

BUREAU OF THE CENSUS LIBRARY OF SUMMARY OF GOVERNMENTAL FINANCES IN 1954

DEPARTMENT OF COMMERCE
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GOVERNMENTAL FINANCES IN
THE UNITED STATES: 1954

GOVERNMENTS DIVISION
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G-GF54

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Public expenditure in the United States was at the same level in 1954 (\$110 billion) as in the preceding year. A decrease of 4 percent in Federal Government expenditure, resulting from a drop in national defense spending, almost exactly counterbalanced an 11 percent rise in State and local government spending. National defense expenditure fell from \$50.5 billion in 1953 to \$46.8 billion in 1954. Non-defense spending--Federal, State, and local--rose from \$59.4 billion in 1953 to \$63.7 billion in 1954. The Federal Government's direct expenditure for purposes other than national defense was \$27.1 billion in 1954; State and local governments spent \$36.6 billion. In per capita terms, total 1954 expenditure of all governments was \$680, with national defense accounting for \$288 per capita and all other public functions for \$392 per capita.

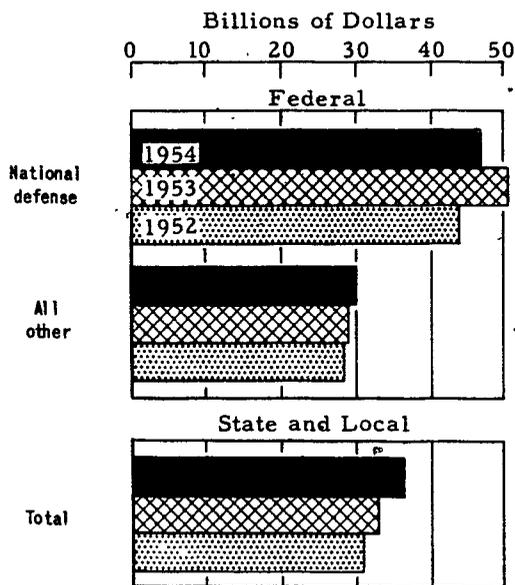
The second largest function of government in 1954, education, accounted for just under one-fourth of the amount spent for national defense. Education expenditure by all levels of government was \$11.2 billion or \$69 per capita. The 1954 total was 11 percent greater than the

amount spent the preceding year. As in 1953, interest on general governmental debt ranked next to education in amount of expenditure, requiring \$6.6 billion or \$41 per capita in 1954. This was about 3 percent higher than the 1953 level. Approximately \$5.6 billion was spent by governments for the Nation's highways in 1954. Highway expenditure, up 11 percent from the 1953 level, totaled \$34 per capita. The other functions of government ranked considerably below the foregoing in volume of 1954 expenditure. Expenditure increases took place for most major functions. Decreases occurred for national defense, international assistance and foreign affairs, the postal service, housing and community redevelopment, and nonhighway transportation activities.

Governmental revenue from all sources totaled \$109.2 billion in the fiscal year 1954. About 77 percent of the total was provided by taxes which, for Federal, State, and local governments altogether, yielded \$84.5 billion, or \$520 per capita. Total 1954 revenue was 3 percent higher than the corresponding 1953 amount; however, tax revenue increased less than 1 percent. Charges for services, sales of products, and miscellaneous general revenue sources produced \$11.4 billion in 1954, or 10 percent of total governmental revenue. Increased sales of agricultural commodities under the price support program were a significant element in the 25 percent rise in Federal revenue from these sources, between 1953 and 1954. However, State and local government revenue from charges and miscellaneous sources also rose substantially, 13 percent, between the two years. Sales of State and local government liquor stores, and of local water, electric, transit, and gas utilities provided \$3.5 billion in revenue, or 3 percent of all public revenue. Liquor store and utility sales were up 5 percent from the 1953 level. The remaining \$9.9 billion of governmental revenue--9 percent of the total--came from employer and employee contributions for insurance trust systems and investment earnings of such systems. Insurance trust revenue was 7 percent greater in 1954 than in 1953.

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 \$76.8 billion in revenue in 1954 and the

Fig. 1.--GOVERNMENTAL EXPENDITURE
1952, 1953, AND 1954



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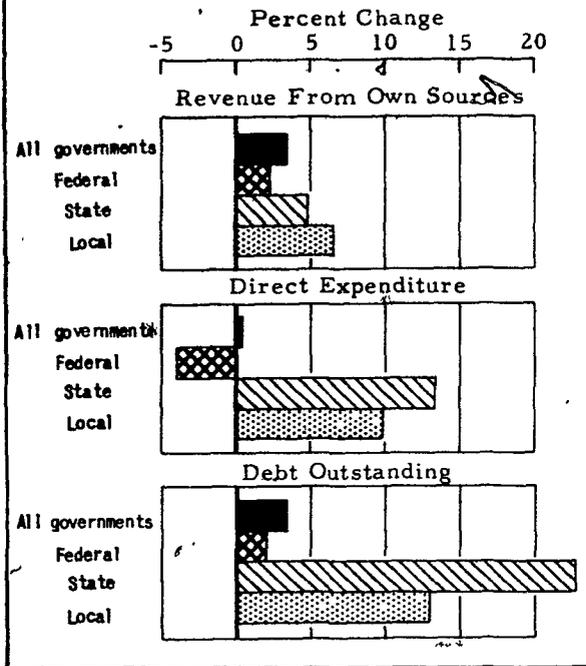
ERRATA SHEET

Summary of Governmental Finances in
954 (G-GF54), October 7, 1955.

Table 22, page 35. -- Per capita amounts
in line 1, "Revenue from all sources," should
be corrected as follows:

	From	To
All governments	\$728.66	\$672.65
State and local, total.....	255.63	217.88
Local.....	139.66	137.94

Fig. 2.--PERCENT CHANGE, 1953-1954, IN GOVERNMENTAL FINANCES, BY LEVEL OF GOVERNMENT



State and local governments had revenues of \$16.0 billion and \$16.5 billion respectively, or a total of \$32.4 billion for these governmental levels.

Governmental debt at the end of fiscal year 1954 stood at \$310.2 billion, nine-tenths of which consisted of obligations of the Federal Government. Total governmental debt--Federal, State, and local--was 3 percent more than at the end of 1953. For all governments--Federal, State, and local--the 1954 debt level represents an all-time high: State debt was \$9.6 billion, 23 percent more than a year earlier; local government debt totaled \$29.3 billion, up 13 percent. Slightly less than half of local government indebtedness was debt of cities; the remainder consisted of obligations of school districts, special districts, counties, and townships.

New borrowing to finance State and local expenditures totaled \$6.0 billion during the fiscal year 1954, whereas debt redemption during the year was only \$2.4 billion. On the asset side, cash on hand and on deposit, plus investment holdings of State and local governments, amounted to \$40.4 billion at the end of fiscal year 1954--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 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. Increased balances and increased investment holdings do not necessarily signify an increase in resources available for financing additional or increased expenditure programs. As indicated above, large portions of

these assets are collected and earmarked as reserves for specific purposes. Furthermore, significant portions of cash and temporarily invested funds represent proceeds of large scale borrowing operations which have not yet been expended for the projects to which they are intended to be applied.

