

What the Consumer Pays

Let us see what a better-class domestic consumer pays for water. Take the rate at 1s. 6d. in the £, which is a little above the average for the whole of the boroughs and county boroughs; a dwelling rated at £100 per annum, containing seven persons, including servants, and the actual quantity of water used at 14 gallons per head per day. (I assume here that the domestic supply including waste is 20 gallons per head per day.) This consumer then pays 4s. 2½d. per 1,000 gallons, and a consumer occupying a house rated at £200 per annum would pay, other things being equal, 8s. 5d. per 1,000 gallons.

From an inquiry made a few years ago it was found that out of thirty-two towns that distinguished between the charges for combined residential and business premises and lock-up shops, the average charges made were respectively 83½ per cent. and 47¼ per cent. of the charges for domestic dwellings.

Now, the argument for these rebates, as they may be termed, is mainly based on the facts that in these cases less water is generally used than in the case of domestic dwellings, and that the rateable value is generally higher. But is this all that can be said on the matter?

What are the relative obligations of the domestic consumer and the trader towards the communal interests? As regards the public health they are identical except that the trader benefits to a much greater degree from the increased efficiency of his employees. And as regards the security of his property, the obligation is greater on the part of the trader because generally he has much more at stake. And what is the relative obligations from an individual point of view?

The domestic consumer uses his water mainly for the base necessities and amenities of life, which use is largely in the interests of public health, whereas the trader uses water as a raw material for the purpose of profit, indirectly if not always directly.

I am therefore of opinion that there are not sufficient grounds for a discrimination between the domestic consumer and the occupier of combined and residential lock-up premises.

What general principles are there to guide us in the sale of water by measure? First of all, the trader, whether he takes his water supply from the city in which he enjoys the profits of his trade or whether he does not, should pay a due and proper share of his obligation to the communal interests, and that share should be in some proportion to the extent of his business and his profits, or the rateable value of his property.

You cannot hope to get parliamentary powers to compel a trader to use the water supplied by a municipality even if you agree to supply water for trade purposes on demand, if the trader can prove that the water is unsuitable for his purposes; but you can hope to compel a trader who sinks his own well with the object of evading his obligations in the common interest to pay his proper share in the manner above described.

Fixing Charges

The charge per 1,000 gallons at which water should be sold bears directly on the cost of water, and in fixing approximately the amount that charge should exceed the cost we have to consider many interesting points.

(1) In the general interest of trade, the endeavor should be to sell as low as possible.

(2) The charges should be large enough to cover a certain amount of the loss in supplying the lower-rated

domestic dwellings, for the reason that trade supply, being used as a means of private profit, should legitimately ease the burden of the domestic consumer in the common interest.

(3) The charge, in my opinion, should be a flat rate, excepting in the case of very large quantities, and under special circumstances.

Commodities in general cost more in smaller packets because of the increased cost of handling and conveyance, and book-keeping expenses, etc., but this does not apply in anything like the same degree in the case of water, and, on the other hand, the small trader should have equal encouragement with the large.

(4) Water should not be sold below cost price. In exceptional cases, when it becomes a question of selling surplus water at a trifle below cost price or letting it go to waste, it is good business to sell it below cost. But in the sale of surplus water in large quantities, say, to outside authorities, the agreement should be for short periods only, for the city may require that surplus sooner than expected, and in that case considerable capital outlay will become necessary and a large surplus created for which there is no sale. The result is an increased cost of water within the city and a greater loss in sale outside.

Our aim should be not only to raise revenue for the purposes of water supply in the most equitable manner, but also in the simplest manner. We live in an age of heroic measures, when indeed no other measures will do—at a time when only the large vision, a strong imaginative grasp of the difficulties and their remedies, and a courage in proportion, will be of any avail.

Foundation of Local Taxation

The revenues for the purposes of water supply, like the other great public services, are raised on the annual value of the premises, and for this great principle we are indebted to the famous statute of the Poor Relief Act of 1601. Shortly after the passing of the statute the Judges of Assize declared that the assessments ought to be made according to the visible estate of the inhabitants both real and personal. Thus the standard of ability, or rather of rateability, was decided (in accordance with the obvious intention of the statute) to be visible estate. To avoid the mischief of a local inquisition into incomes was no doubt the aim of the legislature; and in accordance with this principle stock in trade was eventually exempted from valuation for rating purposes, so that "visible property" for rating purposes practically came to mean real property. Thus was laid the foundation stone upon which is built the whole structure of local taxation in England. Local expenditure is still defrayed by rates, rates are based upon the poor rate, and the poor rate is still governed by the principle laid down in this unrepealed statute of Elizabeth. It is not too much to say that there are few legislative achievements which can compare for simple grandeur and constructive foresight with the Poor Relief Act of 1601.

Some Proposals

Now, my point is this: Are we making the best use of this machinery for raising the revenue? What I should like to see is a wider and more intense application of this method applied to all properties in the area of supply.

A very few towns who have not the power to make a water charge under a private Act raise their revenue under the Public Health Act of 1875 as a part of the general district rate. In some cases a public water rate is raised on all rateable property irrespective of supply—for the