vict. c. 77.

53 & 54 Vict. c. 70;
56 & 57 Vict. c. 33.

The Public Works
(Ireland) Acts, 1831
to 1886, as defined
by the Short Titles
Act, 1896, and
4 & 5 Will. IV.,
c. 61; 6 & 7 Will.
IV. c. 116; 30 & 31
Vict. c. 50, and the
Application of En-
actments Order,
1898, schedule,
Article 22 (1) and
the Public Works
Loans Act, 1898
(61 & 62 Vict. c. 54,

9 Vict. c. 3; 29 & 30
Vict. c. 45; 46 & 47
Vict. c. 26, the
Public Works (Ire-
land) Acts, 1831 to
1886.

18 & 19 Vict. c. 40 ;
40 & 41 Vict. c. 15 & 54 ; 63 & 64
Vict. c. 63.

VII.—*Public Libraries Loans.*

These loans are obtainable, with the sanction of the Local Government Board to the borrowing, by municipal authorities.

The period for repayment, which is not specifically fixed by Statute, is in practice 25 years.

44 & 45 Vict. c. 29 ;
48 Vict. c. 19.

VIII.—*Reformatory and Industrial School Loans.*

The power to borrow for these purposes is given to county and municipal authorities in the case of reformatories by Statute 44 & 45 Vict. c. 29, and in that of industrial schools by Statute 48 Vict. c. 19, the power of the Board of Works to lend being created by the same enactments. The period for repayment contemplated by both Acts is 35 years.

42 & 43 Vict. c. 25 ;
61 & 62 Vict. c. 37,
s. 61

IX.—*Dispensary Houses Loans.*

The power of the Commissioners to lend to Guardians of the Poor in connection with the erection, &c. of dispensary houses is created by Statute 42 & 43 Vict. c. 25. Under Section 61 of the Local Government Act, Guardians may borrow with the sanction of the Local Government Board for any period not exceeding 60 years ; but as in all other cases, the Board do not lend for a longer period than 50 years. The general period for these loans is 35 years, which was the period contemplated by Statute 42 & 43 Vict. c. 25.

1 & 2 Vict. c. 56 ;
61 & 62 Vict. c. 37.

X.—*Erection of Workhouse Buildings.*

These loans are made to Boards of Guardians. The maximum period allowed for a loan from any source is 60 years. The Treasury has laid down that the maximum period for a State loan shall be 50 years, and the periods allowed in practice are those shown for Lunatic Asylums (No. II, above).

62 & 63 Vict. c. 44.

XI.—*Acquisition of Small Dwellings.*

The advances are made under the Public Health (Ireland) Act, 1878. A maximum term of 30 years for repayment has been prescribed by the Treasury, which coincides with the maximum period of repayment allowed by the Acquisition of Small Dwellings Act to borrowers under the Act from the local authority.

APPENDIX, No. 11.

STATEMENT handed in by Sir *Henry Robinson*, April 15th, of the Acts under which the LOCAL GOVERNMENT BOARD FOR IRELAND fix Periods of REPAYMENT OF LOANS,

(See Question 10—13.)

APPENDIX, No. II.

STATEMENT handed in by Sir Henry Robinson, April 15th, of the Acts under which the Local Government Board for Ireland fix Periods of REPAYMENT OF LOANS.—(See Question 1013.)

Authority.	Object of Loan.	Maximum Period for Repayment.	Enactment.
County Councils	(a) For Consolidating the debts of the county; and (b) For purchasing any land or building any building which the Council are authorised by any Act to purchase or build; and (c) For any permanent work or other thing which the County Council are authorised to execute or do, and the cost of which ought, in the opinion of the Local Government Board, to be spread over a term of years; and (d) For any purpose for which the County Council are authorised by any Act to borrow or the cost of which the grand jury were authorised by any Act to spread over a period of years.	60 years.	*Local Government (Ireland) Act, 1898, sec. 60; *And Article 22 (6) of Schedule to Local Government (Application of Enactments) Order, 1898. See also Sec. 115 (22) of Local Government (Ireland) Act, 1898; and Article 30 (4) of Schedule to Local Government (Application of Enactments) Order, 1898; also Sec. 6 (3) of the Local Government (Ireland) Act, 1900. Under Sec. 19 (5) of the Agriculture and Technical Instruction (Ireland) Act, 1899, a County Council may borrow for the purposes of this Act as if those purposes were purposes for which they are authorised to borrow under Article 22 of Schedule to Local Government (Application of Enactments) Order, 1898.
Note. —Joint Committees of Councils of Counties comprised in a Lunatic Asylum District may, in accordance with regulations of Local Government Board, exercise jointly for the purpose of a Lunatic Asylum, the powers of these Councils relating to borrowing.			
County Councils and County Borough Councils.	Any public work, provided the estimated cost is not less than 1,000 <i>l.</i>	Money to be repaid by half-yearly instalments of not less than 10 per cent. per annum of the whole sum to be expended. Interest not to exceed 5 per cent.	Grand Jury (Ireland) Act, 1853, Secs. 1 and 2. Consent of the Board necessary to borrowing. *See Article 22 (1) and (6) of Schedule to Local Government (Application of Enactments) Order, 1898.
Municipal Corporations	Borough purposes	30 years.	Municipal Corporations (Ireland) Act, 1843, Sec. 7. *Municipal Corporations (Mortgages &c.) Act, 1860. Sanction of Local Government Board substituted for that of Treasury. See Article 24 (1) of Schedule to Local Government (Application of Enactments) Order, 1898.
Urban District Councils	For purposes of Public Health and Sanitary Acts	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4).

Ditto	For purposes of Housing of Working Classes Act, 1890.	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4). When borrowed from Board of Works Loan to be repaid within such period not exceeding 50 years as may be recommended by Local Government Board. Housing of Working Classes Act, 1890, Sec. 25. (See also Secs. 43, 66, 83).
Ditto	Electric Lighting	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4). Electric Lighting Act, 1882, Sec. 8 and Schedule.
Ditto	Providing open spaces for use of inhabitants	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4). Open Spaces Act, 1887, Secs. 8 and 13.
Ditto	Providing Museums and Gymnasiums	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4). Museums and Gymnasiums Act, 1891, Secs. 10 and 15.
Ditto	Purposes of the Technical Instruction Acts	60 years.	*Public Health (Ireland) Act, 1878, Sec. 238 (4). Technical Instruction Act, 1889, Sec. 7.
Notes. —Under Section 7 of the Post Office Act, 1891, Urban Authorities are empowered to contribute land or money towards new Post Offices, and are enabled to borrow for the purposes of the Section as if those purposes were purposes of the Public Health Act, 1875. The Act of 1875 is an English Act, and no provision was contained applying the corresponding Irish Act of 1878 to the case of Urban Authorities in Ireland. Under Section 19 (5) of the Agriculture and Technical Instruction (Ireland) Act, 1899, an Urban District Council may borrow for the purposes of the Act as if those purposes were purposes for which they are authorised to borrow under the Public Health (Ireland) Act, 1878.			
Town Commissioners, not Urban District Councils.	Any of the purposes of the Towns Improvement Act, 1854, including the construction, maintenance and repair of a Town Hall.	30 years.	*Public Health (Ireland) Amendment Act, 1884, sec. 4. *Local Government (Ireland) Act, 1871, sec. 28. Amount borrowed not to exceed at any time the assessable value of the assessable premises within the town.
Ditto	Purchase and erection of Working Class Lodging Houses and acquisition of land therefor.	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Housing of the Working Classes Act, 1893, sec. 1. Housing of the Working Classes (Ireland) Act, 1896, sec. 1.
Ditto	Providing, improving or extending markets	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Public Health (Ireland) Act, 1896, sec. 21.
Rural District Councils	Purposes of the Public Health and Sanitary Acts	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4).
Ditto	The removal, &c., of unhealthy dwelling houses and obstructive buildings and improvement of small areas. (Part II. of the Housing of the Working Classes Act, 1890).	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Housing of the Working Classes Act, 1890, sec. 43. Housing of the Working Classes Act, 1893, sec. 1.
Ditto	Provision of suitable dwellings and of garden allotments for agricultural labourers.	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Labourers (Ireland) Act, 1883, sec. 17.

* Indicates that consent of Local Government Board is required to period for repayment of loan.

STATEMENT of the Acts under which Local Government Board for Ireland fix periods of Repayment of Loans—continued.

Authority.	Object of Loan.	Maximum Period for Repayment.	Enactment.
Rural District Councils	Purchase of lessor's interest in lands held on lease for Labourers Act's purposes.	60 years.	Local Government (Ireland) Act, 1898, sec. 31. *Public Health (Ireland) Act, 1878, sec. 238 (4). Labourers (Ireland) Act, 1883 sec. 17.
Ditto - ditto	Electric Lighting	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Electric Lighting Act, 1882, sec. 8, and Schedule.
Ditto - ditto	Providing open spaces for use of inhabitants	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Open Spaces Act, 1887, Secs. 8 and 13.
Ditto - ditto	Purposes of the Technical Instruction Acts	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4). Technical Instruction Act, 1889, Sec. 7.
Joint Boards of United Districts	Public Health purposes	60 years.	*Public Health (Ireland) Act, 1878, sec. 238 (4).
Governing Bodies of Towns (Dublin, Towns Corporate, Towns having Commissioners, Townships having Commissioners.)	Establishment and maintenance of public parks	Variable	The conditions are those prescribed by the Acts under which the Governing Body is constituted or authorised to levy rates. The population of the town must exceed 6,000. See Public Parks (Ireland) Act, 1869, Secs. 7 and 8.
Council of any borough or city, or Town Commissioners of any town.	Baths and Washhouses	60 years.	Baths and Washhouses (Ireland) Act, 1846, Sec. 7. No conditions prescribed except that consent of Local Government Board is required. *Provisions of Public Health (Ireland) Act, 1878, as to borrowing, apply so far as Urban District Councils are concerned.
Council or board of any borough, or Town Commissioners of any town.	Public Libraries	No period fixed	Public Libraries (Ireland) Amendment Act, 1877, Sec. 5. Approval of Local Government Board to borrowing substituted for Treasury by Local Government (Ireland) Act, 1900, Sec. 9, and Article 24 of Schedule to Local Government (Application of Enactments) Order, 1898.
Board of Guardians	Building, purchasing, altering, enlarging, or acquiring sites for workhouses; furnishing and fitting up same; providing utensils, instruments, or machinery for sitting the poor to work therein; and purchasing land for Poor Law purposes.	60 years.	*Local Government (Ireland) Act, 1898, Sec. 61. Poor Relief (Ireland) Act, 1838, Sec. 89. Expenditure exceeding 400 <i>l.</i> cannot be incurred unless the consent in writing of a majority of the guardians is first obtained.

Board of Guardians	Defraying or assisting to defray the expense of the emigration of poor persons.	Not less than 15 years nor more than 30 years as Treasury may fix.	Arrears of Rent (Ireland) Act, 1882, Sec. 18. Poor Relief (Ireland) Act, 1838, Secs. 51 and 89. *Poor Relief (Ireland) Act, 1849, Sec. 26. Amount borrowed on security of rates of union at large not to exceed the proportion of 2 <i>s.</i> 4 <i>d.</i> in the <i>£</i> of the yearly value of the rateable property in the Union.
Ditto - ditto	Erection, enlargement, structural improvement of any house or building to be used as a dispensary or dispensary residence.	60 years.	Dispensary Houses (Ireland) Act, 1879, Sec. 6. Before Board of Works lend, Guardians must obtain from Local Government Board a certificate to the effect that the dispensary or dispensary residence is requisite, &c. Interest to be at 3 <i>½</i> per cent., and the loan repayable by an annuity at the rate of 5 per cent. per annum for a period of 35 years, or if required for a shorter period by repayment of an increased annuity. *Sec. 61 of Local Government (Ireland) Act, 1898, enables Guardians to borrow for maximum period of 60 years.
Ditto - ditto	Purposes of the Diseases of Animals Act, 1894, where the rate leviable thereunder exceeds 6 <i>d.</i> in the <i>£</i> .	The local rate cannot be mortgaged for more than seven years if the rate for the purposes of the Act does not exceed 9 <i>d.</i> in the <i>£</i> ; if it does exceed 9 <i>d.</i> in the <i>£</i> the period may be extended to 14 years; but see Article 22 (1) of Schedule to Local Government (Application of Enactments) Order, 1898.	Diseases of Animals Act, 1894, Secs. 42 and 67 (3). *Public Health (Ireland) Act, 1878, Sec. 238 (4).
Local Authority, i.e. Council of any County or County Borough, and Council of an Urban or Rural District. If district contains a population less than 5,000 (in Ireland) the consent of County Council is necessary to enable District Council to become Local Authority. Local Government Board may give such consent if Council refuse.	To enable persons to acquire the ownership of small houses in which they reside.	60 years.	Small Dwellings Acquisition Act, 1899, Secs. 9 (5) and 14. *A Local Authority may borrow for the purposes of this Act in like manner as they may borrow in the case of a County Council under Article 22 of Schedule to Local Government (Application of Enactments) Order, 1898, and in the case of an Urban District Council under the Public Health (Ireland) Act, 1898. See limit to advances in Sec. 9 (4) of Act. Advances made by Local Authorities to residents to be repaid within 30 years.

* Indicates that consent of Local Government Board is required to period for repayment of loan.

APPENDIX, No. 12.

(See Question 1328.)

STATEMENT handed in by Mr. *Dodds*, April 15th, showing increase of LOCAL DEBT during the period from 1881 to 1899-1900.

[SCOTLAND].

YEAR.	Amount of Loan Outstanding.	YEAR.	Amount of Loan Outstanding.
1881 - - - -	20,162,339	1891 - - - -	25,772,683
1882 - - - -	21,759,649	1892 - - - -	26,278,154
1883 - - - -	22,035,827	1893 - - - -	28,295,797
1884 - - - -	21,884,635	1894 - - - -	30,932,136
1885 - - - -	22,559,286	1895 - - - -	32,746,589
1886 - - - -	23,499,510	1896 - - - -	33,373,055
1887 - - - -	24,052,599	1897 - - - -	35,683,453
1888 - - - -	24,283,366	1898 - - - -	37,029,977
1889 - - - -	25,110,115	1899 - - - -	39,258,964
1890 - - - -	25,380,723	1900 - - - -	42,638,363

APPENDIX, No. 13
(See Question 1328).

SCOTLAND.

STATEMENT handed in by Mr. *Dodds*, April 15th, showing Population, Annual Valuation, Local Indebtedness, amount of Local Rates and of Government Grants in aid thereof, with other particulars for the Years 1880-1 and 1899-1900.

Year.	Population.	Annual Valuation.	Local Debt.		Local Rates.		Government Grants.		Amount per head of Rates and Government Grants together.
			Total Amount Outstanding.	Amount per head of Population.	Amount Raised.	Amount per head of Population.	Amount Paid.	Amount per head of Population.	
1881 - - - -	3,735,573	£. 22,659,006	£. 20,162,339	£. s. d. 5 7 11	£. 3,956,169	£. s. d. - 15 10	£. 545,707	£. s. d. 2 11	£. s. d. 18 9
1900 - - - -	4,472,103	27,784,053	42,638,363	9 10 8	4,599,248	1 - 7	1,965,038	8 9	1 9 4
Increase per cent. - - -	19.7	22.4	111.5	76.7	55.6	30.0	260.1	200.0	56.4

APPENDIX, No. 14. See Question 1328.

STATEMENT handed in by Mr. Dodds, April 15th, showing Total Amount of Loans due

PURPOSES. 1.	Total Debt of Burghs. 2.	Amount of Outstanding Debt for			
		Glasgow. 3.	Edinburgh. 4.	Dundee. 5.	Aberdeen. 6.
	£.	£.	£.	£.	£.
Municipal Buildings . . .	1,129,960	524,211	89,496	—	1,350
Prisons and Police Stations . .	244,740	156,688	7,118	—	9,730
Manure Depôts, Refuse Des- tructors, &c. (Cleansing).	261,782	193,374	30,932	—	—
Roads, Streets, and Bridges . .	1,026,959	460,113	63,516	37,840	9,084
Sewers and Drains . . .	1,490,512	489,716	55,220	88,920	73,030
Water Supply . . .	7,254,456	* 2,350,510	* 1,600,261	* 511,643	185,291
Hospitals . . .	580,348	236,806	79,444	30,971	29,703
Gas Supply . . .	2,265,122	* 766,500	* 378,702	* 141,592	* 79,191
Electric Lighting . . .	1,480,434	628,500	550,628	43,200	76,768
Fire Brigade . . .	126,602	79,978	35,415	—	—
Tramways . . .	2,130,540	834,732	1,005,592	74,807	134,992
Public Baths and Wash-houses . .	206,491	135,398	22,214	14,990	—
Public Parks . . .	841,096	673,810	41,520	—	4,080
Slaughter Houses . . .	169,171	60,454	—	32,394	—
Markets . . .	89,316	60,454	—	24,385	—
Dwelling-house Improvements . .	1,848,425	1,457,676	105,567	—	41,776
General Burgh Improvements . .	1,194,353	143,367	453,547	285,264	113,386
Burial Grounds . . .	40,359	—	413	1,500	—
Public Libraries . . .	6,953	—	3,347	—	—
Lodging Houses . . .	123,558	93,751	—	—	13,700
Other Purposes . . .	1,349,645	283,894	93,897	218,274	191,901
Total . . . £.	† 23,860,828	9,629,932	4,616,829	1,505,780	963,982
Assessable Rental, 1899-1900 £.	14,828,028	4,540,480	† 2,418,609	779,085	742,166
Population, 1901 . . .	2,920,585	760,468	316,523	160,878	153,114

* In addition there were outstanding annuities (representing purchase price of Gas and Water Undertakings) of an estimated capital value at Whit-Sunday, 1900, in case of—

	Gas. £.	Water. £.
Glasgow . . .	1,147,163	848,012
Edinburgh . . .	1,118,468	819,720
Dundee . . .	225,258	472,395
Aberdeen . . .	151,891	—
Perth . . .	90,621	—
Total . . . £.	2,733,401	2,140,127

APPENDIX, No. 14. (See Question 1328.)

by Burgh Authorities in Scotland at Whit-Sunday, 1900, with separate particulars for larger Burghs.

each purpose at Whit-Sunday in—

Greenock. 7.	Paisley. 8.	Perth. 9.	Ayr. 10.	Dunfermline. 11.	Falkirk. 12.	TOTAL. 13.
£.	£.	£.	£.	£.	£.	£.
135,709	11,510	5,540	88,475	—	8,709	865,000
39,928	—	—	—	—	—	213,464
3,137	6,000	8,600	—	—	—	242,043
75,091	28,300	30,635	24,808	3,820	—	733,207
31,323	38,001	12,000	23,780	15,522	14,679	842,191
333,315	380,057	37,241	104,906	56,739	101,825	5,661,788
7,456	15,401	—	1,000	3,908	2,259	406,948
78,672	64,847	* 63,500	—	95,670	110,114	1,778,788
50,000	31,790	—	44,952	—	—	1,425,838
796	8,500	400	—	—	—	125,089
15,090	—	—	—	—	—	2,065,213
172	11,150	100	—	—	—	184,024
—	—	—	—	—	2,571	721,981
9,562	3,700	700	—	1,900	3,828	112,538
—	—	—	—	—	—	84,839
194,023	—	4,400	—	—	—	1,803,442
21,970	23,500	57,200	9,906	—	3,835	1,111,969
—	15,830	—	4,550	—	—	22,293
—	—	—	1,100	—	—	4,447
—	—	—	—	—	8,683	† 116,134
9,005	90,706	70,300	6,833	—	18,399	983,209
1,005,249	729,292	290,616	310,304	177,559	274,902	19,504,445
315,647	323,656	170,932	164,375	85,343	§ 76,911	9,617,204
67,672	70,354	32,866	28,620	25,250	29,270	1,654,015

† In addition there were outstanding annuities of an estimated capital value of 5,067,467L.

£.
‡ The rental of the district assessed by the Edinburgh, &c., Water Trust is . . . 2,946,989
§ " " Falkirk and Larbert Water Commissioners is . . . 110,86

PENDIX, No. 15
(See Question 1335.)

STATEMENT BY THE SCOTTISH OFFICE, handed in by Mr. Dodds, April 15th.

A.
I.—COUNTY COUNCILS.

1. Statutes conferring Borrowing Powers.	2. Purposes for which Borrowing Powers conferred.	3. Period of Repayment.	4. Remarks.
Local Government (Scotland) Act, 1889, 52 & 53 Vict. c. 50, s. 67.	(a) "Any purpose for which any authority, whose powers and duties are by or in pursuance of this Act transferred to the County Council, was at the passing of this Act authorised to borrow." These purposes include: (1) The providing of militia storehouses under 17 & 18 Vict. c. 106, s. 38. (2) The providing of police stations under 20 & 21 Vict. c. 72, s. 57. (3) The erection or improvement of Sheriff Court Houses under 23 and 24 Vict. c. 76, s. 26. (4) Payments in respect of deficient cell accommodation, and purchase of discontinued prisons under 40 & 41 Vict. c. 53, s. 40. (5) Making contributions towards cost of providing and enlarging reformatory and industrial schools under 37 & 38 Vict. c. 47, and 41 & 42 Vict. c. 40. (6) Construction of new roads and building or rebuilding of bridges, and payment off of share of old turnpike debt allocated against county, under 41 & 42 Vict. c. 51, ss. 68 and 76. (7) Constructing or providing water supply and drainage works and hospitals under Public Health (Scotland) Acts. [<i>Vide</i> particulars given below relative to the Public Health (Scotland) Act, 1897, which, in consolidating the several Public Health Acts in force at the passing of the Local Government (Scotland) Act, 1889, somewhat extended the borrowing powers conferred by these Acts.] (b) "Any purpose for which the County Council is expressly authorised to borrow under the provisions of this Act," viz.: (1) To pay sums due in respect of financial adjustments under orders of Boundary Commissioners, s. 50 (4). (2) Making advances in aid of emigration or colonisation under s. 67 (1) (c).	Repayable within such period not exceeding 30 years as the County Council, with consent of the Standing Joint Committee, may determine in each case.	The periods of repayment allowed for the several purposes set out under (a) in column 2, prior to the institution of the County Councils, had been: For police stations and sheriff courts - 20 years For militia stores, and reformatory and industrial school contributions - 30 years (or a maximum of 50 years if loan obtained from Public Works Loan Board.) For water and drainage 30 years For hospitals - 35 years For loans under Prisons (Scotland) Act, 1877 - 35 years For roads and bridges loans - 50 years But the Local Government (Scotland) Act, 1889, fixed a uniform maximum period of 30 years for all new loans.