REVENUE BY SOURCE

Total governmental revenue in the fiscal year 1954 was at a record high. Both the Federal Government and State and local governments participated in the 1953-1954 increase. Federal revenue rose 2 percent and State and local government revenue was up 6 percent.

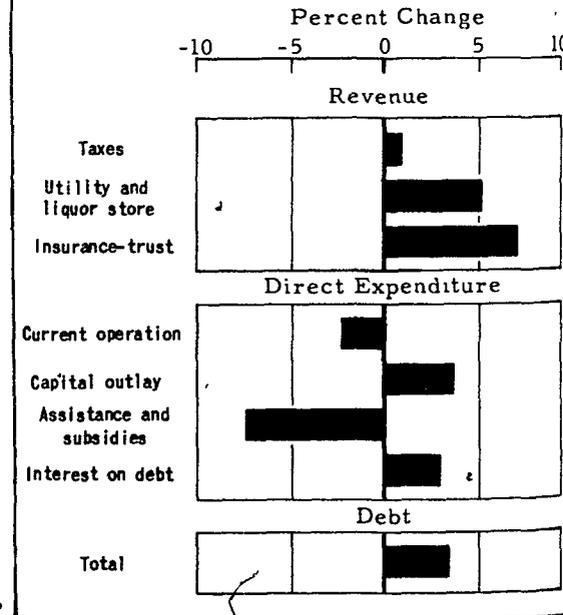
As shown in this report, governmental revenue consists of all receipts of governments from external sources, net of refunds and other correcting transactions, other than from borrowing and liquidation of financial investments. With some relatively minor exceptions, internal transfers from fund to fund are excluded, and 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 summary governmental revenue data for 1954, 1953, and 1952. Tables 2 through 8 show additional detail and derived statistics on revenue and table 22 presents per capita amounts.

GENERAL REVENUE

Taxes.--Tax revenues for all governments, totaling \$84.5 billion in the fiscal year, 1954, were about 1 percent above the 1953 level.

Fig. 3.--PERCENT CHANGE, 1953-1954, IN SELECTED ITEMS OF GOVERNMENTAL FINANCES



Federal tax collections were down slightly owing to tax reductions becoming effective during the year; State tax yields rose 5 percent, and local taxes rose 6 percent. Tax revenues provided 81 percent of all revenue of the Federal Government, but only 62 percent of the revenue of State and local governments. State and local taxes, totaling \$22.1 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 less than 4 percent of State tax revenue in 1954. However, property taxes yielded \$9.6 billion in revenue for local governments in 1954--43 percent of revenue of these units from all sources, and 49 percent of their general revenue from all sources.

In 1954, local property tax revenue was distributed as follows among the various types of State and local government:

Type of government	Percent
All property taxes.....	100.0
States.....	3.9
Cities.....	36.0
School districts.....	31.6
Counties.....	20.6
Townships.....	5.6
Special districts.....	2.2

For all types of local governments 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 \$50.6 billion in Federal tax collections in 1954. Although not all State governments levy income taxes and State rates are far lower than Federal rates, the States obtained \$1.8 billion, or 16 percent of their tax revenue from taxation of income in 1954. 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 \$129 million in 1954, 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. 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 1954.

All States levy sales or gross receipts taxes on sales of motor fuel and other specific commodities and services. In addition, 32 States had general sales taxes in 1954, which apply, subject to specific exceptions, to all types of goods, goods and services, or gross income. The States collected \$6.6 billion from their various sales taxes in 1954, 59 percent of all their tax revenue.

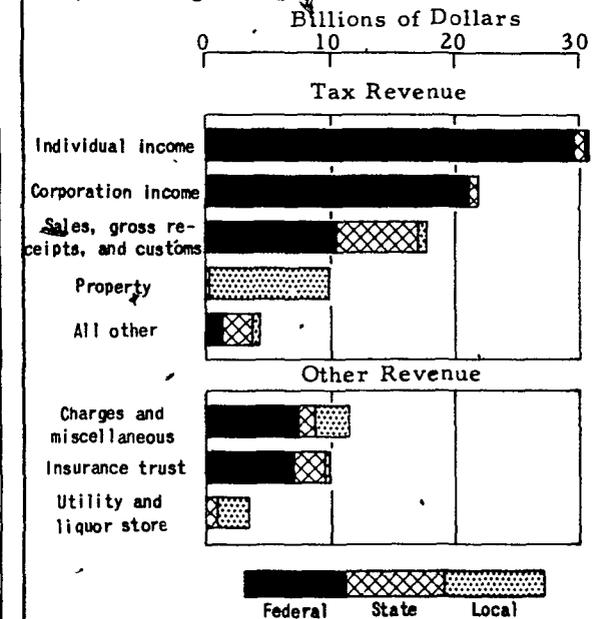
In 1954 local governments realized \$703 million from general and selective sales taxes.

Other taxes.--Taxes other than those on property, income, or sales yielded governments \$4.3 billion in 1954. The largest individual taxes included in this aggregate were death and gift taxes from which \$1.2 billion was collected in 1954 and State motor vehicle and operators' license taxes which yielded \$1.1 billion in 1954. 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

Fig. 4. GOVERNMENTAL REVENUE IN 1954

(Excluding intergovernmental amounts)



services and from sales of products, provided \$11.4 billion in the fiscal year 1954, 10 percent of total governmental revenue.

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 \$5.6 billion received in the fiscal year 1954 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 1954 from sales of goods and services is detailed in table 3 in terms of the governmental functions involved.

State and local revenue from charges for services totaled \$2.7 billion in 1954 and was distributed by function as shown in table 4.

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 \$262 million in 1954.

Interest earnings.--General revenue from interest earnings totaled \$859 million for all governments in 1954. Such revenue 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 20, 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 the 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, \$338 million in 1954, 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. These revenue sources provided \$1,615 million for governments in 1954.

UTILITY AND LIQUOR STORE REVENUE

Sales receipts of State and local liquor stores and local water, electric, gas, and transit utilities amounted to \$3.5 billion in 1954, or 10 percent of governmental revenue for State and local governments. 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 by the tabulations of "charges for services" in tables 3 and 4.

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 \$9.9 billion in 1954, 7 percent more than in 1953 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, total insurance trust revenue in 1954 exceeded total insurance trust expenditure by \$2.4 billion.

Approximately 85 percent of insurance trust revenue in 1954 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 15 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.

Table 7 shows a distribution of insurance trust revenue, by source of revenue and by insurance program.

Insurance trust systems included herein 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 \$9.2 billion in 1954. 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 \$69.8 billion from general Federal sources in 1954 (i. e., excluding insurance trust revenue), and transferred \$3.0 billion to State and local governments, leaving \$66.8 billion of 1954 general revenue from "own" Federal Government purposes.

The State government role, however, was more complex. The States received \$12.4 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 \$2.9 billion. In turn, the States distributed \$5.7 billion to their local governments so that the net general revenue available for direct State expenditure for "own purposes" was only \$9.6 billion.

Local governments raised from local sources \$13.6 billion of general revenue in 1954 (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 \$6.4 billion. In turn, local governments distributed to their State governments and to other local governments \$0.7 billion, leaving them with a net amount of general revenue available for local expenditure of \$19.4 billion.

