

In all areas extension of service would be facilitated by an effective educational programme. Such a programme would increase the farmers' knowledge of the benefits of electricity; and should be designed to show the individual farmer what can be done on his own farm. An effective educational programme would have a significant indirect effect through the relation between consumption and cost per kw/hr, and therefore rates.

Because of engineering developments, if farm incomes can be maintained at an adequate level, substantial expansion of farm distribution lines might be expected, even if all costs had to be met from revenues derived from the sale of energy, that is, from the customer's bill. The limits of expansion would be extended, and the process expedited, if part of the cost was borne out of general governmental revenues, and rates were correspondingly reduced. Extension of the

practice of government assistance to farm electrification seems probable.

There are some areas in which rural service has been self-sustaining, but, in Canada, these areas are the exception rather than the rule. Even when service has been provided by private companies, the farm service has usually been supported out of revenues obtained from urban and industrial rates. Provincial Commissions have ordinarily been in a position to offer assistance to rural extensions; and provinces which have not previously contributed to rural service appear to be moving in this direction.

The extension of farm electrification in the immediate future appears therefore to depend on the level and the stability of farm incomes, and on the degree of support from provincial treasuries, that is, on the general prosperity of the country; and on the success of the utilities in reducing costs and stimulating the desire for increased service.

Local Government in Australia

By F. A. BLAND

AMONGST the many characteristics of Australian politics that arrest attention when comparing the institutions of the member States of the British Commonwealth of Nations is the rudimentary nature of its local government. A partial explanation for the difference in political systems is to be found in the fact that for the first fifty years of their existence all the colonies, with the exception of South Australia, were organized and administered as convict settlements. The governors were usually naval or military officers who applied to the inhabitants the discipline of the quarter deck or the barrack square. It was not

until the 1820's that the home authorities and the governors began to envisage the possibility of the cessation of transportation, and, in the light of Canadian experience, of the assumption by the inhabitants of the administration of their own affairs. Except in the case of West Australia, convicts were not transported after 1840, while the system of Responsible Government was accomplished in gradual steps by Imperial measures passed in 1823, 1828, 1842, and 1850.

Despite the desires of the home authorities and the efforts of the governors, the inhabitants showed little inclination to assume the management of municipal matters. To do so would have necessitated their raising local rates for the provision of services the cost of which had always been borne by the home authorities or from revenues raised by the

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Colonial Treasuries. In the thirties, the objection of the home authorities to their being asked to continue to meet the cost of constructing and maintaining roads and bridges resulted in the formation of locally elected road trusts for the collection of tolls and rates, but there the ardour for local endeavour ended. For many years the issue of local control of municipal matters had been complicated by the decision of the home authorities to transfer the cost of gaols and police to the colonists. Local spokesmen contended that these services were necessitated by the use of the colonies as a dump for convicts from English prisons; the home authorities argued, however, that the colonists enjoyed the advantages of cheap labour by the system of assigning convicts to the settlers, while the wide distribution of settlement was the cause of the number of gaols and the strength of the police force. When the cost of gaols and police was transferred to the colonial authorities, they in their turn sought, but without success, to make this part of the responsibility to be assumed by the localities under any scheme of local government.

The colonists concentrated upon securing a system of representative government to replace the authoritarian rule of the governors. The measures of 1823 and 1828 which associated a nominee Legislative Council with the governor failed to satisfy local aspirations. The home authorities met complaints on two grounds. In the first case, any system of representative government would encounter the difficulty of a restricted franchise since a vote could not be extended to convicts and social divisions might be exacerbated if emancipists were excluded. Secondly, it was argued that a system of representative government would fail to function effectively unless it were based on the foundations of experience gained in the working of municipal institutions. Representative government, therefore, should await changes in the composition of the colonial population, and the introduction of a system of municipal institutions.

By 1840 the first condition had been satisfied, and the Durham Report on Canada warned against further delay in establishing representative government. But the refusal of the colonists to listen to Governor Gipps' proposals for municipal institutions, based upon his Canadian experience, challenged the home authorities to substantiate their judgment that representative government should be effectively linked up with municipal institutions. The situation was resolved by the Imperial Act 5 and 6 Vic. cap. 76, July, 1842, for "*the better Government of New South Wales and Van Dieman's Land.*"

This Act is better known as the Third Constitution of the Colony of New South Wales which then exercised administrative supervision over the areas now comprised by the States of Victoria, and Queensland, and the Northern Territory. South Australia was never a penal settlement but was colonized in 1836 under an Imperial Act, 1834, which excluded it from the jurisdiction of New South Wales. Western Australia commenced as a military station in 1825, was proclaimed a separate colony in 1829 and attained responsible government in 1890. Victoria became a separate colony in 1855, Queensland in 1859. Van Diemen's Land was occupied in 1803, was separated from New South Wales in 1823, and achieved colonial status as Tasmania in 1856.

