

Besides the expenses of road-making, parishes and districts have to meet considerable other charges in connexion with telegraphs, harbours etc. In the municipal accounts harbours are, however, not included, because most of them (in towns) have separate budgets, and their own sources of income (harbour dues and goods tax) to cover the expenses incurred. Other items of expenditure, chargeable exclusively to the parishes, are grants for the inspection of fodder stores, for the extermination of foxes, for cattle shows etc. Special expenses for the towns are the fire service and the police.

Administrative expenses absorb 7 per cent. in the towns and 6 per cent. in the parishes, or on an average somewhat less than 7 per cent. of the total current receipts.

The interest payable on the local debt is in reality greater than shown in the above summary, for in many cases the interest on, and the reduction of, loans, raised for special purposes, as the building of schools and the construction of roads, are included in the expenses of these undertakings.

Besides the current receipts the municipal and parish funds had, in 1926, an extraordinary income of 1.4 million krónur, derived from loans and sale of properties. Of this sum 0.7 million krónur were devoted to the payment of debts, 0.5 million krónur representing increased property and cash in hand.

#### ASSETS AND LIABILITIES

In 1926 the balance sheets of the municipalities and parishes showed assets (including those of various harbours) to an amount of 24½ million krónur, as follows: cash in hand and money at interest 0.8 million krónur; securities 0.3 million krónur; funds for special purposes 0.8 millions; real estate 19.7 millions; loans advanced and unpaid dues and taxes 2.1 million krónur; various other assets 0.8 millions. As against this the liabilities were 10.2 million krónur, so that the net wealth of municipalities and parishes amounted to 14½ millions. The local debt of Iceland has increased greatly during the last two decades or so. In 1895 the liabilities were but 45 thousand krónur; about 1900 they were still minimal, whereas by 1910 they had risen to 1.9 million krónur.

The local debt in 1926 was distributed as follows: