1.1: The problem of local finance -

The problem of local finance (similar to public finance\(^1\)) is of securing the best application of limited means to secure given ends. One of the main objectives of local finance is the optimal utilisation of available resources in conformity with the considered interests of the local inhabitants as expressed by their elected representatives.

Local finance, however, plays a role subsidiary to the "high" finance of the nation, in due obedience to the over-riding principle that nothing should imperil the national finance. The fundamental problem of local governmental finance is, in other words, how to provide money necessary to meet the cost of the services carried out without imposing an intolerable burden upon the rate-payers and also without the local authorities becoming unduly dependent upon the assistance from the state or Central Government.\(^2\) Grant-in-aid, however, deserves consideration on its own merits, at different levels of local authorities.

Once the local body comes into being, it follows that it must live, and live well, in its own right and else grow to its fullest stature. It is, therefore, axiomatic

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1. "In the modern world... the problems of central/local finance... differ in degree rather than in kind". Mrs. U.K. Hicks - Public Finance, 1948, London - P.256.

that a national government, having set up elected local bodies, should allocate to them proper and adequate resources in a way which would give its local authorities sufficient independent sources of revenues of their own. And local finance is the lifeblood of local authorities; and it is also a disciplinary force which galvanises local governments into lively activity and creates the surest defence against external interference and the best training ground of citizenship and self-governance. It is, however, a sad irony that local authorities are seldom armed with adequate financial resources. Local authorities, though not sovereign bodies like the national parliaments, are yet the pillars of democratic set-up envisaged by all freedom loving peoples. Local councils, comprising elected representatives, are liberalizing agencies, without which the great state "must degenerate into a harsh and alien apparatus", instead of acting as the friendly servant of simple men and women. Whatever the patterns of finance and organisation of local bodies, it is essential that the principle of self-governance should be resolutely asserted to the ultimate reach of its supreme democratic value.  

1. Study Group of Royal Institute of Public Administration—New Sources of Local Revenue, 1936, London—P.126.

The problem of local finance is a Gordian knot in most of the countries. It becomes a complex matter on account of its urgency, insufficiency, its ramifications in the socio-economic fabric of body politic and also the changes in the aims and aspirations of the different local communities. Very often, the tax-payers themselves are apathetic to civic problems. "If a local government is to have any vitality, then it should evolve out of local circumstances"; or else it tends to degenerate into a mere creature of the superior governments. In a sense, there is need of fostering local freedom and of infusing life-breath into local organisation, so that the civic body does its own house-keeping to its entire satisfaction. It is one of the major problems of modern democracy to hit upon the best method of integrating the policy of local governments and their finances with those of the Central or state government without sacrificing their independence.

1. Objectives of Local Finances:

All economic activity aims at betterment of humanity or the particular community concerned in the case of a particular institution or organisation. Since, however, local self government is an infra-sovereign institution, its aims

2. It is worth noting that the British Local authorities are recognised to be responsible bodies and that they exercise their responsibilities in their own right, not ordinarily as agents of Govt. Dept.-Budgetting in Public Authorities By Study Group of Royal Inst. of Public Administration, 1939, London, P. 33.
must conform to the national welfare on the one hand and
to the needs of the local tax-payer on the other. Broadly
speaking, three major objectives of local authorities may
be distinguished: firstly, to provide an adequate level
of social services\(^1\) everywhere; secondly, extension of the
democratic ideal in terms of equality of opportunity and
equity in tax burdens; and finally, maximum contribution
to the progress and stability of the economy of the—
community.\(^2\)

The first objective underlines the standards of local
services; the second relates to the basic principles of
local finance and the third refers to the aims of Local
Government. It is well to note that the above objectives
may largely remain elusive with good many local authorities,
and local finance may play not an inconsiderable role in
determining the standards of services and even the stability
of the economy. In local government, as elsewhere, "progress
is a condition of stability".\(^3\) If, for instance, financial
problems are tackled within the pattern of a static system
and energies are spent upon patching up or plugging
holes in such projects like highways, town improvement,
drainage and water-supply, nothing worthwhile will come

\(^1\)"Finance... provides one of the main connecting links
between the various services"-A study Group of Royal
Institute of Public Administration- Budgeting in Public

\(^2\)Kossen & Perloff: State & Local Finance in National

\(^3\)Robson W.A.-The Development of Local Government,
out of the enterprise. Where the local authority is clearly unable to meet its needs from its own resources, the national government cannot but run to its rescue with substantial help.