Electric Lighting Act, 1882, 45 & 46 Vict. c. 56, s. 8, and Electric Lighting (Scotland) Act, 1890, 53 & 54 Vict. c. 13.	Constructing electric supply works, including the provision of generating plant, distribution mains, &c., &c.	In accordance with sec. 67 of Local Government (Scotland) Act, 1889. <i>Vide supra</i> .	The borrowing of money for electricity purposes is subject to consent of the Secretary for Scotland. No loan for a County Council scheme has yet been sanctioned.
Small Holdings Act, 1892, 55 & 56 Vict. c. 31, ss. 19, 21.	Acquiring and adapting land for small holdings, and for advances to tenants to enable them to purchase small holdings.	Not exceeding 50 years, the period determined within this limit being subject to approval of Secretary for Scotland.	—
Allotments (Scotland) Act, 1892, 55 & 56 Vict. c. 54, s. 10 (3) (4).	Acquiring, improving, and adapting land for allotments for the labouring classes.	Within 30 years	The Act says, s. 10 (4), that the provisions relating to borrowing for water supply purposes in the Public Health (Scotland) Acts, 1867 and 1875, are to apply in the case of borrowing for allotments. Both of these Acts have been repealed by the Public Health (Scotland) Act, 1897, which allows a maximum period of 36 years. The Act of 1875 had allowed 50 years for loans obtained from the Public Works Loans Board.
Local Government (Scotland) Act, 1894 (57 & 58 Vict. c. 58, ss. 28 (4), and 44 (6)).	(A) For purpose of making loans to parish councils [s. 28 (4)] - (B) Purposes prescribed by Order of the Secretary for Scotland in connection with lighting and scavenging, and the provision of baths, washhouses, and drying grounds [s. 44 (6)]. By Order dated 16th January 1901, the following purposes have been prescribed— (1) Within Special Lighting Districts: (a) The purchase and laying of main pipes. (b) The purchase and erection of lamps, lamp-posts, and pillars. (2) Within Special Scavenging Districts: (a) The provision of a refuse destructor. (b) The provision of a separator, branch railway, engine, engine-house, and suitable plant. (c) The erection of stables, and other offices for the housing of the horses and plant required for scavenging purposes.	In accordance with sec. 67 of Local Government (Scotland) Act, 1889. <i>Vide supra</i> .	—
Light Railways Act, 1896, 59 & 60 Vict. c. 48, s. 26 (5).	Construction of light railways, or for making advances to a light railway company, either by way of loan or as part of the share capital.	Period to be specified for each light railway in the Order authorising same, but not to exceed 60 years [ss. 16 (4) and 26 (5), (6)].	The following periods are allowed under Light Railway Orders confirmed during 1898-1900:— Forsinard, &c. Order, 1898 [Co. Sutherland] 40 years. Lauder &c. Order, 1898 [Co. Berwick] 40 years. Dornoch &c. Order, 1899 [Co. Sutherland] 40 years. Wick &c. Order, 1899 [Co. Caithness] 50 years.

APPENDIX No. 15.—I.—COUNTY COUNCILS—continued.

Statutes conferring Borrowing Powers.	Purposes for which Borrowing Powers conferred.	Period of Repayment.	Remarks.
1.	2.	3.	4.
Public Health (Scotland) Act, 1897, 60 & 61 Vict. c. 38.	(a) Providing and improving slaughter-houses (ss. 34 & 141) - (b) Acquiring, making, enlarging, or reconstructing sewers, or for the purpose of utilising sewage (s. 139.) (c) Constructing, purchasing, enlarging, or reconstructing water supply works (s. 140.) (d) Providing offices for local authority, providing and furnishing hospitals, disinfecting premises and apparatus, houses of reception, or mortuaries (s. 141.)	Within 30 years	The Public Works Loan Commissioners are empowered on the recommendation of the Local Government Board for Scotland to lend for the purposes of the Public Health (Scotland) Act 1897, such loans to be repaid "within a period not exceeding 30 years." [A maximum period of 50 years had been allowed by the Public Health (Scotland) Amendment Act 1875, which is repealed by the Act of 1897.] Provided that "in determining when a loan as aforesaid should be repayable, the Public Works Loans Commissioners shall have due regard to the probable duration and continuing utility of the works in respect of which the same is required" (s. 142 of 1897 Act.) Before recommending any loan under the foregoing provisions the Local Government Board go carefully into the question of the "probable duration and continuing utility of the works," and if they are advised by their inspector that the works will not outlast the period over which the local authority propose to spread the loan the Board recommend that the term of repayment be curtailed.
Small Dwellings Acquisition Act, 1899, 62 & 63 Vict. c. 44, s. 12 (4.)	Advancing money to enable persons to acquire ownership of small houses in which they reside.	As for loans raised under Local Government (Scotland) Act 1889, i.e., within 30 years.	
Inebriates Amendment (Scotland) Act, 1900, 63 & 64 Vict. c. 28.	Establishment of Inebriate Reformatories under the Inebriates Act 1898, 61 & 62 Vict. c. 60.	As for monies borrowed under s. 141 of Public Health (Scotland) Act 1897, viz., within 30 years.	

II.—PARISH COUNCILS.

Poor Law (Scotland) Acts, 1845, 1856 and 1886, 8 & 9 Vict. c. 83, s. 62; 19 & 20 Vict. c. 117, s. 3, 49 & 50 Vict. c. 51, ss. 1-3.	Erecting new poor houses, and enlarging, altering or repairing any existing poor house.	Within 30 years [Act of 1845 only allowed 10 years, but this was extended to 30 years by Act of 1866.]	The amount borrowed is in no case to exceed three times the amount of the assessment raised for relief of the poor in the year preceding the borrowing.
Burial Grounds (Scotland) Act, 1856, 18 & 19 Vict. c. 68, s. 27.	Providing and laying out burial ground for parish	Within 20 years	
Lunacy (Scotland) Act, 1866, 29 & 30 Vict. c. 51, s. 27.	The "administration, maintenance, erection or extension" of buildings for the treatment of pauper lunatics.	Within 30 years	

Public Libraries Consolidation (Scotland) Act, 1887, 50 & 51 Vict. c. 42, ss. 14, 15.

Provision (including the fitting up and furnishing) of public libraries, museums, &c., &c.

Within 50 years

The amount borrowed at any time is not to exceed the capital sum represented by one-fourth part of the library rate (which is limited to 1d. per £.) capitalised at 20 years' purchase. In other words, it must not exceed one forty-eighth of assessable rentals.

Local Government (Scotland) Act, 1894, 57 & 58 Vict. c. 53, ss. 24, 28.

Parish Council may borrow, with consent of Local Government Board for Scotland—
(a) For purchasing land, or erecting buildings, for public offices, public recreation grounds, &c., &c. [s. 24 (1) and 28 (1)].
(b) For any permanent work or other thing which they are authorised to execute or do, and the cost of which ought in the opinion of the Local Government Board to be spread over a period of years [s. 28 (1)].

The period to be :
(a) Not more than 40 years for purchase of land or erection of buildings.
(b) Not more than 30 years for any other purpose as the Local Government Board may determine in each case [s. 28 (5)].

The Local Government (Scotland) Act, 1894, s. 22, transferred to the Parish Councils thereby constituted the borrowing powers of Parochial Boards, under the Poor Law and other Acts specified above, and by secs. 24 and 28 conferred the new borrowing powers set out in preceding columns.
Section 38 (1) contains a limiting proviso to the effect that so long as the total debt of a parish council exceeds one-fifth of the annual value of the parish, no further loan shall be raised without the consent of the Local Government Board.

In fixing the period of repayment for loans under Sec. 23 (5) the Local Government Board have regard mainly to the nature and durability of the work. Thus, the period usually allowed for repairs of public ways (s. 29) is 5 years; for purchasing a recreation ground, 30 years; for fencing and laying out the ground, about 10 years; and for buildings, 30 years. The principle is that the period of repayment should not exceed the continuing utility. Another point kept in view is the financial position of the parish. If the valuation of the parish is high, the Board try to induce the parish council to pay off loan rapidly, and conversely they allow a longer term if a short period of repayment would mean a burdensome rate. As a general rule it may be taken that the Board's influence is used to keep period of repayment as short as possible, but the merits of each case are considered, and the Board invariably ask one of their officers to inquire locally and report.

III.—TOWN COUNCILS.

1. Statutes conferring Borrowing Powers.	2. Purposes for which Borrowing Powers conferred.	3. Period of Repayment.	4. Remarks.
Borough Police (Scotland) Act, 1892, ss. 55 & 56 Vict. c. 55.	Any of the purposes of the Act. These include the following:— (1) Acquisition of land for sundry purposes. (2) Water supply works. (3) Sewerage and drainage works. (4) Public halls and offices (including furnishing and fitting up of) (5) Police stations and houses for constables. (6) Making, improving and maintaining streets. (7) Providing public conveniences. (8) Public lighting appliances. (9) Public clocks. (10) Providing fountains and drinking troughs. (11) Refuse destructors, depôts and cleansing appliances. (12) Public baths, washhouses, bleaching and drying grounds. (13) Fire engines, &c. (14) Markets and market-houses. (15) Public weighing machines. (16) Slaughter-houses. (17) Stables, horses, carts, &c., &c.	A sinking fund contribution equal to 3 per cent. of the amount borrowed has to be set aside annually out of the rates (s. 374). This practically means a repayment period of 33 or 34 years, as the sinking fund is non-accumulative.	Sec. 384 of the Police and Improvement (Scotland) Act, 1862 (25 and 26 Vict. c. 101), which was superseded by s. 374 of the Burgh Police (Scotland) Act, 1892, provided for a sinking fund contribution equal to 5 per cent. per annum. <i>Note.</i> —Glasgow, Edinburgh, Dundee, Aberdeen and Greenock are excepted from the operation of the Act of 1892, their borrowing powers for the purposes of that Act being regulated by Local Acts.
Public Health (Scotland) Act, 1897, 60 & 61 Vict. c. 38.	(1) Acquiring, making, enlarging, or constructing sewers, or for the purpose of utilising sewage (s. 139). (2) Constructing, purchasing, enlarging, or reconstructing water-works (s. 140). (3) Providing offices for the use of the Town Council as local authority under the Act, and providing and furnishing permanent hospitals, disinfecting premises and apparatus, houses of reception, or mortuaries (s. 141).	Within 30 years.	See note above under "County Councils" re Public Health (Scotland) Act, 1897, s. 142, which applies also to loans by Public Works Loan Commissioners to Town Councils.
Burial Grounds (Scotland) Act, 1855, 19 & 19 Vict. c. 65, ss. 2, 3, 27.	Providing and laying out burial ground for burgh.	Within 20 years.	
Tramways Act, 1870, 33 & 34 Vict. c. 78, s. 20.	Construction of tramways	Within 30 years	The period of repayment of loans raised by town councils for tramway purposes is usually determined by Local Acts. Recent Acts have allowed from 30 to 60 years, but provision is generally made for a depreciation fund when a longer term than 30 years is given.

Burghs (Scotland) Gas Supply Act, 1876, 39 & 40 Vict. c. 49.	Purchase or erection of gas works	One-fortieth of the sum borrowed is to be set aside annually "in every year after the second year from their" (i.e., the town council) "commencing to supply gas." (Sec. 40.) If the consideration given on purchase of a gas undertaking is in the form of annuities, such annuities are to expire in 40 years. (Sec. 22.)	The borrowing of the larger burghs for gas purposes is generally regulated by local Acts. See Board of Trade Return No. 321 of 1901, according to which the total amount authorised to be borrowed by local authorities in Scotland for gas purposes (including the capitalised value of gas annuities) was, at 25th March 1901, £,852,671 ¹ / ₄ , of which 488,390 ¹ / ₄ related to undertakings under the Act of 1876.
Prisons (Scotland) Act, 1877, 40 & 41 Vict. c. 53, s. 40.	To provide sums payable in respect of deficient cell accommodation on taking over of prisons by Government, and purchase of discontinued prisons.	Within 35 years.	—
Public Parks (Scotland) Act, 1878, 41 Vict. c. 8.	Purchasing and laying out of lands to be used as a public park	Within 30 years (but see next column)	—
Roads and Bridges (Scotland) Acts, 1878 and 1888, 41 & 42 Vict. c. 51, ss. 58 & 75; 51 Vict. c. 9.	(a) For paying off proportion of old turnpike debt allocated against burgh. (Sec. 75 of 1878 Act.) (b) For construction of new roads or streets, building or rebuilding of bridges, and "widening or otherwise permanently altering or permanently improving streets, roads, or bridges within the burgh." (Sec. 58 of 1878 Act as read with 1888 Act.)	Within 50 years.	The period of 30 years only applies where money is borrowed on security of the local rate levied under Sec. 13 of the Public Parks Act. If the money is borrowed on security of the lands acquired under the Act, there appears to be only an obligation to pay interest on the loan. (Sec. 14.)
Public Libraries Consolidation (Scotland) Act, 1887, 50 & 51 Vict. c. 42, ss. 14, 15.	Provision of public libraries, museums, &c. (including fitting up and furnishing).	Within 50 years	—
Electric Lighting Act, 1882, 45 & 46 Vict. c. 56, s. 8. Electric Lighting (Scotland) Act, 1890, 53 & 54 Vict. c. 13.	Constructing electric supply works, including the provision of generating plant, distributing mains, &c., &c.	(a) In burghs in which the town council is gas authority, the repayment of the electric loans is governed by the provisions of the general or local Act, under which gas is supplied. (b) In burghs in which the town council is not gas authority, the electric loans are repayable in accordance with provisions of Public Health Acts, i.e., within 30 years.	Amount borrowed at any time is not to exceed the capital sum represented by one-fourth part of the library rate (which is limited to 1d. per £.) capitalised at 20 years' purchase. In other words, it must not exceed one forty-eighth of assessable rental.

Appendix, No. 15.—III.—Town Councils—continued.

Statutes conferring Borrowing Powers.	Purposes for which Borrowing powers conferred.	Period of Repayment.	Remarks.
1.	2.	3.	4.
Housing of Working Classes Act, 1890, 53 & 54 Vict. c. 70, ss. 25, 43, 66, and 96. Housing of Working Classes Act, 1894, 57 & 58 Vict. c. 55.	Acquisition and improvement of unhealthy areas, purchase and reconstruction of unhealthy dwelling houses, purchase or erection of working class lodging houses.	Same period of repayment as for hospitals under Public Health Acts, i.e., 30 years [vide sec. 96 (2)]; but Public Works Loan Commissioners may advance loans for dealing with unhealthy areas repayable in 50 years [sec. 25 (6)].	—
Local Authorities Loans (Scotland) Act, 1891, 54 & 55 Vict. c. 34, s. 4 (3). Local Authorities Loans (Scotland) (Amendment) Act, 1893, 56 Vict. c. 8, s. 4 (1).	Capital expenditure for any purposes to which common good of burgh may be applied.	Such period as Secretary for Scotland may fix.	<i>Note</i> .—A burgh may only avail itself of the statutory provisions in sec. 4 (3) of the 1891 Act as amended, when it wishes to issue redeemable stock on the security of the common good of the burgh. In the few cases so far dealt with, the Secretary for Scotland has fixed a redemption period of 50 years. There is no strict statutory obligation to redeem loans raised otherwise than by creation of stock on security of the common good.
Allotments (Scotland) Act, 1892, 55 & 56 Vict. c. 54, s. 10 (3), (4).	Acquisition, improvement, and adaptation of land for labouring class allotments.	Within 30 years	Prior to passing of Public Health (Scotland) Act, 1897, the Public Works Loan Commissioners might advance loans repayable in 50 years. [See note under county councils above.]
Light Railways Act, 1896, 59 & 60 Vict. c. 48, s. 26 (5).	Construction of light railways, or for making advances to a light railway company either by way of loan or as part of the share capital.	Period for each light railway to be specified in the special order authorising same, but not to exceed 60 years [ss. 16 (4) and 26 (5) (6)].	A period of 40 years is allowed to Dornoch and Lander Town Councils under Orders confirmed in 1898 and 1899, while 50 years is allowed to Wick and Milnemyre Town Councils under an Order of 1899.
Small Dwellings Acquisition Act, 1899, 62 & 63 Vict. c. 44, s. 12 (4).	Advancing money to enable persons to acquire ownership of small houses in which they reside.	As for loans under sec. 141 of Public Health (Scotland) Act, 1897, i.e., within 30 years.	—
Inebriates Amendment (Scotland) Act, 1900, 63 & 64 Vict. c. 28.	Establishment of inebriate reformatories under the Inebriates Act, 1898, 61 & 62 Vict. c. 60.	As for Loans under sec. 141 of Public Health (Scotland) Act, 1897, i.e., within 30 years.	—

IV.—OTHER BORROWING POWERS.

School Boards:	Providing or enlarging school-houses.	Payment may, with consent of Scotch Education Department, be spread "over several years not exceeding 50."	—
Education (Scotland) Act, 1872, 35 & 36 Vict. c. 62, s. 45.			
Education of Blind and Deaf Mute Children (Scotland) Act, 1890, 53 & 54 Vict. c. 43, s. 4.	Contributing towards, or establishing, building, or enlarging schools for the education of blind and deaf-mute children.	Ditto - - - ditto.	—
Day Industrial Schools (Scotland) Act, 1893, 56 & 57 Vict. c. 12, s. 7.	Providing Industrial Schools	Ditto - - - ditto—consent of Secretary of State being substituted for that of Scotch Education Department.	—
District Lunacy Boards: Lunacy (Scotland) Act, 1857, 20 & 21 Vict. c. 71, ss. 61–64.	Providing district Lunatic Asylums, including fitting up and furnishing.	Within 30 years	Under a local Act of 1898 (61 Vict. c. 3) the Midlothian and Peebles District Board of Lunacy have been authorised to borrow for the purpose of providing a water supply for their asylum. A sum of 65,000 <i>l.</i> had been raised for this purpose as at Whitsunday, 1901, repayable in 30 years according to 1857 Act.

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LOCAL ACTS CONFERRING BORROWING POWERS ON COUNTY COUNCILS.

Borrowing Authorities.	Statutes conferring Borrowing Powers.	Purposes for which Borrowing Powers conferred.	Period of Repayment.	Remarks.
1.	2.	3.	4.	5.
Midlothian County Council	Midlothian County Buildings Act, 1893, 56 Vict. c. 20	Erecting additional county buildings (50,000 <i>l.</i>)	In accordance with Local Government (Scotland) Act, 1889, i.e., within 30 years.	—
Dumbarton County Council	Dumbarton County Buildings Act, 1897, 60 Vict. c. 7	Erecting additional county buildings (10,000 <i>l.</i>)	In accordance with Local Government (Scotland) Act, 1889, i.e., within 30 years.	—
Lanark County Council	Lanarkshire (Middle Ward District) Water Acts, 1892, 1896 and 1899, 55 & 56 Vict. c. 169, s. 61; 56 & 60 Vict. c. 68, ss. 25–33; 62 & 63 Vict. c. 70.	(1) Constructing water supply works. (2) Providing offices for district committees.	(1) Not exceeding 50 years as the County Council, with consent of the Standing Joint Committee, may determine. (2) Within 30 years (according to Local Government (Scotland) Act, 1889).	<i>Note</i> .—The total sum borrowed for the Middle Ward Water Works amounted at Whitsunday 1900, to 500,000 <i>l.</i> Debts contracted prior to Whitsunday 1892 for special water supply districts in Middle Ward were merged in debt, contracted under Middle Ward Water Acts, and to be repaid within 60 years from date of original borrowing.

B.
LIST of some of the more important LOCAL ACTS under which BORROWING POWERS are conferred on BURGH AUTHORITIES in SCOTLAND.

1. Statutes conferring Borrowing Powers.	2. Purposes for which Borrowing Powers conferred.	3. Period of Repayment.	4. Remarks.
GLASGOW.			
Water Acts, 1855 to 1889	Water supply works, 3,500,000 <i>l.</i>	1½ per cent. on sum borrowed is set aside annually and accumulated. There is no prescribed rate of accumulation [Sec. 45 of 1885 Act].	1½ per cent. on estimated capital value of water annuities (put at 750,000 <i>l.</i> in 1885 Act) is also set aside and accumulated for redemption of annuities [Sec. 46 of 1885 Act].
City Improvement Acts, 1866 to 1897.	City improvements: (a) Under Acts of 1866 and 1880 (b) Under 1897 Act	(a) 20 years [Sec. 6 of 1880 Act]. (b) 60 years [Sec. 17 of 1897 Act].	
Police Acts, 1866 to 1900	(a) General purposes Ditto (b) Street improvements (c) Statute labour purposes (paving and sewerage) Ditto - ditto (d) Sewage purification	2½ per cent. (non-accumulative) set annually (= 40 years). 60 years [Sec. 38 of 1890 Act and Sec. 42 of 1898 Act].	
Gas Acts, 1869 to 1901	Supply of gas and electricity: 1869 Act 1898 Act 1901 Order	For monies borrowed under the Acts of 1869 and 1898, not less than 1 per cent. has to be set aside annually and accumulated. No rate of accumulation is prescribed, but, assuming 2½ per cent., a period of 50 years would be required for redemption. In respect of monies borrowed under the 1901 Order 2½ per cent. (non-accumulative) has to be set aside annually. This gives 40 years.	The gas supply in Glasgow was taken over by the Corporation in 1869 subject to payment of annuities amounting to nearly 35,000 <i>l.</i> per annum to the shareholders of the superseded gas companies. By the Order of 1901 the Corporation is required to set aside 1½ per cent. annually on the estimated capital value of these annuities (put at 1,000,000 <i>l.</i>) to provide for their redemption, the sinking fund to commence in 1905.
Tramways Acts, 1870 to 1901	Construction of tramways, &c., 2,400,000 <i>l.</i>	A sum of 2 per cent. on amount borrowed is set aside annually, which is subject to accumulation at interest. Period would be about 33 years on assumption of accumulation at 2½ per cent. compound interest.	<i>Note</i> .—Sinking Fund on present basis only commenced in 1895.
TOTAL			
£. 3,200,000			
The Corporation has also borrowing powers under various other Local Acts for parks, markets, municipal buildings, and other purposes. For hospitals, roads, &c., it borrows under general Statutes.			

EDINBURGH.

Edinburgh and District Water Trust Acts, 1869 to 1901.	Water Supply Works, 2,000,000 <i>l.</i>	1 per cent. on moneys borrowed, set aside annually to sinking fund, and accumulated. No prescribed rate of accumulation. Commencement of fund postponed under some of the Acts for 15 years.	No sinking fund contribution is at present provided for redemption of water annuities amounting to about 25,000 <i>l.</i> per annum.
Edinburgh Municipal, &c. Acts, 1879 to 1901.	For general purposes, including acquisition of lands, erection of buildings, sewers, street improvements, tramways, electricity supply, &c., &c.	Generally 30 years. [Sec. 32 of 1893 Acts and subsequent Acts.]	Prior to 1893 the period of repayment was generally 30 years, pursuant to Sec. 84 of 1879 Act.] By way of exception to the general period of 30 years noted in column 3, (1) Money borrowed for North Bridge Improvement. [Sec. 36 of 1894 Act]; (2) Public Park Debt. [Sec. 72 of 1900 Act]; and (3) Housing of Working Classes Debt. [Sec. 12 of Corporation Order, 1901.] Is repayable in 50 years.
Edinburgh and Leith Corporations Gas Acts, 1888 to 1898.	Gas Supply Works, 800,000 <i>l.</i>	1 per cent. is set aside annually in respect of moneys borrowed, and accumulated. No prescribed rate of accumulation. Under sec. 32 of 1898 Act, commencement of sinking fund may be postponed for five years.	A sum equal to ½ per cent. on the capital value of gas annuities (= 35,200 <i>l.</i> per annum) payable to shareholders of superseded gas companies under Act of 1888 is set aside annually, to be applied, with accumulations, to redemption of annuities. [Sec. 94 of 1888 Act.]

N N 2

DUNDEE.

Dundee Police and Improvement Act, 1882, and subsequent Acts.	Miscellaneous burgh purposes (similar to those authorised under Burgh Police Act, 1892).	70 years for loans raised prior to 1882 Act. 60 years for loans subsequently raised. [Secs. 321 and 322 of 1882 Act.]	
Tramways Acts, 1873 to 1899	Tramway purposes	Ditto - - - ditto	
Tramway Act 1901	Ditto - - ditto	45 years	
Water Acts, 1869 to 1891	Water Supply	(a) For monies borrowed prior to 1891 Act, a sum of 5,000 <i>l.</i> is set aside annually and accumulated (= about one per cent.) (b) For monies borrowed under 1891 Act, one per cent is set aside annually and accumulated. [vide Sec. 38 of 1891 Act.]	In addition to the mortgage and debenture debt there are water annuities of 14,315 <i>l.</i> per annum payable to the shareholders of superseded water company under the Act of 1869. No contribution in respect of them is paid to sinking fund.
Dundee Gas Acts, 1868 to 1897	Gas Supply	50 years [Sec. 10 of 1897 Act.]	Under the Acts preceding that of 1897 about one-sixth of the amount borrowed (including the capital value of gas annuities) is set aside annually as a sinking fund.

List of some of the more important Local Acts under which Borrowing Powers are conferred on Burgh Authorities in Scotland—continued.

1. Statutes conferring Borrowing Powers.	2. Purposes for which Borrowing Powers conferred.	3. Period of Repayment.	4. Remarks.
		ABERDEEN.	
City Acts, 1862 to 1900	Sewers, street improvements, bridges, police stations, court houses and other miscellaneous purposes.	Three per cent. set aside annually	Loans under Housing of Working Classes Act are repayable in 50 years, notwithstanding provisions of Public Health (Scotland) Act, 1897, which reduced period for Hospitals (and consequently for loans under Housing of Working Classes to 30 years. [See s. 41 of Aberdeen Corporation Act, 1899.]
Water Acts, 1862 to 1893	Water supply	Three per cent. set aside annually (see s. 34 of 1893 Act).	Note.—Prior to 1893 the sum set aside was 2 per cent., but all clauses in earlier acts providing this were repealed by s. 34 of 1893 Act.
Gas Acts, 1871 to 1900	Gas and electricity supply works	Two per cent. set aside annually non-accumulative [s. 44 of 1881 Act] (= 50 years).	—
Tramways Act, 1898, ss. 26-27	Purchase and reconstruction of tramways, 150,000 <i>l</i> .	60 years.	—
Tramways Act, 1900, ss. 33-35	Extension of tramways and general purposes of the tramway undertaking (of a capital nature), 140,000 <i>l</i> .	45 years.	—
		GREENOCK.	
Water Acts, 1866 to 1901	Water supply works	60 years for loans prior to 1901 Act. 50 years for loans under 1901 Act.	—
Police Act, 1877	Miscellaneous purposes (sections 76, 82)	50 years	Commencement of fund postponed five years.
Corporation Act, 1893	Municipal buildings (sec. 67) Police station, &c. (sec. 58) Purchase of tramways, &c. (sec. 58)	60 years. 30 years.	— — —
Gas Acts, 1871 to 1901	Gas supply works	An accumulating sinking fund of 2 per cent. per annum on amount borrowed [= about 33 years taking rate of accumulation at 2½ per cent.]	—

		PAISLEY.	
Water Acts, 1854 to 1897	Purchase and extension of water supply works	60 years.	—
Water Act, 1900	Extension of water supply works	50 years.	—
Gas Acts, 1870 to 1900	Gas and electric supply	40 years	Period reduced to 40 years under a recent Act.
Burgh Improvements Act, 1877	Purchase of property and effecting burgh improvements	60 years.	—
Burgh Buildings Act, 1887	Providing burgh buildings	60 years.	—
		PERTH.	
Gas Acts, 1871 to 1899	Gas supply works (110,000 <i>l</i> .)	1,750 <i>l</i> . set aside annually and accumulated.	By the Order of 1900, Corporation was also required to set aside and accumulate 750 <i>l</i> . per annum to provide for redemption of Perth Gas Annuities.
Gas Order, 1900	Gas and electricity supply (75,000 <i>l</i> .)	1½ per cent. annually set aside and accumulated, after two years.	—
Perth Water Acts, 1877 to 1899	Water supply works (80,000 <i>l</i> .)	50 years.	—
Perth Corporation Act, 1891	To pay off certain unredeemed burgh annuities (70,000 <i>l</i> .)	60 years.	—
Perth Improvement Act, 1893	City improvements (75,000 <i>l</i> .)	40 years.	—
		AYR.	
Ayr Bridge Act, 1884	To pay off Bridge Debt	50 years.	—
Ayr Burgh Act, 1885	Water Supply Works (sec. 69) Street Improvements (sec. 70)	60 years.	—
Ayr Burgh Act, 1899	Water Supply Tramways	60 years. 40 years.	— —
		DUNFERMLINE.	
Dunfermline Water Act, 1876	Water Supply Works (70,000 <i>l</i> .)	1 per cent. to be set aside annually for 10 years, and 1½ per cent. annually thereafter, the fund to commence five years after passing of Act.	In addition the Corporation was liable at the passing of Act for certain annuities of a capital value of about 10,000 <i>l</i> ., to redemption of which the Sinking Fund was to be applicable.
Corporation Gas Acts, 1894 and 1900.	Gas Supply (200,000 <i>l</i> .)	1 per cent. set aside annually and accumulated (= about 50 years).	—
		FALKIRK.	

APPENDIX, No. 16.

PAPER handed in by Mr. Lee, April 22nd. (See Question 2263.)

BOROUGHES THAT DO NOT THINK UNIFORMITY DESIRABLE.

Bedford.
 Bangor (because they are afraid periods might be still more reduced).
 Bridlington.
 Chippenham.
 Dover (unless powers of Government departments extended).
 Hartlepool (unless works classified).
 Louth.
 Monmouth.
 Middleton.
 Nelson (where special local circumstances justify exceptional treatment.)
 Rawtenstall.
 Stratford-upon-Avon.
 Thornaby-on-Tees.
 Wakefield (because periods might be lower than those now fixed by Parliament).
 Wallsend.
 Weymouth.

APPENDIX, No. 17.

(See Question 3256).

LONDON COUNTY COUNCIL.

STATEMENT of Mr. H. E. Haward, Comptroller of the London County Council, handed in 29th April.

I am the head of the Finance Department of the London County Council and am responsible for the Council's financial administration.

The Council's duties in relation to the borrowings of the Metropolitan Borough Councils.

I formally hand in the "Statement of the powers of the London County Council with reference to the sanction to borrowing by the metropolitan borough councils, and of the practice of the Council in the exercise of such powers," which has been prepared for the information of the Committee at their request, and copies of which have already been furnished to the Committee. I am prepared to answer any questions arising upon this statement.

As the question of postponement of the sinking fund payment for the first few years of a loan has been raised in the evidence given before the Committee, I may add that the Council has allowed such a postponement in the case of certain electric lighting loans where asked for. The maximum time allowed during which no repayment is required has been three years, a loan for 42 years being made repayable during the last 39 years of the term; each case is considered on its merits. The Council has also granted a three years' postponement in the case of a loan for the purchase of land under Part III. of the Housing Act, in which there were special circumstances.

Up to the 31st March 1901, no loans had been sanctioned by the Council for the purpose of Part III. of the Housing Act, but during the year 1901-2 the Council gave its sanction to five loans amounting to 79,300*l.* for this purpose.

The Council's borrowing powers.

The borrowing powers of the London County Council are governed by the Metropolitan Board of Works Loans Act of 1869 and a series of annual money acts. Prior to the year 1892 these annual money bills of the Council and its predecessors were introduced as public bills. The Treasury examined the bills and introduced them in the House of Commons, when they were passed as Government bills. In 1891 new standing orders (Nos. 194 and 194 A to E) were passed, settling the procedure to be observed in the case of bills promoted by the Council, and the annual money bills have since been introduced as private bills under the special procedure laid down in order No. 194B.

The annual Act gives the Council power to expend money on capital account for various specified purposes not exceeding in amount the sums mentioned respectively in the schedule to the Act during the "financial period," i.e., the financial year ending the 31st March and the following six months, and to borrow money to meet such expenditure either by the creation of consolidated stock, issue of London County Bills or user of the moneys of the consolidated loans fund (which is the sinking fund for the redemption of the stock).

Provisions for the redemption of consolidated stock has, by virtue of Section 27 (4) of the Loans Act of 1869, to be made within 60 years, and any moneys borrowed by the Council from the consolidated loans fund must under the statutes be replaced within 60 years. London County Bills have a currency of not more than 12 months, and if any such bills are outstanding at the end of Council's financial year they are deemed to form part of the Council's capital debt, and provision has to be made for repayment as if the money had been raised for the issue of consolidated stock. It follows, therefore, that the maximum period allowed by the statutes to the Council for the repayment of its loans is 60 years. There is, however, a provision (see Section 4 of the London County Council Money Act, 1901) in the section conferring the annual borrowing powers, which runs as follows—

"Moneys expended under the authority of this section for those purposes shall be repayable within such term not exceeding in any case 60 years, as the Council, with the consent of the Treasury, may determine."

The effect of this enactment is that the term of years, within the maximum of 60, fixed by the Council for each class of its expenditure has to be sanctioned by the Treasury.

I desire to say that the arrangements with the Treasury have been found to work most satisfactorily.

The Council as a lender.

The London County Council advances most of the loans required by the local authorities of London. The powers to lend money are conferred upon the Council by each annual Money Act, which enables the Council to lend, and the various authorities to borrow, up to certain specified amounts during the financial period and for certain terms of years. The sums so lent during the year 1901-2 were as follows—

	£
To School Board for London	600,000
" Metropolitan Asylums Board	349,410
" Boards of Guardians	673,080
" Metropolitan Borough Councils	1,346,648
" Other local authorities	6,440
Total	£. 2,975,578

This money was advanced as to 1,519,093*l.* out of the Council's sinking fund, and as to 1,456,485*l.* out of the proceeds of consolidated stock raised for that purpose.

The Council's financial position.

The Council's financial position comes annually before Parliament by means of two sets of returns.

(i.) The money bill tables, which are required to be prepared by Section 12 of the Metropolitan Board of Works Loans Act, 1875, have, under Standing Order 194 B (6), to be made up to the 31st March in each year and prefixed to the money bill as brought up for second reading. They show, *inter alia*—

The total amount of money raised on loan and applied by the London County Council and its predecessors since 1856.

The net debt of the London County Council at the end of the financial year.

The rateable value of the County of London and the rates levied by the London County Council and its predecessors for each year since 1856.

The rate in the pound levied by the London County Council in respect of debt during the financial year.

The sums paid into the consolidated loans fund for redemption of debt since its establishment in 1869.

(ii.) Certain financial returns required by Section 49 of the Metropolitan Board of Works Loans Act of 1869 and Section 13 of the Metropolitan Board of Works Loans Act of 1875. These returns must be laid before both Houses of Parliament before the 1st of June in each year. They are presented through the Treasury and are printed as a Parliamentary paper (*see* No. 196, 6th June 1901). They show—

The amount of consolidated stock.

The application of the money raised by such stock.

The sums carried to the Consolidated Loans Fund and the application thereof.

The estimate of the expenditure of the Council for the current financial year.

Certain financial particulars in relation to the parishes, districts, unions or places in respect of which the Council has granted loans.

As showing the present financial position of the London County Council I take the following figures from the tables which have just been prepared to accompany the Money Bill of the present Session.

On the 31st March 1902, the gross debt of the Council was—

	£.	s.	d.	£.	s.	d.	£.	s.	d.
Consolidated stock	51,761,637	13	11						
Less,—Cash (part of recent issue of 3,000,000 <i>l.</i>) not receivable until after 31st March 1902	1,025,938	6	5						
				50,735,699	7	6			
London County Bills—Cash raised (to be paid off on 3rd May 1902, out of the 1,025,938 <i>l.</i> 6 <i>s.</i> 5 <i>d.</i> above)				899,192	6	—			
Liabilities of former counties of Middlesex, Surrey and Kent				201,687	2	8			
							51,836,578	16	2
Against this the Council held the following assets, viz.—									
Loans to local authorities—Balances outstanding				21,634,650	11	6			
Balances of principal moneys contained in certain annuities due from various local bodies for main drainage and other purposes				97,392	11	10			
Estimated value of surplus land and property				2,858,486	—	—			
Cash balance of the Consolidated Loans Fund				57,400	6	—			
							24,647,929	9	4
Leaving the net debt at							27,188,649	6	10

This debt may be divided as between "unremunerative" and "remunerative," and other debt involving no charge on the rates, as follows—

	£.	s.	d.	£.	s.	d.
Unremunerative				24,268,352	8	3
Remunerative	2,801,859	3	2			
Other debt involving no charge on the rates	118,437	15	5			
				2,920,296	18	7
				£27,188,649	6	10

The "remunerative" portion of the debt involves no charge on the ratepayer, because the interest and sinking fund are provided out of the profits of the undertakings concerned.

The Council's predecessors (the Metropolitan Board of Works) provided, mainly by means of the sinking fund, during the 33 years of their existence, a sum of no less than 11,689,607*l.* towards the liquidation of debt, and the Council during its term of 13 years, has provided a sum of 8,335,924*l.*

The instalment to be provided during the current financial year is—

	£.
Out of rates	657,303
Out of other receipts	46,486
Total	£ 703,789

If no further debt were created, the instalment of £657,303 would be sufficient to liquidate the present unremunerative debt of the Council in the course of about 37 years.

As regards the method adopted for the repayment of debt, I may mention that provision is being made by the Council for the repayment of the whole of its debt, with the exception of that portion relating to the provision of working-class dwellings, upon the instalment system, *i.e.*, by equal instalments of principal, with consequently a diminishing charge for interest year by year. The debt for working-class dwellings is being repaid upon the accumulating sinking fund principle.

Total debt of London.

Besides the debt of the London County Council, the debts of other central local bodies are charged on the rates of London, and the Council periodically has under review the figures relating to the total debt of London. The latest figures I can give relate to the year 1900-1.

I hand in a table which shows the total debt of London on the 31st March 1901, and for comparison the debt on the 31st March, 1889, when the London County Council came into being.

It will be seen therefrom that, excluding debt secured on the City Corporation's estates, the total debt of London has increased from £32,767,797 in March, 1889, to £49,917,374 in March 1901, or from about 105 per cent. of rateable value to 133 per cent. of rateable value. Of the present debt a considerable portion is "remunerative," or involves no charge on the ratepayer; the whole of this remunerative debt amounting to 4,275,487*l.* has been created since 1889. Deducting this 4,275,487*l.* from the total debt, the unremunerative debt stands at 45,641,887*l.* or 122 per cent. of rateable value.

The debt compares very favourably with that of other large towns.

I submit another table showing the total charge on the rates of London for interest and repayment of debt of all the central and local authorities during the year 1900-1 as compared with the year 1889-90, and the equivalent rate in the £.

The annual charge amounted in 1900-1 to 3,059,663*l.*, equal to a rate of 19*7*/₈*d.* in the £., as against 2,146,722*l.* in 1889-90, equal to a rate of 16*4*/₄*d.* in the £. upon the then rateable value. There has thus been a rise of 3*3*/₈*d.* in the £. during the 12 years.

The rateable value of the County of London on the 6th April 1902, was 40,142,274*l.*, and a rate of one penny in the £. levied over the whole county produces 167,260*l.*

Relaxation of present conditions as to repayment of debt.

The London County Council has no suggestions to offer as to any relaxation of the present conditions for repayment of its loans except as regards loans raised for the purpose of providing dwellings for the working classes.

The question of some less stringent conditions being applied to these housing loans has for many years engaged the attention of the Council, and several representations on the subject have been made by deputation and otherwise to the Government departments dealing with the matter.

The proposals which the Council has made are (a) that the sinking fund period for all debt incurred for the provision of working-class dwellings should be extended beyond the present limit of 60 years, and (b) that the freehold land upon which such dwellings are erected should be taken as an asset against the debt incurred therefor, rendering a sinking fund for this portion of the loan unnecessary.

The Council some years ago laid down for itself by standing orders the rule that the erection by the Council of dwellings for the working classes should not involve any charge upon the county rate, or, in other words, that the rents from the dwellings, while not exceeding those ruling in the neighbourhood for similar accommodation, should be sufficient to meet all outgoings and to pay the interest and sinking fund charges in respect of the capital outlay.

Before the Council resolves to erect dwellings upon any site, the Housing of the Working Classes Committee prepares estimates of the cost of building and of the probable receipts and outgoings from the dwellings. These estimates are then submitted to the Finance Committee, who if they are satisfied with the figures, submit the estimates to the Council.

I submit as a specimen the Report and estimates laid before the Council by the Finance Committee on the 17th December 1901, with regard to the erection of certain blocks of dwellings on the Reid's Brewery site.

I should point out that in all cases where the dwellings are erected for the purpose of re-housing persons displaced by the clearance of insanitary areas under Parts I. and II. of the Housing of the Working Classes Act, 1890, and by street improvements under Improvement Acts, the value of the land is written down from its cost or commercial value to its market value for housing purposes, and the amount so written off becomes a charge against the clearance scheme or street improvement. The dwellings account is only charged with the sum which it is estimated by the Council's valuer a private builder would give for the land subject to the restrictions to build working-class dwellings upon it. In the case of dwellings erected under Part III. of the Act, the land is taken at its cost price.

As a whole, the dwellings erected, or about to be erected, by the Council under the Housing of the Working Classes Acts have, up to the present, complied with these conditions. It is, however, becoming a matter of increasing difficulty to achieve this result, and many promising building schemes have had to be abandoned through failure to show compliance with the rule laid down. Moreover, in many cases where it is found possible to build without throwing any burden on the ratepayer, the result is only attained by charging rents on a higher scale than the persons whom it is especially necessary to house can afford to pay.

I submit that the principle upon which the Council has hitherto acted in this matter is a sound one, *viz.*, that the provision of these dwellings should be undertaken without calling upon the ratepayers for a contribution, and this result can probably be accomplished if there is some relaxation of the conditions at present in force in regard to the repayment of debt.

The Council's position in this matter is one of no little difficulty. The cost of building in London has greatly increased, owing partly to the operation of the London Building Act of 1894, and partly to the general increase in wages to workmen in the building trade and in the cost of materials. At the same time the expense of erecting dwellings has had a tendency to further increase owing to the requirements of the Home Office and Local Government Board.

The Housing Committee have given the closest possible consideration to questions of design and construction in the erection of dwellings, and notwithstanding every desire to reduce the cost, they cannot see their way to effect further economies while conforming to official and sanitary requirements. In regard to the cost of management, the Council has been able from the experience gained during the last few years to reduce expenses under this head, and has recently appointed a housing manager who has long been engaged in the management of similar dwellings for one of the principal London companies. The Housing Committee are convinced that the percentage of outgoings to gross rental cannot be further reduced consistently with a proper regard to the Council's obligations as a landlord, and the view which the public naturally take of those obligations.

I desire to urge the following financial considerations in support of the proposals of the Councils:—

(i.) The Council's architect is of opinion that at the end of 60 years the Council's working-class dwellings will be worth at least half the amount of their cost. The block dwellings have an estimated life of from 120 to 150 years, and the cottages are estimated to last for 100 years. The life of the buildings fully justifies an extension of the sinking fund period.

(ii.) The period of 60 years allowed for the repayment of metropolitan loans generally was fixed by Parliament in special reference to street improvements, main drainage, and other unremunerative works in respect of which each succeeding generation will probably have its own requirements to meet under those heads. The expenditure upon dwellings is of a totally different character. The interest and sinking fund charges fall upon the tenants and not upon the ratepayers. So long as the dwellings are let, the ratepayer will not be called upon for any contribution, and his risk is the guaranteeing of the loan.

The rents paid by the tenants will be the means of providing a remunerative asset for the benefit of future generations of ratepayers. When the debt has been repaid, the sum now annually paid in interest

will be saved; this, calculated on the capital outlay on the dwellings already erected, will mean a profit income to the ratepayers of 60 years hence of 27,000*l.* a year. Any provision then necessary for eventual rebuilding, over and above the full provision already made out of income for repairs and renewals, would not exceed the sum at present set aside annually for sinking fund.

(iii.) The land upon which the dwellings are erected is freehold, and land generally in or near London is increasing in value. In all cases, except dwellings erected under Part III., the value of the land is written down to its market value for housing purposes, and it is submitted that there would be no financial risk, therefore, in taking it as an asset against the debt. The sites on which the existing dwellings are erected stand in the Council's books at a total value of 135,400*l.* The commercial value of these sites is estimated by the Council's valuer at 331,050*l.*

(iv.) If the demand for working class dwellings in London should ever cease, the property could be made available for commercial purposes: the land which had been written down to housing value would revert to its commercial value, and the buildings could be utilised for warehouses or for other purposes. The Council are advised that the value of the land and buildings under those conditions would be such as to more than cover any outstanding debt upon them, and thus the ratepayers of the future would be protected against any loss.

(v.) Artizans' dwellings companies and trusts who are engaged in the provision of working class dwellings invariably treat their freehold land as an asset. They do not as a rule provide any sinking fund for buildings erected upon freehold land.

(vi.) In London there are arrears of accommodation to be made up, and this is urged as an additional reason for the most favourable terms being granted as regards repayment of loans for this purpose.

There are precedents for longer terms than 60 years in the case of other remunerative undertakings, such as water and gas.

On behalf of the Council I desire to urge that the maximum period for the repayment of these loans should be extended to 100 years, it being understood that the term to be actually fixed in regard to particular dwellings should in no case exceed the estimated life of the buildings, and further, that the freehold land on which the buildings are erected should be treated as an asset against debt, and no sinking fund provided for it.

The financial effect of these concessions upon the Council's building schemes would be as follows:—

The annual sinking fund instalment required for repayment of debt in 59 years by cumulative annuity on the 2½ per cent. table is 7593 per cent. per annum. For repayment of debt in 99 years the amount is 2375 per cent. per annum. The extension of the period from 60 to 100 years would therefore reduce the annual charge on capital outlay by 5218, or over one-half per cent. With interest at 3 per cent. this reduction of sinking fund charge would enable capital outlay to be increased by 16 per cent., without increasing the annual debt charge.