Besides providing for a much enlarged and partly elected Legislative Council, the Act of 1842 established a general scheme of municipal institutions. The governor was authorized to incorporate districts under the care of District Councils which varied in membership from eight to twenty-one according as the population of a district was less than 7,000 or more than 20,000. The powers of the District Councils were comprehensive and included the duty to defray the cost of administering police and justice in the areas of each district. The control of these two services, however, remained with the governor who was to levy the amounts needed by precepts addressed to the district treasurer. De-

fault laid the treasurer, the Councillors, and the inhabitants open to distraint of official and private resources. Public education on the lines of the Irish National system was being encouraged, and the District Councils were also charged with the duty of supporting this service.

The District Council system was launched by Gipps by the simple process of delineating the districts, appointing the first Councils, and instructing them to proceed with their work. But although twenty-eight Councils were incorporated in New South Wales, and a number in Victoria, only two or three functioned. The colonists abetted by their elected representatives in the Legislative Council sabotaged the whole system. It was claimed that the system imposed from England exhibited utter ignorance of local conditions, while the penal clauses for failure to satisfy the governor's precepts were such as to create a general unwillingness to run the risks attached to office. While the failure of the Councils must be associated with the refusal of the people to shoulder local financial responsibilities bred from a long tradition of reliance upon the beneficence of the Home and Colonial Treasuries, the unsuitability of the system to local conditions was undoubtedly a prime factor. This was acknowledged by the home authorities when the Bill for conferring responsible government upon the colonies was being drafted in 1849.

The government called for a report from the Committee of the Privy Council on Trade and Plantations upon the future of the District Councils. In its report of the 4th April, 1849, the Committee expressed concern not only for the Councils but for the place that municipal institutions, in general, were to occupy in the new order. It reiterated its belief that responsible government might be imperilled unless it was buttressed by an effective municipal system. It recognized that the creation of municipal institutions could not be made a condition precedent of the grant of responsible government because the essence of the new system was that the local legislatures

should be vested with complete power to establish their own governmental institutions. Nevertheless, the Committee expressed reluctance to allow the new legislatures to dispose of the District Councils as they thought fit. It was open to the Imperial Parliament to repeal the obnoxious clauses constituting the districts, but the Committee thought that might be misunderstood. It might be read not as the "mere removal from the British Statute book of an ineffectual enactment" but as "a significant intimation to the colonists of the judgment of the Parliament that local municipal institutions might safely be dispensed with in their system of government. We think it highly inexpedient to afford any countenance to such an opinion."

On the recommendation of the Committee, the Australian Colonies Government Act, 1850, which authorized the colonies to frame their own constitutions, amended the 1842 Act to allow the electors in any area to petition for the dissolution or establishment of District Councils. Compulsory incorporation was thus replaced by a permissive system. The electors preferred to do nothing, and the Councils continued a paper existence until they were abolished in New South Wales by an Act of the new Legislature in 1858.

The Committee's report traversed the financial problems associated with municipal government. Insufficient revenues had handicapped the road trusts of the thirties. The City of Sydney, incorporated by a local enactment in 1842, had its charter suspended in 1853 largely because it was unable to raise revenues sufficient to meet its obligations. And the financial circumstances of the districts were even more precarious. The Imperial Act legislated for a population that was then non-existent. In 1842 the total population of the area now comprising New South Wales, Victoria, and Queensland was only slightly in excess of 130,000. Yet the Act envisaged areas with a population in excess of 20,000. Even one hundred years later, there were only two cities in the State

of New South Wales outside the Metropolitan district of Sydney with more than 20,000 and there are still only nine with more than 10,000 and five others with more than 7,000.

