light in Montgomery County, Maryland, a wealthy and booming suburban area adjoining Washington, D.C. For many years new schools were located on 5-acre plots. Recent county regulations make the new area 30 acres per school – the legal limit on areas taken by eminent domain. In one instance the school site alone, with road frontage and storm drainage, cost $10,000 per acre – or a total of $300,000 before ground was broken for the new school!

Many suburban counties across the land today face critical shortages of schoolrooms. Yet scores of these same counties already have launched junior colleges, extending public education through two or four years of college, while some of their first and second grades still are on split-shifts, or housed in quonset-type tempos.

Roads and Streets

New roads and streets necessarily deferred during the wartime restrictions on building materials, create another major problem in local finances. Since the war, auto registration has doubled in most states. But no community has yet caught up with this growth, plus the backlog of streets and highways neglected during the years 1941-46. And all this highway development postponed during the war then fell on top of a mountain of deferred extensions accumulated during the depression years 1932-42, when most cities and counties maintained their fiscal equilibrium only by avoiding all expansion and renewal of streets, alleys, and highways.

In most areas, however, these deferred highway demands overlapped similar wartime backlogs in hospitals, schools, waterworks, and fire prevention. Trying to catch up all at once, during the last decade, with 25 years of deferred demand plus a 25 per cent population increase presents the raw skeleton of today's national crisis in local finances.

First Things First

Every state and every local board faces the stern task of perfecting a slate of orderly priorities on public improvements. No community can do everything at once – today's controlling mood.

Extravagance must be curbed through alert public auditing committees of taxpayers. With federal aid available in virtually every facet of local operations, the tendency to conceal real costs from local taxpayers is becoming a dangerous national habit.

Trick budgets are strong encouragement to runaway spending. Hardly a city, county, or state in the U.S. today presents its annual budget in two columns headed *income* and *outgo*. Instead, every budget is a maze of "segregated revenues," "earmarked funds," "special purpose taxes," "statutory items," and "restricted revenues" – until the poor, befuddled taxpayer has difficulty determining whether his community is really in the black, or hopelessly overboard with "deferred capital items."

It should not be necessary for citizens to hire professional CPA's to find out what their local budgets add up to from year to year.

Honest budgets, and straightaway accounting statements published monthly by legal requirement, would permit the taxpayers to know what their master planners are doing to them from month to month.

"Urban Renewal"

In many urban areas today new apartment buildings are being constructed which yield to the local government roughly $150 a year per unit in taxes. But each apartment gives, on national averages, 1.8 pupils to the public school system. Each pupil costs the county about $200 per year. So each apartment adds $360 a year to the school budget, and contributes approximately $150 a year in taxes! This is jocularly called "urban renewal."

Such is the road traveled today by literally thousands of growing communities – the very core of the ever-increasing wail for more and more systems of federal aid.

But with the federal establishment currently in the red at $12 billion a year, there are no longer any untapped revenues, anywhere, to supply the local deficits.

Total taxes in America today – federal, state, and local – take 28 per cent of the gross national product every year. And total government spending consumes 30 to 33 per cent of the gross national product. One reputable tax authority estimates that every employed person in America now works until April 14 merely to pay his year's taxes. Then, on April 15, he starts to work for himself and his family.

Classical theories of taxation teach that no community can sustain itself in a state of solvency when the total tax burden exceeds 20 per cent of the gross product. Americans have been paying more than 20 per cent since 1940. And today state and local expenditures combined are increasing by more than 10 per cent a year, and state and local debt since 1940 has increased at the average rate of 12 per cent per year.

Congressman Wilbur D. Mills of Arkansas, chairman of the House Ways and Means Committee, presents vigorously the crux of the