EXPENDITURE BY CHARACTER AND OBJECT

Governmental expenditure aggregated \$110.5 billion in fiscal year 1954 of which direct expenditure of the Federal Government accounted for \$73.9 billion, or 67 percent. Direct expenditure of State governments totaled \$13.0 billion, and that of local governments \$23.6 billion. These are expenditure amounts for "own purposes" of each level of government. In the case of the Federal Government, direct expenditure in 1954 was 4 percent below the 1953 level. State direct expenditure, however, underwent an increase of 13 percent and local government direct spending was up 10 percent.

In 1954 the Federal Government disbursed, in addition to its direct expenditure, \$3.0 billion in payments to State and local governments; the State governments paid \$5.7 billion to the local governments, and the local governments paid \$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 for 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) payments to the public made by governmental enterprises, and trust funds.

CURRENT OPERATION

Of all public spending in the fiscal year 1954, more than half, \$60.6 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 \$39.1 billion or almost two-thirds of the total for all governments. Included in

this figure is \$9.4 billion for pay and allowances for armed forces personnel, \$4.7 billion for pay of civilian employees of the defense establishment, and \$15.3 billion for supplies, materials, and other current operation expenditure for national defense. Current operation expenditure for nondefense Federal functions totaled \$9.7 billion in 1954. 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 \$21.5 billion for current operation in 1954. 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 \$27.4 billion or about one-fourth of total governmental expenditure, in 1954. A substantial portion of this total, \$13.6 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 for other durable apparatus other than buildings and other fixed structures.

Construction expenditure for all governments, totaling \$11.7 billion in 1954, includes \$10.7 billion for contract construction (i.e., construction by private contractors) and \$1.1 billion for force-account construction (i.e., direct construction with own forces and materials).

Governmental expenditure for capital outlay in 1954 was distributed by governmental function as shown in table 16.

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 \$8.3 billion in the fiscal year 1954. Although the Federal Government accounted for most of this sum (\$5.6 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 1954 for assistance and subsidies, by major program (in millions):

Program	All governments	Federal	State and local
Total.....	\$8,271	\$5,637	\$2,634
National defense	831	831	...
International assistance	751	751	...
Education (largely veterans' educational benefits)	585	541	44
Public welfare (largely public assistance) ...	2,452	12	2,440
Natural resources (largely agricultural benefits)	342	336	6
Veterans' pensions, bonuses, and other non-educational benefits	2,750	2,659	90
All other	560	507	54

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 \$6.8 billion in 1954, of which approximately 87 percent was paid out by the Federal Government. State governments accounted for only one-fifth of the remaining 13 percent and local governments for the balance. The local government total includes \$198 million paid on utility debt as well as \$525 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 \$984 million or 17 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 \$7.5 billion in 1954, about 68 percent being Federal payments and 32 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 administering 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 \$33.5 billion in the fiscal year 1954, including pay and allowances for armed forces personnel amounting to \$9.4 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.

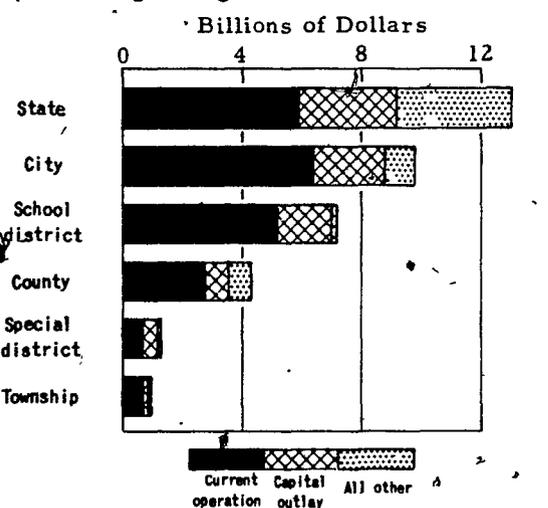
Public civilian payrolls totaled \$24.2 billion for fiscal 1954, of which \$9.8 billion was for Federal Government and \$14.3 billion for State and local governments. In October 1954, the number of civilian employees on governmental payrolls totaled 7.2 million. Following is a summary functional distribution of number of governmental civilian employees as of October 1954 and civilian payrolls for the fiscal year 1954:

Function	All	Federal	State and local
Number of employees, October 1954 (thousands)			
Total.....	7,232	2,373	4,859
National defense	1,157	1,157	...
Postal service	504	504	...
Education	2,059	9	2,050
Highways.....	482	4	478
Health and hospitals	662	166	496
Police and fire protection	455	22	433
Natural resources.....	279	158	121
General control	508	111	397
Local utilities	233	...	233
All other	618	131	487
Payroll for fiscal year 1954 (millions of dollars)			
Total.....	24,176	9,833	14,343
National defense	4,694	4,694	...
Postal service	2,005	2,005	...
Education	6,171	53	6,117
Highways.....	1,386	20	1,366
Health and hospitals	1,919	623	1,296
Police and fire protection	1,501	109	1,392
Natural resources.....	1,002	667	334
General control	1,469	520	949
Local utilities	874	...	874
All other	3,155	1,142	2,015

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,

Fig. 5. --STATE AND LOCAL GOVERNMENT EXPENDITURE, BY TYPE OF GOVERNMENT: 1954 (Excluding intergovernmental amounts)



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 \$9.3 billion in 1954. 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 1954 (in millions):

Item	Total	To States*	Directly to local governments
Total.....	\$2,967	\$2,668	\$299
Grants-in-aid.....	2,710	2,452	258
Shared revenues.....	50	42	8
Payments in lieu of taxes	5	...	5
Payments for services (including tuition payments for veterans' education).....	200	174	25
Other payments.....	3	...	3

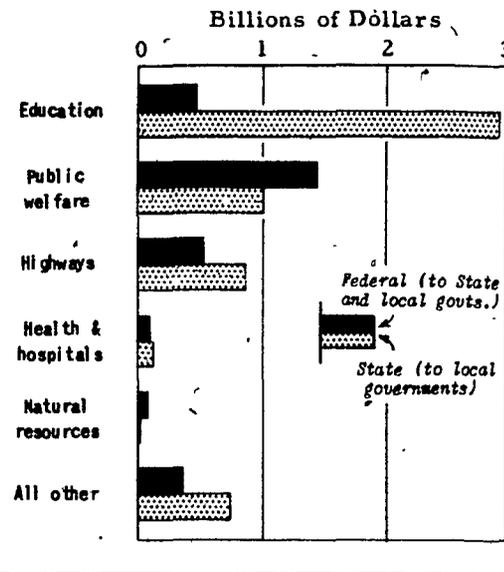
*Includes sums redistributed to local governments.

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 \$5.7 billion in fiscal 1954. This is equal to two-fifths of the total amount of 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.

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 1954 to \$215 million of local-to-State and an estimated \$441 million of local-to-local payments.

Fig. 6. --INTERGOVERNMENTAL EXPENDITURE BY FEDERAL AND STATE GOVERNMENTS: 1954



Intergovernmental transactions, by function and level of government, are shown in table 10.