Furthermore settlement was widely scattered and was distributed over areas which often contained more Crown land than was owned by individuals. The Committee of the Privy Council pointed out that in such circumstances expenditure from the rates on roads and bridges would often be "unfruitful of any considerable or immediate advantage to the rate-payer." It therefore proposed a re-allocation of the territorial revenue by which the Lords of the Treasury would surrender their half share of the receipts from the sale of Crown Lands. This half share was to be placed at the disposal of the District Councils and applied "exclusively to public works within their respective districts." By this policy "a powerful motive would be called into action for the acceptance and employment of the proposed corporate franchises. The great principle of devoting the land fund to the utmost possible extent to the improvement of the land would be observed . . . Every district would be in a state of progressive improvement . . . By means of successive sales (of Crown Lands) the value of rateable property would be continually increasing . . . The resources afforded by this use of the funds at the disposal of the Lords of the Treasury would thus come to the aid of the local resources of a district when such aid was most essential . . . Thus District Councils would be rescued from the necessity of contracting debts in the infancy of the settlement of their districts . . ."

Had such a principle been applied at the inception of the District Council scheme in 1842 the course of municipal government in Australia might have been entirely changed. It was too late in 1849. When responsible government was attained in 1855 in New South Wales, ministers found the disposal of the public domain a most lucrative and easy source of revenue. The refusal to adopt

some such method as that proposed by the Privy Council Committee delayed for more than fifty years the incorporation of rural areas in New South Wales. The development of these areas therefore devolved upon the central government through its Public Works Department created in 1858. And this led to the emergence of the "Roads and Bridges Member" of Parliament whose support of Cabinets varied directly with the amounts that he could extract from the public purse for expenditure upon roads, bridges, and buildings, such as schools and post offices, in his electorate. To the elector, their member of Parliament appeared as a general employment agent, a public works broker, and a beneficent Father Christmas. It was not until 1905-6 that any considerable breach was made in New South Wales in this pernicious patronage system, but the habit of plundering the public treasury to satisfy local demands, or to distribute largesse to underwrite party votes still persists. What a government spends, measures its popularity and therefore decides its tenure of office.

When responsible government was launched in 1855, ministers soon found that some system of local government was imperative as a means of escaping the importunities of electors in outlying areas. As early as 1839 Governor Gipps had pointed the remedy. He declared that "the idea prevails that the government is in possession of large funds" which led each district to vie with others in demands for local services. Gipps said that the government had no criterion by which to test the validity of these demands, but "let the people of each county, parish, or township spend their own money, and they will spend no more of it than is necessary and they will spend it, too, much more satisfactorily than it is possible for the government to spend it for them." He knew that to build a comprehensive system of local government would take time, but "the first step in the right road may immediately be taken by requiring each district . . . to raise within itself . . .

portion at least of the money which is to be spent in it, whether it be for public works, for the maintenance of police, or for any other purpose."

Some of his Councillors who then contemptuously disregarded his proposals were now faced as responsible Ministers with Gipps's predicament. And they had no alternative but to adopt his remedy. But remembering the resentment created by the compulsory incorporation of District Councils they were content to leave it to electors to petition voluntarily for municipal status and this could be attained only by towns, not by rural areas with sparse populations. These provisions were contained in the Municipalities Act, 1858, which, judged by modern standards, was also a comprehensive measure.

It envisaged Municipal Councils serving populations of about a thousand, elected by rate-payers for a period of three years, with one-third of the members retiring annually. The Councils were empowered to care for roads and bridges, to establish and maintain libraries, museums, asylums for destitute children, hospitals, cemeteries, water supply and lighting, to regulate the licensing of vehicles, and of slaughter houses, and to promote public health. For all these things, the Councils might make their own by-laws.

Ordinary resources consisted of tolls and fees, and general and special rates. General rates were not to exceed one shilling in the pound on the assessed annual value, while special rates of an unlimited amount might be levied for supplying water, sewerage, and lighting. The floating of loans was permitted but the amount was restricted to a sum not greater than the revenue collected during the previous three years. A government endowment was provided equal to the amount raised for rates during the first five years after incorporation, diminishing thereafter to an amount of ten shillings in the pound for the next five years, and to five shillings for the next five years when it ceased. Under this Act thirty-five areas had been

incorporated when the measure was superseded by the Municipalities Act, 1867.

It is not surprising that the Act of 1858 soon disclosed defects in drafting which rendered the position of the Councils uncertain and caused some to suspend active operations. But the greatest defect was the insufficiency of their resources for the tasks committed to the Councils. While the 1867 Act sought to enlarge the resources available to the Councils, they still proved insufficient and this position was exaggerated by the addition of such functions as the provision of free infant schools. One reform embodied in the 1867 measure was to restrict the size of the area which might be included in a municipality, while another sought to safeguard the position of the more substantial property owners by giving votes up to four in number for properties assessed at a value of £150 or over.