Another way of looking at the matter is the effect which such a concession would have upon the rents to be charged to the tenants. The amount of reduction of rent which would result would vary in different schemes. Taking as an example the great scheme at Lordship Lane passed by the Council last year, I calculate that the extension of the sinking fund period to 100 years would enable the rents to be reduced by 7·8 per cent. The rents vary between 6*s.* and 10*s.* 6*d.* per tenement. These could be reduced by about 5½*d.* and 10*d.* per week respectively.

The effect of taking land as an asset against debt would vary according to the proportion which the value of the land bears to the total cost of the dwellings, but it may be generally stated that such a concession would allow of capital outlay being increased by from 1½ to 3½ per cent., or rents being reduced by from 1 to 2 per cent.

Table showing the amount of the total debt of London on 31st March, 1901, and on 31st March 1889, and the same expressed in terms of a percentage of rateable value:—

Authorities.	Amount of net debt outstanding.		Amount of net debt outstanding.	
	31st March, 1901.	Percentage of rateable value.	31st March, 1889.	Percentage of rateable value.
Unremunerative debt:	£.		£.	
London County Council	22,204,742	59·22	17,563,262	56·09
London School Board	10,430,868	27·82	7,040,285	22·48
Metropolitan Asylums Board	2,476,613	6·61	1,084,240	3·46
Receiver for the Metropolitan Police District (London's proportion)	281,363	·75	194,990	·62
Metropolitan Borough Councils (including portion of debt of City of London Corporation secured on the rates)	6,372,446	17·00	4,086,977	13·05
Guardians	3,583,519	10·34	2,482,828	8·94
Sick Asylum District Managers	146,604		37,126	
School District Managers	145,732		278,089	
	45,641,887	121·74	32,767,797	104·64
Remunerative debt (and debt-involving no charge on the rates):				
London County Council	2,608,952	6·06	—	—
Metropolitan Borough Councils	1,666,535	4·44	—	—
	4,275,487	11·40	—	—
Total	49,917,374	133·14	32,767,797	104·64
Debt secured on the estates and revenues of the City of London Corporation	4,326,350	11·54	5,009,150	15·99
Grand Total	54,243,72	144·68	37,776,947	120·63

TABLE showing the total charge on the rates of London for interest and repayment of debt during the year 1900-1 and the year 1889-90, and the equivalent rate in the £.

Authorities.	1900-1.		1889-90.	
	Amount of charge.	Rate in £.	Amount of charge.	Rate in £.
London County Council	£. 1,258,840	d. 8·25	£. 1,001,892	d. 7·74
London School Board	595,514	3·81	383,831	2·92
Metropolitan Asylums Board	198,205	1·27	82,618	·63
Receiver for the Metropolitan Police District (London's proportion)	19,723	·13	5,849	·04
Metropolitan Borough Councils (including portion of debt of City of London Corporation secured on the rates)	630,672	4·04	413,739	3·14
Guardians	322,142	2·28	227,024	1·97
Sick Asylum District Managers	11,748		4,500	
School District Managers	22,819		27,269	
	3,059,663	19·78	2,146,722	16·44

Copy of Report of the Finance Committee to the London County Council presented on the 17th December 1901.

Reid's Brewery estate—Superstructure of blocks A to F—Capital vote, 62,135*l.*

In accordance with standing order, we present a statement submitted by the Housing of the Working Classes Committee of the estimated receipts and expenditure in connection with the erection of blocks A to F on the Reid's Brewery estate. We also submit a statement to show the estimated effect on the county rate of the erection of the dwellings. The result shown by the calculations is an estimated annual deficiency of 33*l.* 6*s.* 9*d.* On 30th July last, however, when reporting on the financial bearings of the estimate for foundations of all the dwellings to be erected on the site we reported that we were informed that the total cost of all the buildings would be approximately 152,000*l.*, which, with the value of the site for housing purposes (44,000*l.*) amounted to 196,000*l.*; the net rental was estimated at 7,512*l.*, and the charges for interest on and repayment of capital would be about 7,368*l.*; it appeared, therefore, that the probable financial result of the estate, as a whole, would be an annual surplus of 144*l.* The estimate now submitted is in respect of dwellings on a part of the estate only, and we understand that the deficit in the present case will not affect the financial result of the whole scheme.

REID'S BREWERY ESTATE.

BLOCKS A TO F.

Accounts prepared to show the estimated effect on the county rate of these dwellings. Three of the six blocks of dwellings are to be erected by the Works Department, and three by contractors, and the following figures apply to the whole:—

(a) MAINTENANCE ACCOUNT.

Receipts.	£.	s.	d.	Expenditure.	£.	s.	d.
To gross rental	6,154	4	—	By rates and taxes	1,165	2	6½
Less,—Empties and free quarters	158	11	8	„ water rate, gas, and insurance	264	19	9
				„ repairs	615	8	4
				„ supervision and collection of rents, &c.	327	12	11
				„ contingencies	184	12	6
					2,557	16	—
				„ balance available for payment of interest and sinking fund	3,437	16	4
	£.	5,995	12 4		£.	5,995	12 4

(b) INTEREST AND SINKING FUND ACCOUNT.

	£.	s.	d.		£.	s.	d.
To balance brought down from maintenance account	3,437	16	4	By interest on cost, viz.:—			
„ estimated annual deficit	33	6	9	Land (value for housing purposes)	20,200	—	—
				Buildings (including all incidentals)	62,135	—	—
				Proportion of cost of foundations chargeable to Blocks A to F	10,000	—	—
					£.	92,335	—
				Interest at 3 per cent on 92,335 <i>l.</i>		2,770	1 —
				„ Sinking fund to replace capital raised, 92,335 <i>l.</i> , in 59 years, by accumulative annuity at 2½ per cent.		701	2 1
	£.	3,471	3 1		£.	3,471	3 1

Welby, Chairman.

APPENDIX, No. 18.

(See Question 3260.)

LONDON COUNTY COUNCIL.

STATEMENT handed in by Mr. *Haward*, April 29th, showing the powers of the London County Council with reference to the sanction to borrowing by the Metropolitan Borough Councils, and the practice of the Council in the exercise of such powers.

At the time of the passing of the Metropolis Management Act, 1855, a large number of the metropolitan parishes were under the control of self-elected bodies acting under local Acts and heavily charged with loan debts raised under local Acts which made no adequate provision for redemption, and where the provision was made, it had not been exercised. The Act of 1855 gave the vestries mentioned in Schedule A to the Act and the district boards constituted by the Act power to borrow for the purpose of defraying expenses incurred or to be incurred by them in the execution of the Acts, but the section (183) giving such power has a proviso that no moneys shall be borrowed without the previous sanction in writing of the Metropolitan Board of Works, also constituted by the Act. The metropolitan borough councils and the London County Council are the successors of the vestries and district boards and of the Metropolitan Board of Works respectively. The London County Council, under Section 183 of the Metropolis Management Act, 1855, therefore controls the borrowing by the metropolitan borough councils, the Council of the Royal Borough of Kensington, and the Council of the City of Westminster, where the borrowing body seeks to exercise borrowing powers conferred by the Metropolis Management Act, 1855, or any other borrowing powers which, though conferred by other Acts, are to be exercised under the provisions of and with the formalities and sanction prescribed by that Act.

These various Acts are summarised hereunder, viz. :—

The Metropolis Management Act, 1855, and the Acts amending the same.

The Housing of the Working Classes Acts, 1890 to 1900, for the purposes of Part II. and Part III. of the Housing Act, 1890.

The Electric Lighting Acts, 1882 and 1888, and Provisional Orders framed and confirmed by Parliament thereunder—where the vestry or district board are undertakers or purchasers under the general Acts.

The Public Health Act, 1891, as amended by the Public Health Act, 1891 (Amendment) Act, 1893, as regards loans for some purposes only.

The Open Spaces Acts, 1877 to 1890.

Numerous local Acts promoted by the London County Council and others, enlarging and extending the borrowing powers of vestries or district boards for particular purposes, such purposes being analogous to those in respect of which borrowing powers are given by some or one of the Acts above set out; such powers to be exercised in accordance with the provisions of the Metropolis Management Acts.

The Metropolitan Boroughs (Offices) Scheme, made under the London Government Act, 1889, authorising borough councils to provide offices for the transaction of all their business under the various powers and duties transferred to them.

It should be here observed that the London Government Act, 1899, gave a right of appeal to the Local Government Board in the case of borrowing powers transferred to metropolitan borough councils by the Act if the London County Council refuses its sanction, does not give sanction within six months from application made, or attaches conditions to the sanction.

Prior to the passing of the London Government Act, 1899, the Local Government Board, acting under Section 33 of the Local Government Act, 1894, had directed that in certain parishes in the metropolis the provisions of Section 7 of the Local Government Act, 1894, should apply as if the parish were a rural parish and the vestry of the parish a parish council; but so far only as might be necessary in order that the powers of the authority for the execution of the adoptive Acts might be transferred to the vestry of such parishes. By Section 12 of the Local Government Act, 1894, it is enacted that a parish council may borrow with the consent of the county council and of the Local Government Board for the purposes of the adoptive Acts, but shall not borrow for those purposes otherwise than in accordance with that Act. Some of the recent orders of the Local Government Board, however, contain a provision that the order is not to be so construed as to make the provisions of the Local Government Act, 1894, as to borrowing by parish councils applicable to the vestry, but where this provision is absent it has been the practice of the Council to sanction the borrowing on the terms and for the amount previously sanctioned by the Local Government Board.

Before sanctioning the borrowing of money by a metropolitan borough council, the Council requires to be satisfied on the following points, viz. :—

1. That the expenditure can legally be made by the borough council and charged on the rates.
2. That the financial state of the borough justifies the proposed increase in the indebtedness.
3. That the amount is not in excess of the reasonable cost of the work either actual or estimated.
4. That the work is such as to justify the cost being spread over a period of years.
5. That the loan will be repaid during the life of the work.
6. That in the case of electric lighting loans where an arrangement has been made with the Treasury that the entire initial cost shall be spread over a mean period on the understanding that the works, the object of the loan, shall not be renewed or replaced by loan during the currency of the mean period, such plans and information are furnished as will enable the Council at a future date to see that the arrangement is adhered to.

The information required by the Council, as set forth above, is supplied by the borough councils upon certain carefully prepared forms, which prescribe in detail the nature of the particulars required.

The Finance Committee of the Council, whose duty it is to report to the Council upon all applications for loans, require reports from the Council's officers on these matters.

If there is any great discrepancy between the estimates or figures given by a local authority and those of the Council's own officers, it is the practice of the Finance Committee to ask the local authority to explain the discrepancy. It has been found, for example, that there are cases in which a local authority is of opinion that a particular site is of so much importance for parish purposes that the authority is prepared to pay a price beyond the market value, and the Council take this special circumstance into account in determining the amount to be sanctioned.

Appended is a schedule of the terms of years usually sanctioned by the Council for the repayment of money borrowed by the metropolitan borough councils.

There is also appended a table showing the number and amount of loans sanctioned by the London County Council during the 12 years to the 31st March 1901 for various purposes.

County Hall, Spring Gardens, S.W.,
24 March 1902.

H. E. Haward, Comptroller.

SCHEDULE of the Terms of Years usually sanctioned by the London County Council for the Repayment of Moneys borrowed by Metropolitan Borough Councils.

Purpose.	Term of Years.
Purchase of land—freehold - - - - -	60
Leasehold property - - - - -	Not exceeding 30 years and according to term of lease.
Electric lighting (meters excluded—see below):—	
(a) Buildings, culverts, bare copper mains and royalty licences relating thereto	50
All other purposes	20.
or (b) A mean period of 42 years for all loans for the initial cost of an electric light undertaking on the understanding that if any works fall to be renewed during the loan period, the cost of renewal shall constitute a maintenance charge and shall not be made the subject of a fresh loan	42
Electric light meters - - - - -	10
Street lighting—i.e., provision of lamps and lamp posts	20
Housing of the Working Classes Act, 1890 (Parts II. and III.)	60
(N.B.—For the erection of dwellings under Part II. a period of 10 years only has been sanctioned as the Council have been advised that the local authority are obliged by the Act to sell the dwellings at the expiration of that term—unless it is extended by the Local Government Board. In order that this condition may not cause the cost of such work to be unduly burdensome to the present ratepayers, the Council has sanctioned the repayment of 1/10th part per annum for nine years, and the balance at end of the tenth year, when the question of term is to be again considered.)	
Street improvements - - - - -	60
Bridge improvements - - - - -	60
Mortuaries - - - - -	30
Paving:—	
Granite kerbing or pitching (new)	20
Ditto - - ditto - - (redressed and relaid)	15
York stone (new) - - - - -	15
Ditto - (redressed and relaid)	10
Victoria and imperial stone - - - - -	15
Cement block and scoræ channelling - - - - -	10
Artificial paving stones	10
Hard wood (Karri, jarrah or red gum) - - - - -	10
Soft wood (creosoted deal and Baltic timber)	5
Concrete foundations - - - - -	10
Asphalte - - - - -	5 to 10
Sewerage:—	
Brick sewers - - - - -	30
Pipe sewers - - - - -	20
Parks, gardens and recreation grounds:—	
Acquisition (as for freehold land)	60
Laying out—generally - - - - -	30
Refuse destructors:—	
Erection - - - - -	30
Machinery - - - - -	10 to 20
Town halls and offices:—	
Buildings - - - - -	30
Fittings and Furniture - - - - -	15
Dusting and slopping vans and plant for street watering and sweeping, including horses and harness - - - - -	5
Construction of river walls - - - - -	30
Wharves, depôts and workshops:—	
Buildings - - - - -	30
Machinery - - - - -	10, 15 or 20

SCHEDULE of Loans sanctioned by the Council from 1889-90 to 1900-1 inclusive.

PURPOSE.	1889-90.	1890-1.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.	1898-9.	1899-1900.	1900-1.	Total.
	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.	No. Amount.
Paving works (including loans to pay off old bond debts).	11 48,600	16 62,600	17 99,600	23 539,200	25 164,700	22 148,800	22 144,300	24 223,101	27 207,240	26 193,908	44 379,927	39 366,070	2,177,008
Sewerage and drainage works.	1 11,500	4 17,100	2 2,900	7 93,100	10 31,390	10 42,625	9 42,000	4 28,145	6 24,565	3 13,360	8 41,328	9 56,365	353,868
Street improvements (including bridges).	7 37,100	5 33,500	8 35,300	17 200	14 63,550	9 29,650	8 37,065	15 71,335	15 71,025	10 58,225	10 58,225	9 30,370	555,348
Vestry offices, &c.	2 25,000	1 1,600	-	2 31,700	8 8,500	7 32,760	5 35,650	3 22,440	8 12,000	3 66,195	3 15,770	3 19,858	271,963
Depôts, docks, stables, houses, carts, workshops, &c., and disposal of dust.	3 10,600	5 18,600	5 41,600	6 20,100	6 22,500	5 28,500	8 67,175	7 22,810	9 46,920	12 52,230	12 125,940	19 147,536	693,911
Parks and open spaces.	3 28,247	5 33,400	6 30,600	7 47,400	6 59,800	3 7,970	4 20,440	5 15,150	5 31,552	3 21,222	3 21,516	2 6,100	323,497
Electric lighting (including meters and street lighting).	-	1 10,000	1 60,000	-	4 51,700	2 38,700	5 91,267	9 203,080	5 87,090	25 318,436	31 521,144	31 521,144	1,911,679
Schemes under Part II. of the Housing of Working Classes Act, 1890.	-	-	-	-	-	2 11,375	4 26,900	2 13,000	-	1 10,400	2 16,145	4 34,745	112,165
Mortuaries.	-	-	-	-	-	2 2,970	1 1,845	-	-	-	-	2 6,107	12,512
TOTAL.	27 161,047	37 176,800	39 270,000	57 296,200	68 405,140	62 343,340	66 467,242	69 595,961	70 480,232	78 746,429	107 1,179,906	118 1,196,503	6,321,939

APPENDIX, No. 19.

PAPER handed in by Lord Welby, 2nd May 1902. (See Question 3379)

LONDON COUNTY COUNCIL.

STANDING ORDER, No. 336.

DWELLINGS FOR THE WORKING CLASSES.

Question of sale of land, working classes other than lands acquired under Part III. of the Housing of the Working Classes Act, 1890, the and Council question of the desirability of such lands being sold or let for the erection of dwellings or of the Council itself itself erecting erecting dwellings thereon is to be first considered by the Council.

Cases in which Council decides to build. (2.) In cases where the Council decides itself to erect dwellings in preference to selling or letting the land for that purpose—

Fixing of rents. (a) The rents to be charged for the dwellings erected in connection with any specified housing scheme or area shall not exceed those ruling in the neighbourhood, and shall be so fixed that, after providing for all outgoings, interest, and sinking fund charges, there shall be no charge on the county rate in respect of the dwellings on such area or scheme, and that all such dwellings shall be so designed that the cost of erection may not exceed a sum which will enable the Council to carry out the foregoing conditions. The interest and sinking fund charges shall be calculated upon the cost of erection, plus the value of the site, subject to the obligation to build dwellings for the working classes upon it.

Interest and sinking fund charges. (b) Before an order is given by the Council for the erection of any dwellings, or to construct the foundations for such dwellings, the Finance Committee shall report to the Council on the estimated effect of the erection of such dwellings on the county rate.

Report to be made of effect of erection of dwellings on county rate. (3.) In cases where the Council is compelled by statute to re-house on particular sites, and is not able to sell or let those sites for that purpose at the fair market value, the financial aspect of each such case shall be specially considered by the Council on reports by the Housing and Finance Committees.

Cases in which Council is compelled to re-house on particular sites. (4.) Where committees are of opinion that particular sites are undesirable by reason of excessive cost, unsuitability, lack of demand for dwellings, or other causes, they shall report to the Council on the desirability of obtaining the approval of the Secretary of State for the Home Department, or, if necessary, of Parliament to a modification of the scheme, with a view to the dwellings being erected on some other site or sites, and the original sites freed from the restrictions attaching to them.

Cases in which Committees are of opinion that particular sites are undesirable. (5.) When the Council considers as to acquiring or appropriating lands for the purposes of Part III. of the Housing of the Working Classes Act, 1890, the Finance Committee shall simultaneously report to the Council on the estimated financial effect of the scheme, and if the land proposed to be acquired or appropriated is to be used in connection with a housing scheme under Part I. or Part II. of the Act, or a street improvement, any recoupment which will thereby result to the Part I. or II. housing scheme or street improvement shall, if possible, be taken into account.

Acquisition, &c. of land under Part III. of Housing Act. Application of Clauses 1 to 4. Clauses (1) to (4) are to apply only to dwellings in schemes under Parts I. and II. of the Housing of the Working Classes Act, and for re-housing people displaced by street improvements.

Section 5 of the above Standing Orders is modified by a special resolution passed by the Council on 6th December 1898, as follows:—

That apart from the re-housing required in connection with clearance or improvement schemes, and provided that no charge be placed on the County rate thereby, the Council do approve of action being taken under Part III. of the Housing of the Working Classes Act, 1890, with a view to the purchase of land and the erection of dwellings thereon, and also with the view of purchasing or leasing suitable houses already or hereafter to be built or provided for the purpose of supplying housing accommodation.

APPENDIX, No. .

(See Question 4006.)

PAPER handed in by Lord Welby, 2nd May, 1902.

LONDON COUNTY COUNCIL.

WORKING CLASS DWELLINGS.

COPY of LETTER to the Secretary of State for the Home Department.

Sir,

County Hall, Spring Gardens, S.W., 10 July 1901.

THE London County Council desire to lay before you the difficulty which they encounter in providing dwellings for the working classes in and around London. The importance and urgency of the work are admitted on all sides irrespective of party; His Majesty's Government has recognised the gravity of the question; and you, sir, have at all times shown the interest which you take in it.

The principal difficulty which confronts the Council is that of finance, and the Finance Committee of the Council has had interviews in past years with the present Chancellor of the Exchequer and his predecessor on the subject, but neither Sir W. Harcourt nor Sir Michael Hicks-Beach has been able to hold out hopes that the Treasury would be able to support the proposals which the Council laid before them. Much, however, has happened in the interval. The urgency of the work is more fully recognised, and public opinion is expressing itself in a manner which the Council are convinced His Majesty's Government will not overlook. The Council therefore trust that you will think them justified in again approaching the Government. The question, although immediately one of finance, is also, and more generally, one of policy, and the Council address you, because the Home Office and the Local Government Board are the departments directly entrusted with projects affecting the health and welfare of the people. They venture to hope that you and the President of the Local Government Board will, in consultation with the Chancellor of the Exchequer, consider their proposal in its relation to policy as well as finance.

The Council some years ago laid down for themselves the rule that the erection by the Council of dwellings for the working classes should not involve any charge upon the county rate, or, in other words, that the rents from the dwellings, while not exceeding those ruling in the neighbourhood for similar accommodation, should be sufficient to meet all outgoings and to pay the interest and sinking fund charges in respect of the capital outlay. As a whole, the dwellings erected by the Council under the Housing of the Working Classes Acts have, up to the present, complied with these conditions. It is, however, becoming a matter of increasing difficulty to achieve this result, and many promising building schemes have had to be abandoned through failure to show compliance with the rule laid down. Moreover, in many cases where it is found possible to build without throwing any burden on the ratepayer, the result is only attained by charging rents on a higher scale than the persons whom it is especially necessary to house can afford to pay. The Council believe that the principle upon which they have hitherto acted in this matter is a sound one, viz., that the provision of these dwellings should be undertaken without calling upon the ratepayers for a contribution, and they think that it can be accomplished if there is some relaxation of the conditions at present in force in regard to the repayment of debt.

The following considerations show that the Council's position in this matter is one of no little difficulty. The cost of building in London has greatly increased, owing partly to the operation of the London Building Act of 1894, and partly to the general increase in wages to workmen in the building trade and in the cost of materials. At the same time the expense of erecting dwellings has had a tendency to further increase owing to the requirements of the Home Office and Local Government Board. Those requirements are somewhat stringent, but the Council do not complain of regulations aiming at a high standard of health. They desire to erect, and as a public authority they must erect dwellings which satisfy all legitimate requirements.

With reference to their operations under Part III. of the Act, it is true that the Council are not subject to the restrictions of Government departments, but they are nevertheless practically bound to maintain a similar standard of building when erecting dwellings under this part of the Act.

The Housing Committee have given the closest possible consideration to questions of design and construction in the erection of dwellings, and notwithstanding every desire to reduce the cost they cannot see their way to effect further economies while conforming to official and sanitary requirements. In regard to the cost of management, the Council have been able from the experience gained during the last few years to reduce expenses under this head, and have recently appointed a housing manager who has long been engaged in the management of similar dwellings for one of the principal London companies. The Housing Committee are convinced that the percentage of outgoings to gross rental cannot be further reduced consistently with a proper regard to the Council's obligations as a landlord, and the view which the public naturally take of those obligations.

