

# SUMMARY OF GOVERNMENTAL FINANCES IN 1953

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GOVERNMENTAL FINANCES IN  
THE UNITED STATES: 1953

G-GF53

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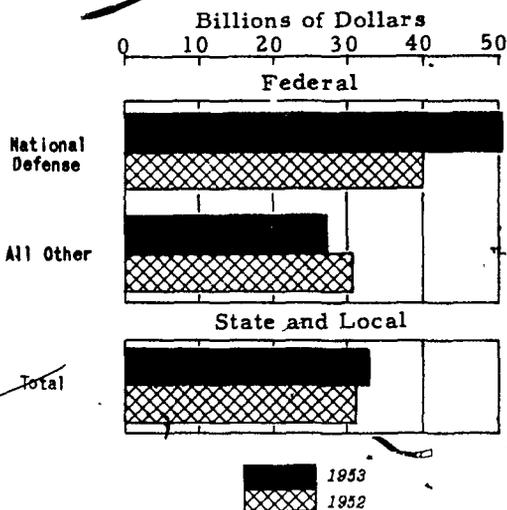
Federal, State, and local government expenditure rose 9 percent to \$110.6 billion in the fiscal year 1953. The largest component in the \$9.2 billion increase was the increase of national defense expenditure to a postwar peak of \$50.5 billion, as compared with the \$44.0 billion spent in 1952. Other public spending rose from \$57.5 billion in 1952 to \$60.1 billion in 1953. State and local government expenditure accounted for more than half (\$33.0 billion) of nondefense spending. The Federal Government's direct expenditure for purposes other than national defense was \$27.2 billion in 1953. In per capita terms, total 1953 expenditure of all governments was \$699. National defense accounted for \$319 per capita and all other public functions for \$380 per capita.

The second largest function of government in 1953, education, accounted for only one-fifth of the amount spent for national defense. Education expenditure, by all levels of government, was \$10.1 billion in 1953, or \$64 per capita. The 1953 total was 5 percent more than the

amount spent the preceding year. As in 1952, interest on general governmental debt ranked next to education in amount of expenditure, requiring \$7.1 billion or \$45 per capita in 1953. This was 11 percent higher than the 1952 level. Approximately \$5.1 billion was spent by governments for the Nation's highways in 1953. Highway expenditure, up 7 percent from the 1952 level, totaled \$32 per capita. The other functions of government ranked considerably below the foregoing in volume of expenditure in 1953. Expenditure increases took place for all major functions with the exception of international assistance and foreign affairs, sanitation services, and housing and community redevelopment activities. The two latter functions underwent expenditure decreases because of reductions in construction program. A slight decrease also occurred in the miscellaneous category owing largely to lower Federal spending for expansion of defense production.

Governmental revenue from all sources totaled \$105.5 billion in the fiscal year 1953. About four-fifths of the total was provided by taxes, which for Federal, State, and local governments altogether yielded \$83.6 billion or \$528 per capita. Total 1953 revenue was 4 percent higher than the corresponding 1952 amount and tax revenue was up 6 percent. Charges for services, sales of products, and miscellaneous general revenue sources produced \$9.4 billion in 1953, or 9 percent of total governmental revenue. The 8 percent decline in yield of these revenue sources between 1952 and 1953 resulted, for the most part, from cutbacks of sales of agricultural commodities under the price support programs, and reductions in sales of defense materials under the expansion of defense production program. Sales of State and local government liquor stores, and of local water, electric, transit, and gas utilities provided \$3.3 billion in revenue, or 3 percent of all public revenue. Liquor store and utility sales were up 7 percent from the 1952 level.

Fig. 1.--GOVERNMENTAL EXPENDITURE  
1953 AND 1952



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In the Bureau of the Census report, SUMMARY OF GOVERNMENTAL FINANCES IN 1953 (C-GF53), figure 1 on page 1 is in error. The 1952 bars shown thereon for Federal defense and nondefense expenditure were not revised in accordance with revisions in basic data (see text of report, pages 11 and 12). A substitute reprint of the corrected chart appears below.

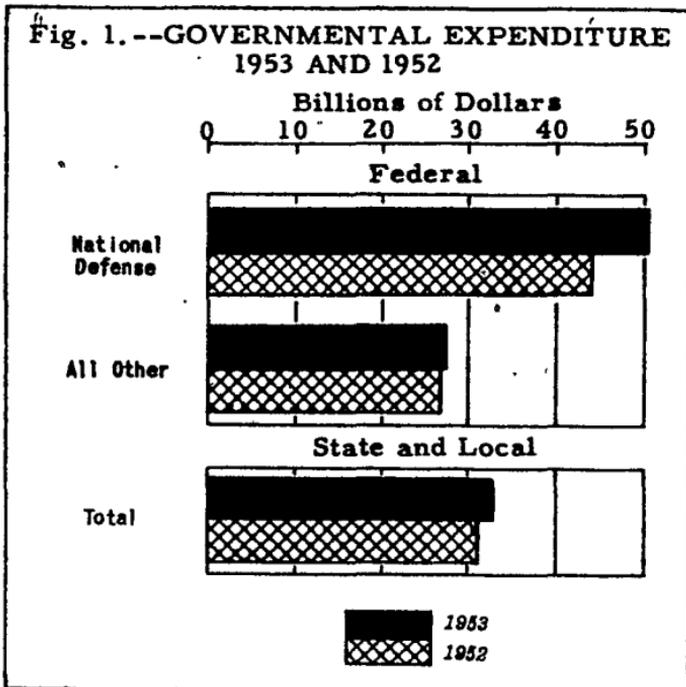
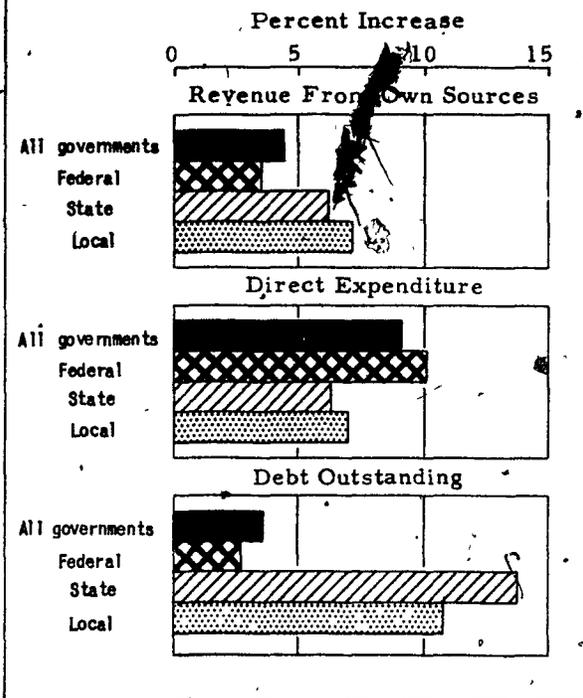


Fig. 2.--PERCENT INCREASE, 1952-1953, IN GOVERNMENTAL FINANCES, BY LEVEL OF GOVERNMENT



The remaining \$9.2 billion of governmental revenue, 9 percent of the total, came from employer and employee contributions for insurance trust systems and the investment earnings of such systems. Insurance trust revenue was 6 percent greater in 1953 than in 1952.

Counting for each level of government revenue from its own sources only (i.e., excluding fiscal aid and other transfers from other governments), the Federal Government received \$75.2 billion in revenue in 1953, and the State and local governments each had revenues of \$15.2 billion, or a total of \$30.4 billion for these governmental levels.

Governmental debt at the end of fiscal year 1953 stood at \$299.6 billion, almost nine-tenths of which consisted of obligations of the Federal Government. Total governmental debt, Federal, State, and local, was 4 percent greater than at the end of 1952. State debt was \$7.8 billion, 14 percent more than a year earlier. Local government debt totaled \$25.7 billion, up 11 percent. Slightly more than half of local government indebtedness was debt of cities. The remainder consisted of obligations of school districts, special districts, counties, and townships.

For State and local governments, the 1953 debt level of \$33.6 billion represents an all-

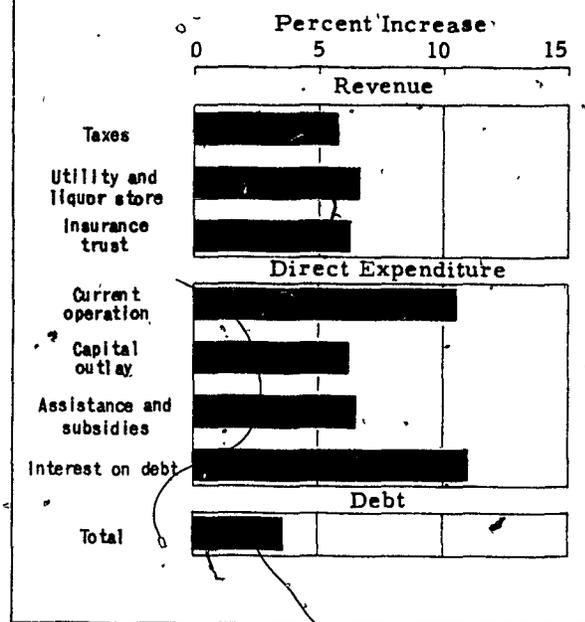
time high. New borrowing to finance State and local expenditures totaled \$5.0 billion during the fiscal year 1953, whereas debt redemption during the year was only \$1.8 billion. On the asset side, cash on hand and on deposit plus investment holdings of State and local governments amounted to \$37.1 billion at the end of fiscal year 1953, 9 percent more than at the end of the preceding year. However, less than 10 percent of this amount was held in sinking funds specifically for future redemption of debt. The great bulk of holdings represented assets held for other special purposes, such as unemployment compensation and employee retirement, and cash and investment holdings of other earmarked funds and general funds.

REVENUE BY SOURCE

Total governmental revenue in the fiscal year 1953 was at a record high. Both the Federal Government and State and local governments participated in the 1952-1953 increase. Federal revenue rose 4 percent and State and local government revenue was up 7 percent.

As shown in this report, governmental revenue consists of all receipts of governments from external sources--net of refunds and other correcting transactions--other than from borrowing and liquidation of financial investments. With some relatively minor exceptions, internal transfers from fund to fund are excluded, and

Fig. 3 --PERCENT INCREASE, 1952-1953, IN SELECTED ITEMS OF GOVERNMENTAL FINANCES



aggregates for groups of governments exclude intergovernmental transactions between the governments involved. Since government is defined to include all public agencies, corporations, and funds, the revenue total includes amounts of revenue (on a gross basis) of governmental enterprises and trust funds.

Table 1 shows governmental revenue, by source and by type of government, for 1953. Tables 10 and 11 show corresponding 1952 amounts and percent changes from 1952 to 1953.

Taxes

Tax revenues for all governments, totaling \$83.6 billion in the fiscal year 1953, were 6 percent above the 1952 level. Federal tax collections were up 5 percent, State tax yields 7 percent, and local taxes 8 percent. Tax revenues provided 84 percent of all revenue of the Federal Government, but only 68 percent of the revenue of State and local governments, exclusive of their receipts from Federal aid. State and local taxes, totaling \$20.8 billion, were about equally divided between receipts from State government levies--chiefly on sales and income--and local levies, chiefly taxes on property.

Taxes, as defined for this report, are compulsory contributions exacted by governments for public purposes, except employee and employer assessments for retirement and social insurance purposes, which are classified as insurance trust revenue. Tax collections consist of tax amounts received and penalties and interest thereon, but net of refunds--which are substantial in the case of Federal income taxes and State motor fuel sales taxes.

Property taxes.--Property taxes--i.e., taxes conditioned on ownership of real or personal property and measured by its value--are not employed by the Federal Government, and they are of comparatively minor significance for State governments, accounting for only 4 percent of State tax revenue in 1953. However, property taxes yielded \$8.9 billion in revenue for local governments in 1953, 59 percent of all revenue of these units from local sources, and 71 percent of their general revenue from local sources.

In 1953, local property tax revenue was distributed, as follows among the various types of local government:

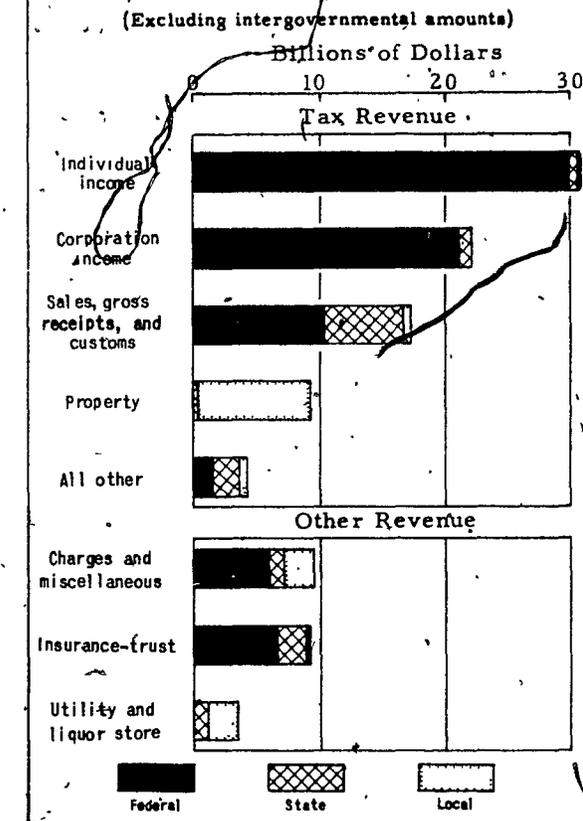
All local property taxes.....	100.0%
Cities.....	38.0%
School districts.....	32.5%
Counties.....	21.9%
Townships.....	6.0%
Special districts.....	2.1%

For all types of local government except the special districts (which derive their revenues largely from charges for their services and utility sales), the property tax was the main local source of revenue for financing general government functions.

Income taxes.--Taxes on net income of individuals and corporations--including excess profits taxes--comprise the main tax sources of the Federal Government, yielding \$50.1 billion in Federal tax collections in 1953. Although not all State governments levy income taxes and State rates are far lower than Federal rates, the States obtained \$1.8 billion, or 17 percent of their tax revenue from taxation of income in 1953. Local government income taxes are levied by very few jurisdictions. Where used they are generally important revenue sources of the governments concerned, but the aggregate of local revenue from income taxes--including payroll taxes--was only \$103 million in 1953, almost entirely from city income and payroll taxes.

Sales and gross receipts taxes.--The Federal Government, all 48 States, and a growing number of local governments obtain substantial revenues from taxes on sales and gross receipts.

Fig 4.--GOVERNMENTAL REVENUE IN 1953



In addition to customs duties, Federal taxes of this nature are excise taxes on a lengthy list of specific commodities and services. These Federal excise taxes and customs duties yielded \$10.4 billion, or 17 percent of Federal tax revenue in 1953.

All States levy sales or gross receipts taxes on sales of motor fuel and other specific commodities and services. In addition, 31 States had general sales taxes in 1953 which apply, subject to specific exceptions, to all types of goods, goods and services, or gross income. The States collected \$6.2 billion from their various sales taxes in 1953, 59 percent of all their tax revenue.