Nothing further was done to develop municipal institutions in New South Wales until 1905-6 when the Local Government Act of that year provided for the compulsory incorporation of the whole of the Eastern and Central Divisions of the State.* The Western Division which consists principally of large pastoral areas is still unincorporated for municipal purposes and is administered by the State Government through such agencies as the Western Lands Board which polices the granting and use of pastoral holdings in that Division.

With the passage of the Local Government Act, 1905-06, New South Wales fell into line with the policy of compulsory incorporation for rural as well as urban areas that had been adopted in all the other States during the 1870's. The effect was to produce once more a general uniformity in the pattern of local government from which New South Wales had diverged after 1867. That is to say that throughout Australia the capital cities of the several States are administered under special legislation and stand

* This raised the incorporated area from 2785 sq. miles to 134,000 sq. miles. The Western Division embraces 125400 sq. miles.

outside the general local government code under which urban areas are administered by municipal councils and the sparsely settled rural areas by shire councils. The remainder of this article is confined to a description of the New South Wales system although the principles and methods are common to all the States.

The 1905-06 legislation was content to ask of local authorities much less than was envisaged by the Acts of 1842, 1858 and 1867. It emphasized what was possible rather than what students of government might think it desirable for local authorities to undertake. It not only accepted what local authorities believed they could do but reflected the attitude of the central government to public administration. Throughout the last forty years of the century the central authorities bent their energies to developing the inland areas, and, since they had command of ample financial resources, they preferred to expend them directly rather than by subsidising municipal councils. The latter therefore tended to restrict their activities to rudimentary local services including the establishment of utilities for the supply of water and lighting, and the organizing of sanitary services to avoid disease. They did not attempt to establish schools, asylums for destitute children, hospitals, museums, or botanic gardens. A score or so of local councils commenced reference libraries to secure a government subsidy, but they quickly languished for lack of civic interest. Even such activities as markets, ferries, saleyards, irrigation, fire protection, housing, public baths, and the licensing of public vehicles, or the control of public commons passed to the central government and were administered either by ministerial departments or by statutory authorities created ad hoc.

The effect of the re-organization in 1905-6 was not to secure any substantial re-distribution of functions as between the central and local authorities. Education, police, transport, public utilities, fire protection, hospitals, public health, social services, irrigation, asylums,

museums, and forestry still remained under the jurisdiction of the central government. The principal change which flowed from the incorporation of rural areas was the transfer of the task of constructing and maintaining roads and bridges to Shire Councils from the Central Public Works Department, and this was assisted by the State retiring from the field of land taxation and requiring local authorities to levy their rates on the unimproved capital value of all land, other than Crown Land and land used for religious purposes. Municipal functions were classified as obligatory and permissive. The former comprised such things as the care of streets and pavements, collection of garbage, and the provision of parks, while the latter included a wide range of services designed to promote the development of municipal amenities. In recent years, this distinction has tended to have little significance.

The re-organization did, however, alter the character of the local government system. It retained the small council of from nine to fifteen members elected for ridings in the case of shires and for wards, or at large, at the wish of the ratepayers in municipalities, and it introduced conditions which debarred aldermen and councillors from acting if they had any pecuniary interest in council contracts. Plural voting disappeared, and the franchise was extended to cover occupiers as well as ratepayers. In some States, e.g. Queensland, adult franchise has been introduced, and this policy, which is favoured by labour governments, has been a source of continual conflict when proposals for municipal reform are mooted. Rates on the unimproved capital value of land are the main source of municipal income, but while the general rate is limited special rates are unrestricted. Borrowing is limited to 20% of the total unimproved capital value of land in a local area, but loans must be amortized by a loan rate unless the activity for which money is borrowed is self-supporting.

One of the most important changes was the prescription of qualifications for

council personnel. No person may hold office as Council Clerk, Engineer, or Health Inspector unless he has a certificate gained by examination evidencing his fitness for the position. No steps were originally taken to ensure that the rank and file of council offices were qualified, but in 1944 an Ordinance was gazetted which requires all junior officers to have attained a prescribed educational standard. The issue of certificates and the policing of the integrity of clerks and engineers are entrusted to an ad hoc Committee with the standing of an administrative tribunal appointed by the Minister of Local Government. The whole system is supervised by a Minister who controls the Department of Local Government and there is some foundation for the complaint that supervision tends to lean towards irksome controls. Sometimes, too, the Minister is entrusted with another portfolio, and when, as is the case at present, the Minister combines the portfolios of local government with that of public works, there is a tendency for policy and interest to conflict. The aim of local government is to throw the maximum responsibility for local affairs upon the shoulders of local authorities. But a vigorous public works policy which is always popular and has value as an election asset tends to conflict with the aim of local government which has no parliamentary popularity.