The proposals which the Council make are (a) that the sinking fund period for all debt incurred for the provision of working-class dwellings should be extended beyond the present limit of 60 years, and (b) that the freehold land upon which such dwellings are erected should be taken as an asset against the debt incurred therefor, rendering a sinking fund for this portion of the loan unnecessary. The following considerations are urged in justification:—

(i.) It has been computed that at the end of 60 years working-class dwellings such as the Council have erected will be worth at least half the amount of their cost, and this is borne out by information obtained from the Ecclesiastical Commissioners, who, it is understood, as a result of their experience of buildings in and around London, estimate the value of buildings at the end of a 99 years' lease at one third of the original cost. The Council's block dwellings have an estimated life of from 120 to 150 years, and the cottages erected by them are estimated to last for 100 years, consequently the life of the buildings fully justifies an extension of the sinking fund period.

(ii.) The period of 60 years allowed for the repayment of metropolitan loans generally was fixed by Parliament in special reference to street improvements, main drainage, and other unremunerative works in respect of which each succeeding generation will probably have its own requirements to meet under those heads. The expenditure upon dwellings is of a totally different character, for by means of it a remunerative asset will be provided for the benefit of future generations of ratepayers. The debt will have been wholly repaid, and therefore the sum now annually paid in interest will be saved; this calculated on the capital outlay up to date, will mean a profit income to the ratepayers of 60 years hence of 27,000% a year; and any provision then necessary for eventual rebuilding, over and above the full provision already made out of income for repairs and renewals, would not exceed the sum at present set aside annually for sinking fund.

(iii.) The land upon which the dwellings are erected is freehold, and land generally in or near London is increasing in value. It must be borne in mind that in all cases where the dwellings are erected in connection with clearance schemes under Parts I. and II. of the Housing Act, 1890, and street improvements under Improvement Acts, the value of the land is written down from its cost or commercial value to its market value for housing purposes, and the amount so written off becomes a charge against the clearance scheme or street improvement. There can be no possible financial risk, therefore, in taking it as an asset against the debt. The sites on which the existing dwellings are erected stand in the Council's books at a total value of 109,500*l.* The commercial value of these sites is estimated by the Council's valuer at 248,500*l.* In the case of dwellings erected under Part III. of the Act the land is taken at its cost price.

(iv.) If the demand for working-class dwellings in London should ever cease, the property could be made available for commercial purposes; the land which had been written down to housing value would revert to its commercial value, and the buildings could be utilised for warehouses or for other purposes. The Council are advised that the value of the land and buildings under those conditions would be such as to more than cover any outstanding debt upon them, and thus the ratepayers of the future would be protected against any loss.

(v.) Artizans' dwellings companies and trusts who are engaged in the provision of working class dwellings invariably treat their freehold land as an asset, and the most that is done by any of them in the direction of providing a sinking fund is to form a fund for rebuilding at the end of a long term, such as 100 years.

The Council are aware that there is no precedent for a longer term than 60 years in the case of loans for working-class dwellings, but considerably longer periods have been granted in the case of other remunerative undertakings, such as water and gas. They would, however, point out that this question of the housing of the working classes is a comparatively modern one, and it is only of recent years that the problem in London has become so acute.

The population of London is more than six times that of any other city of the United Kingdom. Its position as the first commercial city of the world produces within its borders a greater proportionate demand for space on which to carry on commerce and manufactures than exists elsewhere. This demand can only be met at the expense of the area devoted to housing or residential accommodation; and as land devoted to commerce and manufacture yields a very much larger return than land used for housing purposes, large areas are continually being transferred from the latter category to the former, thus reducing the amount of housing accommodation available. The working classes, being as a whole unable to afford the extra expenses connected with residing beyond the zone of this pressure, are the first to feel its effect in the shape of an ever-increasing standard of rent and its almost invariable accompaniment of overcrowding. Statistics recently compiled by the Committee of the Council on the Housing of the Working Classes show that in certain quarters of London the rent of working-class tenements have recently been raised over considerable areas—to an extent varying from 8½ to 30 per cent.—in addition to which large payments are required from incoming tenants, by way of a premium, known as key-money. It is submitted that such conditions as these are to be with nowhere else in Great Britain, and that the existence of so grave a social evil is sufficient justification for exceptional treatment.

If, for example, a period of 100 years were allowed for the liquidation of loans for working-class dwellings, the financial effect upon building schemes would be as follows:—

The annual sinking fund instalment required for repayment of debt in 59 years by cumulative annuity on the 2½ per cent. table is 7593 per cent. per annum. For repayment of debt in 99 years the amount is 2375 per cent. per annum. The extension of the period from 60 to 100 years would therefore reduce the annual charge on capital outlay by 5218, or over one-half per cent. With interest at 3 per cent, this reduction of sinking fund charge would enable capital outlay to be increased by 16 per cent., without increasing the annual debt charge.

Another way of looking at the matter is the effect which such a concession would have upon the rents to be charged to the tenants. The amount of reduction of rent which would result would vary in different schemes. Taking as an example the great scheme at Lordship-lane recently passed by the Council, it is calculated that the extension of the sinking fund period to 100 years would enable the rents to be reduced by 7·8 per cent. The rents vary between 6*s.* and 10*s.* 6*d.* per tenement. These could be reduced by about 5*s.* 6*d.* and 10*d.* per week respectively.

The effect of taking land as an asset against debt would vary according to the proportion which the value of the land bears to the total cost of the dwellings, but it may be generally stated that such a concession would allow of capital outlay being increased by from 1½ to 3½ per cent., or rents being reduced by from 1 to 2 per cent.

The Council, in laying their views before you, would urge that the question is one which concerns the health and welfare of many thousands of people in this metropolis, and that it constitutes a social problem of the utmost gravity. They desire respectfully to ask that you and the President of the Local Government Board will receive a deputation, and hear them in reference to the subject in its more general aspects, before the Chancellor of the Exchequer is again approached upon the question of finance.

I am, Sir, &c

(signed) H. E. Haward, Comptroller.

The Secretary of State for the Home Department.

APPENDIX, No. 21.

PAPER handed in by Lord Welby, 2nd May 1902. (See Question 4006)

LONDON COUNTY COUNCIL.

Sylva Cottages, Mill-lane, Deptford.

Dwellings to be erected by the Council under Part II. of the Housing of the Working Classes Act, 1890

Accounts prepared to show the estimated effect on the county rate of these cottages.

(a) Maintenance Account.

Receipts.		Expenditure.	
	£. s. d.		£. s. d.
To Gross rental	468 - -	By Rates and taxes	84 19 6
Less,—Empties	14 - 9	„ Water rate and insurance	18 6 -
	453 19 3	„ Repairs	51 9 7
		„ Supervision and collection of rents, &c.	31 4 4
		„ Contingencies	11 14 -
			197 13 5
		„ Balance available for payment of interest and sinking fund	256 5 10
	£. 453 19 3		£. 453 19 3

(b) Interest and Sinking Fund Account.

	£. s. d.		£. s. d.
To Balance brought down from maintenance account	256 5 10	By Interest on cost, viz.—	
		Land (value for housing purposes)	1,000 - -
		Buildings (including all incidentals)	5,261 - -
			£. 6,261 - -
		Interest at 3 per cent. on 6,261 <i>l.</i>	187 16 7
		„ Sinking fund to replace capital raised, 6,261 <i>l.</i> , in 59 years by cumulative annuity at 2½ per cent.	47 10 10
		„ Estimated annual surplus	20 18 5
	£. 256 5 10		£. 256 5 10

On the passing of the estimate now submitted the vote of 150*l.* for preliminary expenses should be cancelled and we recommend—

That Capital Vote No. 2,600 be cancelled.

[Adopted]

Siddons and Stirling Buildings, Russell-court, Drury-lane—(Clare Market scheme, re-housing)—Capital Vote, 17,305*l.*

2. In accordance with the Standing Order we present a statement submitted by the Housing of the Working Classes Committee of the estimated receipts and expenditure in connection with the erection of Siddons and Stirling buildings, Drury-lane. We also submit a statement to show the estimated effect of the erection of the dwellings on the county rate. The result shown by the calculations is an estimated annual surplus of 3*l.* 2*s.* 7*d.* after writing down the cost of the land to its value as a site for working class dwellings.

Siddons and Stirling Buildings.

Dwellings to be erected by the Council under Part I. of the Housing of the Working Class Act, 1890.

Accounts prepared to show the estimated effect on the county rate of these dwellings.

APPENDIX, No. 21—*continued.*

The following figures apply to the two blocks.

(a) Maintenance Account.

<i>Receipts.</i>		<i>Expenditure.</i>	
	£. s. d.		£. s. d.
To Gross rental	1,534 - -	By Rates and taxes	304 2 9
Less,—Empties and losses	30 13 7	„ Water rate, gas, and insurance	65 11 8
	1,503 6 5	„ Repairs and renewals	168 14 10
		„ Supervision and collection of rents	122 9 2
		„ Contingencies	38 7 -
			699 5 5
		„ Balance available for payment of interest and sinking fund	804 1 -
£.	1,503 6 5	£.	1,503 6 5

(b) Interest and Sinking Fund Account.

	£. s. d.		£. s. d.
To Balance brought down from main-tenance account	804 1 -	By Interest on cost, viz.—	
		Land (value for housing purposes) 4,000 - -	
		Buildings (including all incidentals) 17,305 - -	
		£. 21,305 - -	
		Interest at 3 per cent. on 21,305/.	639 3 -
		„ Sinking fund to replace capital raised, 21,305/., in 59 years by cumulative annuity at 2½ per cent.	161 15 5
		„ Estimated annual surplus	3 2 7
£.	804 1 -	£.	804 1 -

APPENDIX, No. 22.

LONDON COUNTY COUNCIL.—ANALYSIS OF ACCOUNTS OF WORKING CLASS DWELLINGS.

APPENDIX, No. 22. (See Question 4427.)

PAPER handed in by Lord Welby, 2nd May 1902.

LONDON COUNTY COUNCIL.

ANALYSIS OF ACCOUNTS OF WORKING CLASS DWELLINGS.

Dwellings.	Balances brought forward 1st April 1900. Surplus (+.) Deficiency (-.)	Add Income Tax refunded for prior years.	Adjusted Balance, 1st April 1900. — Surplus (+.) Deficiency (-.)	Receipts.	Expenditure.					
					Supervision and Collection of Rent.	Rates and Taxes.	Lighting, Water and Insurance.	Stores and Incidentals.	Repairs and Renewals. (Amounts set aside.)	
1.—SITES UPON WHICH THE COUNCIL										
Housing of the Work-Classes Act, 1890.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Part I.										
Cable-street dwellings	- 171 15 1	130 4 6	- 41 10 7	1,605 - -	72 4 6	303 8 8	81 18 6	2 14 1	200 - -	
Shelton-street dwellings.	- 123 2 7	77 7 2	- 45 15 5	1,454 3 -	65 8 9	327 - 8	61 3 8	3 7 2	160 - -	
Boundary-street estate (Goldsmith's-row cottages)	+ 1,305 8 2	569 4 2	+ 1,874 12 4	24,485 2 3	1,595 18 10	4,567 4 5	63,225 13 10	83 15 4	2,382 - -	
Churchway-dwellings, Wellesley-buildings.	- 109 16 11	48 15 2	- 61 1 9	457 5 9	20 11 6	91 14 1	21 6 4	- 7 4	60 - -	
	—	—	—	48 14 6	2 3 10	—	3 8 2	- 4 7	7 - -	
Part II.										
Brooke's-market dwellings.	+ 153 13 1	6 14 10	+ 160 7 11	272 9 -	12 5 3	43 14 5	13 - 5	2 7 9	32 - -	
*Ann-street dwellings	—	—	—	—	—	—	—	—	—	
Borough-road dwellings.	—	—	—	1,530 18 6	68 17 10	335 12 6	51 10 10	2 9 9	170 - -	
Green-street and Po-cock-street dwellings.	—	—	—	459 13 6	20 13 9	86 16 6	11 19 3	- - 10	60 - -	
Part III.										
Parker-street lodging-house.	+ 151 6 8	266 8 7	+ 417 15 3	2,904 - 11	863 2 2	371 1 3	6 533 8 3	49 7 10	220 - -	
Duffield-street dwellings.	- 360 1 11	113 7 10	- 246 14 1	576 12 9	51 19 -	103 17 7	24 16 8	5 11 7	100 - -	
Green-street and Gun-street dwellings.	+ 456 10 11	55 6 1	+ 510 17 -	1,643 18 6	73 19 6	307 7 8	56 13 11	1 14 1	200 - -	
Millbank estate - Holmwood-buildings (97, Southwark-st.)	+ 96 - 2	7 15 3	+ 103 15 5	2,824 12 6	145 19 8	458 4 -	137 9 11	5 2 6	281 - -	
	—	—	—	268 10 6	12 1 8	51 9 9	13 4 8	1 12 4	65 - -	
Thames Tunnel (Black-wall) Acts, 1887 and 1888.										
*Cotton-street dwellings.	—	—	—	—	—	—	—	—	—	
Total - - £.	+ 1,397 2 6	1,275 3 7	+ 2,672 6 1	38,531 1 8	3,005 6 3	7,047 11 6	4,235 14 5	158 15 2	3,037 - -	

(a) 169l. 0s. 8d., less commission on profits paid to the superintendent, amounting to 17s. 14s., leaving a net surplus of 151l. 6s. 8d.

2.—SITES UPON WHICH THE COUNCIL HAD NO OPTION BUT TO

Housing of the Work-Classes Act, 1890. Part I.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Brook-street dwellings	- 595 7 3	77 13 5	- 517 13 10	868 16 6	39 5 5	164 10 3	45 8 6	1 5 -	128 - -
Hughes-fields cottages	- 3,472 19 10	237 7 7	- 3,235 12 3	1,834 14 -	82 11 3	309 5 8	72 12 10	1 8 -	300 - -
Thames Tunnel (Black-wall) Acts, 1887 and 1888.	- 1,347 8 4	126 16 2	- 1,220 12 2	716 13 1	32 5 -	162 9 11	55 10 3	- 6 11	113 - -
Council-buildings - Westview, Armitage and Collierston cottages.	- 2,873 14 2	208 - 3	- 2,665 13 11	1,240 9 -	56 4 6	197 9 11	52 13 11	1 - 3	200 - -
Idenden-cottages -	- 346 6 9	89 13 10	- 256 12 11	1,025 18 -	46 3 3	177 2 -	49 2 8	2 11 7	140 - -
Total - - £.	- 8,635 16 4	739 11 3	- 7,896 5 1	5,695 10 7	256 9 5	1,010 17 9	275 8 2	6 11 0	881 - -
Total for all dwellings	- 7,238 13 10	2,014 14 10	- 5,223 19 -	44,226 12 3	3,261 15 8	8,058 9 3	4,511 2 7	165 6 11	4,818 - -
Percentage of receipts	-	-	-	-	7.38	18.22	10.20	37	10.89

* Dwellings not opened during year. Interest and sinking fund only charged.

APPENDIX, No. 22. (See Question 4427.)

PAPER handed in by Lord Welby, 2nd May 1902.

LONDON COUNTY COUNCIL.

ANALYSIS OF ACCOUNTS OF WORKING CLASS DWELLINGS.

Total.	Net Income.	Interest and sinking fund charges.			Result of Year's Working. Surplus (+.) Deficiency (-.)	Balances carried forward 31st March 1901. Surplus (+.) Deficiency (-.)	Unspent Accumula- tions on 31st March 1901, for Repairs and Renewals.	Accumula- tions of Sinking Fund to 31st March 1901.	Capital Expenditure to 31st March 1901.
		Interest (less Income Tax).	Sinking Fund.	Total.					
ELECTED TO BUILD.									
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
600 5 9	944 14 3	753 16 6	246 14 7	1,000 11 1	- 55 16 10	- 97 7 5	592 1 2	1,218 - 3	37,500 12 3
617 - 3	837 2 9	709 8 8	225 14 5	935 3 1	- 98 - 4	- 143 15 9	448 - 11	975 3 10	24,892 7 5
11,854 12 5	12,630 9 10	8,098 6 9	2,423 8 5	10,521 15 2	+ 2,108 14 8	+ 3,983 7 -	4,678 18 5	7,587 16 6	338,042 7 1
193 19 3	263 6 6	231 11 3	74 10 1	306 1 4	- 42 14 10	- 103 16 7	180 4 3	417 17 5	8,128 8 11
12 16 7	35 17 11	-	-	-	+ 35 17 11	+ 35 17 11	2 18 -	-	16,540 8 5
103 7 10	169 1 2	106 2 10	28 15 3	134 18 1	+ 34 3 1	+ 194 11 -	61 19 2	82 7 1	3,767 8 10
-	-	3 6 -	- 18 4	4 4 4	- 4 4 4	- 4 4 4	-	- 18 4	4,088 14 11
628 10 11	902 7 7	401 4 8	111 10 11	512 15 7	+ 389 12 -	+ 389 12 -	128 5 3	111 10 11	28,370 11 10
179 10 4	280 3 2	-	-	-	+ 280 3 2	+ 280 3 2	51 - 8	-	14,897 4 10
2,036 19 6	867 1 5	626 6 7	197 16 -	824 2 7	+ 42 18 10	+ 460 14 1	359 9 9 (overdrawn)	1,466 14 11	22,297 10 8
280 4 10	290 7 11	165 3 -	56 4 5	241 7 5	+ 49 - 6	- 197 13 7	94 17 5 (overdrawn)	424 6 5	6,614 10 11
639 15 2	1,004 3 4	702 7 6	207 18 -	910 5 6	+ 93 17 10	+ 604 14 10	530 10 11	707 - 8	24,934 18 4
1,027 16 1	1,796 16 5	797 17 1	224 12 1	1,022 9 2	+ 774 7 3	+ 878 2 8	309 16 7	290 10 9	103,810 18 8
143 8 5	125 2 1	87 16 9	24 8 5	112 5 2	+ 12 16 11	+ 12 16 11	39 13 8	24 8 5	5,119 14 10
-	-	49 17 8	13 17 4	63 15 -	- 63 15 -	- 63 15 -	-	13 17 4	8,776 2 2
18,334 7 4	20,146 14 4	12,753 5 3	3,836 8 3	16,589 13 6	+ 3,557 - 10	+ 6,229 6 11	6,569 1 10	13,320 12 10	647,782 6 1

(b) Including fuel.

BUILD, AS NO PURCHASERS COULD BE FOUND FOR THE LAND.

378 9 2	490 7 4	340 19 5	94 1 2	435 - 7	+ 55 6 9	- 462 7 1	136 3 4	684 3 -	16,809 4 5
765 17 9	1,068 16 3	1,121 19 9	356 6 11	1,478 6 8	- 409 10 5	- 3,645 2 8	1,204 1 2	2,148 8 8	39,379 11 3
363 12 1	353 1 -	485 6 6	151 14 7	637 1 1	- 281 - 4	- 1,504 12 3	177 8 7	997 14 11	17,041 7 -
507 8 7	742 - 5	953 3 -	299 3 4	1,252 6 4	- 510 5 11	- 3,175 19 10	462 2 10	1,926 11 6	33,456 4 2
414 19 6	610 18 6	530 18 10	175 4 4	706 3 2	- 95 4 8	- 351 17 7	386 - 5	734 1 3	18,656 10 6
2,430 7 1	3,265 3 6	3,432 7 6	1,076 10 4	4,508 17 10	- 1,243 14 4	- 9,139 19 5	2,365 16 4	6,490 19 4	125,342 17 4
20,814 14 5	23,411 17 10	16,185 12 9	4,912 18 7	21,098 11 4	+ 2,313 6 6	- 2,910 12 6	8,934 18 2	19,811 12 2	773,125 3 5
47.06	-	36.60	11.10	47.70	5.24	-	-	-	-

Add—
Contributions from Rates—

£. s. d.	
In prior years	4,223 14 1
In 1900-1	2,720 3 -
	6,943 17 1

Total Balance in hand on 31st March 1901 on all dwellings (after making contributions from rates) £. 4,058 4 7

15th October 1901.

H. E. Howard, Comptroller.

APPENDIX, No. 23.

(See Question 4488.)

PAPER handed in by Lord Welby, 2nd May, showing particulars of BUILDING SCHEMES which have been considered by the Housing of the Working Classes Committee and not proceeded with because they show a charge on the County Rate.

LONDON COUNTY COUNCIL.

(1) Estimated Capital Outlay.

Name of Scheme.	Estimated Capital Outlay.		
	Land.	Buildings.	Total.
	£.	£.	£.
Preston Road, Poplar, No. 1 plan - - -	5,450	52,496	57,946
Preston Road, Poplar, No. 2 plan - - -	5,450	49,284	54,734
Trafalgar Road, Greenwich - - - -	1,250	10,192	11,442
Kensal Road - - - - -	850	8,197	9,047

(2) Estimated Net Income.

Name of Scheme.	Estimated Rents receivable.	Estimated outgoings.	Estimated Net Income.
	£. s. d.	£. s. d.	£. s. d.
Preston Road, Poplar, No. 1 plan - - -	3,757 - -	1,878 10 -	1,878 10 -
Preston Road, Poplar, No. 2 plan - - -	3,757 - -	1,860 3 0	1,896 17 -
Trafalgar Road, Greenwich - - - -	819 - -	432 9 0	386 11 -
Kensal Road - - - - -	601 13 -	307 - -	294 18 -

(3) Charges for Interest and Sinking Funds.

Name of Scheme.	Interest at 3 per cent. on capital outlay.	Sinking Fund Charge.			Total Charge for Interest and Sinking Fund.		
		59 Years.	99 Years.	99 Years and excluding Land.	59 Years.	99 Years.	99 Years and excluding Land.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Preston Road, Poplar, No. 1 plan.	1,738 7 7	439 19 9	137 12 8	124 13 9	2,178 7 4	1,876 - 3	1,863 1 4
Preston Road Poplar, No. 2 plan.	1,642 - 5	415 12 -	130 - 1	117 1 2	2,057 12 5	1,772 - 6	1,759 1 7
Trafalgar Road, Greenwich.	343 5 2	86 17 7	27 3 6	24 4 2	430 2 9	370 8 8	367 9 4
Kensal Road	271 8 2	68 13 10	21 9 9	19 9 5	340 2 -	292 17 11	290 17 7

(4) Estimated Net Surplus (+) or Deficiency (-) after paying charges for Interest and Sinking Fund.

	59 Years.	Percentage on capital outlay.	99 years.	Percentage on capital outlay.	99 years and excluding Land.	Percentage on capital outlay.
	£. s. d.		£. s. d.		£. s. d.	
Preston Road, Poplar, No. 1 plan -	- 229 17 4	52	+ 2 9 9	004	+ 15 8 8	03
Preston Road, Poplar, No. 2 plan -	- 160 15 5	29	+ 124 16 6	23	+ 137 15 5	25
Trafalgar Road, Greenwich - -	- 43 11 9	38	+ 16 2 4	12	+ 19 1 8	17
Kensal Road - - - - -	- 45 4 -	50	+ 2 - 1	02	+ 4 - 5	04

APPENDIX No 24.

(See question 4497)

Paper handed in by Mr Henderson M.P., 2nd May 1902

CHART I.

Imperial Debt.

1881 - 1900.