EXPENDITURE BY FUNCTION*

The foregoing discussion has been concerned mainly with the forms of governmental expenditure (see table 15) rather than the purposes for which expenditures are made. Table 11 of this report shows the distribution of general expenditure by governmental function and by type of government.

GENERAL EXPENDITURE

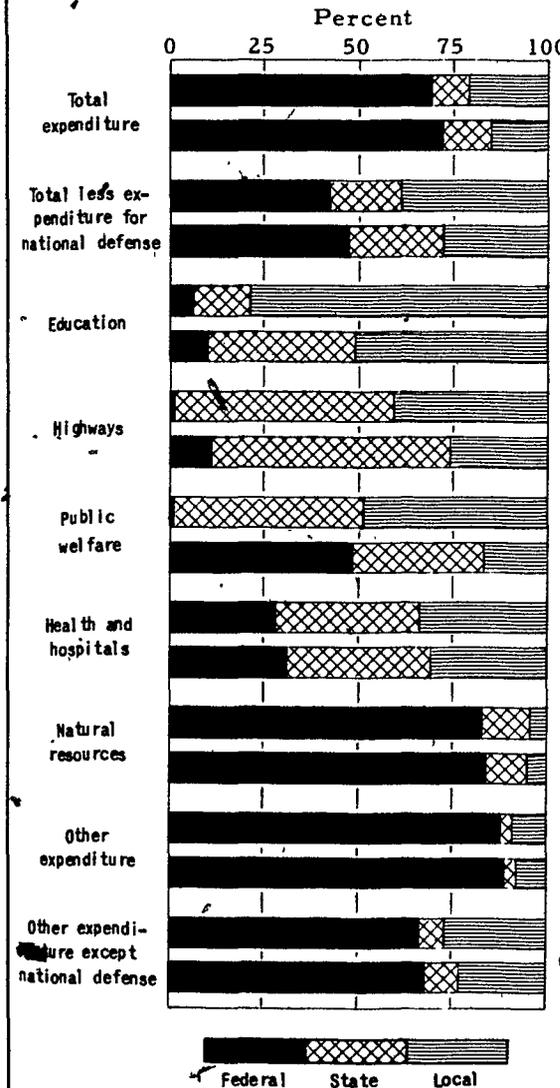
As indicated in the section on concepts and terminology, governmental expenditure is divided in this report into three major areas: General expenditure, utility and liquor store expenditure, and insurance trust expenditure. The first category, general expenditure, comprises all expenditure other than 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 \$99.5 billion, or 90 percent of total 1954 spending for all purposes. The major functions accounting for general expenditure are discussed below in the order of magnitude of 1954 expenditure, which differs somewhat from their order of presentation in table 11.

National Defense.--The military accounted for far the largest component of governmental expenditure in 1954. National defense expenditure of the Federal Government totaled \$46.8 billion, 63 percent of all direct Federal expenditure and about 42 percent of total expenditure for all governments--Federal, State, and local.

A little less than one-third of national defense expenditures in 1954 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 1954, somewhat more than one-third, was for supplies, materials, and other goods and services and for assistance and subsidy payments. Total defense spending in 1954 was 7 percent less than the 1953 level.

Fig. 7. --EFFECT OF INTERGOVERNMENTAL TRANSFERS ON DISTRIBUTION OF EXPENDITURE: 1954



Upper bar: Expenditure for own purposes
Excludes payments to other governments but includes expenditure of amounts received from other governments.
Lower bar: Expenditure from own sources
Includes payments to other governments but excludes expenditure of amounts received from other governments.

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-related activities of State and local governments (including national guard, civil defense, and armory activities) 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, expansion of defense production, and other defense-related operations of numerous agencies and departments.

Education.--The second largest function of government in scale in 1954 was education, for which \$11.2 billion was spent. Education expenditure increased 11 percent between 1953 and 1954. Substantial 1954 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--\$0.6 billion in 1954--was primarily for veterans' educational benefits. Only payments to individual veterans and to 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 \$476 million in 1954.

State direct expenditure for education--\$1.7 billion in 1954--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 \$243 million in 1954. 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 \$199 million in 1954 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 1954.

In addition to this \$1.7 billion of direct expenditure for education in 1954, the States distributed \$2.9 billion in aid to local governments for education--more than one-half of the total of State aid for all purposes.

Local governments spent \$8.8 billion for education in 1954, \$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 1954--a total of \$2.2 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 \$311 million in 1954 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 1954. Approximately \$6.6 billion was spent for this purpose (not including the \$198 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 accrual, such as that on Federal savings bonds, nor does it include interest paid to individuals on savings deposits, (i.e., postal savings accounts, and savings deposits of military personnel). It excludes also 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).

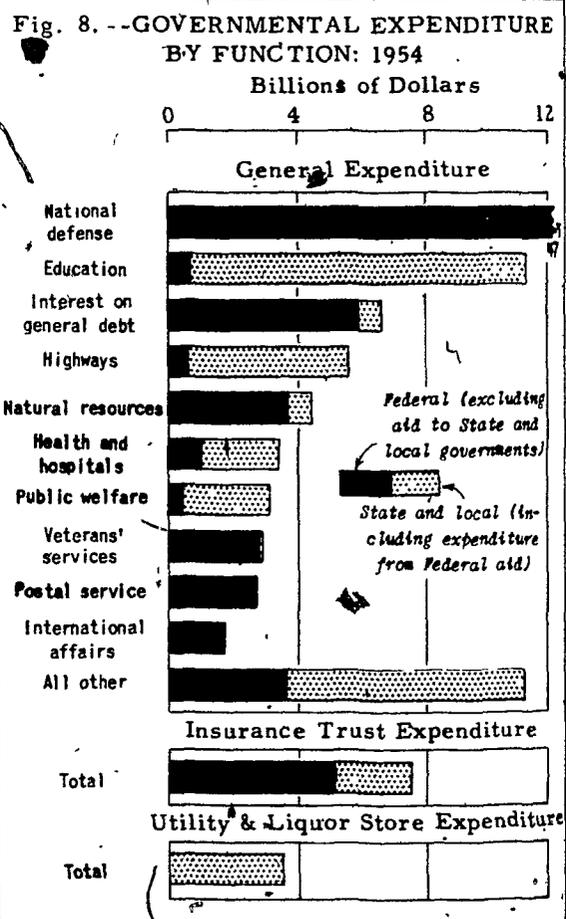
Highways.--Provision and maintenance of highway facilities, including toll turnpikes, bridges, and tunnels and ferries as well as regular State and local highways and city streets, required \$5.6 billion in public expenditure in 1954. Although the Federal Government provides substantial grants for financing of State and local highways (\$530 million in 1954), its direct expenditures for this purpose totaled only \$60 million in 1954.

The State governments, in turn, provide substantial financial assistance to local governments for highway purposes (\$871 million in 1954), but direct State expenditure for highways accounts for three-fifths of the total spent by all governments for this function.

The local governments, with substantial financial assistance from the States, spent \$2.3 billion for highway purposes in 1954. As indicated above, 38 percent of this total was financed from State grants.