Generally speaking, there has been no experimentation with local government areas. Throughout Australia, the municipal council has been used for the control of urban affairs and the Shire for rural matters. Where a function demanded a different type of area, the practice has been to create a statutory authority, ad hoc, as for irrigation, fire protection, water supply, or transport. An important break with this practice occurred just prior to World War I. The navigable waters of a river at the northern extremity of New South Wales became obstructed by a vigorous growth of water hyacinth. Its destruction and removal proved to be a task beyond the competence of the adjoining local govern-

ment bodies. Normally it would have been undertaken by the central Public Works Department. Instead an experiment was made of constituting a new local government area, called a County District. In effect, the Council of this body was simply an ad hoc authority except that it was tied into the local government structure.

The County District Council was formed by the constituent local authorities of the area of the district each electing a representative, and by their delegating to the Council the specific task of eradicating the water hyacinth. The constituent councils also contributed the necessary finance, or authorized the County Council to borrow any capital needed.

The experiment proved to be an unqualified success, and the County Council has since been adopted as a type of local government authority for handling such services as the supply of electricity to areas that could not be served by individual municipal or shire councils. Until 1944 all such County Councils were confined to the discharge of a single service. In that year, a new development occurred. A County Council was created and the constituent councils decided to delegate to it the administration of a number of functions. If this proves to be a success, it may open the way to the development of a new local government area capable of handling effectively functions that are now rather jealously regarded by central government departments as being peculiarly their own. In that event, there may be a redistribution of governmental functions which will result in local government in Australia attaining a status more nearly approaching that enjoyed by it elsewhere throughout the British Commonwealth.

Such a development will not occur without opposition. There is no popular enthusiasm for local government in Australia. The habit of reliance upon the central government for everything is fortified by an aversion for paying locally for services that can be financed by the central treasury. Furthermore, central-

ization in politics and administration is ingrained and is supported by the powerful vested interests in the central departments and the Parliaments. Until we can recapture the philosophy which informed Governor Gipps' policy one hundred years ago and recognize that

democratic government will have little stability unless it is disciplined by experience acquired in the responsibility for managing local affairs, we shall have little chance of altering the system of centralization which blights both politics and administration in Australia to-day.

Regional Research-The Experience of the Tennessee Valley Authority

By LAWRENCE L. DURISCH

IN his monumental *Southern Regions*, Professor Howard Odum observed: "Since research constitutes one of the major needs of the region and is a vital element in any planning program, it is of the utmost importance that a larger coordinated plan of research should be an integral part of any program. The task is to join reality and research."¹ The Tennessee Valley Authority has had an unusual opportunity to assist the region in meeting the need indicated by Professor Odum. As a regional development agency with an operating program of broad scope, it has moreover been able to approach research problems in a realistic and practical manner.

TVA was created by the Congress of the United States on May 18, 1933. In form it is a government corporation, with a board of directors chosen by the President with the consent of the Senate. Its stockholders are the 135,000,000 people of the United States. TVA is a federal agency, but with a sphere of operations centered in the 40,000 square miles which make up the watershed of the Tennessee River and its tributaries. The Valley area includes parts of the southern states of Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee and Virginia.

TVA was given charge of hydro installations and nitrate plants built at Muscle

Shoals, Alabama, during World War I. These properties have served as a nucleus for a region-wide development in the national interest. TVA has constructed 16 multiple-purpose dams on the Tennessee River and its tributaries which have provided a 9-foot navigation channel more than 600 miles in length, more than 13 million acre feet of storage for flood control, and more than 2 million kilowatts of installed power capacity. At the current rate of generation, TVA ranks first among the major power systems of the United States. TVA has proceeded with the experimental production and use of fertilizers in a broad agricultural program; it has aided forestry and has conducted and encouraged research in industry and agriculture. Public health and recreation have also had a part in the program. Since TVA's concept of its job has been to aid the people in their efforts to make the most out of their resources, it has endeavored to stimulate a broad research program in the area. TVA's experience with regional research can be described only briefly in the space here available.²

TVA recognized early in its history that its program was dependent upon the cooperative action of the citizens and institutions of the area, including the state and local governments. This concept was formally expressed in the third

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1. Howard W. Odum, *Southern Regions of the United States*, Chapel Hill, University of North Carolina Press, 1936, p. 589.

2. For information on the TVA program and the philosophy behind it see, David E. Lillenthal, *TVA—Democracy on the March*, Harper and Brothers, 1944.