The employment of both general and selective sales taxes by local governments, chiefly cities, has grown rapidly in recent years. In 1953 local governments realized \$713 million from such taxes, as compared with only \$133 million in 1942. Sales and gross receipts tax collections of all governments in 1953 were distributed as follows (in millions):

Item	All governments	Federal	State	Local
All sales and gross receipts taxes.....	\$17,275	\$10,352	\$6,209	\$713
General sales, use, or gross receipts.....	2,859	.....	2,433	426
Customs duties.....	596	596	.....	.....
Selective sales and gross receipts.....	13,819	9,756	3,776	287
Motor fuels.....	2,925	906	2,019	(1)
Alcoholic beverages..	3,246	2,781	465	(1)
Tobacco products.....	2,124	1,655	469	(1)
Other.....	5,524	4,414	823	287

<sup>1</sup>Distribution not available; amounts included in "other".

**Other taxes.**—Taxes other than those on property, income, or sales yielded governments \$4.1 billion in 1953. The largest individual taxes included in this aggregate were death and gift taxes from which \$1.1 billion was collected in 1953 and State motor vehicle and operators license taxes which yielded \$1.0 billion in 1953. The remainder of miscellaneous tax revenue came from a variety of tax measures, including licenses of various types.

**Charges and Miscellaneous General Revenue**

Nontax general revenue of governments, which is chiefly from charges for governmental services and from sales of products, provided \$9.4 billion in the fiscal year 1953, 9 percent of total governmental revenue. This total was distributed as follows (in millions):

Item	All governments	Federal	State	Local
Charges and miscellaneous general revenue	\$9,381	\$5,898	\$1,198	\$2,285
Charges for services (including sales of products) <sup>1</sup> .....	7,096	4,744	804	1,548
Special assessments..	196	.....	.....	196
Interest earnings <sup>2</sup> ...	740	487	142	110
Sale of property.....	322	260	13	49
Miscellaneous sources	1,028	407	239	382

<sup>1</sup>"General revenue" excludes receipts from sales by State and local liquor stores and local utilities.

<sup>2</sup>Excludes interest received from investments held for insurance trust programs.

**Charges for services.**—Charges for services are amounts received for performance of specific services benefiting the person charged and from sales of commodities and services other than utility and liquor store sales. Charges for services are included in governmental revenue on a gross basis without offset for cost of producing or buying the commodities or services sold.

For the Federal Government the total of \$4.7 billion received in the fiscal year 1953 comprises numerous items of a highly diverse nature, including postal receipts; receipts from sales (other than to Federal agencies) by the Commodity Credit Corporation, the Reconstruction Finance Corporation, and other government corporations; rental receipts from Federal housing projects; insurance premiums for housing insurance; reimbursement of appropriations from proceeds of sales; charges for subsistence and quarters collected from government personnel; advances from foreign governments for purchase of military and other supplies, equipment and services; and many other items.

Federal revenue in fiscal 1953 from sales of goods and services is detailed below in terms of the governmental functions involved:

Function or Item	Amount (in millions)
All functions.....	\$4,744
National defense (chiefly sales of commissary and ships stores stock and strategic and critical materials, and sales to military personnel).....	236
International assistance and foreign affairs (chiefly advances from foreign governments for procurement of supplies, materials and services).....	177
Postal service.....	2,093
Hospitals.....	26

Function or Item	Amount (in millions)
Natural resources.....	825
Commodity Credit Corporation.....	544
Power projects.....	170
Other (including crop and farm mortgage insurance premiums).....	241
Housing.....	183
Insurance premiums.....	92
Project rentals and other income.....	91
Nonhighway transportation.....	118
Canals and waterways.....	97
Railroads.....	21
Miscellaneous.....	966
R. F. C. lending, production, and liquidation programs.....	621
Expansion of defense production.....	170
All other.....	195

State and local revenue from charges for services totaled \$2.4 billion in 1953 and was distributed, by function, as follows (in millions):

Item	Total	State	Local
All functions.....	\$2,352	\$804	\$1,548
Education.....	713	410	303
Commercial activities of institutions of higher education.....	261	256	5
Other.....	452	154	298
Highways.....	197	103	94
Toll facilities.....	176	92	84
Regular highways.....	22	11	11
Hospitals.....	341	111	230
Natural resources.....	120	81	40
Sanitation.....	154	.....	154
Housing.....	204	.....	204
Nonhighway transportation.....	150	22	128
Water transport and terminal facilities.....	102	20	82
Air transportation.....	43	2	42
Other.....	5	.....	5
Local parks and recreation.....	51	.....	51
Other general functions.....	422	77	344

**Special assessments.**—Special assessments for capital outlay are used by local governments for financing certain types of permanent improvements. They are compulsory contributions levied against property owners benefited by specific public improvements (street paving, sidewalks, sewer and water lines, etc.) to defray the cost of such improvements and apportioned according to the assumed benefits to the affected properties. Special assessment financing was widely used by local governments in the 1920-1930 decade, but was much less commonly resorted to thereafter until the last few years.

Special assessment receipts have climbed from \$111 million in 1950 to \$139 million in 1951, \$166 million in 1952, and now \$196 million in 1953.

**Interest earnings.**—General revenue from interest earnings consists of interest on governmental loans and on securities held by governments, other than such investments held as assets by employee retirement and social insurance funds. The latter type of earnings is classified as insurance trust revenue rather than general revenue. General revenue from interest derives chiefly from assets of sinking funds and trust funds, other than insurance trust funds, investments of temporary surpluses of other governmental funds, and various types of governmental loans. It excludes interest on intragovernmental loans, such as interest receipts by the U. S. Treasury on funds advanced to Federal business enterprises, but includes revenues from interest on formal debt obligations of a government held as investments of agencies or funds of the same government. As indicated by table 8, a major portion of all investment holdings of State and local governments is in the form of interest-bearing Federal securities or deposits and securities of State and local governments, including those of the investing government. Federal general revenue from interest earnings also includes amounts on securities of State or local governments and interest on Federal securities held as investments by Federal funds, other than insurance trust funds. Therefore, a significant portion of governmental revenue from interest is received from governments, rather than from other sectors of the economy. Much of this total represents interest on securities held by funds of the issuing government itself.

**Sale of property.**—Governmental revenue from sale of property, which is significant chiefly for the Federal Government, comprises receipts from disposal of real property and improvements, but not receipts from the sale of personal property or financial assets.

**Miscellaneous general revenue.**—Miscellaneous general revenue sources consist largely of fines, forfeits and penalties, royalties, and donations and unclaimed moneys, plus amounts not allocable by specific source in the classification of data for this report.

**Utility and Liquor Store Revenue**

Sales receipts of State and local liquor stores and local water, electric, gas and transit utilities amounted to \$3.3 billion in 1953, or 11 percent of governmental revenue from State

and local sources. Such revenues are, of course, largely offset by the cost of purchasing or producing the commodities and services sold, and only any net difference between sales revenue and the cost of producing this revenue would be available for financing other types of governmental services. There are, in addition to the specific activities listed above, numerous other revenue-producing activities at all levels of government which are not classified as utilities in this report. These are indicated above under "Charges for services."

**Insurance Trust Revenue**

Contributions of employees and employers for social insurance and employee retirement and earnings on assets of social insurance and retirement funds aggregated \$9.2 billion in 1953, 6 percent more than in 1952, and 9 percent of total governmental revenue. This rapidly growing field of governmental activity is distinguished sharply from general governmental functions and from utility activities by its characteristic accumulation of large reserves for the payment of future benefits and the maintenance of individual accounts to determine the entitlement of specific individuals to insurance-type benefits.

With many governmental insurance trust systems still in a developmental stage and high economic levels resulting in a relatively limited level of unemployment compensation, total insurance trust revenue in 1953 exceeded total insurance trust expenditure by \$3.2 billion.

Approximately 86 percent of insurance trust revenue in 1953 came from contributions by employees, other ultimate beneficiaries, and employers. These amounts exclude contributions or other financial support from governments to insurance funds they administer. They do, however, include employer contribution amounts from governments other than the administering government, such as local government contributions to State administered retirement systems and State and local employer contributions to the Federal Old Age and Survivors Insurance Fund.

The remaining 14 percent of insurance trust revenue derives from earnings on investments of accumulated reserves of insurance funds. These investments and the earnings thereon include substantial sums, particularly for the Federal Government, for securities of the government held by its own insurance funds.

Following is a distribution of insurance trust revenue, by source of revenue and by insurance program (in millions):

Insurance trust revenue	All governments	Federal	State	Local
Total, all systems	\$9,247	\$6,463	\$2,501	\$283
Contributions.....	7,930	5,552	2,169	208
Earnings.....	1,317	911	331	74
Employee retirement...	1,551	638	634	278
Contributions.....	1,142	423	514	205
Earnings.....	409	215	121	73
Unemployment compensation.....	1,589	33	1,551	5
Contributions.....	1,385	15	1,366	4
Earnings.....	204	18	185	1
Old age and survivors insurance.....	4,449	4,449	.....	.....
Contributions.....	4,060	4,060	.....	.....
Earnings.....	389	389	.....	.....
Veterans' life insurance.....	628	628	.....	.....
Premiums.....	428	428	.....	.....
Earnings.....	200	200	.....	.....
Railroad retirement...	714	714	.....	.....
Contributions.....	625	625	.....	.....
Earnings.....	89	89	.....	.....
Workmen's compensation and disability and sickness insurance...	316	.....	316	.....
Contributions.....	289	.....	289	.....
Earnings.....	26	.....	26	.....

Insurance trust systems included above relate only to publicly administered plans. In the field of workmen's compensation insurance, many States provide for coverage of employees by commercial insurers rather than themselves administering the funds.

It should be noted further that, except in the case of Federally administered railroad unemployment insurance, unemployment compensation insurance has been classified as a State government and local government (District of Columbia) activity. Federal transactions relating to the operation of these systems (i.e., those arising from the use of the U. S. Treasury as depository for State fund balances) are treated as fiscal agency transactions and omitted from the Federal finance statistics in this report.

**Intergovernmental Revenue**

Most of the foregoing discussion has dealt with revenues of particular types of government from their own sources, without regard to intergovernmental transfers they may receive. Aggregate intergovernmental revenue (or expenditure) totaled approximately \$8.8 billion in 1953. The incidence of these transfers importantly changes the pattern of distribution of resources actually available for "final" expenditure by various levels of government.

For the Federal Government, the amounts involved represent a relatively small portion of

the financial picture. The Federal Government received \$69.7 billion from general Federal sources in 1953 (i.e., excluding insurance trust revenue), and transferred \$2.9 billion to State and local governments, leaving \$65.8 billion of 1953 general revenue for "own" Federal Government purposes.

The State government role, however, was more complex. The States received \$11.8 billion from their own general revenue sources (i.e., excluding liquor store and insurance trust amounts), to which the Federal Government and local governments added \$2.8 billion. In turn, the States distributed \$5.4 billion to their local governments so that the net general revenue available for direct State expenditure for "own purposes" was only \$9.1 billion.

Local governments raised from local sources \$12.5 billion of general revenue in 1953 (excluding utility and insurance trust revenue). Grants-in-aid, shared revenues, and reimbursements from the States, the Federal Government, and other local governments provided an additional \$5.9 billion. In turn, local governments distributed to their State governments and to other local governments \$0.5 billion, leaving them with a net amount of general revenue available for local expenditure of \$17.9 billion.

In summary terms, the distribution of governmental revenue before and after intergovernmental transfers was as follows:

Item	Total	Federal	State	Local
General revenue from own sources.....	100.0%	74.2%	12.6%	13.4%
General revenue for own purposes.....	100.0%	68.5	11.9	19.6

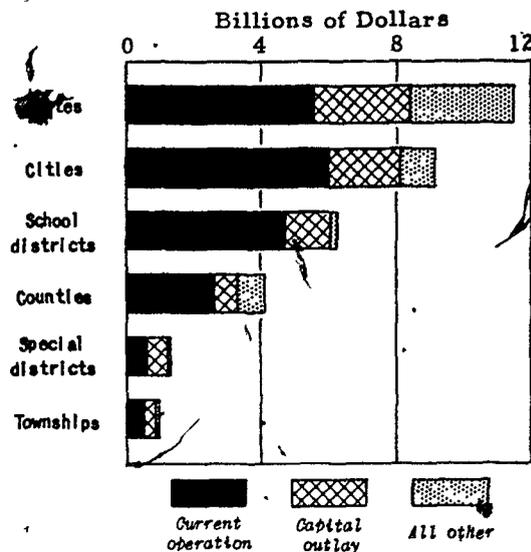
**EXPENDITURE BY CHARACTER AND OBJECT**

Governmental expenditure aggregated \$110.6 billion in fiscal year 1953 of which direct expenditure of the Federal Government accounted for \$77.7 billion, or 70 percent. Direct expenditure of State governments totaled \$11.5 billion, and that of local governments \$21.5 billion. These are expenditure amounts for "own purposes" of each level of government. The 1953 amounts were in all cases greater than the corresponding 1952 figures. In the case of Federal Government, the increase was 10 percent. State expenditure underwent an increase of 6 percent and local government spending was up 7 percent.

In 1953, the Federal Government disbursed an additional \$2.9 billion in payments to State

Fig. 5.--STATE AND LOCAL GOVERNMENT EXPENDITURE, BY TYPE OF GOVERNMENT: 1953

(Excluding intergovernmental amounts)



and local governments, the State governments paid \$5.4 billion to the local governments and the local governments paid nearly \$0.2 billion to the States.

As shown in this report, governmental expenditure basically consists of all moneys paid out by governments to individuals or external agencies—net of recoveries and other correcting transactions—other than for retirement of debt, investment in financial assets, or extension of loans. With some relatively minor exceptions, internal transfers from fund to fund are excluded and aggregates for groups of governments exclude intergovernmental transactions between the governments involved. Since government is defined to include all public agencies, corporations, and funds, the governmental expenditure total includes (on a gross basis) the ultimate payments made by governmental enterprises and trust funds.

**Current Operation**

Of all public spending in the fiscal year 1953, more than half—\$62.0 billion—was for current operation. Such expenditure includes pay of military and civilian employees, purchase of goods and services used in the performance of various governmental functions, and purchase of goods for resale by governmental activities. The Federal Government accounted for \$42.0 billion or two-thirds of the total for all governments. Included in this figure

is \$9.8 billion for pay and allowances for armed forces personnel, \$4.9 billion for pay of civilian employees of the defense establishment, and \$18.1 billion for supplies, materials, and other current operation expenditure for national defense. The pay of Federal civilian employees engaged in nondefense functions totaled \$5.2 billion in 1953. Other operation expenditure of the Federal Government—i.e., for supplies, materials and current contractual services other than for defense purposes—amounted to \$6.0 billion. This includes substantial amounts of purchases of agricultural commodities for farm price support, and of purchases of defense materials and other commodities for stockpiling and resale, as well as spending for commodities, materials, and services directly used in the performance of governmental functions.

State and local governments spent \$20.0 billion for current operation in 1953. Almost two-thirds of the total was for pay of State and local employees, and the balance was primarily for supplies, materials, and services needed for the performance of governmental functions. Other than liquor purchased for resale in State and local liquor stores and electric power purchased for resale by local electric utilities, State and local purchases for resale are relatively minor.

#### Capital Outlay

Governmental expenditure for capital outlay—construction, equipment, and purchase of land and structures—aggregated \$26.4 billion or about one-fourth of total governmental expenditure in 1953. A substantial portion of this total, \$14.1 billion, was accounted for by Federal purchases of military equipment—planes, ships, weapons, and the like.