1.3: Development From Below:

Local government constitutes that part of administration in a nation or in a state which deals mainly with such matters as concern the residents of a specified town, city, district etc, together with those matters which the legislatures of these states have deemed it desirable to be administered by the local authorities. Need of local government has its origin in purely local needs and local problems which cannot or may not be adequately appreciated or handled by either the Central or State Governments. Local government is, therefore, an indispensable agency, which is highly adaptive to local aspirations. It has, therefore, to be a very effective organisation so that it may discharge fully and freely all the duties and responsibilities vested in it by statute or by convention. Popular support is a key to all democratic experiments if they are to succeed and bear fruit. A planned economic development of a community largely depends upon mass awakening, if it is to strike its roots deep below into strong foundations.

In the process of democratic decentralisation, an intimate knowledge of localities and their peculiar problems assumes much importance. It is essential to recognize and

1. "Recent history", says Mrs. U.K. Hicks, "strongly suggests that the power of local initiative is a sine qua non of successful and stable democracy". Public Finance, 1948, London. P-225. She declares that, "complexity of political structure is actually a virtue because it multiplies the contacts between the governed and the governing".
foster the peculiar manifestations of local culture and customs. Almost every local authority develops individual characteristics of its own, depending on such factors as the economic and physical environments. Indeed, the social urges and the community aspirations, political, religious and aesthetic, are often more mirrored in the varied patterns and structure of local governments. As a reliable criterion of civic consciousness, local self-governing institutions are treated as the yardsticks of the civilising forces of modern communities.

Local Finance in an Under-developed Economy:

Economic poverty is often at the root of most social and political evils. Hence it becomes the paramount aim of economic policy of a rising nation to eradicate poverty, which however becomes a colossal task. For, "in backward countries", says Mrs. U.K. Hicks, "monetary controls are largely unusable or ineffective. However there is supreme need of a cautious use of a fiscal policy employed judiciously so as to achieve the avowed aims of rapid development. In the wake of Indian Independence, there emerged in the world many newly freed infant nations, which had to face the double task of building a strong economic base at home and at the same time fighting their way in the international power politics. A nation becomes strong or weak according


2. According to Dr. M.H. Gopal, in a backward and oriental but rapidly developing economy, the tax policy "must be related to the existing environment, aspirations and needs". - A Realistic Tax Structure for India, 1950, Bombay. P-10.
as its local communities are a dynamic force or a dull, uninspiring lot. India is to-day a developing country and no longer a backward one.

Thus, local finance which can inspire economic activity and infuse optimism becomes a powerful instrument in the hands of those who can wield it successfully. On the Indian scene, the concept of social welfare along with exalted guarantees of justice, equality, liberty, cherished in the constitution, holds out the promise of heralding a welfare state. However, it remains to be seen how far local authorities acquit themselves of their responsibilities to the common man. Indeed the conduct of government becomes the testing ground of social ethics and civilized living.\(^1\) The role of the state has undergone changes in the last few decades. It has now a series of new functions which relate to the provision of beneficial services, to the welfare of each citizen and to the promotion of economic health. Modern science calls for an advanced stage of organisation and a wider coordination of thinking and action than is possible in smaller groups of people.\(^2\) Without free, full and fair opportunities for development, the true evolution of a creative self expression would remain a myth.


2. J. Messenger observes: "Socialism was inspired by the wish to diminish the gap between the rich and the poor" - Authority & the Individual, 1949, London. P-78.
1.3: Theoretical Basis of Local Taxation

The cost of running a local body has to be borne, in principle, by the inhabitants who stand to benefit thereby, whether the demand for such payment is made either directly from them or indirectly through goods and/or animals and vehicles. That the incidence must not fall on outsiders is one of the cardinal points covered by the principle of derivation in taxation-justice.

Among the local inhabitants themselves, it is not very easy to establish a strict relationship between the two sides of revenue and expenditure or even the cost and benefit aspects for the tax-payers. The two principles which are taken into account in any modern programme of taxation are that some contribution should be made by every citizen to the public exchequer and that the size of the contribution should be related to the size of a citizen's income.1

A tax is a compulsory payment irrespective of whether or not the tax-payer gets benefit from what he pays. There can be no quid pro quo basis. The choice of the best tax-structure and pattern, however, needs to be governed by the canons of taxation in general; but eventually it is decided by timely analysis of the actual working of the entire mechanism. A tax is what it fetches and not what it is meant to be.2 Tax-revenues account for the largest share of municipal revenues in India. But local authorities in India do not possess any inherent powers of taxation.