More than three-fifths of public expenditure for highways in 1954 (\$3.5 billion out of \$5.6 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 1954 the



amount spent for construction and operation of such facilities was more than double the level of 1953--\$561 million in 1954 versus \$264 million in 1953. The operation of toll facilities, as distinguished from construction and other capital expenditures, accounted for only \$67 million of total 1954 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 \$203 million during the year.

Natural Resources.--Conservation and development of natural resources--agricultural, forest, mineral, electric power, and the like--accounted for \$4.4 billion of governmental expenditure in 1954, as compared with \$3.7 billion in 1953. The chief factor in the increase was larger Federal payments for purchase of commodities for farm price support.

The Federal Government accounted for \$3.7 billion of the \$4.4 billion spent by all governments in 1954 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 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. Table 12 shows a distribution of the major components of the \$3.7 billion spent for natural resources by the Federal Government in 1954.

The \$563 million spent by State governments for natural resources in 1954 was distributed by program as shown in table 13.

Local government natural resources activities called for \$199 million of expenditure in 1954.

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 is 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 \$3.1 billion was spent by governments for such purposes in 1954.

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 (\$1.4 billion in 1954) but direct Federal expenditure for programs for the needy is relatively small (\$43 million in 1954).

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 1954, 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, \$1.5 billion in 1954.

The "categorical" public assistance programs--old-age assistance, aid to dependent children, aid to the blind, and aid to the disabled--accounted for 72 percent of all public welfare expenditure in 1954. Other public assistance, which is wholly financed from State and local sources, accounted for only one-tenth of the welfare total. The remaining \$520 million spent in 1954 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; other public assistance 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 1954 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 \$2.9 billion in 1954. 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 \$102 million of State government expenditure, chiefly veterans' bonus payments. While relatively small in 1954, State payments for veterans' bonuses and services have been of considerable magnitude since World War II.

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 1954 by all levels of government, and amounts for certain other categories would be correspondingly reduced. A distribution of Federal expenditure for veterans' affairs, showing where amounts are included under various functional categories in this report, is presented in table 12.

Postal Service.--Without offset for postal revenues, expenditures by the Federal Government for the postal service in 1954 totaled \$2.7 billion. This figure is included on a gross basis in the development of Federal expenditure totals in contrast to the usual practice 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 1954 for wages and salaries of postal workers, for example, was three times as much as the personal services cost of any other nondefense Federal function.

Hospitals.--Public hospitals accounted for \$2.7 billion in governmental expenditure in 1954.

The Federal Government accounted for more than one-fourth of direct expenditure for hospitals in 1954, spending \$647 million for veterans' hospitals and \$66 million for other Federal hospital facilities. However, these figures do not include an additional \$44 million in hospital construction grants to private nonprofit institutions and to territories and possessions (classified under "health" rather than "hospitals") nor the \$44 million granted for hospital construction to State and local governments which is treated as an intergovernmental transfer. Hospital expenditure as shown in this report is limited to operation, maintenance, and construction of publicly owned hospital facilities.

State and local governments spent \$2.0 billion for hospitals in 1954--\$1.1 billion for the States and the rest for local governments. Hospital construction and other capital outlays by State and local governments totaled \$371 million, of which 12 percent was financed from Federal grants.

International Assistance and Foreign Affairs.--Expenditures for economic and technical assistance and administration of foreign affairs totaled \$1.7 billion in 1954, or about 24 percent below the 1953 level of such payments.

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 moneys 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 \$2.0 billion in 1954.

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 (3.2 percent) and local governments (4.1 percent).

Police.--Federal, State, and local police protection cost \$1.3 billion in 1954. The bulk of this amount, \$1.0 billion, was expended by local governments, mainly cities. Federal expenditure of \$124 million was primarily for the Federal Bureau of Investigation, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. State expenditure of \$130 million was chiefly for highway police activities.

Nonhighway Transportation.--In addition to spending for highway facilities (discussed above) and local transit utilities (see below), governments spent about \$1.2 billion in 1954 for other types of transportation facilities and services. These expenditures are summarized in tables 12 and 13, by level of government and kind of transportation.

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 (\$91 million in 1954). 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. Gross State and local revenue from charges for these facilities totaled \$158 million in 1954. State and local activities classified under nonhighway transportation do not include State regulation of private transportation facilities nor do they include local transit facilities.

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 \$1.1 billion in 1954.

Housing and Community Redevelopment.--Public expenditure for housing and community redevelopment totaled \$0.7 billion in 1954, not including Federal loan disbursements for the Federal housing programs. Housing activities of the Federal Government, for which \$134 million was spent in 1954, include operations of the Housing and Home Finance Agency in the fields of insurance, lending activities, and operation of housing projects. As to these activ-

ities, 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 1954. Local governments, however--usually through independent local housing authorities, but also through city-administered housing activities--spent \$609 million in 1954. Of this amount, only \$176 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 1954 local rental income from public housing facilities was \$250 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 1954. Of the \$245 million direct Federal expenditure included in that sum, \$118 million was for medical services to veterans (other than through veterans' hospitals), \$44 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, \$447 million in 1954, 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 \$0.7 billion in 1954, of which wages and salaries of employees accounted for almost three-fourths.

Although fire protection is a fundamental local government service, it accounted, in 1954, for only 2.8 percent of total local government spending.

Local Parks and Recreation.--This function comprises the provision of parks, swimming pools, auditoriums, museums, and other recreational facilities by local governments. It does not include expenditures for State and national parks, which are classified under "natural resources." Local governments spent \$0.4 billion for recreational facilities in 1954.

Other General Government Functions.--Public expenditure for general functions not accounted for in the foregoing discussion totaled \$3.8 billion in 1954. Major components of the Federal Government's \$1.8 billion share of this amount are indicated in table 12. State and local governments spent their \$2.0 billion, not accounted for above, as shown in table 13.

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 \$7.5 billion in the fiscal year 1954. Partly because of the relative newness of many of the existing systems for insurance, expenditures for insurance benefits equalled only three-fourths of insurance trust revenue from contributions and investment earnings during this year.

Old-Age and Survivors Insurance benefits accounted for the largest single share (\$3.3 billion) of insurance trust payments in 1954. Life insurance benefit payments and premium refunds to veterans accounted for \$0.7 billion; unemployment compensation payments, chiefly by the States, required \$1.6 billion; and payments to retired employees of Federal, State, and local governments were \$1.1 billion. The remaining social insurance benefits were divided by program as follows (in millions):

Railroad retirement benefits (Federal)....	\$485
State workmen's compensation benefits (State-administered plans only and not including payments by commercial insurers).....	183
Miscellaneous State temporary disability and sickness insurance benefits.....	54

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 1954 expenditure total of \$3.5 billion includes amounts for wages and salaries, 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, equipment, land and other additions to utility plant; and for interest payments on utility debt. The figures do not include the cost of producing services consumed by the parent government of a utility

in carrying out general governmental functions. Tables 9 and 14 show major categories of expenditure made for utility and liquor store purposes in 1954.