Capital outlay, as defined for this report, consists of direct expenditure for purchase or construction, by contract or force account, of buildings and other improvements and for purchases of land and of equipment. Expenditure for equipment consists of amounts for purchase and installation of apparatus, furnishings, motor vehicles, office equipment and the like, including Federal expenditures for military equipment, ship construction, and other durable apparatus other than buildings and other fixed structures.

Construction expenditure for all governments, totaling \$10.5 billion in 1953, includes \$9.9 billion in contract construction (i.e., construction by private contractors) and \$0.6 billion in State and local force-account construction (i.e., direct construction with State and local forces and materials), as well. It

has not been possible to identify and include here Federal expenditures for force-account construction; such amounts are included in Federal current operation expenditure.

Subject to this limitation, governmental expenditure for capital outlay in 1953 can be distributed as follows (in millions):

Item	Total capital outlay	Construction	Equipment	Land and existing structures
All functions.....	\$26,402	\$10,498	\$15,301	\$603
Defense (Federal only).....	16,936	2,828	14,082	26
Education.....	2,072	1,776	222	74
Highways.....	3,015	2,638	119	258
Hospitals.....	469	401	55	13
Natural resources....	835	594	192	49
Sanitation.....	399	372	20	7
Housing and community redevelopment.....	512	417	4	91
Nonhighway transportation.....	550	331	203	16
Local utilities.....	787	691	67	29
All other.....	827	450	337	40

#### Assistance and Subsidies

In addition to payments for goods, services, and capital items, total governmental expenditure includes sizable amounts of payments for which no services or products are directly received in return. A major portion of such payments comprises items here reported as assistance and subsidies, and altogether amounting to \$8.9 billion in the fiscal year 1953. Although the Federal Government accounted for most of this sum—\$6.4 billion—State and local payments for assistance and subsidies also were substantial—\$2.6 billion. Practically all of the State and local amount involved public assistance programs for aid to the aged, dependent children, the blind and other special classes, and general relief. Federal expenditure for assistance and subsidies, however, was considerably more diverse, including such items as cash payments for international assistance, veterans' pensions, grants to territories and possessions, airmail and merchant marine subsidies, and grants for hospital construction to nonprofit, nongovernmental institutions.

Following is a distribution of governmental expenditure in 1953 for assistance and subsidies, by major program (in millions):

Program	All governments	Federal	State and local
Total.....	\$8,933	\$6,376	\$2,557
National defense.....	766	766	.....
International assistance.....	1,571	1,571	.....
Education (largely veterans' educational benefits).....	658	623	36
Public welfare (largely public assistance).....	2,375	10	2,365
Natural resources (largely agricultural benefits).....	367	363	4
Veterans' pensions, bonuses, and other noneducational benefits.....	2,650	2,550	100
All other.....	546	493	52

It should be noted that these figures include only cash grants and not gifts of supplies, materials, or other grants in kind. The cost of items to be distributed in kind is included in current operation expenditure as purchases of goods and services.

#### Interest on Debt

Total interest payments on governmental debt aggregated \$7.3 billion in 1953, of which approximately 89 percent was paid out by the Federal Government. State governments accounted for only one-fifth of the remaining 11 percent and local governments for the balance. The local government total includes \$184 million paid on utility debt as well as \$452 million for local government general debt.

Interest on debt includes amounts paid to all holders of governmental securities even though the owners may be funds or agencies of the government making the interest payments or of other governments (see discussion of interest earnings above). About \$911 million or 14 percent of Federal expenditure for interest was received by Federal insurance trust funds whose investments consisted of Federal securities. An undetermined but significant portion of State and local expenditure for interest went to various funds of the paying government.

#### Insurance Trust Benefits and Withdrawals

Insurance trust expenditure—i.e., benefit payments and refunds of contributions of insured persons—totaled \$6.0 billion in 1953, about 72 percent being Federal payments and 28 percent State and local payments. These amounts are limited to actual payments to insured persons and therefore exclude (as internal transfers) government contributions to insurance trust funds they administer, and costs of ad-

ministering insurance trust programs (which are classified as general expenditure).

Insurance trust payments represent another major class of income transfers administered by government. They are distinguished from assistance and subsidy payments, however, in that the recipients have acquired a contractual right to the benefits they receive through their own previous contributions or through contributions made on their behalf by their employers. The various governmental programs classified as insurance trust activities are discussed below under "Insurance Trust Expenditure."

#### Expenditure for Personal Services

Payments for salaries and wages of government employees cut across the classification of expenditure by character described above, since such employees may be engaged either in current operation activities or in force-account construction work. The total of payroll expenditure by governments was \$33.1 billion in the fiscal year 1953, including pay and allowances for armed forces personnel amounting to \$9.8 billion. These expenditure figures, however, are limited to cash payments; they do not include the value of subsistence, quarters, or other payments in kind made to military personnel. The cost of such items is included in governmental expenditure for supplies, materials, and other purchases of goods and services.

Personal services expenditure consists of gross amounts paid to government employees before deductions for income tax, retirement contributions, charges for quarters or subsistence, or other purposes.

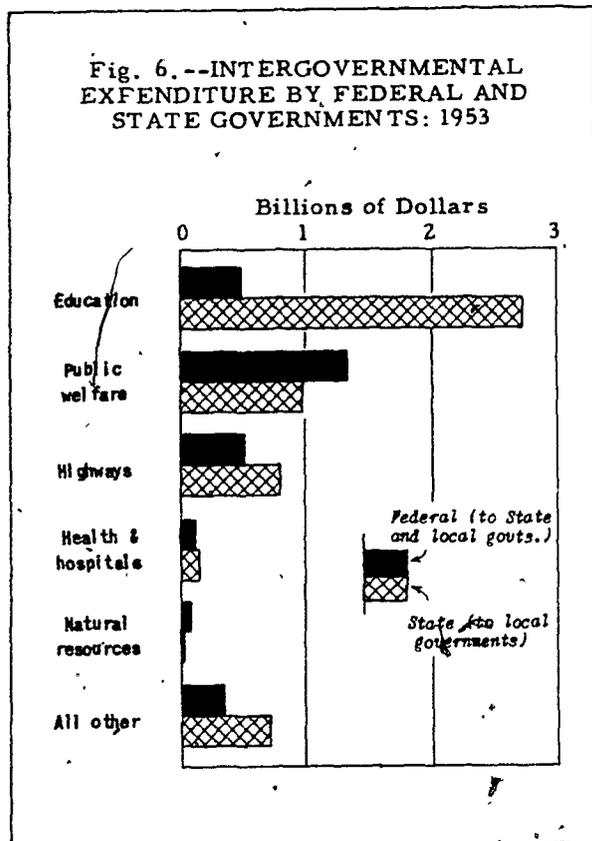
Public civilian payrolls totaled \$23.3 billion for fiscal 1953, of which \$10.2 billion was for the Federal Government and \$13.1 billion for State and local governments. In October 1953, the number of civilian employees on governmental payrolls totaled 7.0 million. Following is a summary functional distribution of number of governmental civilian employees as of October 1953 and civilian payrolls for the fiscal year 1953:

Function	Number of employees October 1953 (in thousands)			Payroll for fiscal year 1953 (in millions)		
	All	Federal	State and local	All	Federal	State and local
Total.....	7,047	2,384	4,663	\$23,284	\$10,184	\$13,100
National defense.....	1,174	1,174	.....	4,941	4,941	.....

Item	Number of employees October 1953 (in thousands)			Payroll for fiscal year 1953 (in millions of dollars)		
	All	Federal	State and local	All	Federal	State and local
Postal service.....	500	500	.....	1,999	1,999	.....
Education.....	1,959	11	1,949	5,579	54	5,525
Highways.....	467	4	463	1,272	22	1,250
Health and hospitals...	627	164	462	1,729	579	1,150
Police and fire protection.....	441	15	426	1,413	111	1,302
Natural resources.....	282	167	115	936	632	304
Local utilities.....	232	.....	232	847	.....	847
All other.....	1,365	349	1,016	4,568	1,846	2,722

**Intergovernmental Expenditure**

The foregoing analysis has dealt almost entirely with direct expenditure of the various governmental levels. To avoid duplicate counting of expenditure in governmental aggregates, transfers between governments have been omitted. Such transfers, however, are highly significant



in the financing of governmental operations and must be taken into consideration in comparing revenues with expenditures for particular governments or types of governments, and in considering the total magnitude of expenditure by an individual government or type of government.

Intergovernmental expenditure consists of grants-in-aid, shared taxes, payments in lieu of taxes, and reimbursements for services as between governments. The aggregate of such transactions approached \$8.8 billion in 1953. The Federal Government receives some amounts of revenue from State and local governments as reimbursement for Federal services or State and local shares in the cost of jointly sponsored projects. However, since such transactions are negligible in the total scale of Federal financing and are difficult to identify, they have been ignored in this report. On the other hand, the Federal Government distributes substantial sums to State and local governments for a variety of purposes.

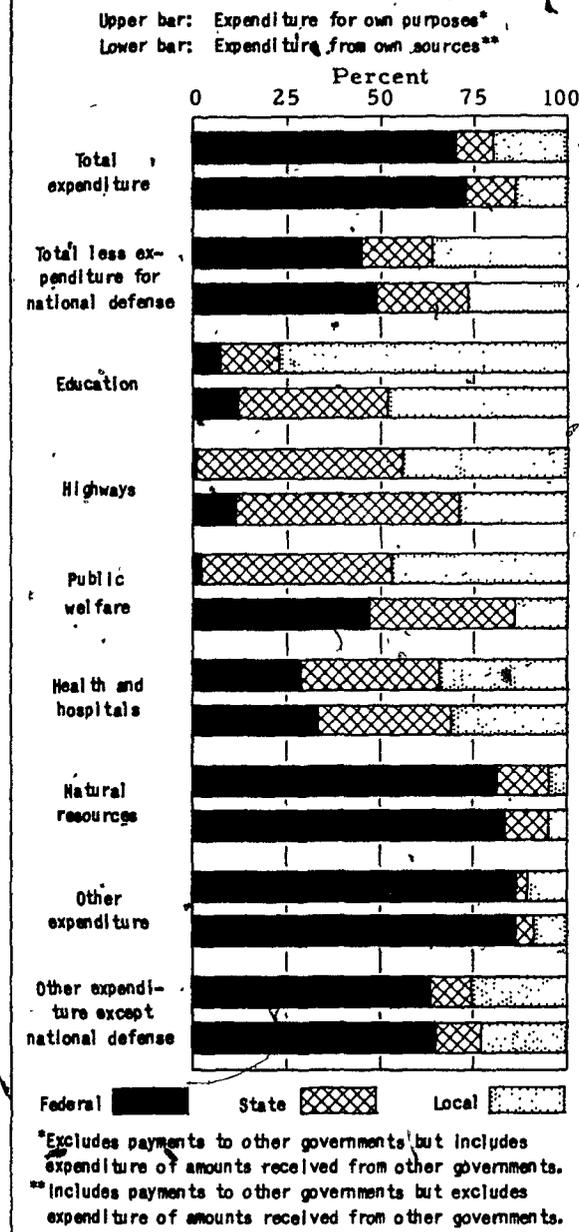
The following types of Federal payments to State and local governments were made in 1953 (in millions):

Item	Total	To States (including sums redistributed to local governments)	Directly to local governments
Total.....	\$2,873	\$2,564	\$309
Grants-in-aid.....	2,588	2,347	241
Shared revenues.....	47	39	8
Payments in lieu of taxes..	5	.....	5
Payments for services (including tuition payments for veterans' education).....	227	179	49
Other payments.....	5	.....	5

It should be noted that these figures exclude loans and contributions of commodities or other aids in kind, which are excluded from the definition of expenditure as used in this report. They also exclude payments to territories and possessions.

State governments, in turn, made payments to their local governments totaling \$5.4 billion in fiscal 1953. This is nearly half as much as total direct State expenditure. Almost all State intergovernmental expenditure is made through grant-in-aid or revenue sharing programs. A relatively small portion consists of reimbursement of local governments for services performed for the States.

Fig. 7. -- EFFECT OF INTERGOVERNMENTAL TRANSFERS ON DISTRIBUTION OF EXPENDITURE: 1953



\*Excludes payments to other governments but includes expenditure of amounts received from other governments.  
\*\*Includes payments to other governments but excludes expenditure of amounts received from other governments.

The volume of local government expenditures to other governments, is only a small fraction of the Federal and State amounts for such purposes, amounting in 1953 to \$191 million of local-to-State and an estimated \$336 million of local-to-local payments.

Intergovernmental transactions, by function and level of government, are in table 12.

**EXPENDITURE BY FUNCTION**

The foregoing discussion has been concerned mainly with the forms of governmental expenditure (see table 4) rather than the purposes for

which expenditures are made. Table 3 of this report shows the distribution of expenditure by governmental function and by type of government.

**General Expenditure**

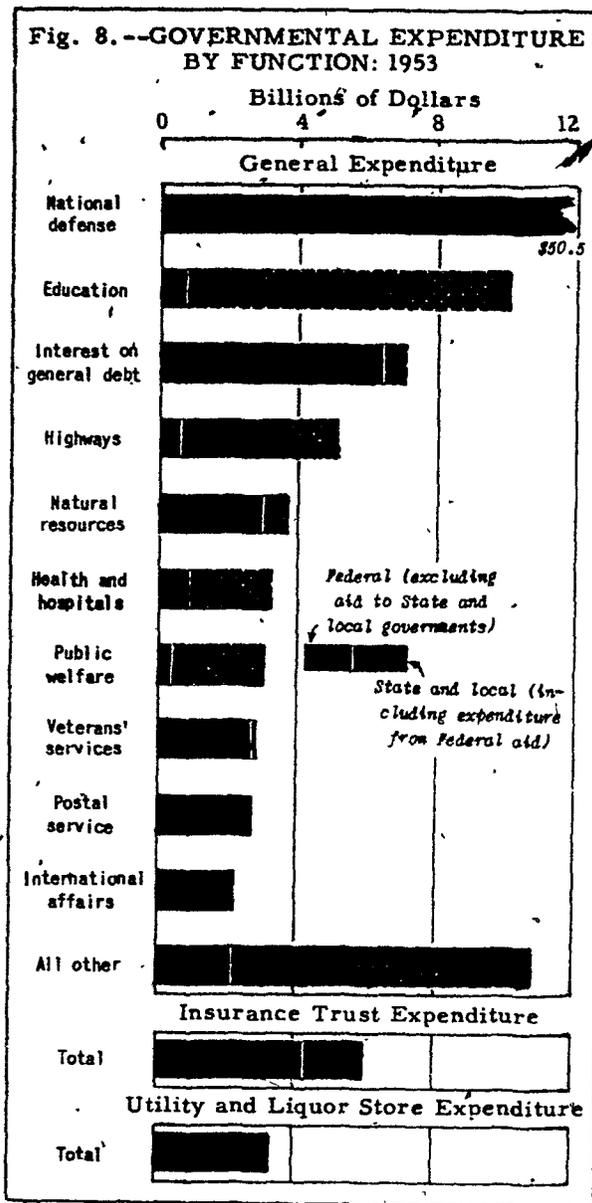
As indicated in the section on concepts and terminology, governmental expenditure is divided in this report into three major areas: General expenditure, utility and liquor store expenditure, and insurance trust expenditure. The first category, general expenditure, comprises all expenditure other than specifically indicated kinds of spending for State and local liquor stores, local water, electric, transit, and gas utilities, and benefit and refund payments of public employee retirement and other social insurance systems.