2. Dr. M.H. Gopal rightly points out that mere legislation cannot make a tax succeed.

- A Realistic Tax-Structure for India, 1959, Bombay. P-12
except those specified in the relevant enactments passed by the respective state legislature.

Service rates, usually called service-taxes, possess the element of payment for services rendered by the local body but the border line is difficult to make out because when the rate is so fixed that the revenues exceed the administrative costs and are used for general purposes, it contains an element of taxation. Again, the service-tax like fire-tax becomes a real tax when land-lords never have an occasion to avail of fire-service.

Among the principles of local taxation, it is widely recognised that equity in taxation is related to the size of an individual's income. The twin principles of economy and efficiency, have much to do with the standards and methods adopted by particular local authorities for tax-collection. Economy pin-points both minimisation of costs of tax-collection and the administrative "over-heads". Costs of administration of a tax should be reasonably constant on the time-axis. Efficiency lays a pointed emphasis on productivity, of a tax and its net yield. While vigilance is needed against the operation of the law of diminishing returns, one must also make certain that the tax does not squeeze out its source.

The principle of elasticity aims at a suitable tax-structure by which the incidence can be properly varied. The

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1. According to Prof. J.R. Hicks, "Tax administration is itself an expensive matter; it is not worthwhile to enforce an elaborate income-tax on high incomes if there are very few such incomes to be taxed". Federalism & Economic Growth, p. 1961, London. P.72.
supplementary principles of convenience and certainly are
to be construed from the angle of the taxpayer as to what
he pays and the manner of payment most convenient to him.

A simple tax-structure always commends itself both to
the taxpayer and the collecting agency. Similarly, it may
be a good policy to emphasize collection of small sums
frequently rather than large sums at long intervals of time.
For, the collection costs are the same whatever the level
of tax-rates adjudged according to the principle of
progression. A plethora of taxes would make the tax
administration irksome and would not yield more revenues
than a few carefully selected taxes, providing for reasonable
diversity.

In public finance the fiscal authorities are guided, in
practice, by acts of criteria, with a view to reaching
the equilibrium where optimum tax-yield is aimed at. In
local finance, such a policy can have but limited application
because there can seldom be a complete separation of local taxation
and local tax administration does not function
in a closed economy. The tax yield finally rests on certain
determinants like opportunities to economies and built-in
flexibility. In actual practice, however, there are deviations from these tax-ideals; and the need for a larger
revenue gets the better of theoretical vision.

1. Prest A.R.-Public Finance in Theory & Practice, 1969,

2. According to Dr. M.R.Gopal, future tax-structures in India
should pay immediate attention to the effects not of any
single tax but of the aggregate of taxes on the growth
and stability of the economy - studies in Indian Public
Finance, 1963, Mysero, P-68.
That the source of the tax should be stable, clearly defined and easily distinguishable is clear enough. Excessive rates and myriad regulations must be avoided. A smaller number of taxes aided by better administration would fetch a given tax-yield, provided they are in conformity with popular wishes. Principles of efficiency and equity may be helpful if a general revaluation of properties is held at regular intervals of a few (say five) years.

Local taxation in India is low in comparison with some of the western countries; it varies round about 10% of total taxation. This must be attributed to the low level of economic activity in general. The major tax-bases in any society are stocks of property and other wealth and the periodic flow of income and production. The potential tax-base may no doubt change with the level of economic activity in the locality.

1.6: Tax Capacity and Tax - Effort:

In an undeveloped country, the majority of people live at subsistence level. Tax effort must take into account the taxation capacity so as to ascertain the "revenue potential"

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2. In 1954, local taxation in Sweden accounted for 24% of total taxation, in West Germany 13% and in the USA 13%.
The level of tax effort in a given locality is to some extent a reflection of the variety and quality of local government services. If a local body, despite having heavily utilized all available resources, finds it difficult to meet the local needs, it would clearly qualify itself for the state government grant-in-aid.