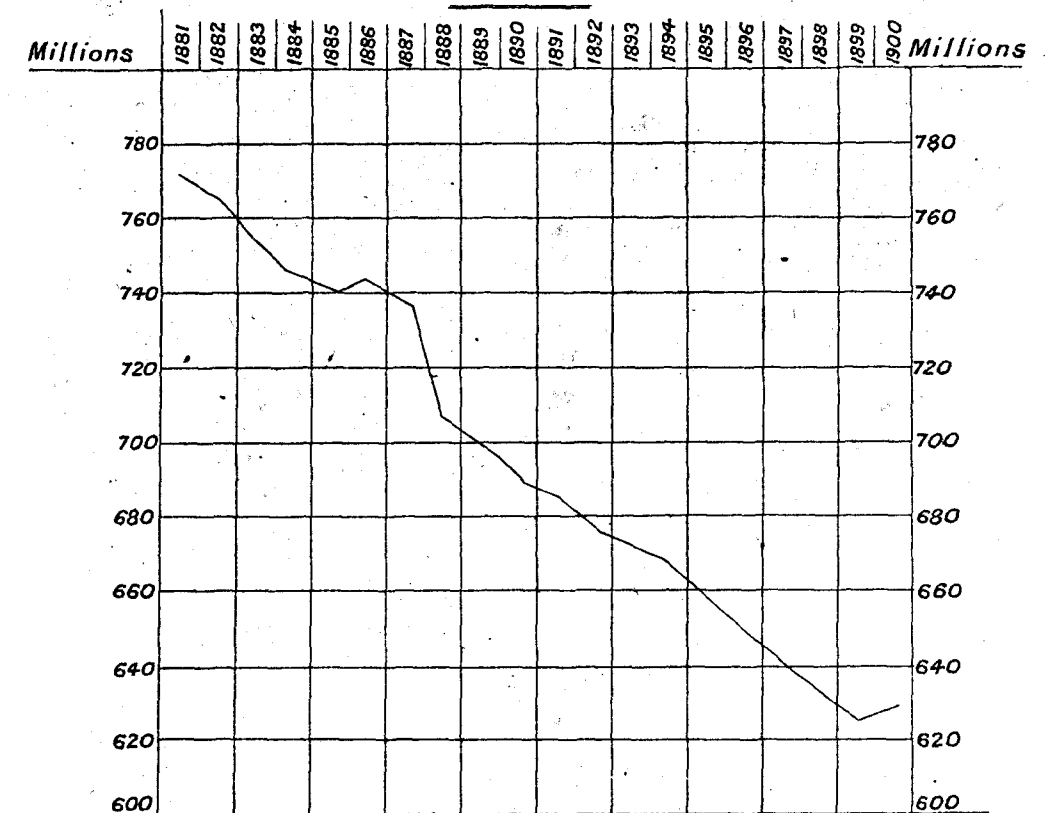


CHART 2.

Local Debt of England & Wales

1881 - 1900

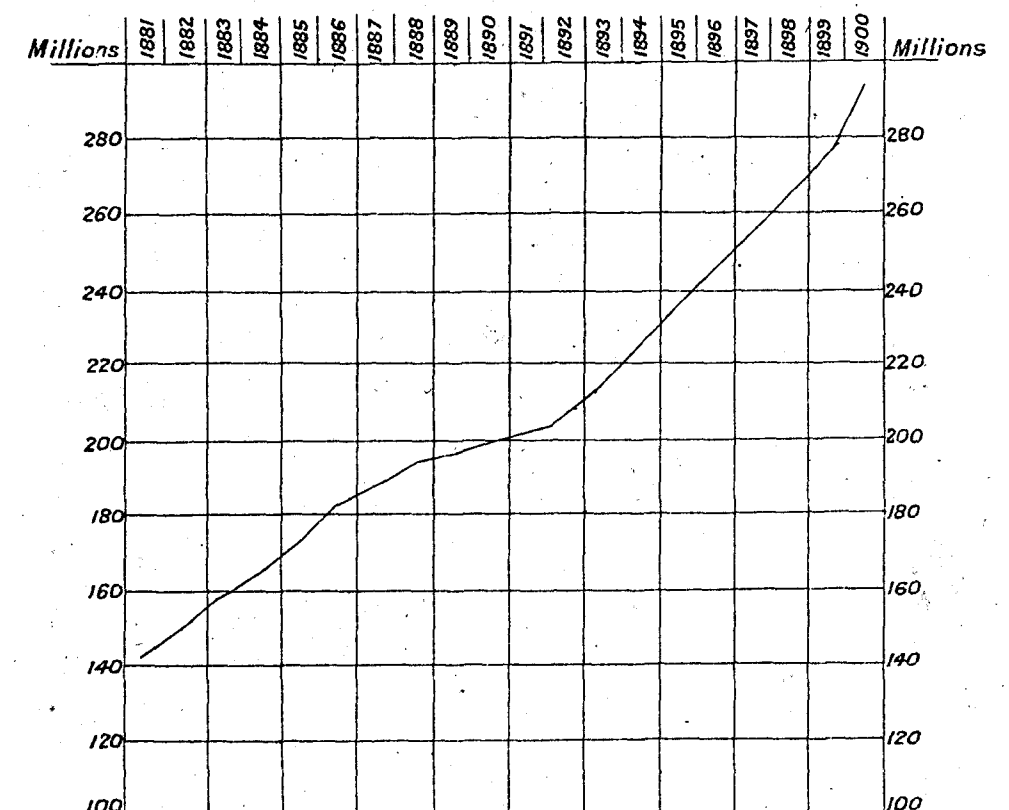
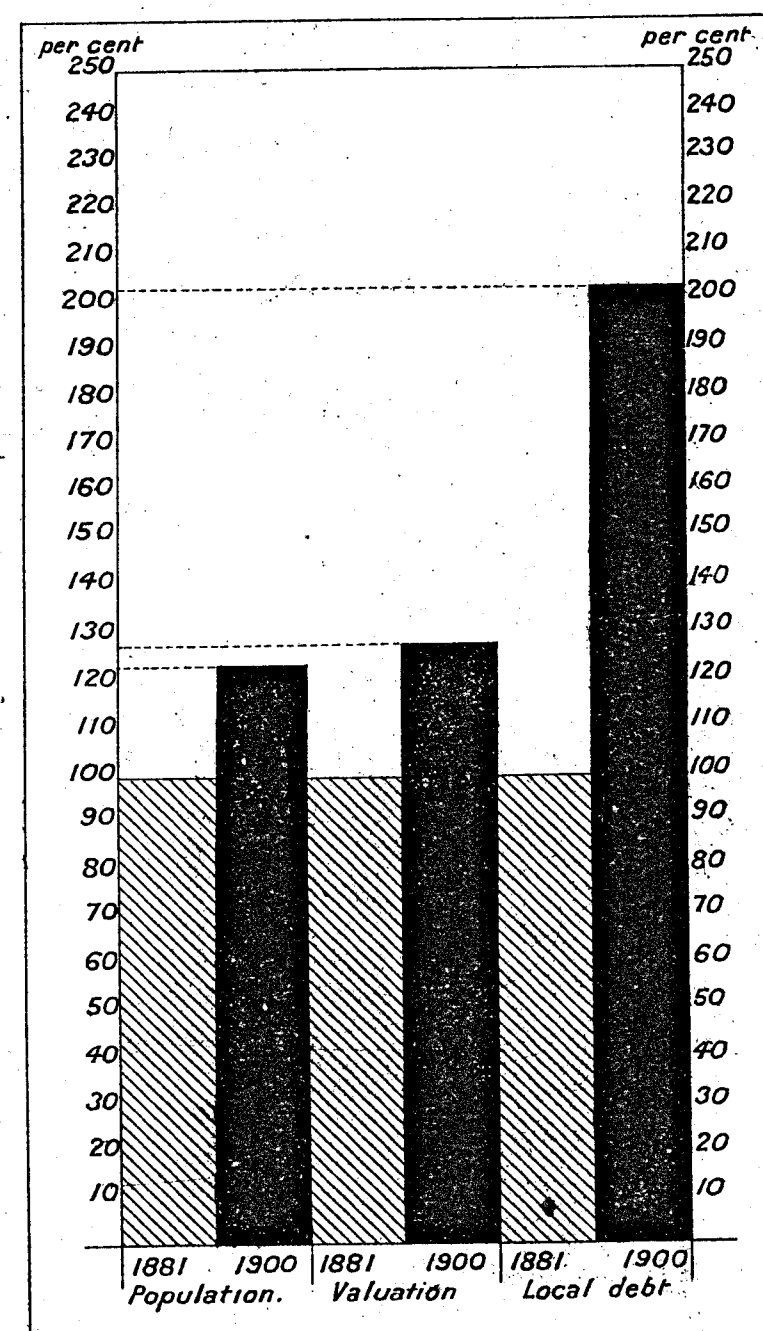


CHART 3.

*Increase of Local Debt
compared with that of
population and rateable
value 1881 1900.
(England & Wales)*



— 23% — 29% — 103%

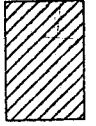
CHART 4.

*Local Debt outstanding (less amount in the sinking funds) per
£100 of Rateable Value in London & 8 representative towns 1901.*

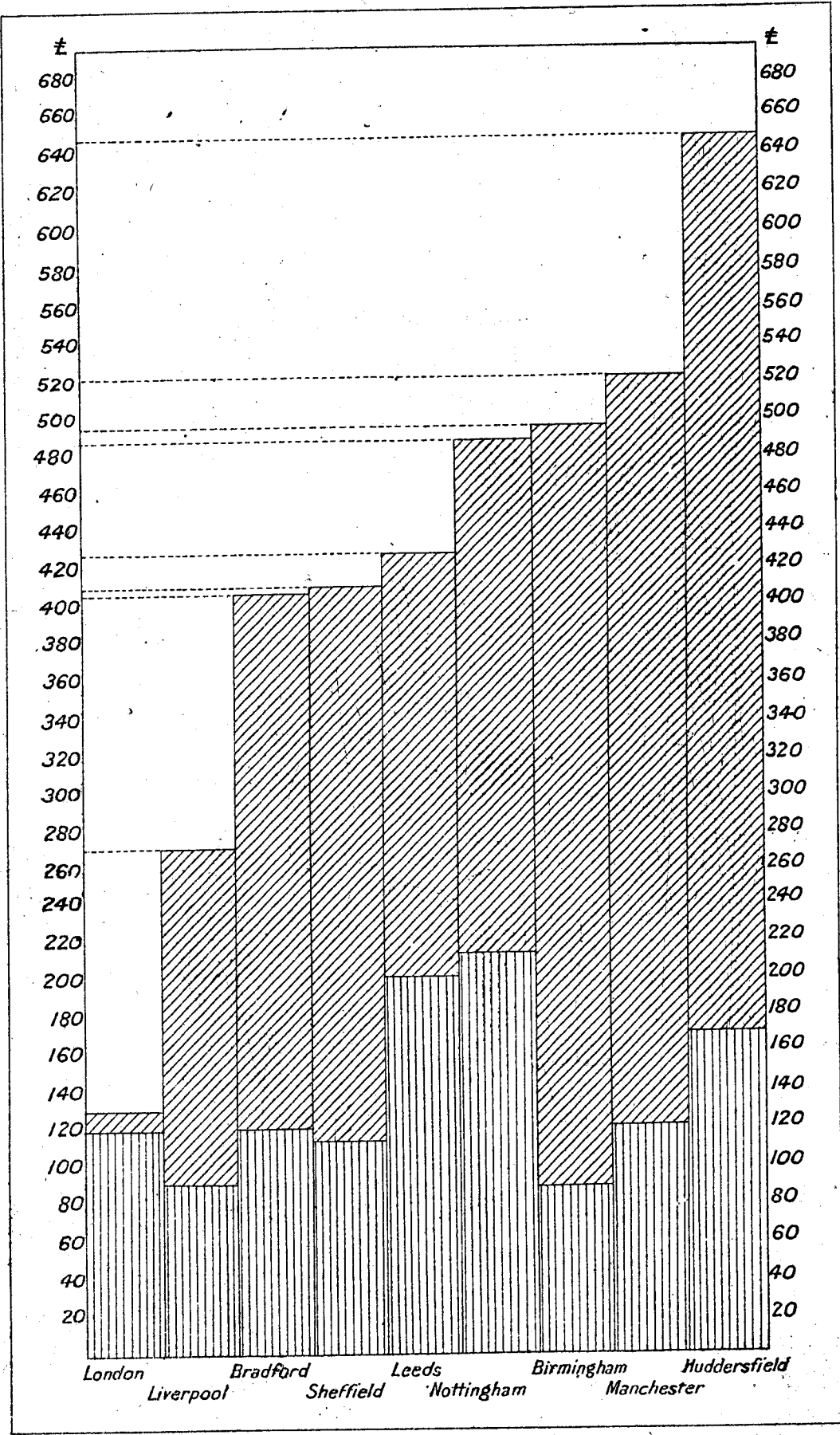
Non Trading Debt.



Trading Debt.



*Note.—Trading Debt comprises Debt for gas electricity,
water, markets, cemeteries, tramways & artisans' dwellings.*



APPENDIX, No. 24.

(See Question 4497.)

THREE CHARTS handed in by Mr. *Henderson*, M.P., 2nd May

APPENDIX, No. 25

PAPER handed in by Mr. *Henderson*, M.P., 2nd May 1902.

LOCAL GOVERNMENT BOARD MEMORANDUM.

A1

(See Question 4506.)

SINKING FUNDS.

Under most Local Acts passed since 1873 conferring borrowing powers on Local Authorities and under the Board's Stock Regulations, the Board receive annually Returns as to the provision made for the repayment of debt under those Acts and Regulations. The returns show that a considerable amount of debt is paid off every year, the sinking funds, loans funds, and redemption funds being used for this purpose. Those funds do not necessarily accumulate for the whole periods authorized for repayment. Some Local Authorities obtain their loans on terms which either necessitate or admit of parts being repaid from time to time. Where stock is issued, the Local Authorities are entitled to purchase the stock in the market, although they cannot compel stockholders to part with it before the period arrives at which it is redeemable. This power is exercised to some extent, but a very large proportion of the amount of the sinking funds unapplied at the present time represents the loans funds and redemption funds set aside for the redemption of stock. Where the Local Authorities buy up their own stock out of their loans funds and redemption funds, the stock is cancelled and the debt and the funds are correspondingly reduced.

The Local Taxation Returns show that against the sum of 2,042,000*l.* entered as paid into sinking funds in the year 1897-98 there must be set the sum of 970,000*l.* taken out of the funds and applied to reduction of principal in the same year.

Up to the 31st of March 1901, the Corporation of 21 provincial boroughs had been empowered by Local Acts and Provisional Orders to use moneys in the loans funds or redemption funds set aside for the redemption of stock in the exercise of authorised borrowing powers, instead of issuing further stock. The total amount which had been taken out of the funds up to that date in exercise of these powers, as shown by Returns made to the Board, was 1,297,000*l.*

A few local authorities have been authorized to use in a similar way moneys in sinking funds set aside for the repayment of loans raised on mortgage, but the Board have no definite information as to the extent to which this power has been exercised.

In exercising these powers the moneys are withdrawn from the respective funds and are no longer treated as forming part of the funds, but, on the other hand, the debt on the accounts from which the moneys are withdrawn is correspondingly reduced.

"Loans Fund" is the title given by numerous Local Acts (under which stock has been authorized by Parliament to be issued by Municipal Corporations) to the fund to be established for the redemption of the stock, and for the payment of dividends on the stock. It is, therefore, not solely a sinking fund for the discharge of capital. Accounts are kept as part of the Loans Fund Account showing separately (a) the amounts set aside for redemption of stock, and (b) for payment of dividends. The amounts under (a) would represent the sinking fund portion of the Loans Fund.

"Redemption Fund" is the title given by the Board's Stock Regulations, issued under Part V. of the Public Health Acts Amendment, 1890, to the fund to be established for the redemption of stock issued by a Local Authority under the Regulations. It is thus a sinking fund applicable to a particular class of debt.

"Sinking Fund" (the term used in the Local Taxation Returns) is the term generally applicable to the fund set aside for the repayment of debt, but when used in contradistinction to Loans Fund or Redemption Fund, it would generally apply to a fund set aside for the repayment of ordinary mortgage or debenture debt under Local or General Acts and not to stock.

Local Government Board, April 1902.

(See Question 4508.)

STATEMENT showing the names of Boroughs in which the Town Councils had, up to 31st March 1901, been authorised by Local Acts or Provisional Orders to use for new capital purposes moneys set aside for redemption of stock, and the amounts so used up to that date.

Name of Borough.	Act authorising the use of the Loans Fund or Redemption Fund and Transfer of Stock to borrowing on other Account.	Amount of Loans Fund or Redemption Fund so used.
1.	2.	3.
		£.
Birmingham - - - -	Birmingham Corporation (Stock) Act, 1900, and previous Acts.	849,697
Brighton - - - -	Brighton Corporation Act, 1900 - - - -	26,205
Bury - - - -	Bury Corporation Act, 1899 - - - -	—
Croydon - - - -	Croydon Corporation Act, 1900 - - - -	—
Derby - - - -	Derby Corporation (Tramways &c.) Act, 1899 - -	38,691
Dewsbury - - - -	Local Government Board's Provisional Order Confirmation (No. 2) Act, 1900.	12,000
Hastings - - - -	Hastings Corporation Act, 1900 - - - -	8,325
Leicester - - - -	Leicester Corporation Act, 1897 - - - -	71,694
Liverpool - - - -	Liverpool Corporation Loans Acts, 1894 and 1897 -	65,324
Newcastle-upon-Tyne -	Newcastle-upon-Tyne Tramways and Improvement Act, 1899.	39,338
St. Helens - - - -	St. Helens Corporation Act, 1898 - - - -	20,695
Scarborough - - - -	Scarborough Corporation Act, 1900 - - - -	—
Southport - - - -	Local Government Board's Provisional Order Confirmation No. (5) Act, 1899.	21,185
South Shields - - - -	South Shields Corporation Act, 1900 - - - -	—
Stockport - - - -	Stockport Corporation Act, 1899 - - - -	—
Taunton - - - -	Taunton Corporation Act, 1900 - - - -	8,060
Walsall - - - -	Walsall Corporation Act, 1900 - - - -	—
West Bromwich - - - -	Local Government Board's Provisional Order Confirmation (No. 11) Act, 1899.	21,800
Wigan - - - -	Wigan Corporation Act, 1898 - - - -	28,500
Wolverhampton - - - -	Wolverhampton Corporation Act, 1899 - - - -	85,996
		£.
		1,297,510

APPENDIX, No. 26.

(See Question 4514.)

TABLE handed in by Mr. Henderson, 2nd May 1902.

MUNICIPAL ELECTRIC LIGHT.

LOSSES IN 1900-1901.—Compiled from the latest Annual Report made by the Electrical Department of each Town.

MUNICIPALITY.	Capital Expended.	Loss on Working in 1901 after providing for Interest on Sinking Fund.	Population.	Number of Consumers.	Average Price per Unit for Private Lighting.
	£.	£.			d.
Salford	186,766	7,489	218,000	401	3.33
Paisley	74,684	4,723	79,355	241	4.35
Glasgow	836,146	4,517	762,000	4,031	2.84
Dublin	94,136	4,265	252,239	—	6
Cheltenham	112,827	3,638	48,944	—	4.64
Leyton	98,022	3,292	98,899	592	3.84
Shoreditch	170,383	3,266	124,000	676	3.08
Derby	125,750	2,870	105,785	—	4.25
Southampton	115,637	2,793	104,911	—	5.32
Newport	97,499	2,760	68,000	458	5.07
Kingston	59,954	2,721	34,375	376	5.72
Edinburgh	707,036	2,690	316,479	4,443	3.01
Bristol	299,260	2,557	321,908	1,507	3.99
Govan	33,303	2,532	80,000	280	—
West Ham	105,898	2,499	267,308	490	3.43
Coventry	75,813	2,250	73,000	—	4.57
Morley	24,181	2,002	23,638	85	4.64
Plymouth	92,175	1,907	107,509	—	4.50
Darwen	38,187	1,756	38,211	178	4.50
Hastings	102,256	1,741	68,000	550	5.20
Carlisle	44,779	1,666	45,478	163	3.70
Eccles	18,798	1,606	34,369	109	4.23
Bradford	280,258	1,450	279,809	1,277	3.04
Watford	28,681	1,356	30,000	170	5.67
Whitehaven	26,786	1,295	20,020	—	4.06
Bath	78,450	1,239	49,817	330	5.08
Lincoln	36,993	1,144	48,784	261	3.99
Ayr	56,158	1,127	28,000	450	4.68
King's Lynn	37,397	1,068	21,150	300	4.98
Islington	322,334	1,027	334,906	578	5.10
Barking	23,515	1,006	21,547	138	4.37
Redditch	16,532	931	13,493	181	4.52
Shrewsbury	31,715	928	28,396	240	4.35
Barrow	37,839	961	57,584	183	4.32
Bedford	77,769	912	35,144	591	4.13
Ashton-under-Lyne	44,848	907	43,890	—	4.53
Greenock	40,425	904	68,190	—	4.17
Torquay	32,069	882	33,625	279	5.26
Portsmouth	179,134	867	189,160	—	4.37
Yarmouth	44,412	731	49,318	—	5.09
Leith	44,042	729	76,667	225	3.39
Morecambe	52,408	677	11,798	330	4.95
Bury	46,300	657	58,028	254	5.12
Hanley	73,330	641	61,524	559	4.39
Monmouth	9,010	607	5,095	51	—
Stafford	24,781	546	20,894	—	2.93
Ealing	108,907	542	35,950	800	6.38
Dundee	73,829	541	160,871	617	3.74
Stockport	33,887	535	78,871	—	3.53
Tunbridge Wells	56,013	482	33,000	600	4.85
Birkenhead	66,455	479	110,926	273	4.38
Oldham	80,173	470	137,238	511	3.41
Dewsbury	38,563	257	30,000	216	4.59
Blackpool	142,750	205	50,000	950	4.10
Bexhill	23,539	199	12,210	190	4.97
Wolverhampton	92,284	131	96,000	461	4.31
Leigh	10,917	101	40,001	82	3.69
Hereford	20,781	85	21,382	113	5.42
Gloucester	54,383	63	47,943	213	3.91
Southwark	57,313	38	120,939	179	4.20
£.	6,018,470	92,280			

Depreciation at 3 per cent. on 6,018,470. - - - - - £. 180,554

Total Loss on Year's Working - - - - - £. 272,834

APPENDIX, No. 27.

(See Question 5523.)

PAPER handed in by Mr. J. R. Fitzgerald, 13th May 1902.

COUNTY COUNCILS ASSOCIATION.

SUMMARY of replies to Circular, dated the 22nd March 1902, in regard to the period for the Repayment of Loans by Local Authorities, &c.