General expenditure of all governments totaled \$101.3 billion, or 92 percent of total 1953 spending for all purposes. General expenditure rose 9 percent between 1952 and 1953. The major functions accounting for general expenditure are discussed below in the order of magnitude of 1953 expenditure, which differs somewhat from their order of presentation in table 3.

**National defense.**—The military accounted for far the largest component of governmental expenditure in 1953. National defense expenditure of the Federal Government totaled \$50 billion, almost two-thirds of all direct Federal expenditure and about 45 percent of total expenditure for all governments—Federal, State, and local.

A little less than one-third of national defense expenditure in 1953 was for personal services (mainly for pay and allowances for armed forces). Slightly more than one-third of defense expenditure was for capital outlay (mainly procurement of ships, aircraft, weapons, and other equipment). The balance of defense expenditure for 1953 (somewhat more than one-third) was for supplies, materials, and other goods and services and for assistance and subsidy payments. Total defense spending in 1953 was 15 percent greater than the 1952 level.

The national defense category is strictly defined and comprises herein essentially the activities and items classified as "national defense" in the U. S. Budget—mainly the military functions of the Department of Defense, but including also international military aid, the atomic energy program, stockpiling of strategic or critical materials, and some defense services of agencies other than the Defense Department. Defense expenditure data for 1952 published in this report have been revised to take account of shifts in the budget classifi-



cation of the international military aid and atomic energy programs. International military aid formerly was included in the classification "International assistance and foreign affairs." The atomic energy program was formerly classified under "Natural resources."

Defense-related activities of State and local governments (including national guard, civil defense, and armory activities involving State spending totaling \$54 million in 1953) have been classified elsewhere so that in this report defense expenditure is entirely that of the Federal Government.

It is to be noted that many activities and expenditures of the Federal Government classified in other functional categories are closely related to current or past defense efforts.

Items which might be so viewed include veterans' benefits and services, interest on war debt, civil defense, economic stabilization activities, expansion of defense production and other defense-related operations of numerous agencies and departments.

**Education.**—The second largest function of government in scale in 1953 was education, for which \$10.1 billion was spent. Education expenditure increased 5 percent between 1952 and 1953. Substantial 1953 expenditure for education was made by each governmental level but the kinds of educational services rendered at various levels differed markedly in nature.

Direct Federal spending for education—\$0.7 billion in 1953—was primarily for veterans' educational benefits. Only payments to individual veterans and private institutions for veterans' education are counted here as Federal expenditure. Tuition paid to State and local schools constitutes an intergovernmental transfer, so that State and local expenditure for higher education and elementary and secondary schools reflects the cost of educational services provided for veterans. Other direct Federal expenditures for education consist primarily of the cost of administering educational grant programs and other activities of the U.S. Office of Education, some direct Federal construction of local schools under the school construction program, the cost of agricultural commodities distributed for the school lunch program, operation of schools for Indians and persons living on Federal reservations, and expenditures for Howard University in Washington, D. C.

In addition to its direct spending for education, the Federal Government made payments for this function to State and local governments totaling \$508 million in 1953.

State direct expenditure for education—\$1.6 billion in 1953—was chiefly for State institutions of higher education. The total includes gross expenditure for auxiliary commercial activities (dormitories, dining halls, bookstores, etc.) operated by such institutions, which aggregated \$234 million in 1953. State higher education expenditure excludes interest on institutional debt (classified as State expenditure for interest), hospitals operated by State universities (classified as hospital expenditure), and agricultural experiment stations and extension services (classified as natural resources expenditure). In addition to higher education, the States disbursed \$150 million in 1953 as direct expenditure for elementary and secondary schools. Such expenditure includes payments by the State of North Carolina for

salaries of teachers, which are made in this case by the State government rather than by local governments as is the usual practice, State operation of certain local schools in Delaware and Maine, and construction of local school facilities by State school building authorities in a number of States. State supervision of education, State schools for the handicapped, and special educational programs accounted for the remainder of State education expenditure in 1953.

In addition to this \$1.6 billion of direct expenditure for education in 1953, the States distributed \$2.7 billion in aid to local governments for education—more than one-half of the total of State aid for all purposes.

Local governments spent \$7.8 billion for education in 1953, \$1 billion more than was spent by them for this purpose in the preceding year. A continuing high level of school construction and other capital outlays in 1953—a total of almost \$1.8 billion—accounted for a substantial portion of total local government expenditure for education. While elementary and secondary schools account for most local education expenditure, some institutions of higher education are maintained by local governments and certain local expenditures are made for supervision of education.

Education expenditure as classified herein includes all expenditures made by local school systems other than interest on debt, intergovernmental payments, and retirement benefits paid to former education employees. It includes gross expenditure for the school lunch program and other cafeteria operations and school health, recreation, and library services when administered by local school systems. Intergovernmental expenditure between local governments for education totaled \$238 million in 1953 and consisted largely of city and county government support of separately administered schools (school districts) and of district-to-district payments for tuition, transportation, and other services.

**Interest on general debt.**—Payments of interest on general debt ranked next to education in size of governmental expenditure in 1953. Approximately \$7.1 billion was spent for this purpose (not including the \$184 million of interest on local utility debt classified herein as part of utility expenditure).

Interest expenditure is reported here without any offset for interest earnings and constitutes gross amounts paid for interest to holders of governmental bonds, notes, and other evidence of debt. It does not include interest paid to individuals on savings deposits (i.e.,

postal savings accounts, and savings deposits of military personnel) nor does it include interest on tax refunds, or on loans or advances between funds of the same government (e.g., advances to government business enterprises and revolving funds).

**Highways.**—Provision and maintenance of highway facilities, including toll turnpikes, bridges, and tunnels and ferries as well as regular State and local highways and city streets, required \$5.1 billion in public expenditure in 1953. Although the Federal Government provides substantial grants for financing of State and local highways (\$510 million in 1953), its direct expenditures for this purpose totaled only \$66 million in 1953.

The State governments, in turn, provide substantial financial assistance to local governments for highway purposes (\$803 million in 1953), but direct State expenditure for highways accounts for well over half the total spent by all governments for this function.

The local governments, with substantial financial assistance from the States, spent \$2.2 billion for highway purposes in 1953. As indicated above, over one-third of this total was financed from State grants.

Three-fifths of public expenditure for highways in 1953 (\$3.0 billion out of \$5.1 billion) was for capital purposes—construction, equipment, and land purchases. The remainder was for maintenance expenditure. These figures on highway expenditure do not include interest on debt issued for highway purposes, (included instead in general expenditure for interest), nor highway police costs (classified under "police").

The provision of toll highway facilities through establishment of State authorities has been growing in recent years. In 1953, however, substantially less was spent for construction and operation of such facilities than in 1952—\$264 million in 1953 versus \$368 million in 1952. The operation of toll facilities, as distinguished from construction and other capital expenditures, accounted for only \$56 million of total 1953 expenditure for toll facilities. At the same time, toll charges, which of course are generally set to cover debt service as well as operation costs, brought in \$176 million during the year.

**Natural resources.**—Conservation and development of natural resources—agricultural, forest, mineral, electric power, and the like—accounted for \$3.7 billion of governmental expenditure in 1953, as compared with \$3.2 billion in 1952. The 1952 figures presented herein have been revised to conform to the shift in Federal

budget classification of the Atomic Energy Program from the natural resources category to national defense.

The Federal Government accounted for \$3.0 billion of the \$3.7 billion spent by all governments in 1953 for natural resources. Federal expenditures include, as to farm price stabilization programs, commodity purchases for price support without any offset for commodities resold to private buyers during the year but do not include commodity loans extended for price support purposes or expenditure for commodities consumed by the government in carrying out other functions (i.e., used by the military, distributed under the foreign aid program, distributed under the school lunch program, etc.). Federal natural resources programs also include farm crop and mortgage insurance and other farm credit activities; other aids to agriculture and agricultural research activities; multipurpose power and reclamation projects, such as the T.V.A., and projects of the U. S. Bureau of Reclamation and Army Corps of Engineers and Federal activities in irrigation, drainage, reclamation, flood control, soil conservation, forestry and parks, and mineral resources. There follows a distribution of the major components of the \$3.0 billion spent for natural resources by the Federal Government in 1953 (in millions):

Item	Amount
Total.....	\$3,025
Farm price support.....	1,185
Farm credit and insurance.....	81
Other agricultural resources.....	126
Soil, water, and electric energy resources <sup>1</sup> ..	1,433
Forests and parks.....	113
Mineral resources.....	60
Fish and wildlife.....	21
Other.....	5

<sup>1</sup>Includes electric power, flood control, reclamation, soil conservation, and other land and water resources activities of the T.V.A. and other resources development corporations, the Corps of Engineers, the Department of Agriculture, and the Department of the Interior.

The \$531 million spent by State governments for natural resources in 1953 was distributed by program as follows (in millions):

Item	Amount
Total.....	\$531
Agricultural resources.....	262
Soil, water, and electric energy resources.....	40
Forests and parks.....	112
Fish and wildlife.....	96
Other.....	22

Local government natural resources activities called for \$173 million of expenditure in 1953.

It should be noted that a distinction is drawn between Federal and State park facilities on the one hand and city and other local recreation and park activities. The former are closely associated with conservation of resources whereas the latter are more explicitly for recreational purposes. Local recreation and park expenditures are not included here in the natural resources classification.

A distinction was also drawn between electric energy production programs of Federal and State governments, classified here as natural resources, and city and other local government production and distribution of electric power, classified as local utilities and excluded from the category of general government functions.

Public welfare.—As used in this report, the term public welfare is limited to governmental activities for institutional and noninstitutional assistance to the needy, and administration of such assistance. Approximately \$3.0 billion was spent by governments for such purposes in 1953.

As in the case of highways, there is extensive Federal participation in public welfare through grants to the State and local governments for public assistance (\$1.3 billion in 1953) but direct Federal expenditure for programs for the needy is very minor (\$42 million in 1953).

The individual States vary as to whether they undertake to provide directly for public welfare activities or whether they delegate this responsibility to local governments, furnishing grants-in-aid for the State share of the cost. In 1953, the States spent directly \$1.5 billion for public welfare and passed on \$1.0 billion to local governments (including moneys from Federal sources), thus providing the major portion of the total of local government expenditures for public welfare, \$1.4 billion in 1953.

The categorical public assistance programs—old-age assistance, aid to dependent children, aid to the blind, and aid to the disabled—accounted for slightly over 70 percent of all public welfare expenditure in 1953. General relief, which is wholly financed from State and local sources, accounted for only one-tenth of the welfare total. The remaining \$488 million spent in 1953 was primarily for administration of welfare and for institutional care of the needy.

The figures herein for categorical assistance programs comprise only cash payments to beneficiaries; general relief includes current

operation expenditure for commodities and services furnished to the needy (e.g., vendor payments), as well as cash payments to beneficiaries. All administration costs are included in the classification "other public welfare."

Veterans' services, not elsewhere classified.—Ranking next to public welfare in total 1953 expenditure, expenditure for veterans' services not rendered as part of other governmental functions (i.e., excluding educational benefits, medical services, hospitals, and life insurance payments), amounted to \$2.8 billion in 1953. This category comprises principally Federal payments for compensation and pensions of veterans; however, the category also includes expenditure for Federal administration of veterans' affairs and \$113 million of State government expenditure, chiefly veterans' bonus payments. While relatively small in 1953, State payments for veterans' bonuses and services have been of considerable magnitude since World War II, totaling \$2.3 billion during the period 1946 through 1953.

The classification of veterans' benefits and services used in this report differs from that sometimes found (for example, in the U. S. Budget) where all such amounts are grouped together, regardless of the function or form of benefit involved. On that alternative basis, a total of \$5.0 billion would appear as representing identifiable expenditure specifically for veterans in 1953 by all levels of government, and amounts for certain other categories would be correspondingly reduced. Following is a distribution of this overall total, showing where amounts are included under various functional categories in this report:

Function	Amount (in millions)
Total.....	\$4,961
General expenditure:	
Education.....	714
Public welfare.....	32
Health.....	131
Hospitals.....	616
Veterans' services, not elsewhere classified (described above).....	2,823
Insurance trust expenditure (life insurance benefits and premium refunds).....	645

Postal service.—Without offset for postal revenues, expenditures by the Federal Government for the postal service in 1953 totaled \$2.7 billion. This figure is included on a gross basis in the development of Federal expenditure totals in contrast to the usual prac-

tice of including only the net postal deficit. As classified here, expenditures for postal services do not include subsidies to airlines, which are classified as subsidy payments for air transportation under "nonhighway transportation."

Outside the area of national defense, the postal service constitutes the largest operating function of the Federal Government in terms of employment of personnel and performance of direct services. The \$2.0 billion expended in 1953 for wages and salaries of postal workers, for example, was more than three times as much as the personal services cost of any other non-defense Federal function.

Hospitals.—Public hospitals accounted for \$2.5 billion in governmental expenditure in 1953, of which \$0.5 billion was for constructing and equipping new facilities and the remainder for hospital operation and maintenance.

The Federal Government accounted for more than one-fourth of direct expenditure for hospitals in 1953, spending \$612 million for veterans' hospitals and \$73 million for other Federal hospital facilities. However, these figures do not include an additional \$53 million in hospital construction grants to private non-profit institutions and to territories and possessions (classified under "health" rather than "hospitals") nor the \$56 million granted for hospital construction to State and local governments which is treated as an intergovernmental transfer. Hospitals expenditure shown in this report is limited to operation, maintenance, and construction of publicly owned hospital facilities.

State and local governments spent \$1.9 billion for hospitals in 1953—\$1.0 billion for the States and the rest for local governments. Hospital construction and other capital outlays by State and local governments totaled \$375 million, of which 15 percent was financed from Federal grants.

International assistance and foreign affairs.—Expenditures for economic and technical assistance and administration of foreign affairs totaled \$2.2 billion in 1953, or about 19 percent below the 1952 level of such payments. 1952 figures appearing herein have been revised to conform with a shift in the Federal Budget classification of international military aid from international assistance to national defense.

In accordance with the definition of expenditure used in this report, loans to foreign governments are not included in the expenditure total. Expenditures, however, do include the cost of goods, services, and equipment purchased

and furnished to foreign governments from monies advanced by them.

**General control.**—For the functions of governmental chief executives and their staffs, legislative bodies, administration of justice, and financial and other general administration, governments spent \$1.9 billion in 1953.

At the Federal level, such expenditures—which are about three-fourths for financial administration—accounted for only 0.8 percent of total direct Federal expenditure. The proportion was substantially higher for States (3.5 percent) and local governments (4.0 percent).

**Nonhighway transportation.**—In addition to spending for highway facilities (discussed above) and local transit utilities (see below) governments spent about \$1.4 billion in 1953 for other types of transportation facilities and services. These expenditures are summarized below, by level of government and kind of transportation (in millions):

Item	All governments	Federal	State and local
Total.....	\$1,361	\$1,084	\$277
Water transport and terminal facilities.....	921	764	157
Air transportation.....	384	286	98
Other nonhighway transportation.....	56	34	22

The Federal Government has several business enterprises of substantial size in the field of nonhighway transportation. These include the Panama Canal, Alaska Railroad, and Inland Waterways Corporation. For such agencies, this report includes expenditure amounts without offset for revenues from operations (\$118 million in 1953). In addition, large Federal expenditures are made for facilitating air transportation, subsidizing ship construction and merchant marine operations, improvement of navigation facilities, and such aids to water transportation as Coast Guard and Coast and Geodetic Survey services. However, Federal expenditure for nonhighway transportation does not include regulatory functions of the Interstate Commerce Commission and the Civil Aeronautics Board, which are classified elsewhere. At the State and local level, nonhighway transportation includes such services as canals, port and terminal facilities, airports, and off-street parking facilities with gross revenue from charges totaling \$150 million in 1953. State and local activities classified under nonhighway transportation do not include State regulation of private

transportation facilities; nor do they include local transit utilities.

