

such as city and county in the construction of facilities should also, in some cases, reduce costs. One larger facility may very well be less expensive than several smaller facilities. And the efficiency of operation should be considered in any such decision. A further consideration of expense is the ownership of public buildings versus the rental of space for public needs. There is no clear consensus on whether it is better to rent or to own. Generally, each situation has to be evaluated on the basis of overall cost, permanency of occupancy, future space needs, location, use and public convenience. At present, about 10 percent of general purpose public building space is rented, an indication of preference for ownership over renting. Another alternative that has been used successfully is the long term lease or lease-purchase contract whereby the structure is built privately and leased or purchased over a long period by the public agency. Pennsylvania is following such a program.

Between 1950 and 1960, the dominant population growth has been in metropolitan areas over 500,000. Their population has increased by 45 percent. Most of this growth has been in the suburban areas. On this basis it is projected that a little less than one-half of the capital requirements during the next 10 years will be in these suburban areas. Cities with populations of less than 2,500 have only increased in population by 1 percent between 1950 and 1960. Since these cities represent less than 5 percent of the total population it is projected that the need in these cities would be only a small percent of the total. Most of the balance of the projected needs, a little more than one-half, is projected to be in the central cities which have half the urban population. It is estimated that about 10 percent of the projected needs are in "independent" cities between 2,500 to 50,000 population; that, is, cities outside metropolitan areas.

It is expected that in the next 10 years there will be no significant change in the proportion of capital outlay for general-purpose public buildings spent by the State and local governments. This would suggest that about half these expenditures would be spent by county governments, a little less than a third by municipal governments and the balance by State governments.

Past trends indicate that about 70 percent of the general-purpose public buildings have been financed by tax-exempt bonds. About 15 percent have been financed directly from appropriations from tax resources. Federal grants have accounted for about 10 percent. In view of current trends in such areas as pollution control, urban renewal, et cetera, and a growing municipal financial pinch, Federal participation may be expected to increase in the next 10 years.

In summary, then, the possible variation over the next decade is considerable. It could range from a low of a little over a billion dollars, in the case of a major depression, to as much as \$5 billion or more depending on the degree of inflation, quality of construction and design, and local, State, and Federal policy.

The probable range of capital cost for general purpose buildings during the next decade is likely to be in the order of \$3 billion. Assuming a variation of 10 percent the range would be from \$2.7 billion to \$3.3 billion.

The indicated "gap" between local funds available and cost is about 10 percent or \$300 million in the next 10 years. This would be a gap of \$20 million annually starting in 1965 and increasing to \$40 million annually by 1975. Since this figure is a projection of his-