In a developing country, there is a tendency for indirect taxes. But the high ratio of indirect taxes is itself not a true index of development but rather of poverty because if direct tax-resources were easily available, the country would not lean heavily on indirect taxation.

The tax capacity implies the ability and willingness of a community to pay taxes and other charges to support local services. The economic capacity of a community however depends on objective factors, such as income and wealth of the particular area. This however is never static, nor passive in its revelations, because of its competitive character. The economic capacity provides the ballast of taxable capacity, though it depends upon certain subjective factors, such as the popularity of local authority's programmes relative to their cost, the customary level of taxes and the general attitude of the people towards local services. Again, the willingness of citizens to pay for the municipal services is indirectly influenced by such matters as whether

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the community is residential, industrial, commercial or a combination of those. These features also help to explain the variations in tax-capacity among different local authorities.

1.7: Grant-in-Aid:

Objectives of Grant-in-Aid:
The three-fold objectives of Grant-in-Aid, as first developed by Sidney Webb and since accepted on all hands, are: (i) that assistance is justified as a general support of local resources; (ii) that it is necessary for the promotion of particular services and (iii) that it secures a greater degree of equality of certain local services between different areas. Further, by means of Grant-in-Aid alone could any local body be compelled to adopt that "national minimum of efficiency", which is indispensable in the national interest.

The national government could also bring to bear the accumulated wisdom through its long experience, superiority of knowledge and breadth of view on those local services which get Grant-in-Aid. Viewed from another angle, the interference from outside is not always relished by local authorities.¹

In England, the Grant-in-Aid system was often overhauled to suit the changing conditions and the growing needs of different local authorities. Today the grants-structure in

1. "The collection centrally of so much money for subsequent filtering to the local authorities through an elaborate grants system is expensive, irritating and out of harmony with the principles of local self government". Study Group of Royal Institute of Public Administration - New Sources of Local Revenue, 1956, London. P-126.
in the United Kingdom is governed by the General Grant order 1930 and the Rate Deficiency Grant (as sanctioned under the Local Government Act, 1938) and it has been described as a typically British concoction of trial and error. The new system makes extensive use of unit costs of different local services. Certain methods of measurement of local services and needs have also been developed, such as the weighted population formula. This complicated system was however possible, thanks to the availability of accurate statistical data, development of service standards and an extensive use of modern computers.

In the United Kingdom, government grants fall into two fairly well-defined classes:

(1) Specific grants towards the cost of particular services which consist of percentage grants, unit grants and special formula grants;

(2) Assigned revenues and block grants which are distributed according to a special formula based on expenditure incurred by the local authority, local rating resources and estimates of future expenditure.

In the United Kingdom, the proportion of local government expenditure paid for by the central government was as high as 60 percent of the net rate-borne expenditure, in 1951-52.


2. Mrs. U.K. Hicks remarks that the statistical difficulty remains a serious obstacle in developing countries but the advantages of the unit cost grant are so great that they would do well to bear it in mind for future use. Development from Below, 1961, Oxford. P-413.

3. According to D.N. Chester, "It can be assumed nowadays in England that all Exchequer grants to local authorities are paid subject to certain conditions." -Central & Local Govt. 1951, London. P-137 (Foot note)

4. West Midland Group Study—Local Govt & Central Control, 1956,
1.8: National and Local Services:

Division of a country into different local administrative units for purposes of local management of local affairs is largely determined by considerations of administrative convenience. The need to develop springs of local enterprise and initiative and to provide opportunities for training in political leadership at the local level is also a vital consideration. The whole nation cannot afford to administer all the different aspects of social and individual life.¹

For, all problems are not central problems and such problems which are not central in incidence require decision at the place, and by the persons, where and by whom, the incidence is most deeply felt. Administration from without lacks the ability to be responsive to local opinion; it also aims at uniformity, not at variety. Besides, outside control is bound to miss the thoughts and sentiments of the local inhabitants which are so necessary to the real success of administration.²

An effective local government would inevitably imply optimum local service units in which matters like size and area of local bodies get tied up. A democratic set-up may not sacrifice efficiency, if the entire means-towards —

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¹ Harold Laski argued that the central authority would not merely stifle all local initiative, but destroy also that well spring of local knowledge and local interest without which it cannot possibly exercise its functions. "Grammar of Politics," IV Ed., 1892, London. P-411.

local organisation chooses the most effective means towards achieving administrative ends. In local services, the criterion of efficiency of public-administered services would be more important than that of reduction of cost. Ideally, such an organisation should be small, consonant with the observance of limits of cost and adequacy, and at the same time consistent with their being large enough to cover the whole range of locally-administered services.