**Police.**—Federal, State, and local police protection cost \$1.2 billion in 1953. The bulk of this amount—\$919 million was expended by local governments, mainly cities. Federal expenditure of \$122 million was primarily for the Federal Bureau of Investigation, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. State expenditure of \$119 million was chiefly for highway police activities.

Although commonly regarded as a major governmental function, police protection accounted for only 4.2 percent of expenditure for all functions even at the local government level.

**Sanitation.**—The provision of sewerage facilities and collection and disposal of trash, garbage and other debris—almost exclusively a function of local governments—involved local government expenditure of \$0.9 billion in 1953.

**Housing and community redevelopment.**—Public expenditure for housing and community redevelopment totaled \$0.8 billion in 1953, not including Federal loan disbursements for the Federal housing programs. Housing activities of the Federal Government, for which \$138 million was spent in 1953, include operations of the Housing and Home Finance Agency in the fields of insurance, lending activities, and operation of housing projects. As to these activities, expenditure figures include disbursements (other than for loans or payments to other Federal agencies) without offset for interest earnings, insurance premiums, rentals, or other receipts.

State expenditure for housing and community redevelopment was negligible in 1953. Local governments, however—usually through independent local housing authorities but also through city-administered housing activities—spent \$628 million in 1953. Of this amount, only \$147 million was for operation and maintenance of housing projects (not including interest on housing authority debt which is classified as general expenditure for interest). The remainder was for land purchases, construction, and equipment for new housing facilities, and for community redevelopment. In 1953 local rental income from public housing facilities was \$204 million, which, of course, includes amounts to cover debt service charges as well as project operating costs.

**Health.**—Governmental expenditure for health services totaled \$0.7 billion in 1953. Of the \$271 million direct Federal expenditure included in that sum, \$131 million was for medical services to veterans (other than through veterans' hospitals), \$53 million was for Federal

grants to private nonprofit institutions and territories and possessions for hospital construction, and the remainder was for activities of the U. S. Public Health Service other than the operation of hospitals, and for Food and Drug Act enforcement.

State and local health expenditure, \$427 million in 1953, was for the Federally aided programs, health regulation activities, and other health services. This does not include provision of hospitals or expenditures for sanitation, other than sanitary inspection and regulatory services.

**Local fire protection.**—This function comprises fire fighting and fire prevention activities of local governments. Federal and State expenditures for forest fire fighting and prevention are classified under "natural resources."

Local fire protection expenditure totaled \$0.6 billion in 1953, of which wages and salaries of employees accounted for more than three-fourths.

Although fire protection is a fundamental local government service, it accounted in 1953 for only 2.8 percent of total local government spending.

**Other general government functions.**—Public expenditure for general functions not accounted for in the foregoing discussion totaled \$4.2 billion in 1953. Major components of the Federal Government's \$2.0 billion share of this amount were as follows (in millions):

Item	Amount
Total.....	\$1,984
Reconstruction Finance Corporation synthetic rubber, tin, and fibre production programs...	513
Expansion of defense production.....	337
Administration and payment of claims, not elsewhere classified (war claims, employee compensation claims, private relief acts, and certified claims).....	220
General services administration, not elsewhere classified.....	169
Employment security and social insurance administration.....	149
Civil defense and disaster relief.....	76
Interest on internal revenue refunds.....	74
Economic stabilization.....	64
All other.....	382

State and local governments spent their \$2.2 billion, not accounted for above, as follows (in millions):

Item	Total	State	Local
Total.....	\$2,182	\$788	\$1,394
Employment security administration.....	187	187	1
Correction.....	365	236	129
Local parks and recreation....	374	.....	374
General public buildings.....	262	52	210
Libraries.....	136	8	128
Miscellaneous commercial activities.....	67	18	49
All other.....	792	289	503

#### Insurance Trust Expenditure

Benefits and refunds of contributions paid in connection with contributory retirement, life insurance, and social insurance programs are designated here "insurance trust expenditure." This corresponds to the category "insurance trust benefits and withdrawals" discussed above under "Expenditure by Character and Object." Such payments amounted to \$6.0 billion in the fiscal year 1953. Partly because of the relative newness of many of the existing systems for insurance and partly because high economic activity kept unemployment compensation benefit payments at a fairly low level, expenditures for insurance benefits equalled less than two-thirds of insurance trust revenue from contributions and investment earnings during this year.

Old age and survivors insurance benefits accounted for the largest single share (\$2.7 billion) of insurance trust payments in 1953.

Life insurance benefit payments and premium refunds to veterans accounted for \$0.6 billion; unemployment compensation payments, chiefly by the States, required \$1.0 billion; and payments to retired employees of Federal, State, and local governments were \$0.9 billion. The remaining social insurance benefits were divided by program as follows (in millions):

Railroad retirement benefits (Federal).....	\$480
State workmen's compensation benefits (State-administered plans only and not including payments by commercial insurers).....	170
Miscellaneous State temporary disability and sickness insurance benefits.....	46

It should be noted that several major "insurance" programs administered by the Federal Government—crop and farm mortgage insurance, home mortgage insurance, investment guarantee activities, etc.—are not classified here as insurance trust activities but, like numerous other commercial-type activities, as general

government functions. Insurance premium receipts of such activities are classified as general revenue from charges for services and their payments of losses as general expenditure.

Also excluded from the category "Insurance trust expenditure" are administration costs for social insurance programs, which are treated as part of general expenditure.

**Utility and Liquor Store Expenditure**

The final major category of governmental expenditure consists of amounts for State and local liquor stores and local water, electric, gas and transit systems. As to their activities, the 1953 expenditure total of \$3.3 billion includes amounts: For wages and salaries (\$853 million) and for supplies, materials, and other services required to produce or make available utility products sold to the public; for purchases of goods for resale; for construction (\$691 million), equipment, land and other additions to utility plant; and for interest payments on utility debt (\$184 million). The figures do not include the cost of producing services consumed by the parent government of a utility in carrying out general governmental functions. The following shows major categories of expenditure made for utility and liquor store purposes in 1953 (in millions):

Item	All expenditure	Current operations and purchase of goods for resale	Capital outlay	Interest on debt
Total.....	\$3,346	\$2,376	\$786	\$184
State and local				
liquor stores.....	890	890		
Local utilities.....	2,456	1,486	786	184
Water, supply.....	1,084	530	452	101
Electric power.....	923	427	270	28
Transit.....	582	475	52	54
Gas supply.....	68	54	12	2

It should be noted that figures as to Federal and State multi-purpose power projects are classified under the heading "natural resources," as general government activities. As to power production, transmission and distribution, only local government enterprises are included in the utilities category.

**GOVERNMENTAL LOAN TRANSACTIONS**

In addition to the kinds, sources, and purposes of governmental revenues and expenditures discussed above, the Federal Government dis-

burses and receives substantial sums relating to loans to foreign governments, State and local governments, individuals, and private businesses. State governments also have loan programs in some instances for their local governments, for veterans, and for other purposes. As to State loan transactions, it has not been possible to accumulate comprehensive data for this report. For the Federal Government, however, gross loan disbursements and repayments for 1953 were as follows (in millions):

Item	Disbursements	Repayments
Total.....	\$6,697	\$5,155
International assistance and foreign affairs.....	595	399
Natural resources (largely farm credit and price support loans).....	4,136	3,432
Housing and Community redevelopment.....	1,578	1,096
Veterans' services.....	104	15
All other.....	284	213

**GOVERNMENTAL DEBT**

Total governmental debt at the end of the fiscal year 1953 was \$299.6 billion, as compared with \$289.2 billion at the end of the 1952 fiscal year. Outstanding debt of State and local governments amounted to \$33.6 billion at the end of 1953, having increased \$3.5 billion since the end of 1952. Public debt of the Federal Government increased \$7.0 billion in the same period from \$259.1 billion to \$266.1 billion.

State debt increased sharply in 1953, reaching a new high of \$7.8 billion at the end of the fiscal year 1953, as compared with \$6.9 billion at the end of the fiscal year 1952. Total debt of local governments rose \$2.5 billion in 1953 to a new record of \$25.7 billion at the end of the fiscal year.

State and local government borrowing in the fiscal year 1953 totaled \$5.0 billion, including a net increase in short-term debt as well as issuance of new long-term obligations. During the same period \$1.7 billion in State and local long-term obligations was redeemed, which when added to net decreases in short-term debt, indicated a total debt redemption figure for the year of \$1.8 billion.

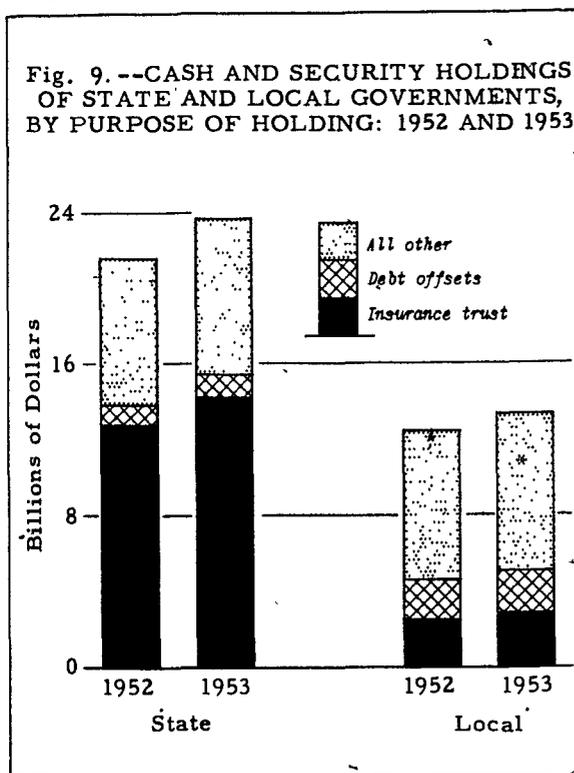
**STATE AND LOCAL CASH AND SECURITY HOLDINGS**

Cash on hand and on deposit plus investment holdings of State and local governments amounted to \$37.1 billion at the end of fiscal year

1953, \$3.1 billion more than at the end of the preceding year. Somewhat less than 10 percent of this amount was held in sinking funds specifically for redemption of debt. About one-fourth of the total comprised the balances in State unemployment compensation trust funds on deposit in the U. S. Treasury. About one-fifth was made up of the assets of State and local employee retirement funds and somewhat less than one-half of the total was held by other State and local funds.

By type of asset, State and local cash and security holdings consisted of slightly more in the form of governmental and other securities than in the form of holdings of cash and deposits. The predominate type of investment was in United States Government securities, of which State and local governments had \$12.6 billion worth on hand at the end of fiscal 1953. These governments also held \$4.1 billion in State and local securities and \$2.5 billion in nongovernmental security holdings.

Fig. 9.--CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY PURPOSE OF HOLDING: 1952 AND 1953



**CONCEPTS AND TERMINOLOGY**

The general nature of many of the government finance items appearing in this report will be evident from their designations and from the foregoing text. The discussion below,

therefore, deals only with certain basic phases of data classification and presentation herein. (Comprehensive glossaries appear in the Census Bureau's annual "Compendium" reports on State and city government finances.)

The concepts and terms used in this report have been devised to serve primarily for Census reporting on finances of State and local governments. However, as described below under "Sources and Derivation of Data," they have been applied also in arriving at the Federal revenue, expenditure, and debt figures which appear in various tables of this publication.

**Revenue and Expenditure**

These two reporting categories respectively comprise all amounts of money received or paid out as between a government and external individuals or agencies—net of correcting transactions such as recoveries or refunds—except for debt issuance and retirement and for loan and investment, agency, and private trust transactions. The following examples illustrate some applications of this summary definition: Tax revenue is reported in terms of gross collections minus tax refunds during the same period; receipts from issuance of debt, recoupment of previous loans, and sale of securities are not counted as "revenue;" similarly, payments for debt retirement, extension of loans and purchase of securities are excluded from "expenditure;" property tax amounts widely collected by counties on behalf of other governments are counted only as revenue of the final recipient units and excluded from county data as being for them only "agency" transactions; the same is true as to the withholding and payment by State and local governments of Federal income tax amounts based on their employees' pay.

**Borrowing and Debt Redemption**

For State and local governments, this report includes summary data on receipts and payments under these headings. "Borrowing" comprises original issues of long-term debt (i.e., long-term debt issued other than for refunding of previous long-term debt) plus—(for the individual government) any net increase of short-term debt outstanding. "Debt redemption" comprises long-term debt redeemed (i.e., amounts retired other than by refunding) plus—for the individual government—any net decrease of short-term debt outstanding. For debt transactions of housing authorities (commonly involving

issuance of short-term notes in anticipation of the sale of long-term bonds) amounts relating to the funding of short-term notes are excluded from borrowing and debt redemption figures.

#### "General Government," "Utility and Liquor Store," and "Insurance Trust" Sectors

Except for amounts from certain specifically defined "utility and liquor store" and "insurance trust" sources, all governmental revenue is classified herein as general revenue. Similarly, all expenditure, except that for specifically defined "utility and liquor store" or "insurance trust" purposes, is general expenditure.

For Census reporting of governmental statistics, "utilities" comprise only water supply, electric power, gas supply, and transit systems owned and operated by local governments, and "liquor stores" comprise such stores operated by local governments and States. Other commercial-type operations of governments—port facilities, airports, housing projects, toll highways, and the like—as well as all Federal Government agencies and activities, including its corporations and the Postal Service—are treated as part of the general government. Utility and liquor store revenue comprises amounts from external sales of goods and services by undertakings so classified. Utility and liquor store expenditure comprises all spending involved in provision and conduct of such undertakings, including acquisition of facilities, current operation and the purchase of goods or services for resale, and interest on utility debt.

Insurance trust activities consist of contributory retirement systems for public employees and governmental social insurance and life insurance programs. Insurance trust revenue comprises only (1) retirement and insurance contributions (including social insurance "taxes" and veterans' insurance "premiums") received from insured individuals and their employers; and (2) earnings on investment assets of insurance trust funds. Employer contributions or other transfers from other funds of the administering government to insurance trust funds are excluded. Insurance trust expenditure comprises only benefit payments and withdrawals of contributions from insurance trust funds. Costs of administering insurance trust activities are classified as general expenditure.

#### Types of Governments

Data herein relate to the finances of all governments in the continental United States, including the Federal Government, the 48 States, and local governments numbering 116,694 in 1952 and distributed as follows:

Counties.....	3,049
Cities.....	16,778
Townships.....	17,202
School districts.....	67,346
Special districts.....	12,319

Data herein for cities relate to active separate governments locally designated as cities, boroughs, villages or—except for New England, New York, and Wisconsin—towns. Township figures are for units which exist in only 22 States, termed "towns" in New England, New York, and Wisconsin, and elsewhere called "townships." School district data herein relate only to local units which exist to provide public education independently of other governments. Financial amounts relating to local school systems administered by other governments—cities, counties, townships, or States—are included in data for such other types of governments. Special district amounts relate to separate governmental units, as found locally in every State, which have been established typically to perform a single function or limited range of functions.