Berks	- - - - -	In the absence of exceptional circumstances, the repayment of loans should not be extended over a period of 30 years.
Finance Committee.		
Bucks	- - - - -	Wish for no alteration. The minimum limit of 30 years has been found applicable to all the cases the Finance Committee have had to deal with.
Chairman, County Council and Chairman, Finance Committee.		
Cheshire	- - - - -	The practice of the Council, when applying to the Local Government Board to sanction loans, is to ask for such period of repayment, as in the opinion of the Board is fair and equitable as between present and future ratepayers, and the Council has had no reason to complain of the lengths of the periods sanctioned.
Chairman, Finance Committee.		
Derbyshire	- - - - -	Loans should be classified under three heads:—
Finance Committee.		
		(1) For permanent works, such as water works, county buildings, &c., which are for the benefit of present and future generations; period for repayment up to 60 years;
		(2) For works of a quasi permanent character, such as sewage disposal, hospitals, &c., which might, owing to increased population or other causes require complete reconstruction or renewal, and which would probably be only for the present and next succeeding generations; period for repayment not exceeding 35 years;
		(3) For works of a temporary or less permanent character, such as hospital or asylum equipment, or small loans for street improvements in certain cases; period for repayment not exceeding 20 years.
		County Councils should have power to sanction small loans (not exceeding, say, 1,000 <i>l.</i>) to local authorities. Such loans to be reported to the Local Government Board, but not to be subject to their sanction.
Dorset	- - - - -	Limitation to borrow by way of mortgage should be repealed (Section 69 (9) of the Local Government Act of 1888).
Chairman, Finance Committee.		Recommends consolidation of the stock of all authorities to be managed by a Government Department.
		[This apparently is not within the terms of reference.]
Essex	- - - - -	Does not wish for any relaxation of existing conditions.
Chairman, Finance Committee.		
Herefordshire	- - - - -	(1) The period for the purchase of land should be extended to 50 years.
Finance Committee.		(2) Thirty years should be allowed for permanent buildings;
		(3) Some period, not exceeding 10 years, should be allowed for buildings of iron or non-permanent nature, and also for bedding and other equipment for, e.g., a lunatic asylum.
Herts	- - - - -	Questions whether, on general grounds of policy, it is wise to extend the period for repayment, and encourage local authorities to unduly increase their expenditure on capital account.
Clerk.		
Lancashire	- - - - -	Section 69 (5) of the Local Government Act, 1888, which limits the period of borrowing to 30 years, ought to be repealed, and the Local Government Board should be empowered to fix the periods, as they now do in the case of boroughs and urban districts. The restriction on borrowing, under 69 (2) of the same Act, which limits the total debt of a County Council to one-tenth of its rateable value, should be abolished. The Public Health Act fixes the limit at two years' rateable value.
Clerk.		
Leicestershire	- - - - -	County Councils should be placed in the same position as County Boroughs.
County Council.		
Lincolnshire (Kesteven)	- - - - -	It is necessary to seek for a greater uniformity in the periods granted for the repayment of loans by local authorities.
County Council.		

Lincolnshire (Lindsey) Finance Committee.	-	-	The period ought to be extended, and uniformity of practice in the repayment of loans by all local authorities is desirable.
Middlesex Finance Committee.	-	-	(1) The period of 30 years, in 69 (5) of the Local Government Act 1888, should be altered to 60 years, the period allowed to District Councils; (2) Sub-section 9 of the same section should be repealed, which provides that where a County Council have borrowed by means of stock they shall not borrow by means of mortgage, except for a period not exceeding five years.
Monmouthshire Chairman, County Council and Chairman, Finance Committee.	-	-	The period for the repayment of loans should be considerably extended beyond the 30 years for county loans and the 20 years for police loans.
Northamptonshire Finance Committee.	-	-	Have no recommendation to make.
Northumberland Chairman, Finance Committee.	-	-	Is not in favour of any extension.
Notts Finance Committee.	-	-	If any change is to be made, it should be in the direction of wider latitude being given to the authority to deal with each case on its merits.
Oxfordshire Clerk.	-	-	Have experienced inconvenience in respect of asylum loans when the County Council and County Borough are in union, and the former borrows and the latter contributes. The county can only borrow for 30 years, and the borough might have borrowed for 60.
Somerset Finance Committee.	-	-	It is only reasonable that any statutory power for loans enacted for municipal authorities should apply equally to the loans of County Councils.
Suffolk, East, Chairman, Finance Committee.	-	-	Loans for permanent buildings might be extended over a period of 50 years; but this should only be allowed in case of permanent works, as otherwise it would lead to extravagance.
Suffolk, West, Chairman, Finance Committee.	-	-	Uniformity is desirable, whether the period for repayment is 30 years or longer.
Surrey Finance Committee.	-	-	Would be glad to see the period of 30 years extended in the case of works of a permanent character. The limit of one-tenth of the annual rateable value, up to which a county may borrow, should be considerably increased, or means for increasing that limit should be simplified.
Sussex, East (Small Committee of the Council.)	-	-	The limit of 30 years, under the Local Government Act, 1888, is, in many cases, such as loans for the purchase of lands or the erection of buildings, too brief. The period for the repayment out of the rates of a loan raised by a public body should be regulated by the character of the purposes for which the loan is raised, rather than by the nature of the public body which raises it; and there is no sufficient reason for imposing a specially brief period on a County Council.
Sussex, West Finance Committee.	-	-	Agree with East Sussex.
Warwickshire Chairman, Finance Committee.	-	-	Period usually allowed is enough, as in most instances large sums are spent in repairs before the 30 years have expired.
Wight, Isle of Chairman, Finance Committee.	-	-	Present period of 30 years should not be extended. (1) Public bodies are inclined to throw burdens unduly on future generations; (2) Costly buildings or other works may after the lapse of a generation be found no longer to fulfil their objects, or may even become obsolete; (3) The value of money and rate of interest is liable to change.
Worcestershire Chairman, Finance Committee.	-	-	Period should be restricted, as the debts of County Councils and other public bodies are advancing by leaps and bounds; and the terms for repayment should not be made too easy. Uniformity of practice is most desirable.
Yorkshire (East Riding) Finance Committee.	-	-	No alteration in the existing law is necessary or desirable.
Yorkshire (North Riding) Finance Committee.	-	-	No change in the existing law is desirable.

23 April 1902.

J. R. FitzGerald,
Secretary.

The above* were considered by the Executive Council of the County Councils Association on the 23rd April, when the following Resolution was passed:—

"That it is desirable that on this question County Councils should not be placed in a less favourable position than other local authorities."

* With the exception of the opinions of the Finance Committees of the County Councils of Surrey and the North Riding of Yorkshire, which have been received since the date of the meeting in question.

TATEMENT showing position with regard to Annual Charges in respect of Sinking Fund and Interest, in ten years time, (a) with periods as shown in Column 1 of Town Clerk's statement, and (b) if only 31 years had been allowed.

Period.	(1)	Purpose.	(2)	Amount Borrowed.	(3)	Date of Borrowing.	(4)	Contribution to Sinking Fund at 3 per cent. based on periods in Column 1.	(5)	Contribution to Sinking Fund at 3 per cent. if 30 years had been fixed.	(6)	Net Saving (-) or Additional Charge (+) on Sinking Fund in 1912-1913 if 30 years had been fixed.	(7)	Interest at 3 per cent. (Period as in Col. 1).	(8)	Interest at 3 per cent. (Period - 30 years).	(9)	Saving in Interest in 1912-13 if 30 years had been fixed.	(10)	Total Net Saving (-) or Additional Charge (+) in 1912-13 on account of shorter period.	(11)
50 (from 1876)		Waterworks		£. 79,126		1856, 75		£. 702		£. nil		£. 702		£. 2,374		£. nil		£. 2,374		£. - 3,076	
80		Ditto		56,046		before 1883		420		nil		+ 1,239		4,050		2,369		1,631		- 442	
60		Gasworks		78,954		since 1882		1,411		nil		- 1,182		6,900		326		6,574		- 7,756	
45		Street Works		219,116		before 1883		226		nil		+ 131		630		510		120		+ 11	
45		Depôt and Destructor		10,884		since 1882		108		210		+ 102		300		300		-		+ 102	
50		Sewerage		4,000		after 1884		789		nil		- 789		2,671		nil		2,671		- 3,460	
		Ditto		17,000		before 1883		344		671		+ 327		957		957		-		+ 327	
(say 50)				31,912 (say) 300,000		after 1884		2,660		6,306		+ 3,545		9,000		9,000		-		+ 3,646	
		Total		896,088				6,660		9,432		+ 2,772		26,882		13,462		13,420		- 10,648	
																				Saving if 30 years had been fixed.	

Note.—Approximately 150,000*l.* seems to have been borrowed, under the headings given, during the last ten years, and it has been assumed that twice that amount will be borrowed during the next ten years. The Town Clerk thinks that capital expenditure will diminish - 2,257*l.*

APPENDIX, No. 28.

(See Question 5710.)

PAPER handed in by Mr. Kershaw, 13th May 1902

DEWSBURY LOANS.

APPENDIX, No. 29.

(See Question 5718.)

PAPER handed in by Mr. Kershaw, 13 May 1902.

Instances in which the Local Government Board have found that works have failed from various cause

I. Failure through defective execution of works.

1. RESERVOIR constructed at a cost of 15,000*l.* Works completed in 1898, but owing to unauthorised deviations from the plans submitted to the Board and to bad workmanship and colliery subsidence, the reservoir was in a condition to hold water, and work had to be undertaken at a cost of 5,360*l.* to make good the defects. The Board are sanctioning a loan repayable in five years to defray this expenditure.

2. A very large reservoir which was completed in 1878, developed leaks in a very short time, and instead of holding 75,000,000 gallons as designed, the local authority only ventured to fill it to the extent of 30,000,000 gallons. The defects, which have proved to be due to bad design and workmanship, are now being remedied at a cost of 20,000*l.*

3. Works of sewage disposal which were carried out for a rural parish about 1886 have been found to be thoroughly unsatisfactory, owing apparently to variations from the scheme as approved by the Board, and it would appear from evidence given at a recent local inquiry that the sewers which were laid at the same time are, owing to bad workmanship, also in a very defective condition.

4. In the case of a small urban district a scheme of sewerage and sewage disposal which has been carried out since 1895 at a cost of 4,000*l.*, and intended to deal with the sewage from a population of 5,000 persons, is to be almost entirely superseded, and the council are applying for a further loan of 4,323*l.* for fresh works of sewerage and sewage disposal.

The explanation of this appears to be that the sewers and outfall works were in the first instance designed at a lower level than the circumstances of the district required, and the District Council are carrying out the new scheme in order to avoid the pumping of the sewage.

5. A reservoir in respect of which the Board sanctioned a loan of 4,420*l.* in 1897 showed signs of weakness during construction, parts of the works settling and some of the walls developing serious cracks. The Board sent an inspector to investigate the matter, and he found that the failure appeared to be mainly due to bad workmanship and the use of bad and unsuitable materials. The matter is still under consideration.

II. Failure of works from accidents, storms, subsidence, and other causes which could not be foreseen.

1. A sewer laid in 1871 out of a loan of 1,400*l.* was broken up and made useless by subsidence of the ground due to coal workings. There was no outstanding debt of the old work, but the sewer only just lasted the period usually allowed.

2. A sea wall in respect of which a loan of 10,200*l.* was sanctioned, and which was completed about September 1901, was found in January 1902 to have been damaged by inroads of the sea and was in considerable danger of being utterly destroyed. A loan of 2,000*l.* has been sanctioned for the construction of groynes to protect the wall.

3. A local authority have recently obtained sanction to a loan of 250*l.* for replacing a sewer laid in 1880, the latter having sunk owing to subsidence from mining.

4. A corporation executed works of sewage disposal out of loans sanctioned by the Board in 1893 and subsequently. The scheme provided for chemical and land treatment of the sewage before its discharge into tidal waters, and was carried out by the council according to the approved plans, but an action was nevertheless brought against the authority in 1900 for nuisance arising from the pollution of the tidal waters referred to by effluent from the outfall works. An injunction was granted and the corporation were ordered to pay the costs of the action, amounting to 6,500*l.*, besides the large expense which will have to be incurred by them in improving their outfall works as a consequence of the proceedings.

III. Works superseded in consequence of alterations of boundaries, increase of population necessitating different arrangements, &c.

(No deduction made in these cases as a rule.)

1. The recent incorporation of a parish in a city has led to the abandonment of the sewage disposal land and works provided for the parish, although there is outstanding debt thereon to the amount of 2,146*l.* Many of the sewers also will, for the same reason, be superseded.

2. Owing to the growth of a borough the existing dépôt and stabling accommodation of the corporation has had to be extended this year, the work involving the supersession of portions of the existing buildings in respect of which there was debt outstanding.

3. One of the new metropolitan boroughs is finding it necessary to build new municipal offices, the existing accommodation being totally inadequate.

4. A Town Council are now applying for a Provisional Order to enable them to acquire for sewage disposal lands situate at some distance from the borough and the proposal includes the abandonment of a number of sewage farms which have become unsuitable owing to the growth of the borough and the increase of population in close proximity to the sites.

5. Electric

5. Electric lighting undertaking purchased in 1896 at cost of 7,500*l.* Further sums of 3,500*l.* and 7,000*l.* since expended on the works. Owing to the increased demand for light the town council are now proposing the construction of an entirely new installation at a cost of 70,000*l.* The existing works are incapable of extension and are to be abandoned.

6. A corporation are promoting a Bill in Parliament this Session for the acquisition of new sources of water supply, the existing sources from which the borough is supplied, which were purchased as part of an undertaking out of a loan of 60,000*l.* sanctioned in 1879, having proved insufficient and unsatisfactory. The new scheme is estimated to cost 90,000*l.*, and a further sum of 30,000*l.* is proposed to be spent on the water undertaking of the corporation generally.

IV. Instances of suppression of works in consequence of inventions, or to make improvements.

1. Some existing water filters on which there was an outstanding debt of 3,074*l.* are being altered at a cost of 4,800*l.* to convert them into a new and improved type.

2. In one instance the rain water drainage system of some asylum buildings which had been constructed five years before at a cost of 200*l.* was re-constructed and re-arranged in 1902 at a cost of 1,765*l.* Only 50*l.* worth of the original work was retained.

3. Sewage disposal works provided by an Urban District Council in 1894 are now proposed to be abandoned; the District Council contemplating a resort to bacterial treatment on another site.

4. The Town Council of an important city are now putting forward a scheme for treating bacterially the whole of the sewage of the city; and these proposals will involve the abandonment of most of the existing arrangements for the treatment of the sewage, on which loan balances are outstanding.

5. In consequence of the growth of a gas undertaking belonging to a Town Council it has become necessary (this year) to alter existing railway sidings, and to make additional sidings in connection with the works.

The alterations involved the supersession of existing works on which there was an outstanding debt estimated at 400*l.*

V. Miscellaneous cases.

1. A reservoir constructed out of a loan sanctioned for 30 years in 1867 showed signs of leakage after 25 years and eventually (before the loan was wholly repaid) failed altogether.

2. An Urban District Council have this year applied for sanction to a loan of 250*l.* for refuse destructor purposes, but on the usual inquiry as to superseded work being put to them, the District Council withdrew the application, stating that the works were in supersession of other works, the subject of an existing loan. The District Council's destructor was first provided out of a loan sanctioned in 1898.

3. A system of sewage disposal established by a Town Council between 1876 and 1882 was found to be unsatisfactory as early as 1890, owing mainly to the fact that the Board had in the meantime declared the tidal waters into which the effluent discharged to be a stream within the meaning of the Rivers Pollution Prevention Act, and the Town Council are now contemplating a substitutional scheme.

4. More than 13,000*l.* have been expended since 1892 by the local authority of a parish having a population of less than 5,000 in endeavours to obtain an adequate supply of water, but without success. The first scheme was carried out under Local Act powers, but the supply proved insufficient. A scheme for obtaining an auxiliary supply was completed, but proved a total failure, and the District Council are still casting about for other sources of supply.

5. Works of sewage disposal carried out for a rural parish by means of a loan sanctioned in 1877 have failed during the last few years, and the resulting pollution of a stream has caused litigation with an adjoining landowner. Further works are now being carried out at a cost of 4,250*l.*, for which sanction to a loan is asked.

6. Sewage disposal works, constructed by a Town Council in 1880 at a cost of 4,800*l.*, are now to be abandoned in favour of a new scheme, and the pumping machinery, which cost 4,500*l.* at the same time, and which is now stated to be inefficient, and unsuitable for the purposes of the new scheme, is also to be superseded.

7. Owing to the rapid growth of a borough it has become necessary to carry out further sewerage works to relieve sewers laid about 27 years ago, and at the same time, in order to protect the existing outfall sewer from the action of the tides, a new retaining wall is being built. The new works are estimated to cost 16,000*l.*

8. A Joint Hospital Board recently obtained sanction to a loan, which included the cost of sinking a well for supplying the hospital with water. This part of the work has, however, proved unsuccessful, and a further loan is now required for the purpose of laying on water from another source.

9. An Urban District Council have found it necessary to remodel their sewage outfall works, in consequence of the unsatisfactory nature of the effluent obtained from them, and the new proposals involve the abandonment of some of the works which were paid for out of a loan sanctioned in 1895. The outstanding debt on the abandoned works is 90*l.* The failure of the original works is attributed to the trade refuse from a margarine factory recently established in the district.

APPENDIX, No. 30.

(See Question 5722.)

PAPER handed in by Mr. Kershaw, 13 May 1902.

I.

Instances of Large and Rapid Increases of Population within given areas.

Name of Place.	POPULATION.											Total Increase per cent.
	1851.	1861.	Increase per cent.	1871.	Increase per cent.	1881.	Increase per cent.	1891.	Increase per cent.	1901.	Increase per cent.	
West Ham	-	38,331	-	62,919	64	128,953	105	204,903	59	267,308	30	Years. 597-40
Leicester	60,584	68,056	12	95,220	40	122,378	29	174,024	28	211,574	21	213-50
						136,593						
Cardiff	18,351	32,954	79	39,536	20	82,761	109	128,915	56	164,420	28	796-50
Croydon	-	30,240	-	55,652	84	78,953	42	102,695	30	133,885	30	343-40
Willesden	-	-	-	15,869	-	27,613	74	61,265	122	114,815	87	618-30
Rhondda	-	-	-	23,950	-	55,632	132	88,351	59	113,735	29	375-30
Tottenham	-	13,240	-	22,869	73	46,456	103	71,343	95	102,519	44	885-40
						36,574						
Leyton	-	-	-	11,602	-	27,026	133	63,106	133	98,899	57	754-30
East Ham	-	-	-	4,334	-	9,713	124	32,712	206	95,989	193	1309-30
						10,706						
Walthamstow	-	-	-	10,692	-	21,715	103	46,346	113	95,125	105	789-30
Middlesbrough	-	18,922	-	39,563	108	55,934	41	75,532	35	91,317	21	381-44
Hornsey	-	-	-	11,745	-	22,485	91	44,523	98	72,056	62	513-30
Grimsby	8,860	11,057	25	20,244	83	28,503	41	51,934	30	63,138	22	410-50
						40,010						
West Hartlepool	-	12,603	-	21,110	67	28,523	35	42,815	45	62,614	46	379-40
						29,448						
King's Norton	-	-	-	-	-	-	-	28,300	-	57,120	101	101-10
Wallasey	-	-	-	14,944	-	21,192	42	33,229	57	53,580	61	259-30
Handsworth (Staffs.)	-	-	-	14,359	-	22,896	59	32,756	43	52,921	62	269-30
Abertillery	-	-	-	-	-	6,003	-	9,138	81	21,955	102	207-20
						10,846						

(2) There was some uncertainty about the areas enumerated in these cases.

The absence of any figures for the earlier censuses in some of these cases is generally due to the places concerned not having been recognised as "Urban" in character at the time those censuses were taken.

In cases in which double figures are shown an alteration of area has taken place, and the figures show the population of the old and new areas, respectively. The percentages immediately following these numbers show the rate of increase with in the old area, and the total rate of increase in these cases is calculated from the decennial rates of increase.

II.

Instances of Decreases of Population within given Areas.

Name of District.	1851.	POPULATION.										
		1861.	Decrease per cent.	1871.	Decrease per cent.	1881.	Decrease per cent.	1891.	Decrease per cent.	1901.	Decrease per cent.	Total Decrease per cent.
Birkenshaw	-	-	-	3,833	-	2,699	5	2,553	5	2,172	15	23 in 30
Bishop's Castle	-	-	-	-	-	1,788	-	1,586	11	1,378	13	23 " 20
Bracebridge	-	-	-	-	-	2,236	-	1,752	-	1,752	22	22 " 10
Barkisland	-	-	-	-	-	2,102	-	1,835	13	1,720	6	18 " 20
Bethesda	-	-	-	-	-	6,969	-	5,799	17	5,231	9	24 " 20
Buglawton	-	2,014	-	1,629	19	1,550	5	1,382	11	-	-	31 " 30
Cleator Moor	-	-	-	-	-	10,420	-	9,464	9	8,121	14	22 " 30
Denholme	-	-	-	-	-	3,549	-	3,237	9	2,913	10	18 " 20
Gunthwaite and Ingbirchworth	-	-	-	-	-	405	-	389	4	331	15	18 " 20
Netherthong	-	1,097	-	1,902	-	936	14	965	-	708	17	26 " 30
						850						
Scammonden	-	1,012	-	803	21	607	24	453	25	360	20	64 " 40
Westbury, Wilts.	-	-	-	-	-	-	-	4,439	-	3,000	26	16 " 10
Falmouth	-	5,709	-	5,294	7	4,373	17	4,737	20	11,773	8	44 " 40
						5,973		12,791				
Monmouth	-	-	-	-	-	6,111	-	5,470	10	5,095	7	17 " 20
Padstow	-	-	-	1,991	-	1,749	12	1,546	12	-	-	22 " 20
Tetbury	-	-	-	-	-	2,419	-	2,173	10	1,949	8	18 " 20
Wiveliscombe	-	-	-	2,059	-	1,624	21	1,424	12	1,417	1	31 " 30
Kirklington-cum-Upsland	-	311	-	292	6	249	15	-	-	-	-	20 " 20
Northowram	-	-	-	3,725	-	3,294	12	3,014	8	-	-	19 " 20
South Molton	4,482	3,830	14	3,978	-	3,340	-	3,126	6	2,848	8	36 " 50
Wells, Norfolk	3,633	3,098	15	3,044	12	2,645	13	2,555	4	2,194	2	39 " 50
		3,464						3,082				
Whittlesey	5,472	4,496	18	4,297	4	3,682	14	3,556	3	-	-	35 " 40
Wigton	4,244	4,011	5	3,425	15	-	-	-	-	-	-	19 " 20
Southwell	3,516	3,095	12	2,400	22	-	-	-	-	-	-	32 " 20

In cases in which double figures are shown an alteration of area has taken place, the percentages immediately following these numbers show the variation within the old area. The total decrease per cent. is calculated on the decennial rates of decrease.

III.

Figures showing the Decline in Assessable Values of some of the same Districts during the period 1871-1901.