The strict line of demarcation between a national service and a purely local one is not easy to draw. Education, public health, highways etc must have a national significance, though these may be administered best by local authorities. For, "local and national benefits interpenetrate and are indistinguishable." Certain local services, such as prevention of epidemics, defy regional delimitations, while other like fire-fighting cannot be refused to people living beyond the strict jurisdiction of the local authority. Recent history shows how some services initially started by local authorities or even by private enterprise were later on found to be very important to the nation as a

1. "The problem of local government is, in essence, not so much political but organisational" - A West Midland Group Study - Local Govt. & Central Control, 1956, London. P-274


3. In the words of Herman Finer, "no area is bacteriological self-contained; no area is criminal proof; none is burglariously insulated" - English Local Govt. IV Edn, 1950. London.
whole and were taken over by the national government, e.g. gas and electricity supply and bus transport.

Local services are the raison d'être of local government, pure and simple. The citizen is to be served well and the primary aim of the machinery of local democracy should be to serve him with maximum efficiency and economy. "Economy", however, does not necessarily imply that the cheapest methods should be used. It only implies cheapness as is consistent with efficiency in the context of the given standard of provision. Similarly "efficiency" implies, in the sphere of local public service, responsiveness to citizen's needs and, perhaps the minimum of vexation, consistently with the standards laid down.

The ability to assimilate new tasks must also be definitely marked out as one of the important aspects of local government efficiency. Suffice it to say that both efficiency and economy are essential pre-requisites of a good government. Further, it calls for up-to-date costing information, which is an invaluable aid to a sound financial administration.

1. "Local government", says Laski, "...is educative in perhaps a higher degree, at least contingently, than any other part of government". Grammar of Politics, IV edn., 1939, London. P.413
   He further argues, "Neighbourhood ... makes us automatically aware of interests which impinge upon us more directly than upon others". (Ibid)


In passing, we may note another point of not inconsiderable importance, and that is the changing character of our cities. Urban life is, essentially dynamic. Automotive transportation and the greater mobility it has brought may be changing the basic nature of the cities. Very often local initiative, such as on building roads, bridges and improving street lighting, can quicken the pace of industrialization and thereby augment trade in the vicinity. The city always holds out attractions to the urban and suburban communities, for employment, education, sanitation, recreation and also artistic and aesthetic living. Even so, each city has its own peculiarities so that it may not be possible to explain a wide range of differences (e.g. expenditures) by applying the same methods.

1.9: Standards of Local Expenditure:

Many problems relating to local government inevitably involve finance and their solution often lies generally in the picture presented by the financial statistical information. The use of aggregate statistics is of great interest in local finance as well as national finance; it shows the general trends over a period of years and, in some cases, even individual aspects of local services, though not the finer shades of differences between different governments.

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2. "An analysis of urban government operations and finances fits neatly into a person - parcel frame work" - Werner J. Hirsh, Urban Life & Form, 1963, New York, P-156. This view cannot obviously be applied to the entire range of municipal activities.
In local finance, we have to allow for local circumstances and make full enquiries into their causes, before coming to conclusions. It is not easy however to draw the line of demarcation between financial and general statistics; and the latter are so very pertinent to a proper interpretation of the former.

Financial administration in local self government is not an end in itself, but rather a means not merely to find out to what extent one local or other government spends proportionately more than another on a given service but also to ascertain how far they obtain value for money in terms of the product. In the U.K., since 1968 local governments have developed unit costs towards which the central grants-in-aid were largely contributory, because unit grants were based on unit costs of the local services receiving state aid. The motive force behind the use of comparative statistics is that of competition, owing to lack of accurate statistical data in respect of particular local services in the local sphere in India, the objective of evolving unit costs cannot be easily materialised. In the west, the computers have largely facilitated the complicated unit cost system.