Data for governmental "authorities" or agencies which lack sufficient autonomy to be regarded as separate units are included with amounts for the parent type of government. Thus, Federal figures include amounts for agencies treated as government corporations in the U.S. Budget; State figures include amounts for State colleges and universities and for certain State "authorities;" and data for cities and other types of local governments are also inclusive of various semi-autonomous agencies associated with them.

#### Intragovernmental and Intergovernmental Transactions

As indicated above, revenue and expenditure amounts herein relate to transactions between governments and external agencies or individuals. The data utilized for each individual government represent a consolidation of amounts for its various funds, net of transfers

\*See Bureau of the Census, *Governments in the United States in 1952*.

or other payments between funds with but one exception of any consequence: No attempt has been made to reduce reported amounts of interest expenditure or of revenue from earnings on investments by reason of interest amounts paid on securities held by funds or agencies of the issuing government.

In this report, certain transactions between governments are classified distinctively as "intergovernmental revenue" and "intergovernmental expenditure" and netted out of aggregates comprising the groups of governments concerned. Most of the amounts so classified, of course, comprise fiscal aid in the form of Federal and State grants and shared tax proceeds. Also included in these categories, however, are amounts paid and received for services performed for one government by another on a reimbursement or cost-sharing basis, and payments in lieu of taxes.

The value of intergovernmental aid "in kind," such as commodities distributed by the Federal Government for school lunch purposes, is not treated as intergovernmental revenue or expenditure. Neither has any attempt been made to distinguish and so classify and net out cash payments between governments in the form of: Government employer contributions to retirement or other social insurance systems administered by another government; interest on outstanding debt paid to other governments holding the securities involved; or intergovernmental transactions involving no distinction between governmental and private suppliers or customers—e.g., State and local expenditure for postage, and other intergovernmental purchases of property, utility services, commodities, or the like.

#### Period Covered

Data in this report for 1953 relate, with a few minor exceptions, to governmental fiscal years ended during calendar 1953. For the Federal Government, most school districts, and all except 6 of the 48 States, this means the 12 months ended June 30, 1953. There is more variation among other governments, with a considerable proportion operating in terms of a fiscal year ending December 31.

#### SOURCES AND DERIVATION OF DATA

##### Federal Finance Statistics

The Budget of the United States Government for the Fiscal Year 1955 (which presents "actual" data for 1953) is the source of most of the Federal Government financial information in this report. For certain kinds of transactions, recourse was necessary also to the 1953 annual reports of the Secretary of the Treasury and of the Commissioner of Internal Revenue. Certain details as to Federal payments to State and local governments were obtained directly from the Federal agencies making the payments.

The classification used by the Bureau of the Census for reporting State and local government finance statistics differs in a number of important respects from the classification used in the United States Budget. Accordingly, it was necessary to reclassify Federal data as presented in the U.S. Budget in order to develop the governmental finance statistics presented in this report.

As to Federal revenue, the nature of such reclassification for this report parallels that described in detail in the Census report, *Governmental Revenue in 1951*. Therefore, the discussion here will be directed at adjustments necessary for developing Federal expenditure data on a basis consistent with that applicable to Census statistics on State and local government expenditure.

One of the most important of such adjustments was that applied to "business enterprise and revolving fund," "trust fund," and "working fund" transactions of the Federal Government. To the extent identifiable in the U.S. Budget, all payments into such funds were eliminated from expenditure figures as were amounts shown for their "net effect on budgetary expenditures." In turn, gross expenditures of business enterprise and revolving funds and trust and working funds (but not loan disbursements or purchases of financial assets) were treated as expenditure with the exception of identifiable payments made by such funds and enterprises to other Federal agencies. Payments from deposit funds, however, were not regarded as expenditures.

A second type of necessary adjustment was to add to budgetary expenditure figures the amount of "appropriation credits" arising from reimbursements from non-Federal sources and from charges for quarters and subsistence furnished to employees.

The Federal budget document shows actual expenditure figures only in total for each appropriation item. Only figures as to "obligations" are distributed by object of expenditure. Since the Census Bureau's classification is based on expenditures rather than "obligations" it was necessary to estimate, item by item, the distribution of the expenditure total by object class. This was done on the basis of the allocation of "obligations" by object class, as modified by the nature of the appropriation item concerned. In performing this operation, it was necessary to take into account services performed by or for other Federal agencies in order to insure an appropriate, nonduplicative distribution of expenditure amounts. Certain changes from the stated object classification in the U.S. Budget were necessary to fit the Census structure, particularly as to services and goods "granted" in kind to State and local governments, but classified here as direct rather than intergovernmental Federal expenditure. It was necessary also to eliminate at this stage loan disbursements, purchase of financial investments, and other types of payments not included in the Census concept of expenditure.

Certain Federally administered trust funds were excluded as being agency funds; the largest of these concerned the finances of the District of Columbia and Federal transactions in connection with State unemployment compensation funds.

Although "Special Analysis G" in the U.S. Budget was the primary basis for data regarding Federal payments to State and local governments, some reclassification was needed: (1) to eliminate assistance in kind (see above), (2) to identify reimbursements for State and local government services (contract research, education of veterans, etc.), (3) to distinguish grants to territories and possessions from payments to State and local governments in the continental United States, and (4) to separate loan disbursements from expenditure figures.

In the course of the item-by-item adjustment of expenditure figures, Federal data were classified in terms of the Census Bureau's

functional classification of expenditure. As to defense expenditure, the Budget and Census classifications are identical. For other functions, the classifications differ because that of the Census Bureau is designed to show State and local government as well as Federal functions and because Census concepts of expenditure differ from those employed in the Federal Budget. The most significant difference in functional classification relates to the treatment of veterans' benefits and services, as discussed above, on page 15. A second major difference applies to the classification of insurance trust expenditures. Expenditures of the various Federal retirement, life insurance, and social insurance funds are not included in budget expenditures in the Federal Budget, whereas these benefit payments are treated as one of the major subdivisions of governmental expenditure in the Census classification.

#### State Government Statistics

Except for the functional distribution of payroll amounts (see footnote 1, table 5), State government information in this report is based on the annual Bureau of the Census survey of State finances. State finance statistics are compiled by representatives of the Census Bureau from official records and reports of the various States. The figures are classified according to standard Census categories for reporting of State finances, and subjected to intensive review. Statistics in this report are drawn from State finance data published in the Census report, *Compendium of State Government Finances in 1953*, and from unpublished records and worksheets relating thereto.

#### Local Government Statistics

*Cities over 25,000.*—Information in this report containing city government amounts includes data for all cities having 25,000 or more inhabitants based on the Census Bureau's annual survey of city finances. Statistics used in this report for these cities are drawn largely from city finance data published in the Census report, *Compendium of City Government Finances in 1953*, and from unpublished records and worksheets relating thereto. City finance statistics for the 41 cities having 25,000 or more inhabitants are collected in the same manner as State finance statistics (see above). Data for cities having from 25,000 to 250,000

inhabitants are collected mainly by mail questionnaire with some compilation by Census representatives undertaken to insure complete coverage of the 440 cities in this size class.

*Other local governments.*—Amounts included herein as to finances of smaller cities—those having less than 25,000 inhabitants—and of counties, townships, school districts, and special districts are estimates based on a sample of approximately 1,800 local governments. The sample is a random selection of local units within a stratification structure based on type and size of government. As for cities having 25,000 to 250,000 inhabitants, data for sample local governments are collected by mail with use of standard Census questionnaires that call for detailed reporting of data in terms of the Census classification structure. Telephone calls and personal visits as well as extensive follow-up correspondence are employed to obtain the maximum rate of response and to clear up inadequacies or inconsistencies evident from examination of reported information. To assist respondents, several varieties of questionnaires are used, and tailored special instructions relating to significant classification problems are distributed with requests for data.

Estimates based on reported data are made for each cell—i.e., each type-size group of governments—in the stratification structure, by applying to the sum of reported information for each item a "blow-up" ratio based on the relation of the October 1953 payroll total for reported units to the estimated October 1953 payroll aggregate for the entire cell. The Census Bureau has, for October 1953, highly reliable estimates of local government payroll amounts based on an 18,000-unit sample survey designed to obtain State-by-State estimates of employment and payroll data for that month (see the Census report, *State Distribution of Public Employment in 1953*). Resulting cell estimates of financial data are summed to obtain the estimated aggregates shown in this report.

*Reliability.*—The statistics presented in this report that are based wholly or partly on sample data are subject to sampling variation that may cause them to differ somewhat from the results that would have been obtained from a complete canvass of all units. Sampling variation applying to six key items of data was computed at the time of the 1952 survey of gov-

ernmental finances and the results of that computation are given in the table below. The figures in the table may be used as a guide to the sampling reliability of the 1953 survey.

Item	Sampling variation <sup>1</sup>	
	State and local aggregate amounts	Local government aggregates
Revenue from own sources.....	0.6%	1.2%
Long-term debt outstanding.....	1.4%	1.8%
Construction expenditure.....	2.5%	3.9%
Expenditure for:		
Elementary and secondary schools.....	2.0%	2.1%
Highways.....	1.5%	2.8%
Health and hospitals.....	2.4%	5.0%

<sup>1</sup>In repeated surveys using the same sampling and estimating procedures, the chances are that about 2 estimates out of 3 would be within the specified percentage of the results that would be obtained from a complete enumeration; about 19 out of 20 would be within double the indicated percentage.

Estimates for items of smaller magnitude are likely to have a higher relative sampling variation. Similarly, estimates with respect to particular types of local government may be subject to somewhat greater sampling variation than the estimated aggregates for all local governments. In the various tables of this report, minor detail amounts shown for particular types of local government are included mainly for complete and convenient distribution of totals rather than as themselves representing close estimates.

In addition to the effects of sampling variation, the estimates may be affected by the failure of some governmental units to report.

Such nonresponse may introduce a bias into the estimates because of possible selectivity in the reporting governments. Intensive efforts have been made to reduce the possible effects of such bias by concentrating on obtaining reports from all units in the sample. However, no effort has been made to measure or adjust for any possible bias due to nonresponse. For the 1953 survey, local government reports were received by mail or compiled for 2,180 out of 2,357, or 92.5 percent, of the units canvassed for data, including reports for cities having 25,000 or more inhabitants received in connection with the 1953 survey of city finances. In

addition, 1952 data were used in lieu of 1953 data for some 126 units which failed to report figures for the later year.

Both the estimates and the completely reported data are affected by the quality of the basic reports on finance received from the governmental officials themselves. Explicit definitions and instructions to officials, intensive examination of reported data and comparison with other sources, and supplementary correspondence with reporting officials are used to promote completeness and uniformity of reporting.

RESPONSIBILITY AND ACKNOWLEDGEMENT

The sample survey of local government finances upon which local government amounts in this report are based was conducted under the supervision of Mr. Joseph F. Arbena. Mr. Lynden Mannen supervised the assembly and classification of data for State governments and for cities having 250,000 or more inhabitants.

Grateful acknowledgement is made to the many State and local government officials and to the various Federal agencies who provided information needed for this report.

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Table 1.—GOVERNMENTAL REVENUE, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All governments	Federal	All State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
Total revenue.....	(1)	\$75,157	(1)	\$17,979	(1)	\$4,278	\$8,948	988	245,726	\$1,017
Intergovernmental revenue.....	(1)	75,157	(1)	2,761	(1)	1,656	1,256	222	2,467	75
Total revenue from own sources.....	\$105,540	75,157	\$30,382	15,218	\$16,165	2,619	7,692	661	3,299	943
General revenue, net of intergovernmental.....	92,945	66,694	24,251	11,750	12,501	2,488	5,008	628	3,224	542
Taxes, total.....	83,594	62,796	20,768	10,562	10,215	1,994	4,545	558	2,934	186
Property.....	9,255	.....	9,255	365	8,890	1,803	3,378	531	2,892	186
Individual income.....	30,881	29,816	1,065	969	96	.....	88	.....	3	.....
Corporation income.....	22,055	21,238	817	810	7	.....	7	.....	.....	.....
Sales, gross receipts, and customs.....	17,275	10,352	6,922	6,209	713	25	683	5	1	.....
Death and gift.....	1,107	881	226	222	4	.....	4	.....	.....	.....
Other, including licenses and permits.....	2,390	508	2,482	1,978	504	65	379	22	38	(3)
Charges and miscellaneous.....	9,381	5,998	3,483	1,198	2,285	494	1,084	71	300	266
Utility and liquor store revenue.....	3,348	.....	3,348	967	2,381	103	1,852	31	.....	396
Liquor stores.....	1,127	.....	1,127	967	160	101	59	.....	.....	.....
Water supply system.....	921	.....	921	.....	921	1	823	18	.....	78
Electric power system.....	726	.....	726	.....	726	.....	586	19	.....	126
Transit system.....	504	.....	504	.....	504	.....	336	.....	.....	167
Gas supply system.....	71	.....	71	.....	71	.....	48	.....	.....	23
Insurance-trust revenue, total.....	9,247	6,463	2,783	2,501	283	29	222	2	25	6
Employee retirement.....	1,551	638	912	834	278	29	217	2	25	6
Unemployment compensation.....	1,589	88	1,655	1,651	5	.....	5	.....	.....	.....
Old age and survivor's insurance.....	4,449	4,449	.....	.....	.....	.....	.....	.....	.....	.....
Veterans' life insurance.....	628	628	.....	.....	.....	.....	.....	.....	.....	.....
Other.....	1,080	714	316	316	.....	.....	.....	.....	.....	.....

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts shown for local governments are generally subject to high sampling variation; such amounts are included mainly for complete and convenient distribution of related aggregates rather than as themselves representing close estimates. See text discussion of "Sources and Derivation of Data".

<sup>1</sup>Not computed.  
<sup>2</sup>To avoid duplication, excludes revenue of individual school districts from reimbursements by other school districts for tuition, transportation, etc.  
<sup>3</sup>Less than \$500 thousand.

Table 2.—PERCENT DISTRIBUTION OF FEDERAL, STATE, AND LOCAL GOVERNMENT REVENUE, BY SOURCE: 1953

Item	Percent of total revenue from own sources					Percent of general revenue from own sources				
	All governments	Federal	State and local			All governments	Federal	State and local		
			Total	State	Local			Total	State	Local
Total revenue from own sources.....	100.0	100.0	100.0	100.0	100.0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
General revenue, total from own sources.....	88.1	91.4	79.8	77.2	82.4	100.0	100.0	100.0	100.0	100.0
Taxes.....	79.2	83.6	68.4	69.3	67.4	89.9	91.4	85.6	89.8	81.7
Individual income.....	29.3	39.7	3.5	6.4	0.6	33.2	43.4	4.4	6.2	0.8
Corporation income.....	20.9	28.3	2.7	5.3	(1)	23.7	30.9	3.4	6.9	0.1
Sales, gross receipts, and customs.....	16.4	13.8	22.8	40.8	4.7	18.6	15.1	26.5	52.8	5.7
Property.....	8.8	.....	30.5	2.4	58.6	10.0	.....	36.2	6.1	71.1
Death and gift.....	1.0	1.2	0.7	1.5	(1)	1.2	1.3	0.9	1.9	(1)
Licenses, permits, and other.....	2.6	0.7	8.2	13.0	8.3	3.2	0.7	10.2	16.8	4.0
Charges and miscellaneous.....	8.9	7.8	11.5	7.9	15.1	10.1	8.6	14.4	10.2	18.8
Utility and liquor store revenue.....	3.2	XXXXXXXX	11.0	6.4	15.7	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX
Insurance-trust revenue.....	8.8	8.6	9.2	16.4	1.9	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX

NOTE: Computed on the basis of unrounded figures. Because of rounding, detail does not always add to totals.  
<sup>1</sup>Less than 1/20 of 1 percent.