It should be noted that figures as to Federal and State multipurpose 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 disburses 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 1954 were as follows (in millions):

Item	Disbursements	Repayments
Total	\$6,874	\$7,636
International assistance and foreign affairs	518	392
Natural resources (largely farm credit and price support loans)	4,915	5,194
Housing and community redevelopment	1,110	1,623
Veterans' services	127	25
All other	204	402

GOVERNMENTAL DEBT

Total governmental debt at the end of the fiscal year 1954 was \$310.2 billion, as compared with \$299.9 billion at the end of the 1953 fiscal year. Outstanding debt of State and local governments amounted to \$38.9 billion at the end of 1954, having increased \$5 billion since the end of 1953. Public debt of the Federal Government also increased \$5 billion in the same period from \$266.1 billion to \$271.3 billion.

State debt increased sharply in 1954, reaching a new high of \$9.6 billion at the end of the fiscal year 1954, as compared with \$7.8 billion at the end of the fiscal year 1953. Total debt of local governments rose \$3.4 billion in 1954 to a new record of \$29.3 billion at the end of the fiscal year.

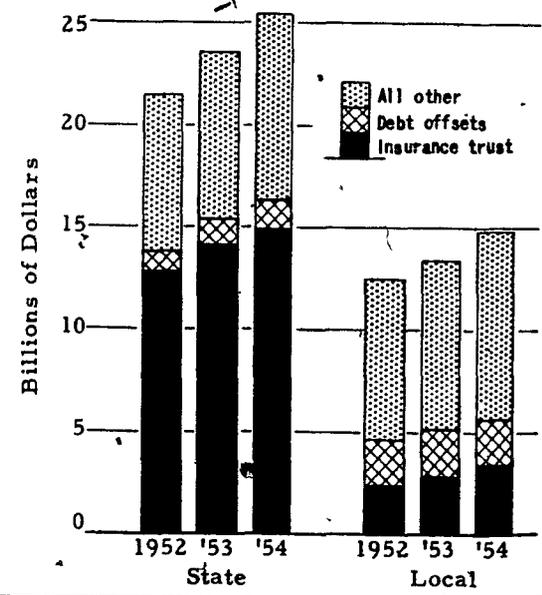
State and local government borrowing in the fiscal year 1954 totaled \$6.9 billion, including a net increase in short-term debt as well as issuance of new long-term obligations. During the same period \$2.1 billion in State and local long-term obligations was redeemed which, when added to net decreases in short-term debt, indicated a total debt redemption figure for the year of \$2.4 billion.

STATE AND LOCAL CASH AND SECURITY HOLDINGS

Cash on hand and on deposit plus investment holdings of State and local governments amounted to \$40.4 billion at the end of fiscal year 1954, \$3.3 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-fifth of the total comprised the balances in State unemployment compensation trust funds on deposit in the U. S. Treasury. Another 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.

Among the invested assets of State and local governments, the predominant type of investment was United States Government securities, of which these governments had \$13.7 billion worth on hand at the end of fiscal 1954. They also held \$4.7 billion in State and local securities and \$3.2 billion in nongovernmental security holdings. In addition to securities held by State and local governments, approximately \$8.4 billion of State unemployment compensation fund deposits in the U. S. Treasury was invested by the Treasury in Federal securities.

Fig. 9. -CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY PURPOSE OF HOLDING: 1952, 1953, AND 1954



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 aspects of data classification and presentation. (Comprehensive glossaries appear in the Bureau of the Census' 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 from borrowing and payments for debt redemption. "Borrowing" comprises original issues of long-term debt (i.e., long-term debt issued other than for refunding of existing 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 and 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.

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

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 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 1954 relate, with a few minor exceptions, to governmental fiscal years ended during calendar 1954. For the Federal Government most school districts, and all except 4 of the 48 States, this means the 12 months ended June 30, 1954. 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 1956 (which presents "actual" data for 1954) 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 1954 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 Bureau of the Census 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 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 item-by-item adjustment of expenditure figures, Federal data were classified in terms of the Bureau of the Census functional classification of expenditure. As to defense expenditure, the Budget and Census functional classifications are identical, although differences in expenditure definition result in different expenditure totals for this function. For other functions, the classifications differ because that of the Bureau of the Census 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 11. 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. A third major difference is in the treatment of interest expenditure. Budget expenditure data include interest on savings bonds accruing during the year and exclude interest payments made on redemption of such bonds. For this report, accrual amounts have been deducted and payments at time of redemption added to arrive at cash interest payments during the year.

STATE GOVERNMENT STATISTICS

Except for the functional distribution of payroll amounts (see footnote 1, table 17), 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 Bureau of the Census 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 1954, and from unpublished records and worksheets relating thereto.

LOCAL GOVERNMENT STATISTICS

Cities over 25,000.--City government information in this report for cities having 25,000 or more inhabitants is based on the Bureau of the Census annual survey of city finances and includes data for all such cities. Statistics for these cities are drawn largely from city finance data published in the Census report, Compendium of City Government Finances in 1954, and from unpublished records and worksheets relating thereto. 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. City finance statistics for the 41 cities having 250,000 or more inhabitants are collected in the same manner as State finance statistics (see above).

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. Data for these sample local governments (as in the case of cities having 25,000 to 250,000 inhabitants) 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 1952 payroll total for reported units to the estimated October 1952

payroll aggregate for the entire cell. The Bureau of the Census has, for October 1952, 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 1952). 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 12 key items of data has been computed, and the results are given in the table below:

Item	Sampling variation*	
	State and local aggregates	Local government aggregates
Revenue from:		
Own sources.....	0.6%	1.2%
Property taxes only.....	1.2	2.2
Expenditure for:		
Elementary and secondary schools.....	2.0	2.1
Highways.....	1.5	2.8
Health and hospitals.....	2.4	5.0
Health only.....	1.2	2.2
Sanitation.....	3.3	3.3
Housing and community re-development.....	9.9	10.1
Utilities and liquor stores....	2.3	3.0
Long-term debt outstanding....	1.4	1.9
Total cash and security holdings	0.6	1.8

*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 1954 survey, local government reports were received by mail or compiled for 2,190 out of 2,357, or 92.9 percent, of the units canvassed for data, including reports for cities having 25,000 or more inhabitants received in connection with the 1954 survey of city finances. In addition, 1953 data were used in lieu of 1954 data for some 121 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 ACKNOWLEDGMENT

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. Mr. Jacob M. Jaffe handled the classification of Federal Government data.

