more rapidly than projected. In the 38 largest metropolitan areas, local government expenditures for welfare rose by one-third in this period of less than 3 years.

Now, we don't have any national data beyond the fiscal year 1965 right now. But we do have some scattered data—that is, you can find evidence in the budgets and financial reports of individual and local government. And most of those for the large urban States and large cities suggest much more dramatic increases in expenditures for activities connected with poverty.

I am not talking here about the federally financed war on poverty, but rather about the public assistance programs and other public welfare activities and health services to people of low income, even aside from medicaid. Of course, I have best access to material from New York State. They really present dramatic examples.

Dr. Mushkin's projections for New York State public welfare expenditures for 1975 are for a total of a little over $1 billion, half from Federal aid. The State budget anticipates welfare expenditures in this current fiscal year, that is, the fiscal year ending next March 31, of $1.7 billion, 70 percent above the figures expected two and a half to three years from now. And 40 percent of this will be federally financed. The share of Federal funds in this is smaller than Dr. Mushkin's projections indicate.

State-local funds provided for welfare purposes this year at $1 billion in New York State will be double Dr. Mushkin's projections for State-local funds for welfare for 1970. This, of course, is directly related to the central city problems. For example, New York City expenditures for public assistance alone this year will be nearly 40 percent above the 1970 projections for the whole State.

Again, I don't say this to criticize Dr. Mushkin's projections. I think this is the kind of thing we have traditionally failed to foresee, that something really dramatic has happened here. And I think the dramatic thing that has happened is rather clear. We have always known that there are hundreds of thousands of people eligible for public assistance and other services under the laws of the States in which they reside, who have not been receiving assistance, and have not been receiving the services to which they are legally entitled. Recently, these people have been applying for assistance or other services to which they have always been entitled. And this is dramatically changing expenditures for this purpose.

The fiscal projections, then, raise two central problems. The first is, are we really prepared to contemplate continual State-local tax-rate increases, mainly in connection with large central cities, if the Federal Government is at the same time in a position to massively cut Federal taxes? I would say we should not really contemplate that, for three major reasons:

First, rapid rises in central city tax rates, and in the taxes imposed by the State governments which contain them, will exacerbate their economic difficulties and their social problems as well. And by "rapid rises" here I mean not only the adoption of new taxes, but I mean anything which effectively increases the taxes collected out of the economic base at a given time. I add this footnote at this point because much of the discussion improvement in the administration of the property tax relates directly to central city problems. The property