Table 3.—GOVERNMENTAL EXPENDITURE BY TYPE AND FUNCTION, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All governments	Federal	All State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
Total expenditure.....	(1)	\$60,545	(1)	\$16,850	(1)	\$4,231	\$9,139	\$911	\$26,174	\$1,344
Intergovernmental expenditure.....	(1)	2,873	(1)	5,384	(1)	166	78	28	(2)	28
Direct expenditure, total.....	\$110,640	77,672	\$32,968	11,466	\$21,501	4,065	9,061	883	6,174	1,318
Direct general expenditure, total.....	101,258	73,378	27,916	9,294	18,616	3,966	6,779	644	6,153	874
National defense.....	50,408	50,408								
International assistance and foreign affairs.....	2,235	2,235								
Postal service.....	2,686	2,686								
Education.....	10,112	727	9,390	1,634	7,756	467	996	250	6,043	
Elementary and secondary.....	7,819	47	7,773	150	7,622	431	937	248	6,007	
All other.....	2,298	680	1,617	1,484	134	36	59	2	36	
Highways.....	5,053	88	4,967	2,781	2,207	951	947	242		67
Public welfare.....	2,956	42	2,914	1,534	1,380	892	430	58		
Categorical public assistance programs.....	2,167	8	2,159	1,307	853	580	251	22		
General relief.....	300		300	65	236	135	76	25		
Other public welfare.....	488	34	454	162	292	178	103	10		
Health <sup>3</sup> .....	688	271	427	170	258	109	142	6		(4)
Hospitals <sup>3</sup> .....	2,548	684	1,863	1,014	849	417	371	12		50
Police.....	1,160	122	1,038	119	919	131	752	36		
Local fire protection.....	598		598		598	19	544	29		6
Natural resources.....	3,730	3,025	705	531	173	103				70
Sanitation.....	908		908		908	19	765	72		53
Housing and community redevelopment.....	768	138	631	2	628	1	208			424
Veterans' services, n.e.c.....	2,823	2,710	113	113						
Nonhighway transportation.....	1,361	1,084	277	46	230	18	116	(4)		96
General control.....	1,866	602	1,263	399	864	453	370	41		
Interest on general debt <sup>5</sup> .....	7,118	6,504	614	162	452	56	215	15	110	57
Other and unallocable.....	4,166	1,984	2,182	788	1,394	331	929	83		52
Utility and liquor store expenditure.....	3,346		3,346	757	2,589	84	2,082	37		436
Liquor stores.....	890		890	757	133	82	51			
Water supply system.....	1,084		1,084		1,084	2	930	22		130
Electric power system.....	723		723		723		587	16		121
Transit system.....	582		582		582		416			166
Gas supply system.....	68		68		68		48			20
Insurance-trust expenditure.....	6,006	4,294	1,711	1,416	296	15	280	1	22	8
Employee retirement.....	948	363	585	292	294	15	248	1	22	8
Unemployment compensation.....	1,008	98	910	908	2		2			
Old age and survivors insurance.....	2,728	2,728								
Veterans' life insurance.....	645	645								
Other.....	676	460	216	216						

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts shown for local governments are generally subject to high sampling variation. Such amounts are included mainly for complete and convenient distribution of related aggregates rather than as themselves representing close estimates. See text discussion of "Sources and Derivation of Data."

- <sup>1</sup>Not computed.
- <sup>2</sup>To avoid duplication, excludes payments between school districts for tuition, transportation services, etc.
- <sup>3</sup>Figures for "hospitals" include direct expenditure for public hospitals only; grants and subsidies for private hospitals and payments for hospital care in such hospitals are included in expenditure for "health."
- <sup>4</sup>Less than \$500 thousand.
- <sup>5</sup>Interest on utility debt is included in "utility expenditure." See table 4 for total governmental expenditure for interest on debt.

Table 4.—GOVERNMENTAL EXPENDITURE BY CHARACTER AND OBJECT, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All governments	Federal	All State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
Total expenditure.....	(1)	\$80,645	(1)	\$16,850	(1)	\$4,231	\$9,139	\$911	\$26,174	\$1,344
Intergovernmental expenditure.....	(1)	2,873	(1)	5,384	(1)	166	78	28	(2)	28
Direct expenditure, total.....	\$110,640	77,672	\$32,968	11,466	\$21,501	4,065	9,061	883	6,174	1,318
Current operation.....	61,996	42,000	19,996	6,540	14,455	2,627	5,972	587	4,865	584
Capital outlay, total.....	<sup>2</sup> 26,403	<sup>3</sup> 18,498	7,905	2,847	5,058	715	2,119	235	1,358	630
Construction.....	<sup>3</sup> 10,498	<sup>3</sup> 3,735	6,763	2,472	4,291	602	1,769	211	1,164	546
Contract construction.....	9,943	3,735	6,208	2,235	3,973	557	1,563	200	1,164	490
Force account construction.....	<sup>3</sup> 555	(3)	555	238	318	45	206	11		56
Land and existing structures.....	603	74	529	218	312	23	170	4	61	53
Equipment.....	15,301	14,689	612	157	455	90	181	20	133	31
Assistance and subsidies.....	8,933	6,376	2,557	1,501	1,057	653	361	43		
Interest on debt <sup>4</sup> .....	7,301	6,504	798	162	635	56	359	18	110	96
Insurance-trust benefits and withdrawals.....	6,006	4,294	1,711	1,416	296	15	250	1	22	8
Exhibit: Total personal services.....	<sup>5</sup> 33,070	<sup>5</sup> 19,970	13,100	3,232	9,868	1,405	4,179	313	3,615	357

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts for local governments are subject to high sampling variation. Such amounts are included mainly for complete and convenient distribution of related aggregates rather than as themselves representing close estimates. See text discussion of "Sources and Derivation of Data."

- <sup>1</sup>Not computed.
- <sup>2</sup>To avoid duplication, excludes payments between school districts for tuition, transportation services, etc.
- <sup>3</sup>Does not include Federal expenditure for force account construction which is not segregable from current operation expenditure.
- <sup>4</sup>Differs from amount shown as "interest on general debt" in table 3 because of inclusion here of \$184 million of interest on debt for local utilities which is included in utility expenditure in table 3. Includes expenditure for interest paid on obligations held as investments by social insurance, sinking, and other governmental funds.
- <sup>5</sup>Includes pay and allowances of armed forces totaling \$9,785 million.

Table 5.—STATE AND LOCAL GOVERNMENT EXPENDITURE FOR PERSONAL SERVICES AND FOR CONSTRUCTION, BY FUNCTION: 1953

[In millions]

Item	Expenditure for personal services <sup>1</sup>			Construction expenditure		
	State and local	State	Local	State and local	State	Local
Total.....	\$13,100	\$3,232	\$9,868	\$6,763	\$2,472	\$4,291
Education, total.....	5,525	866	4,659	1,756	232	1,524
Elementary and secondary schools.....	4,697	115	4,582	1,537	28	1,509
Institutions of higher education.....	698	648	50	203	189	14
Other.....	130	104	26	16	15	1
Highways.....	1,250	566	684	2,607	1,863	743
Public welfare.....	264	118	146	13	5	8
Health.....	207	82	125	20	3	16
Hospitals.....	943	499	444	332	196	136
Police.....	843	75	767	15	3	12
Local fire protection.....	459		459	17		17
Natural resources.....	304	248	56	108		60
Sanitation.....	331		331	372		372
Housing and community redevelopment.....	83	1	82	387	(2)	387
General control.....	755	249	506	7	2	5
Liquor stores and local utilities, total.....	895	42	853	691	(2)	691
Liquor stores.....	48	42	7	(2)	(2)	
Water supply system.....	298		298	404		404
Electric power system.....	190		190	240		240
Transit system.....	345		345	38		38
Gas supply system.....	14		14	9		9
All other.....	1,240	485	755	439	107	332

NOTE: Because of rounding, detail does not always add to totals.  
<sup>1</sup>This distribution of the 1953 personal services totals shown in table 4 is based on the Bureau of the Census survey of public employment, primarily data for October 1953 as presented on the report, *State Distribution of Public Employment in 1953*.  
<sup>2</sup>Less than \$500 thousand.

GOVERNMENTAL FINANCES: 1953

Table 6.—GOVERNMENTAL DEBT OUTSTANDING AT END OF FISCAL YEAR, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All governments	Federal	All State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
Total debt outstanding.....	\$299,630	\$266,071	\$33,560	\$7,824	\$25,735	\$2,454	\$13,558	\$434	\$4,712	\$4,577
Long term, total.....	(2)	(2)	31,782	7,505	24,277	2,370	12,913	425	4,551	4,018
Fall faith and credit.....	(2)	(2)	25,258	5,168	20,100	2,126	9,965	388	4,551	3,868
Nonguaranteed.....	(2)	(2)	6,524	2,347	4,177	242	2,947	37	.....	950
Short-term.....	(2)	(2)	1,778	320	1,458	84	846	9	161	559
Exhibit: Net long-term.....	(2)	(2)	28,331	6,296	22,035	2,257	11,265	423	4,401	3,689

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts for local governments are subject to high sampling variation. Such amounts are included mainly for complete and convenient distribution of related aggregates rather than as themselves representing close estimates. See text discussion of "Source and Derivation of Data."

<sup>1</sup>Public debt of the United States Government; excludes guaranteed obligations not owned by the Treasury (interest-bearing debt of the Commodity Credit Corporation and the Federal Housing Administration) and nonguaranteed debt of Federal agencies.

<sup>2</sup>The distinction between long-term and short-term debt is not applied to Federal debt figures in this report.

Table 7.—DEBT TRANSACTIONS OF STATE AND LOCAL GOVERNMENTS, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All State and local	State	Local governments					
			All local	County	City	Township	School district	Special district
Long-term debt issued, total.....	\$4,768	\$1,297	\$3,470	\$435	\$1,636	\$115	\$921	\$363
Original issues.....	4,489	1,251	3,239	435	1,408	115	921	361
Refunding issues.....	278	47	232	1	229	.....	.....	3
Long-term debt retired, total.....	1,982	444	1,539	164	948	46	241	140
Redeemed.....	1,691	397	1,294	163	708	45	247	137
Refunded.....	291	47	244	1	240	1	.....	3
Total borrowing.....	5,004	1,351	3,652	457	1,489	119	1,006	581
Total debt redemption.....	1,810	404	1,405	179	759	54	266	147

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts for local governments are subject to high sampling variation. Such amounts are included mainly for complete and convenient distribution of aggregates rather than as themselves representing close estimates. See text discussion of "Sources and Derivation of Data."

<sup>1</sup>See definitions, page 19.

Table 8.—CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY TYPE OF GOVERNMENT: 1953

[In millions]

Item	All State and local	State	Local governments					
			All local	County	City	Township	School district	Special district
Total.....	\$37,084	\$23,663	\$13,421	\$2,220	\$7,481	\$381	\$2,318	\$1,020
Distribution by type of holding:								
Cash and deposits.....	17,846	12,053	5,793	1,574	2,080	291	1,488	359
Federal securities.....	12,643	8,141	4,502	469	2,775	71	639	547
Own-government securities.....	2,559	369	2,190	18	2,093	3	22	54
Other state and local government securities.....	1,571	1,309	262	56	190	(2)	28	47
Nongovernmental securities.....	2,465	1,790	675	102	403	14	141	111
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,450	1,208	2,242	113	1,648	3	150	328
Unemployment compensation.....	8,482	8,427	55	.....	55	.....	.....	.....
Employee retirement.....	7,402	4,638	2,764	137	2,333	9	254	31
Other insurance trust systems.....	1,088	1,088	.....	.....	.....	.....	.....	.....
All other.....	16,662	8,302	8,360	1,970	3,445	369	1,915	661

NOTE: Because of rounding, detail does not always add to totals. Minor detail amounts for local governments are subject to high sampling variation. Such amounts are included mainly for complete and convenient distribution of aggregates rather than as themselves representing close estimates. See text discussion of "Sources and Derivation of Data."

<sup>1</sup>Includes \$8,409 million in State unemployment compensation fund balances on deposit in U. S. Treasury.

<sup>2</sup>Less than \$500 thousand.

SUMMARY OF GOVERNMENTAL FINANCES IN 1953

Table 9.—PERCENT DISTRIBUTION AND PER CAPITA AMOUNTS OF GENERAL REVENUE, GENERAL EXPENDITURE, AND TOTAL GOVERNMENTAL DEBT BY LEVEL OF GOVERNMENT: 1953

Item	Percent of Federal-State-local total				Per capita amounts <sup>1</sup>				
	All governments	Federal	State	Local	All governments	Federal	All State and local	State	Local
General revenue, total net of intergovernmental.....	100.0	74.2	12.6	13.4	\$586.87	\$433.74	\$153.12	\$74.19	\$78.93
Taxes, total.....	100.0	75.1	12.6	12.2	527.63	396.50	131.13	66.63	64.50
Property.....	100.0	.....	3.9	96.1	58.44	.....	58.44	2.30	56.14
Individual income.....	100.0	96.6	3.1	0.3	194.99	188.26	6.72	6.12	.61
Corporation income.....	100.0	96.3	3.7	(2)	139.26	134.10	5.16	5.11	.05
Sales, gross receipts, and customs.....	100.0	59.9	35.9	4.1	109.07	65.37	43.71	39.20	4.50
Death and gift.....	100.0	79.6	20.1	0.3	6.99	5.56	1.43	1.40	.03
Other, including licenses and permits.....	100.0	17.0	56.1	16.9	18.88	3.21	15.67	12.49	3.18
Charges and miscellaneous.....	100.0	62.9	12.8	24.4	59.24	37.24	21.99	7.86	14.43
Direct general expenditure, total.....	100.0	72.4	9.2	18.4	639.54	463.32	176.23	58.68	117.54
National defense.....	100.0	100.0	.....	.....	318.85	318.85	.....	.....	.....
International assistance and foreign affairs.....	100.0	100.0	.....	.....	14.11	14.11	.....	.....	.....
Postal services.....	100.0	100.0	.....	.....	16.96	16.96	.....	.....	.....
Education.....	100.0	7.2	16.2	76.7	63.88	4.59	59.29	10.32	48.97
Elementary and secondary schools.....	100.0	0.6	1.9	97.5	49.37	.29	49.08	.95	48.13
All other.....	100.0	29.6	64.6	5.8	14.51	4.30	10.21	9.37	.85
Highways.....	100.0	1.3	55.0	43.7	31.90	.41	31.49	17.56	13.93
Public welfare.....	100.0	1.4	51.9	46.7	18.66	.27	18.40	9.68	8.71
Categorical public assistance programs.....	100.0	0.4	60.3	39.3	13.68	.05	13.63	8.25	5.38
General relief.....	100.0	.....	21.6	78.4	1.90	.....	1.90	.41	1.49
Other public welfare.....	100.0	7.0	33.2	59.7	3.08	.22	2.87	1.02	1.84
Health.....	100.0	38.8	24.3	36.9	4.40	1.71	2.70	1.07	1.63
Hospitals.....	100.0	26.9	39.8	33.3	16.09	4.32	11.76	6.40	5.36
Police.....	100.0	10.5	10.3	79.2	7.32	.77	6.56	.75	5.80
Local fire protection.....	100.0	.....	.....	100.0	3.77	.....	3.77	.....	3.77
Natural resources.....	100.0	81.1	14.3	4.6	23.55	19.10	4.45	3.36	1.09
Sanitation.....	100.0	.....	.....	100.0	5.73	.....	5.73	.....	5.73
Housing and community redevelopment.....	100.0	17.9	0.3	81.8	4.85	.87	3.98	.01	3.96
Veterans' services, n.e.c.....	100.0	96.0	4.0	.....	17.83	17.11	.71	.71	.....
Nonhighway transportation.....	100.0	79.7	3.4	16.9	8.59	6.85	1.75	.29	1.46
General control.....	100.0	32.3	21.4	46.3	11.78	3.80	7.98	2.52	5.46
Interest on general debt.....	100.0	91.4	2.3	6.3	44.94	41.06	3.88	1.03	2.85
Other and unallocable.....	100.0	47.6	18.9	33.5	26.31	12.53	13.78	4.97	8.80
Total debt outstanding at end of fiscal year.....	100.0	88.8	2.6	8.6	\$891.90	\$1,680.01	\$211.90	\$49.40	\$162.49

NOTE: All computations based on unrounded figures. Because of rounding, detail does not always add to totals.