Grateful acknowledgment 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: 1952-1954

Item	All govern-ments	Federal	State and local	State	Local governments					
					All local	County	City	Town-ship	School district	Special district
1954 (MILLIONS OF DOLLARS)										
Revenue from all sources.....	¹ 109,244	76,824	¹ 35,386	18,834	¹ 22,402	4,517	9,585	940	² 6,483	1,158
Intergovernmental revenue.....	(¹)	...	¹ 2,966	2,882	¹ 5,934	1,703	1,336	229	² 2,862	84
From Federal Government.....	(¹)	...	2,966	2,668	298	23	88	7	154	27
From State governments.....	(¹)	...	(¹)	...	5,635	1,635	1,177	217	2,569	36
From local governments.....	(¹)	...	(¹)	215	(¹)	44	72	5	² 139	20
Revenue from own sources.....	109,244	76,824	32,420	15,951	16,468	2,814	8,249	711	3,621	1,074
General revenue.....	95,850	69,803	26,046	12,417	13,629	2,711	5,991	676	3,594	657
Taxes.....	84,476	62,409	22,067	11,089	10,978	2,174	4,796	592	3,196	220
Property.....	9,967	...	9,967	391	9,577	2,058	3,585	562	3,152	220
Other.....	74,508	62,409	12,100	10,698	1,401	116	1,211	30	44	(³)
Charges and miscellaneous revenue.....	11,374	7,395	3,979	1,328	2,651	557	1,195	85	398	437
Utility and liquor stores revenue.....	3,496	...	3,496	374	2,522	71	2,011	32	...	408
Insurance trust revenue.....	9,898	7,021	2,877	2,560	317	32	246	3	27	8
1953 (MILLIONS OF DOLLARS)										
Revenue from all sources.....	¹ 105,699	75,157	¹ 33,411	17,979	¹ 21,007	4,287	8,985	872	² 5,738	1,102
Intergovernmental revenue.....	(¹)	...	¹ 2,870	2,761	¹ 5,684	1,688	1,283	196	² 2,406	87
Revenue from own sources.....	105,699	75,157	30,541	15,218	15,323	2,599	7,702	676	3,332	1,015
General revenue.....	93,131	68,694	24,437	11,750	12,687	2,502	5,615	643	3,308	619
Taxes.....	83,704	62,796	20,908	10,552	10,356	2,051	4,552	592	2,954	205
Property.....	9,375	...	9,375	365	9,010	1,954	3,375	566	2,910	205
Other.....	74,329	62,796	11,533	10,187	1,345	97	1,177	26	44	...
Charges and miscellaneous revenue.....	9,427	5,898	3,529	1,198	2,331	451	1,063	51	354	413
Utility and liquor stores revenue.....	3,323	...	3,323	967	2,356	70	1,864	32	...	390
Insurance trust revenue.....	9,244	6,463	2,781	2,501	280	27	223	1	24	6
1952 (MILLIONS OF DOLLARS)										
Revenue from all sources.....	¹ 101,073	72,626	¹ 31,013	16,815	19,398	4,013	8,278	862	² 5,097	1,054
Intergovernmental revenue.....	(¹)	...	¹ 2,566	2,585	5,281	1,541	1,212	239	² 2,158	37
Revenue from own sources.....	101,073	72,626	28,447	14,330	14,117	2,472	7,067	622	2,938	1,017
General revenue.....	89,255	66,640	22,615	10,944	11,671	2,385	5,139	594	2,920	632
Taxes.....	79,066	59,744	19,323	9,857	9,466	1,918	4,183	540	2,655	170
Property.....	8,652	...	8,652	370	8,282	1,835	3,144	515	2,618	170
Other.....	70,414	59,744	10,671	9,487	1,184	83	1,039	25	37	...
Charges and miscellaneous revenue.....	10,188	6,896	3,292	1,087	2,205	468	956	54	265	462
Utility and liquor stores revenue.....	3,108	...	3,108	924	2,184	65	1,718	26	...	375
Insurance trust revenue.....	8,710	5,986	2,724	2,462	262	22	209	2	18	10
PERCENT CHANGE, ⁴ 1953-1954										
Revenue from all sources.....	3.4	2.2	5.9	4.8	6.6	5.4	6.7	7.8	13.0	5.0
Intergovernmental revenue.....	(³)	...	3.4	4.4	4.4	0.9	4.2	16.8	18.9	-3.1
Revenue from own sources.....	3.4	2.2	6.2	4.8	7.5	8.3	7.1	5.2	8.7	5.8
General revenue.....	2.9	1.6	6.6	5.7	7.4	8.3	6.7	5.2	8.6	6.1
Taxes.....	0.9	-0.6	5.5	5.1	6.0	6.0	5.4	-0.1	8.2	7.2
Property.....	6.3	...	6.3	7.0	6.3	5.3	6.2	-0.8	8.3	7.0
Other.....	0.2	-0.6	4.9	5.0	4.2	19.0	2.9	15.1	-0.5	(³)
Charges and miscellaneous revenue.....	20.7	25.4	12.7	10.8	13.7	19.1	12.5	67.1	12.5	5.6
Utility and liquor stores revenue.....	5.2	...	5.2	0.8	7.0	1.8	7.9	1.2	...	4.7
Insurance trust revenue.....	7.1	8.6	3.5	2.4	13.1	19.2	10.5	101.7	12.2	46.6

NOTE: Because of rounding, detail may not add to total.

¹To avoid duplication in summarizing data, all transactions between levels of government described in the column heading have been excluded; consequently, this figure is less than the sum of the components listed in the columns at the right.²Excludes interschool-district revenue amounting to \$138 million in 1954, \$115 million in 1953, and \$108 million in 1952.³Less than \$500 thousand.⁴Changes are increases unless preceded by a minus sign (-) which denotes a decrease.⁵Not computed.

SUMMARY OF GOVERNMENTAL FINANCES IN 1954

Table 2.—TAX REVENUE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS:
1952-1954