Name of District.	Rateable Value, 1871-2.	Assessable Value, 1882.	Assessable Value, 1891-2.	Assessable Value, 1900-1.	Decrease per cent.
Birkenshaw	£.	£.	£.	£.	Years.
Bishop's Castle	-	7,000	6,520	5,847	18 in 19
Bracebridge	-	-	-	-	-
Barkisland	-	8,266	5,798	-	31 in 10
Bethesda	-	-	-	-	-
Buglawton	-	10,139	4,130	-	59 in 10
Cleator Moor	-	85,143	56,992	40,755	52 " 19
Denholme	-	10,431	9,088	-	13 " 10
Gunthwaite and Ingbirchworth	-	3,000	1,102	-	63 " 10
Netherthong	-	4,327	3,369	3,347	21 " 19
Scammonden	-	2,090	1,049	-	50 " 10
Westbury, Wilts.	-	-	-	-	-
Falmouth	-	9,202	8,730	-	5 in 10
Monmouth	-	19,968	18,909	-	5 " 10
Padstow	-	3,586	3,076	-	14 " 10
Tetbury	-	4,418	3,843	-	13 " 10
Wiveliscombe	-	2,719	-	-	15 " 10
Kirklington-cum-Upsland	-	3,565	2,813	1,068	70 " 19
Northowram	-	9,693	7,085	-	27 " 10
South Molton	-	14,219	5,353	-	62 " 10
Wells, Norfolk	-	12,008	9,843	-	18 " 10
Whittlesey	-	7,331	5,398	-	26 " 10
Wigton	-	10,014	8,469	-	15 " 10
Southwell	-	-	-	-	-

PART II.

PAPERS supplied by the BOARD OF AGRICULTURE, the PUBLIC WORKS LOANS COMMISSIONERS, and the WORKMEN'S NATIONAL HOUSING COUNCIL; Ordered by the Committee to be Printed as Appendices, but not handed in by Witnesses.

APPENDIX, No. 31.

BOARD OF AGRICULTURE.

MEMORANDUM as to Charges under Acts administered by the Board.

- 9 & 10 Vict. c. 101,
s. 34. (1) *Public Money Drainage Acts, 1846 to 1856.*
Subject.—Improvement of land by works of drainage.
Period of Charge, &c.—Repayment by rentcharge of 6l. 10s. per cent. for 22 years.
- 12 & 13 Vict. c. 100. (2) *Private Money Drainage Act, 1849.*
(Subject and period same as Public Money Drainage Acts. This Act was repealed and replaced by the Improvement of Land Act, 1864).
- 11 & 12 Vict. c. cxlii. (3) *Landowners' West of England and South Wales Land Drainage and Inclosure Companies' Act, 1848.*
Subject.—Drainage, irrigation, warping, embankment reclamation, inclosure and improvement of land.
Period of Charge, &c. (ss. 36, 37, 38).—The repayment may be by 25 annual payments "after the rate of 6½ per cent., or by a rentcharge for 22 years, or by a mortgage by demise for any term or terms of years in the form (D) given in the Schedule to the Act.
- 12 & 13 Vict. c. xci. (4) *The General Land Drainage and Improvement Company's Act, 1849.*
Subject.—Drainage, irrigating, warping, reclaiming, inclosing, and otherwise improving.
Period of Charge, &c.—Not to exceed "such a number of years, but not (unless with the consent of the landowner and the company) less than 22 years nor in any case more than 50 years, as the Commissioners think right, nor as regards farm or other buildings more than 31 years" (s. 60).
- 22 & 23 Vict.
c. lxxxii.
18 & 19 Vict.
c. lxxxiv, s. 12. (5) *Lands Improvement Company's Acts, 1853 to 1863.*
Subject.—Improvement of land (see list in s. 3 of Act of 1859).
Period of Charge, &c.—Not less than 14 or more than 25 years.
- 23 & 24 Vict. c. clxx
19 & 20 Vict. c. lxx,
s. 49. (6) *Scottish Drainage and Improvement Company's Acts, 1856 and 1860.*
Subject.—Improvement of land (see list in s. 4 of Act of 1860).
Period of Charge, &c.—Not exceeding 25 years.
- 23 & 24 Vict.
c. clxix. (7) *Land Loan and Enfranchisement Company's Act, 1860.*
Subject.—Advances for improvement of land (see list in s. 11), and for enfranchisement of land of base tenure.
Period of Charge, &c.—For improvements, not less than 14 or more than 25 years. For enfranchisement moneys a charge under Copyhold Acts (see ss. 40–42).
- 27 & 28 Vict. c. 114. (8) *Improvement of Land Act, 1864.*
Subject.—Improvement of land (see list in s. 9). Charges for subscriptions to railways and canals which will benefit lands (see ss. 78–79).
Period of Charge, &c.—Not exceeding 25 years (s. 26).
Note.—As to charges under the Acts above numbered (3) to (8) both inclusive, the Improvement of Land Act, 1899, provides that the period for repayment of the charge is to be "such period, not exceeding 40 years, as the Board of Agriculture, having regard in each case to the character and probable duration of the improvement, determine."
Under all these Acts the money is repaid by rentcharge, each instalment of which includes interest as well as principal.
The improvements provided for by the various Acts are in effect all included in the list set out in s. 25 of the Settled Land Act, 1882. To these should be added the matters mentioned in Settled Land Act, 1890; the Housing of the Working Classes Act, 1890 (as to which see Settled Land Act, 1890, s. 18); the Limited Owners Residences Acts, 1870 and 1871; the Limited Owners Reservoirs and Water Supply Further Facilities Act, 1877; the Public Health Act, 1875, s. 31 (works for supply of sewage to lands for agricultural purposes; and the District Councils (Water Supply Facilities) Act, 1897 (contributions by landowners towards expenses incurred by a District Council for supply of water to any lands of the landowner, whether together with other lands or not. The charge is for a term not exceeding 25 years).
- 45 & 46 Vict. c. 38.
53 & 54 Vict. c. 69,
s. 13.
53 & 54 Vict. c. 70,
s. 74, ss. (1).
33 & 34 Vict. c. 56,
34, and
35 Vict. c. 84.
40 & 41 Vict. c. 31.
60 & 61 Vict. c. 44. (9) *Land Drainage Act, 1861.*
Subject.—Construction and maintenance of works of general land drainage, sea walls, embankments, &c., by Commissioners of Sewers and District Drainage Boards.
Period of Charge, &c.—(S. 40.) Commissioners or Drainage Boards may borrow money on mortgage of rates. The loan may, by agreement with mortgagee, be paid off by equal annual instalments of principal and interest for period not exceeding 30 years.
- 24 & 25 Vict. c. 133. (10) *Thames Valley Drainage Acts, 1871, 1874, and 1890.*
Subject.—Execution by Commissioners and Drainage Boards of general drainage works on lands adjoining the Thames and its tributaries.
Period of Charges, &c.—Limited owner may have a charge of money borrowed to meet special rates levied under the Acts or for money borrowed to commute liabilities to repair works, &c.

Repayment to be by equal yearly payments for period not exceeding 30 years (ss. 104, 105 of 1871). Commissioners or District Board may borrow on mortgage of rates; and by agreement with mortgagee the loan may be paid off by equal annual instalments for period not exceeding 30 years.

- (11) *Somersetshire Drainage Act, 1877.*
(Similar to the Thames Valley Act, except that the period (s. 95) for repayment of moneys borrowed by limited owners is 25 years). For mortgage of rates maximum of 30 years. 40 & 41 Vict. c. 36.
- (12) *Universities and College Estates Acts, 1858 to 1898.*
Subject.—New buildings and restoration or repair of existing buildings of colleges or on their lands; drainage or other lasting improvement. The improvements mentioned in Third Schedule to Act of 1898, which are the same as under Settled Land Act.
Money raised to provide compensation for loss of fines on non-renewal of leases; or for restoration or rebuilding of chancels.
Period of Charge.—Originally 30 years, but now since Act of 1898 "such period, not exceeding 50 years, as the Board of Agriculture having regard in each case to the character and probable duration of the improvement, determine." 21 & 22 Vict. c. 44, s. 27.
61 & 62 Vict. c. 55, s. 3 (1).
23 & 24 Vict. c. 59, s. 1.
43 & 44 Vict. c. 46, s. 3.
21 & 22 Vict. c. 44, s. 28.
61 & 62 Vict. c. 55, s. 3 (2).
- (13) *Tithe Acts, 1836 to 1891.*
Subjects.—Charges for expenses of commutation by limited owners, corporate and Collegiate Bodies and Incumbents.
Charges for moneys paid for redemption of tithe rentcharge by limited owners.
Period of Charge.—Maximum of 20 years. 6 & 7 Wm. 4, c. 71, s. 77.
2 & 3 Vict. c. 62, ss. 16 and 17.
9 & 10 Vict. c. 73, s. 11.
- (14) *Copyhold Act, 1894.*
Subjects.—Money paid by a tenant for enfranchisement; by a lord for purchase of a tenant's interest (under s. 11), or for expenses of enfranchisement proceedings.
Period of Charge.—The charges may be as in the cases of ordinary mortgages or by way of terminable annuity; but no period is specified. The repealed Copyhold Acts limited it to 20 years. 57 & 58 Vict. c. 46, ss. 36–41.
- (15) *Diseases of Animals Act, 1894.*
Subjects.—Money necessary for purposes of Acts to be raised by Local Authority. 57 & 58 Vict. c. 57, s. 42.
Period of Charge, &c.—Maximum, 20 years.

Board of Agriculture,
25 March 1902.

APPENDIX, No. 32.

PUBLIC WORKS LOAN BOARD.

STATEMENT for the information of the Select Committee of the House of Commons as to the period for the Repayment of Loans by Local Authorities in England and Wales, furnished by the Public Works Loan Board.

The Act now regulating the Commissioners' proceedings is the Public Works Loans Act, 1875 (38 & 39 Vict. cap. 89) (as amended by subsequent Acts).

Under this Act the Commissioners are empowered to lend money for the purposes of the works mentioned in the first Schedule to that Act, and for—

"Any work for which the Commissioners are authorised to lend by any Act passed after the passing of this Act."

Since 1875 various Acts have been passed under which the Commissioners have been authorised to make advances, and by the Public Works Loans Act, 1896 (59 & 60 Vict. cap. 42), it is enacted that the Commissioners may lend in Great Britain for "any work for which the Council of a County, Borough, District, or Parish are authorised to borrow."

The advances made since 1817 (the commencement of the Commission) to 31st March 1901, under various Acts and classifications are shown in Appendices A and E to this Board's Report for 1900-01.

The enactments upon which the periods for the repayment of the Commissioners' Loans depend are—

(1) Section 11 of the Public Works Loans Act, 1875, as amended by Section 5 of the Public Works Loans Act, 1898 (61 & 62 Vict. cap. 54), which fixes the maximum period for the repayment (subject to extension by the Treasury on the recommendation of the Commissioners under special circumstances) at 30 years, in all cases where no period is authorised by the "Special Act" relating to the Loan. "Special Act" is defined by Section 51 of the Act of 1875, and includes any Act which authorises the Commissioners to lend money for any purpose.

(2) "Special Acts" defined as above.

A tabular statement is appended showing the principal purposes for which the Commissioners are authorised to make Loans to Local Authorities in England and Wales, the maximum period for the repayment of such Loans, and the enactments by which such period is fixed.

It will be understood that the information in the Appendix with regard to the period of repayment relates to the period for which this Board are authorised to lend and not to that for which the Local Authority are authorised to borrow.

With regard to the general practice of the Commissioners in determining the period for the repayment of their Loans, they have regard, as required by Section 11 of the Public Works Loans Act, 1875, to the durability of the work and to the expediency of the cost being paid by the generation of persons who will immediately benefit. The question of durability is, in most cases, primarily a matter for the consideration of the Department whose sanction to the Loan is required as a condition of the borrowing, e.g., the Local Government Board or the Board of Education. In other cases the Commissioners satisfy themselves by the report of a surveyor or otherwise that the works may be expected to outlast the period for which the Loan is asked. They also provide that the period for the repayment of their Loans shall not exceed that of the interest of the Local Authority in the property in respect of which the Loan may be required. As regards the expediency of the cost being paid by the generation immediately benefiting, the Commissioners' practice is to hold out inducements, besides those afforded by the different rates of interest as fixed by the Treasury, to accept short periods for repayment, instead of throwing as much of the burden as possible upon posterity.

The Commissioners also find that borrowers frequently ask for a shorter period for repayment than that for which they have power to borrow.

Public Works Loan Board,
25 March 1902.

R. Philpot.

LOANS to LOCAL AUTHORITIES in *England and Wales* by the PUBLIC WORKS LOAN COMMISSIONERS.

Purposes of Loan.	Maximum period for which Commissioners may lend.	Act and Section fixing the period.	Borrowing Authority.
Diseases of Animals Act, 1894.	14 years	Diseases of Animals Act, 1894, s. 42.	Councils of Boroughs and Counties.
Lunatic Asylums	30 years, but with power for the Treasury, on the recommendation of the Loan Commissioners stating special circumstances, to extend the period, in cases where Local Authorities have power to borrow for more than 30 years.	Public Works Loans Act, 1875, s. 11, as amended by s. 5 of the Public Works Loans Act, 1898.	County Councils and the Councils of County Boroughs and the Boroughs specified in the 4th schedule to the Lunacy Act, 1890.
Works for which Town Councils can borrow under the Municipal Corporations Act, 1882.	ditto	ditto	Borough Councils.
Purposes for which County Councils and Borough Councils can borrow under the Technical Instruction Act, 1889.	ditto	ditto	As stated in Column 1.
Burial Grounds	ditto	ditto	Burial Boards, Urban, Rural, and Parish Councils.
Conservation and improvement of rivers or main drainage (including underground drainage).	ditto	ditto	Authorities having power to charge local rates.
Docks and harbour works not within the Harbours and Passing Tolls, &c., Act, 1861.	ditto	ditto	Borough and other Urban Councils.
Improvement of towns (including all purposes of Towns Improvement Clauses Act, 1847).	ditto	ditto	Urban Authorities.
Police stations and Justices' rooms and offices.	ditto	ditto	County Councils and Councils of County Boroughs.
Public libraries	ditto	ditto	"Library Authorities," as defined by the Public Libraries Act, 1892.
Museums and gymnasiums	ditto	ditto	Urban Authorities.
Purposes for which Urban Councils (not being Borough Councils) can borrow under the Technical Instruction Act, 1889.	ditto	ditto	As stated in Column 1.
Purposes of the Light Railways Act, 1896.	ditto	ditto	The Council of any County, Borough, or District.
Purposes of the Small Dwellings Acquisition Act, 1899.	ditto	ditto	The Local Authority as defined by the Act.
Purposes of the Welsh Intermediate Education Act, 1889.	ditto	ditto	Governing Bodies for Intermediate and Technical Education of Counties or County Boroughs in Wales and Monmouthshire.
Workhouses, and any work for which Boards of Guardians, Managers of Asylum Districts and School Districts are authorised to borrow under the General Acts relating to the relief of the poor.	ditto	ditto	As stated in Column 1.
Works for which the Council of a County, Borough, District or Parish are authorised to borrow and which are not otherwise specified in this statement, including works under the Public Health Acts (other than sanitary), works under other Public General Acts, and works under Local Acts.	ditto	ditto	ditto.

Loans to Local Authorities in *England and Wales* by the Public Works Loan Commissioners—*continued*.

Purposes of Loan.	Maximum period for which Commissioners may lend.	Act and Section fixing the period.	Borrowing Authority.
Schools or any work for which a School Board can borrow.	50 years (subject to recommendation of Board of Education).	Elementary Education Act, 1873, s. 10.	As stated in Column 1.
Works under the Housing of the Working Classes Act, 1890, Part I.	50 years (subject to recommendation of Local Government Board).	Housing of the Working Classes Act, 1890, s. 25.	Urban Councils.
Purposes for which Local Authorities can borrow under the Housing of the Working Classes Act, 1890, Part II. or Part III.	50 years (subject to recommendation of Local Government Board if the term exceed 30 years).	Housing of the Working Classes Act, 1890, and Public Health Act, 1875, s. 243.	Urban and Rural Councils.
Allotments - - - -	ditto - - - -	Allotments Act, 1887, and Public Health Act, 1875, s. 243.	ditto.
Sanitary works, including sewerage, water supply, hospitals, public baths and washhouses.	ditto - - - -	Public Health Act, 1875, s. 243.	Urban and Rural Councils, Joint Boards, and Port Sanitary Authorities.
Harbours and other works included in Harbours and Passing Tolls, &c., Act, 1861.	50 years - - - -	Harbours and Passing Tolls, &c., Act, 1861, s. 3	The Harbour Authority is the borrower. In certain cases the Council of a Borough or County is the Harbour Authority. Where this is not the case, the Councils have power to give the Rates as collateral security, subject to certain conditions (<i>vide</i> Public Works Loans Act, 1882, s. 7, and Public Works Loans Act, 1887, s. 4).
Purposes of the Small Holdings Act, 1892.	ditto - - - -	Small Holdings Act, 1892, s. 19.	County Councils or Councils of County Boroughs.

Public Works Loan Board,
25th March 1902.

R. Philpot

APPENDIX, No. 33.

PUBLIC WORKS LOAN BOARD.

PERCENTAGES OF LOANS advanced by the PUBLIC WORKS LOAN BOARD for different periods of Years.

	Amount Advanced.	20 years and under.	20-30.	30-35.	35-40.	40-50.
		<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
1888 -	1,196,121	7.28	62.05	7.26	7.17	16.24
1889 -	1,095,363	3.95	67.51	7.9	10.8	9.84
1890 -	856,742	5.70	72.39	10.11	2.64	9.16
1891 -	990,068	5.93	69.77	14.49	1.51	8.3
1892 -	960,159	6.82	64.39	15.63	1.51	11.65
Average for 5 years		5.94	67.22	11.08	4.72	11.04
1893 -	1,157,947	6.49	62.74	19.57	2.03	9.17
1894 -	1,582,783	9.83	58.64	17.44	3.21	10.88
1895 -	1,612,143	7.15	59.7	21.87	1.39	9.89
1896 -	1,163,938	7.19	59.59	20.57	1.42	11.23
1897 -	641,231	7.27	60.20	24.93	3.41	4.19
Average for 5 years		7.59	60.17	20.88	2.29	9.07
1898 -	1,305,374	14.83	68.30	7.47	6.69	2.71
1899 -	4,659,694	16.63	76.31	0.89	4.37	1.60
1900 -	7,247,670	17.02	67.14	0.50	12.95	2.39
1901 -	5,883,156	7.49	80.16	0.53	8.61	3.21
1902 -	6,650,021	7.41	79.73	0.25	7.46	5.15
Average for 5 years		12.68	74.33	1.93	8.05	3.01

Public Works Loan Board,
11 April 1902.

APPENDIX, No. 34.

LETTER FROM THE WORKMEN'S NATIONAL HOUSING COUNCIL.

DEAR SIR,

We, the undersigned, are instructed to place the following considerations before your honourable Committee :—

1. That in the case of London, the extension of the period for the repayment of loans from 60 to 100 years might ensure the following reductions in rent :—

A room let at 2s. 9d. per week might be reduced to 2s. 7½d.
 " 2s. 7½d. " " " 2s. 5d.

OR,

A three-roomed tenement at 8s. 3d. per week might be reduced to 7s. 7½d.
 " " " 7s. 10½d. " " " 7s. 3d.

In the case of a provincial cottage costing 300l., and where the loan has to be repaid in 40 years, the extension of the time of repayment might reduce the rent from 8s. per week to 6s. 6d. per week. These reductions, small as they appear, would undoubtedly be a great relief.

2. It is thought desirable, and even imperative, that the sizes of the rooms be increased rather than that the rents should be lessened, if both cannot be done.

The extension of the repayment period from 60 to 100 years would assist the London County Council to revert to their old standard of the sizes of rooms, i.e., 160 sq. ft. for living rooms and 120 sq. ft. for bedrooms, from which, latterly, they have unfortunately much departed, to the great discomfort and eventual detriment of health of the tenants.

3. It is to be hoped that if the period be extended, the Public Works Loans Commissioners will not, with this advantage, insist on charging an increased rate of interest, and so make matters financially as bad or worse than before.

4. It would be an advantage if local authorities could obtain the same rate of interest on their sinking fund accumulation as they have to pay for their loans. It seems remarkable for instance, that the London County Council should have to pay 3 per cent. on their loans, and for the sinking fund to repay the same, only be able to obtain 2½ per cent.

If the sinking fund were allowed to accumulate at 3 per cent. instead of 2½ per cent., and the period of repayment increased from 60 to 100 years as suggested, a rent at 2s. 9d. would be reduced to 2s. 6d., and so on for the other examples quoted.

5. If the requirements of the Local Government Board and, in London, the provisions of the Building Act are adhered to, the dwellings erected by public authority may reasonably be expected to last for 100 years and more. It should not be forgotten that by means of the Repairs and Renewals Fund (which, in the case of the London Council is unfairly high) the buildings are kept in constant repair. Accordingly, we think there should be no hesitation in granting a period approximating to the estimated lifetime of a house.

Such a course would entail no hardship on the ratepayer, of either present or future generation, and would assist the workers to obtain the additional breathing space which they must have if the present deterioration of our race is to be checked.

A concrete case taken from the most recent London County Council scheme is appended, in order to show what payments the worker's rent includes and what the minimum effect of the extension would be.

Trusting that these considerations will have some weight with your Committee,

We are, &c.

(Signed) Robert Williams.
 Fred. Kneel, Secretary.

On behalf of the Workmen's National Housing Council

CONCRETE CASE SHOWING WHAT THE WORKER PAYS IN HIS RENT.

RYE AND SANDWICH BUILDINGS, SWAN LANE SITE.

Accounts prepared to show the Estimated Financial Results.

	£. s. d.	£. s. d.
To Gross Rental, 200 rooms at 2s. 9½d. per room per week	- - -	1,456 -
By expenditure, &c. :—		
„ Rates and taxes	330 12 10	
„ Water rate, gas, and insurance	68 15 -	
„ Repairs and renewals	174 14 4	
„ Supervision, collection of rents, &c.	71 4 8	
„ Contingencies	36 8 -	
„ Empties and free quarters	43 13 6	
„ Interest at 3 per cent. on value of land 1,620l., and buildings 16,750l. = total 18,370l.	551 2 -	
„ Sinking fund to replace 18,370l. in 59 years at 2½ per cent.	139 9 8	
„ Surplus	40 - -	
	1,456 - -	
„ Reduction if time for repayment were extended to 100 years	97 1 -	
	1,358 19 -	
„ Further reduction if the sinking fund were allowed to accumulate at 3 per cent.	12 6 2	
Gross rental (other high charges remaining)	1,346 12 10	
A total saving of	109 7 2	
	£. 1,456 - -	

Being a reduction of the rent at 2s. 9½d. to 2s. 6½d. per room per week.

Note.—In advocating that the sinking fund should be extended, and allowed to accumulate at 3 per cent., we do not relinquish our contention that the sinking fund should be a charge upon the rates, and that money should be lent for housing purposes at 2 per cent.



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