<sup>1</sup>Based on estimated population of continental United States as of July 1, 1953.

<sup>2</sup>Less than 1/20 of 1 percent.

Table 10.—CHANGES IN GOVERNMENTAL REVENUE, EXPENDITURE, AND DEBT, BY LEVEL OF GOVERNMENT, 1952 TO 1953<sup>1</sup>

Item	Percent change, 1952 to 1953					1952 amounts (in millions) <sup>2</sup>				
	All governments	Federal	All State and local	State	Local	All governments	Federal	All State and local	State	Local
Total revenue from own sources.....	4.4	3.5	6.7	6.2	7.2	\$101,105	\$72,626	\$28,479	\$14,330	\$14,149
General revenue, net of intergovernmental.....	4.1	3.1	7.2	7.4	7.1	89,255	66,640	22,615	10,944	11,671
Taxes, total.....	5.7	5.1	7.5	7.1	7.9	79,066	59,744	19,323	9,857	9,466
Property.....	7.0	.....	7.0	-1.4	7.3	8,652	.....	8,652	370	8,282
Individual income.....	6.8	6.8	6.7	6.1	12.9	28,919	27,921	998	913	85
Corporation income.....	-0.1	0.1	-3.4	-3.3	-12.5	22,072	21,226	846	838	8
Sales, gross receipts, and customs.....	40.8	10.9	8.9	8.4	13.7	15,689	9,332	6,357	6,730	627
Death and gift.....	7.3	7.7	5.6	5.2	39.3	818	818	214	211	3
Other, including licenses and permits.....	10.6	13.9	10.0	10.2	9.1	2,703	446	2,257	1,795	462
Charges and miscellaneous.....	-7.9	-14.5	5.8	10.2	3.6	10,188	6,896	3,292	1,087	2,205
Utility and liquor store revenue.....	6.6	.....	6.6	4.7	7.4	3,140	.....	3,140	924	2,216
Insurance trust revenue.....	6.2	8.0	2.2	1.6	8.0	8,710	5,966	2,724	2,462	262
Employee retirement.....	7.6	5.1	9.2	9.5	8.6	1,442	807	835	579	256
Unemployment compensation.....	-1.4	30.0	-2.9	-2.9	.....	1,612	10	1,602	1,597	5
Old age and survivors insurance.....	14.6	14.6	.....	.....	.....	3,881	3,881	.....	.....	.....
Other.....	-6.6	-9.8	10.1	10.1	.....	1,775	1,488	287	287	.....

See footnotes at end of table.

Table 10.—CHANGES IN GOVERNMENTAL REVENUE, EXPENDITURE, AND DEBT, BY LEVEL OF GOVERNMENT, 1952 TO 1953<sup>1</sup>—Continued

Item	Percent change, 1952 to 1953					1952 amounts (in millions) <sup>2</sup>				
	All governments	Federal	All State and local	State	Local	All governments	Federal	All State and local	State	Local
Total direct expenditure <sup>3</sup> .....	9.1	10.1	6.7	6.3	7.0	\$101,451	\$70,568	\$30,884	\$10,790	\$20,093
Direct general expenditure, total.....	9.1	9.9	6.9	7.4	6.7	82,875	66,777	26,098	8,654	17,444
National defense.....	-14.8	14.8	.....	.....	.....	343,999	343,999	.....	.....	.....
International assistance and foreign affairs.....	-18.6	-18.6	.....	.....	.....	32,744	32,744	.....	.....	.....
Postal service.....	2.8	2.8	.....	.....	.....	2,612	2,612	.....	.....	.....
Education.....	5.4	-43.2	12.9	9.4	13.7	9,598	1,280	8,318	1,494	6,824
Elementary and secondary schools.....	13.9	-23.0	14.2	30.4	13.9	6,967	61	6,806	115	6,691
All other.....	-15.9	-44.2	6.9	7.6	0.8	2,731	1,219	1,512	1,379	133
Highways.....	7.2	3.1	23.1	8.8	5.4	4,714	64	4,050	2,556	2,094
Public welfare.....	4.5	.....	4.5	8.8	0.1	2,830	42	2,788	1,410	1,378
Categorical public assistance programs.....	6.6	-11.1	6.7	9.6	2.0	2,033	9	2,023	1,192	831
General relief.....	-8.3	.....	-8.3	6.6	11.3	327	.....	327	61	266
Other public welfare.....	4.1	6.3	3.9	2.5	4.3	469	32	437	158	280
Health.....	( <sup>4</sup> )	-9.4	( <sup>4</sup> )	3.7	( <sup>4</sup> )	5,739	299	5,440	164	5,276
Hospitals.....	3.6	-4.4	6.8	4.8	9.3	2,460	715	1,745	968	777
Police.....	7.4	-13.5	10.5	12.3	10.3	1,080	141	939	106	833
Local fire protection.....	2.0	.....	2.0	.....	2.0	586	.....	586	.....	586
Natural resources.....	( <sup>5</sup> )	( <sup>6</sup> )	-9.2	-1.5	-27.0	3,532,469	3,52,469	776	539	237
Sanitation.....	-8.5	.....	-8.5	.....	-8.5	992	.....	992	.....	992
Housing and community redevelopment.....	-12.2	30.2	-17.9	-50.0	-18.0	875	106	769	4	766
Veterans' services, n.e.c.....	9.8	11.6	-20.4	-20.4	.....	2,570	2,428	142	142	.....
Nonhighway transportation.....	( <sup>4</sup> )	( <sup>4</sup> )	19.4	7.0	21.7	3,51,118	3,586	232	43	189
General control.....	3.6	-1.0	5.9	10.5	3.8	3,180	3,608	1,193	361	832
Interest on general debt.....	11.1	11.1	11.2	12.5	10.8	6,405	5,853	552	144	408
Other and unallocable.....	-7.5	-21.6	10.5	9.1	11.3	34,504	32,529	1,974	722	1,252
Utility and liquor store expenditure.....	8.4	.....	8.4	4.7	9.5	3,087	.....	3,087	723	2,364
Insurance trust expenditure.....	9.4	13.3	0.8	0.2	3.9	5,489	3,790	1,698	1,413	285
Employee retirement.....	14.1	21.0	10.4	18.2	3.9	831	300	530	247	283
Unemployment compensation.....	-1.4	100.0	-6.5	-6.5	.....	1,022	49	973	971	2
Old age and survivors insurance.....	37.6	37.6	.....	.....	.....	1,983	1,983	.....	.....	.....
Other.....	-20.1	-24.2	10.8	10.8	.....	1,653	1,457	196	196	.....
Direct expenditure by character and object:										
Current operation.....	10.5	11.8	7.8	7.1	8.0	56,125	37,572	18,553	6,173	13,380
Capital outlay, total.....	6.2	6.1	6.3	7.1	5.9	624,873	67,437	7,436	2,658	4,778
Construction.....	8.0	11.9	5.9	6.4	5.6	6,79,723	6,73,337	6,386	2,323	4,063
Land and existing structures.....	( <sup>4</sup> )	( <sup>4</sup> )	13.3	22.5	8.0	5,7467	( <sup>7</sup> )	467	178	289
Equipment.....	4.2	4.2	4.8	-0.6	6.8	14,684	14,100	584	158	426
Assistance and subsidies.....	6.5	7.8	3.5	7.1	-1.2	8,387	5,916	2,471	1,402	1,070
Interest on debt <sup>8</sup> .....	11.0	11.1	10.2	12.5	9.5	6,577	5,853	724	144	580
Insurance benefits and withdrawals.....	9.4	13.3	0.8	0.2	3.9	5,489	3,790	1,698	1,413	285
Exhibit: Total personal services.....	11.1	12.7	8.8	9.3	8.6	929,766	917,721	12,045	2,956	9,089
Debt outstanding at end of fiscal year.....	3.6	2.7	11.5	13.8	10.8	289,205	259,106	30,100	6,874	23,226
Long-term, total.....	( <sup>4</sup> )	( <sup>4</sup> )	10.7	13.0	10.0	( <sup>10</sup> )	( <sup>10</sup> )	28,720	6,940	22,080
Full faith and credit.....	( <sup>4</sup> )	( <sup>4</sup> )	7.9	4.7	8.8	( <sup>10</sup> )	( <sup>10</sup> )	23,406	4,926	18,480
Nonguaranteed.....	( <sup>4</sup> )	( <sup>4</sup> )	22.8	36.9	16.0	( <sup>10</sup> )	( <sup>10</sup> )	5,314	1,714	3,601
Short-term.....	( <sup>4</sup> )	( <sup>4</sup> )	28.8	36.2	27.2	( <sup>10</sup> )	( <sup>10</sup> )	1,380	235	1,146
Exhibit: Net long-term.....	( <sup>4</sup> )	( <sup>4</sup> )	11.0	12.0	10.8	( <sup>10</sup> )	( <sup>10</sup> )	25,513	5,620	19,892

NOTE: Computations of percent change are based on unrounded figures. Because of rounding, detail does not always add to totals.

<sup>1</sup> For pre-1952 aggregates of tax revenue and outstanding debt, by level of government, see tables 2 and 8, Summary of Governmental Finances in 1952.<sup>2</sup> For 1953 amounts, see tables 1 to 8.<sup>3</sup> Revised.<sup>4</sup> Not computed.<sup>5</sup> Changes in classification of data in 1953 make these 1952 figures not comparable with 1953 data.<sup>6</sup> Excludes force account construction by Federal Government not segregable from current operation expenditure.<sup>7</sup> Federal purchases of land and existing structures are included in construction expenditure for 1952.<sup>8</sup> Includes interest on utility debt not included in category "interest on general debt."<sup>9</sup> Includes pay and allowances of armed forces totaling \$8,340 million in 1952.<sup>10</sup> The distinction between long and short-term Federal debt is not applied in this report.

Table 11.—CHANGES IN SELECTED ITEMS OF COUNTY, CITY, AND SCHOOL DISTRICT FINANCES, BY TYPE OF GOVERNMENT: 1952 to 1953

Item	Percent change, 1952 to 1953 <sup>1</sup>			1952 amounts (in millions)		
	County	City	School district	County	City	School district
Total revenue <sup>2</sup> .....	5.7	8.1	12.3	\$4,045	\$8,278	\$5,097
General revenue total including intergovernmental.....	5.6	8.2	12.3	3,926	6,351	5,078
General revenue, own sources.....	4.3	9.1	10.8	2,385	5,139	2,920
Taxes.....	4.0	8.7	10.5	1,918	4,183	2,655
Property.....	3.7	7.4	10.5	1,835	3,144	2,618
Other.....	8.4	12.2	13.5	83	1,039	37
Charges and miscellaneous.....	5.8	11.3	13.2	468	956	265
Total expenditure <sup>2</sup> .....	5.0	9.0	15.3	4,029	8,383	5,357
General expenditure, total including intergovernmental.....	5.1	8.8	15.2	3,933	6,303	5,342
Direct general expenditure, total.....	4.3	8.7	15.2	3,802	6,235	5,342
Education.....	13.1	6.8	15.1	413	833	5,248
Highways.....	4.3	11.0	.....	912	853	.....
Public welfare.....	1.1	-0.5	.....	882	432	.....
Health and hospitals.....	( <sup>3</sup> )	8.9	.....	541	471	.....
Police.....	12.9	9.8	.....	116	685	.....
Local fire protection.....	26.7	7.9	.....	15	504	.....
Sanitation.....	-17.4	5.8	.....	23	723	.....
Housing and community redevelopment.....	.....	39.0	.....	1	146	.....
All other direct expenditure.....	6.9	4.8	17.0	899	1,556	.....
Debt outstanding at end of fiscal year.....	21.6	7.1	23.8	2,018	12,659	3,806
Long-term, total.....	22.3	6.6	22.5	1,938	12,113	3,715
Full faith and credit.....	26.8	4.3	22.5	1,691	9,556	3,745
Nonguaranteed.....	-1.6	15.3	.....	246	2,557	.....
Exhibit: Net long-term.....	24.2	7.3	23.2	1,817	10,503	3,571
Cash and security holdings, total.....	8.4	8.8	15.2	2,048	6,877	2,013

NOTE: Percent changes computed from unrounded figures. Because of rounding, detail does not always add to totals.

<sup>1</sup> For 1953 amounts, see tables 1 to 8.<sup>2</sup> Including utility and liquor store and insurance trust amounts, not shown separately here.<sup>3</sup> Not computed; 1952 data not comparable with figures for 1953.

Table 12.—EXHIBIT OF INTERGOVERNMENTAL EXPENDITURE, IN TOTAL AND FOR SELECTED FUNCTIONS: 1953

[In millions]

Item	Federal intergovernmental expenditure			State intergovernmental expenditure (all to local governments)	Local intergovernmental expenditure (gross) <sup>1</sup>	
	Total	To States	Directly to local governments		To States	To local governments
Total.....	\$2,873	\$2,564	\$309	\$5,384	\$191	\$336
Education.....	608	288	220	2,737	14	238
Highways.....	510	509	1	803	67	22
Public welfare.....	1,332	1,329	3	981	23	7
Health and hospitals.....	116	115	1	130	39	20
Natural resources.....	66	66	.....	11	8	.....
Other, combined and unallocable.....	341	257	84	722	40	4
Employment security administration.....	196	195	1	.....	.....	.....
All other.....	145	62	83	722	40	4

NOTE: Because of rounding, detail does not always add to totals.

<sup>1</sup> These amounts will differ in total from local government intergovernmental expenditure shown in tables 3 and 4 because the figures in tables 3 and 4 are net of payments between units of the same type (e.g. school district to school district payments for tuition, transportation, etc.) and because the figures shown above as to payments by local governments to States are based on State revenue data for fiscal 1953 rather than on expenditure figures reported by sample local governments.