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**TAX BURDENS AND
PUBLIC EXPENDITURES**

**STUDIES IN TAXATION AND
PUBLIC FINANCE**

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FOREWORD

Although, during the past two years, wider diffusion of knowledge concerning taxation and public expenditures has awakened a clearer realization of their importance in economic and social welfare, and led to a more earnest consideration of their wise administration, certain basic problems involved are still far from solution and are likely to be of continuing interest and concern to the public and to industry. A prerequisite of any sound solution of these problems is accurate and comprehensive information, made widely available, bearing on the growth and nature of taxation, public expenditures and indebtedness, and their relation to national income.

For this reason the Conference Board has been engaged in continuous studies of federal, state and local tax problems and has issued, among other publications in this field, two reports entitled, "Taxation and National Income" and "Tax Burdens and Exemptions," which set forth the results of its original investigations of the growth in taxation, expenditures and indebtedness and their relation to tax exemptions and to national income in the United States and other countries up to the year 1923. The present volume carries these studies forward through the latest year for which data are available. The concise and comprehensive picture of the fiscal situation in the United States which it affords should prove to be of general interest and educational value in current discussions of this important problem.

In utilizing this and earlier studies of the Conference Board which have sought to set forth the facts that are basic in discussion of the tax problem a word of caution may not be amiss. A recital of the facts regarding the phenomenal growth of taxation and public expenditures in recent decades does not carry with it any conclusive judgment as to the significance for good or for evil of this

modern development. Such judgment involves insight into complex problems of social and economic progress which cannot be achieved without careful and painstaking study of such questions as those of the distribution, shifting, incidence and effects of taxation, the productivity of public expenditures, the scope and efficiency of public as contrasted with private services, and the problem of international relations, which has had so great a bearing on public finance. Neither the facts presented in the present report or earlier ones, nor any emphasis given in the presentation to special features of taxation and expenditures, should be taken to imply any judgment by the Conference Board on the difficult questions to which reference has been made.

This report is the result of an investigation conducted by Mr. L. R. Gottlieb and assistants, of the Conference Board's Research Staff, under the supervision of the Board's Staff Economic Council.

In the preparation of its studies, the National Industrial Conference Board avails itself of the experience and judgment of the business executives who compose its membership, and of recognized authorities in special fields, in addition to the scientific knowledge and equipment of its Research Staff. The publications of the Board thus finally represent the result of scientific investigation and broad business experience, and the conclusions expressed therein are those of the Conference Board as a body.

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