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foreign aggression.



**ASSIGN
BUSTER**

Today, the study of public finance has become more important than what it was in the past. The modern State no longer remains only a police State entrusted with the bare functions of maintaining peace and order within the country and protecting it against any contingency of foreign aggression. The province of the State has increased very considerably necessitating a corresponding growth in public expenditure and in public revenue. This is due to many reasons. In the first place, the great increase in population has itself entailed an extension in the functions of the States.

Secondly, the modern State is vitally concerned in catering services which help to create that atmosphere where the individual can rise to the full stature of his personality. This involves huge expenditure on running the beneficent departments, like education and public health. Thirdly, as society has progressed and wealth has increased, State enterprise, too, has increased. It does not only regulate industries but actually undertakes many economic activities, such as the public utility services. Furthermore, the State must provide for the poor, the sick, the unemployed and the economically weak. Finally, must be mentioned the enormous increase in the expenditure of the modern State in order to provide for the adequate defence and security of the community. In the nuclear age, in which we live, the expenditure on defence and security has increased beyond all conceivable proportions.

In fact, there is a mad race between countries for war-preparedness. All this makes the functions of the State many, complex and difficult, and so public finance assumes an important role in public administration.