Nevertheless, we can make use of whatever available tools of investigation that may be useful which may stimulate the local authority to reduce its costs. For instance, costs on public-cleansing per sq. mile under similar situations,

2. "It cannot be too strongly emphasised, cost accounting is an apparatus of critical comparison."

of costs per pupil in education finance can be of use, but in services like fire-fighting, it is not so easy to make accurate unit costs. In many respects, activities in urban areas are basically person- and place- oriented. They cannot be otherwise. It is therefore well to bear in mind the inherent limitation in the use of statistical data for comparative purposes not merely because a reasonable comparative unit of cost is hard to find but also because such a yardstick may not always provide complete proof of efficient management on the part of the local authority. In education, for instance, the aspirations are far in excess of what is practicable in the light of local resources in general. 2

As observed above, the analysis of expenditure in terms of comparable costs goes only part of the way towards explaining the variations or "disturbances". For, there are always reasons why different authorities reach different levels of performance in a given service and its costs. Such a phenomenon is a part and parcel of the community's geographical, social or material circumstances and may often be irremediable. For instance, Satara City, situated in the mountain-terrain can get its water-supply (though however from a long distance) cheaply by natural gravitation, while Poona also situated in the Deccan plateau has to incur considerable costs for pumping water to a reservoir placed on the top of a hill. Other relevant sea points for consideration, such as the community's insistence on certain

standards, or intensity of need or even compelling demand, shall have to be touched. Finally, "a point which has always to be borne in mind is that the cost of work itself must not be too costly".  

1.10: Classification of Local Functions

The Local council is vested with the three essential aspects of administration viz. legislative, administrative or executive and, to some extent, judiciary. Powers and duties of local authorities are not easy to classify. In the U.K., water-supply and markets are considered to be quasi-commercial undertakings, whereas in India, owing to dearth of private enterprise undertaking such ventures, these are bracketed under the broad category of Public Health and Convenience. Again local housing services are considered to be of national benefit, while in India they are largely absent. Regulation of traffic falls under the purview of local police of England; but in India the police force happens to be the state and central service. Examination of weights and measures is largely neglected by local authorities in India.

In the course of studies in the field of social services one often discovers much more than what catches the eye at first. The municipalities in India were forged by the British rulers on the English model so doubt; but with several important features entirely new. Of course, more carbon


2. Thus Mrs. U.K. Hicks points out that though municipalities in India are simply a transplantation of English town councils, there were many important and even fundamental differences in their practical working. Development From Below, 1961, Oxford, P-10.
copies of British models would perhaps fail to work in the
Indian soil. In matters of classification of functions,
there was always the strict eye on the purse strings and
hence administration and costs of establishment ranked first
in financial and accounting returns. Thus in the statistical
abstracts on local government, the government of India pre-
scribed a model account form with a view to achieving a
uniformity in the accounting procedure all over India.

Though there can be no hard and fast principle under-
lying the classification of local services, one feels the
need to sort out the welter of local expenditure. If we
were to consider the relative significance of local services,
public health as well as education would compete for
precedence over the rest. Among the classifications, notably
those given by J.R. & U.K. Hicks and Mabel Walker, education
is put at the top because it claims a very large share
(about 35 percent) of the total expenditure in England and
Administration is put last. In India, the public health
services comprising conservancy, drainage, medical relief
and hospitals and dispensaries account for about one-third
of the total net expenditure in most of the municipalities.

1.11 Principles of Local Government

As we have seen in the foregoing pages, there is no
strict line of demarcation between the central and local

\[1\] J.R. & U.K. Hicks - Standards of Local Expenditure,
Government and the limitations of each are largely a matter of compromise. The local authorities have no powers except such as are defined by statute, which Parliament may modify or amend so as to conform to the spirit of the constitution. This principle of co-ordination must, however, be read with the principle of common law, namely, that the local body should be amenable to the law, like any other body or person in the land. Protection is no doubt afforded to the citizen from the autocratic authority, if any, but at the same time the local councillor and the local official must also be safeguarded against unreasonable action, if any, in the discharge of his legitimate duties. The local body functions within the statutory framework and so its income resources are largely determined from outside. There are obvious limitations on its powers of rating or even for specific purposes. Yet, these limitations may be relaxed in certain circumstances, particularly to encourage work of social betterment.

1. According to J. J. Clark, the exact relations between central and local governments are often in conflict between the out and out "L-S-C" - School or the "Centralizers, the latter wishing to smooth out local inequalities by central bureaucratic control and an extension of local taxation grants centrally administered". - Outlines of Local Govt. of U.K., XIX Min., 1960, London. P-6.