

percent per year. Depression and World War II greatly changed the picture. In 1944, general State and local government expenditure was only \$1.1 billion or about 15 percent higher than it had been 12 years earlier. But with the end of World War II, a very high average annual rate of advance was resumed, i.e., about 24 percent a year. The rate was slightly higher in the forties than in the fifties of this 12-year period. No doubt the heavy backlog of demand from the war years was responsible for the exceptionally fast increase in the late forties.

FUNCTIONAL BREAKDOWN

What services are mainly responsible for this rapid advance in State and local government general expenditure? To supply answers to this question, the general expenditure figures have been broken down by 16 main categories; 1902-58 data are given in table 2.