Item	All governments	Federal	State and local	State	Local governments	
					Total	City only
1954 (MILLIONS OF DOLLARS)						
Taxes, total.....	84,476	62,409	22,067	11,089	10,978	4,796
Property.....	9,967	...	9,967	391	9,577	3,585
Individual income.....	30,669	29,542	1,127	1,004	122	119
Corporation income.....	21,879	21,101	778	772	7	7
Sales, gross receipts, and customs.....	17,643	10,367	7,276	6,573	703	659
Customs duties.....	542	542	...	...	...	...
General sales and gross receipts.....	2,948	...	2,948	2,540	408	389
Motor fuel.....	3,063	845	2,218	2,218	(1)	(1)
Alcoholic beverages.....	3,179	2,716	463	463	(1)	(1)
Tobacco products.....	2,044	1,580	464	464	(1)	(1)
Other selective sales and gross receipts.....	5,868	4,684	1,184	889	296	270
Death and gift.....	1,188	934	254	247	7	5
Other, including licenses and permits.....	3,129	465	2,664	2,102	562	421
Motor vehicle and operators' licenses.....	1,098	...	1,098	1,098	(1)	(1)
All other taxes.....	12,031	469	1,567	1,005	562	421
1953 (MILLIONS OF DOLLARS)						
Taxes, total.....	83,704	62,796	20,908	10,552	10,356	4,532
Property.....	9,375	...	9,375	365	9,010	3,375
Individual income.....	30,881	29,816	1,065	969	96	93
Corporation income.....	22,055	21,238	817	810	7	7
Sales, gross receipts, and customs.....	17,279	10,392	6,927	6,209	718	685
Customs duties.....	596	596	...	...	...	...
General sales and gross receipts.....	2,860	...	2,860	2,433	427	418
Motor fuel.....	2,925	906	2,019	2,019	(1)	(1)
Alcoholic beverages.....	3,246	2,781	465	465	(1)	(1)
Tobacco products.....	2,124	1,655	469	469	(1)	(1)
Other selective sales and gross receipts.....	5,528	4,414	1,114	823	291	267
Death and gift.....	1,107	881	226	222	4	4
Other, including licenses and permits.....	3,005	508	2,497	1,978	519	388
Motor vehicle and operators' licenses.....	1,012	...	1,012	1,012	(1)	(1)
All other taxes.....	1,993	508	1,485	965	519	388
1952 (MILLIONS OF DOLLARS)						
Taxes, total.....	79,066	59,744	19,323	9,857	9,466	4,183
Property.....	8,652	...	8,652	370	8,282	3,144
Individual income.....	28,919	27,921	998	913	85	82
Corporation income.....	22,072	21,226	846	838	8	8
Sales, gross receipts, and customs.....	15,689	9,332	6,357	5,730	627	598
Customs duties.....	532	532	...	...	...	...
General sales and gross receipts.....	2,597	...	2,597	2,229	369	360
Motor fuel.....	2,590	720	1,870	1,870	(1)	(1)
Alcoholic beverages.....	2,991	2,549	442	442	(1)	(1)
Tobacco products.....	2,014	1,565	449	449	(1)	(1)
Other selective sales and gross receipts.....	4,964	3,966	998	740	258	239
Death and gift.....	1,032	846	214	211	3	3
Other, including licenses and permits.....	2,703	446	2,257	1,795	462	347
Motor vehicle and operators' licenses.....	924	...	924	924	(1)	(1)
All other taxes.....	1,779	446	1,333	871	462	347
PERCENT CHANGE, 1953-1954						
Taxes, total.....	0.9	-0.6	5.5	5.1	6.0	5.4
Property.....	6.2	...	6.3	7.0	6.3	6.2
Individual income.....	-0.7	-0.9	5.8	3.7	27.6	27.7
Corporation income.....	-0.8	-0.6	-4.7	-4.7	-7.3	-7.3
Sales, gross receipts, and customs.....	2.1	0.1	5.0	5.9	-2.1	-3.8
Customs duties.....	-9.1	-9.1	...	...	...	...
General sales and gross receipts.....	3.1	...	3.1	4.4	-3.6	-7.0
Motor fuel.....	4.7	-6.8	9.9	9.9	(3)	(3)
Alcoholic beverages.....	-2.1	-2.3	-0.6	-0.6	(3)	(3)
Tobacco products.....	-3.8	-4.5	-1.1	-1.1	(3)	(3)
Other selective sales and gross receipts.....	6.2	6.1	6.3	7.9	1.5	1.2
Death and gift.....	7.3	6.0	12.3	11.3	66.3	17.8
Other, including licenses and permits.....	4.1	-9.5	6.7	6.3	8.3	8.6
Motor vehicle and operators' licenses.....	8.4	...	8.4	8.4	(3)	(3)
All other taxes.....	1.9	-8.3	5.5	4.1	8.3	8.6

NOTE: Because of rounding, detail may not add to total.
 *Detail not available; amount, if any, included in "other".
 †Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
 ‡Not computed.

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1954

Table 3.—CHARGES AND MISCELLANEOUS REVENUE OF THE FEDERAL GOVERNMENT: 1952-1954

(Amounts, except percent, in millions of dollars)

Item	1954	1953	1952	Percent change, ¹ 1953-1954
Total	7,395	5,898	5,896	25.4
Charges for services (including sales of products)	5626	4,744	5,786	12.4
National defense (chiefly sales of commissary and ships store stock and strategic and critical materials, and sales to military personnel)	613	236	340	19.1
International assistance and foreign affairs (chiefly advances from foreign governments for procurement of supplies, materials, and services)	131	177	306	-23.8
Postal service	2,269	2,093	1,967	13.1
Hospitals	27	26	28	1.1
Natural resources	1,527	925	1,221	63.8
Commodity Credit Corporation	1,134	544	800	188.4
Power projects	183	170	186	-7.1
Other (including crop and farm mortgage insurance premiums)	209	211	235	-10.8
Housing	186	183	178	4.5
Insurance premiums	103	92	85	21.1
Project rentals and other income	82	91	94	-11.4
Nonhighway transportation	91	118	109	23.2
Canals and waterways	70	97	88	28.7
Railroads and other	21	22	21	0.0
Miscellaneous	783	986	1,637	-21.8
R.F.C. lending, production, and liquidation programs	426	621	648	-31.1
Expansion of defense production	106	170	796	-37.1
All other	252	195	193	29.1
Interest earnings	589	487	326	20.9
Sale of property	245	260	341	-4.1
Miscellaneous sources	935	407	443	4.4

NOTE: Because of rounding, detail may not add to total.
¹Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
²Amount for 1954 not comparable with amounts for 1953 and 1952.

Table 4.—CHARGES AND MISCELLANEOUS REVENUE OF STATE AND LOCAL GOVERNMENTS: 1952-1954

Item	All State and local		Local governments		All State and local		Local governments	
	1954	State	Total	Cities only	1952	State	Total	Cities only
Total	3,979	1,328	2,651	1,195	3,292	1,087	2,205	9%
Charges for services (including sales of products)	2,674	863	1,811	668	2,263	728	1,535	5%
Education	826	425	400	52	634	381	253	4%
Commercial activities of institutions of higher education	269	262	7	5	245	240	5	5%
Other charges for services	557	163	394	47	389	141	248	3%
Highways	225	115	110	47	167	72	95	2%
Toll facilities	203	104	99	36	949	64	85	3%
Regular highways	22	11	11	11	18	8	10	0%
Hospitals	385	126	260	103	316	97	218	9%
Natural resources	135	88	47	...	135	74	61	11%
Sanitation	198	...	198	163	175	...	175	11%
Housing	250	...	250	71	231	...	231	5%
Nonhighway transportation	158	24	134	63	128	20	108	5%
Water transport and terminal facilities	102	22	80	30	88	19	70	2%
Air transportation	49	2	48	27	36	2	34	2%
Other	6	...	6	6	...	...	...	4%
Local parks and recreation	55	...	55	52	39	...	39	3%
Miscellaneous commercial activities	73	23	50	42	64	20	44	3%
Other general functions	369	62	307	76	373	62	310	7%
Special assessments	262	...	262	186	166	...	166	11%
Interest earnings	271	154	116	70	220	126	94	6%
Sale of property	93	16	76	48	71	16	55	2%
Miscellaneous sources	680	295	385	223	573	218	355	2%
PERCENT CHANGE, 1953-1954								
Total	3,529	1,198	2,331	1,063	12.7	10.8	13.7	12.5
Charges for services (including sales of products)	2,429	804	1,625	599	10.1	7.3	11.5	11.4
Education	767	410	357	48	7.7	3.7	12.2	6.2
Commercial activities of institutions of higher education	261	256	5	5	3.2	2.4	46.3	6.2
Other charges for services	506	154	352	43	9.9	5.8	11.8	8.4
Highways	199	103	96	46	13.1	11.7	14.6	4.3
Toll facilities	178	92	86	35	14.5	13.2	15.9	4.4
Regular highways	22	11	11	11	1.9	-0.6	4.3	3.9
Hospitals	341	111	230	96	13.1	13.3	13.0	7.3
Natural resources	120	81	40	...	12.2	8.9	18.9	19.4
Sanitation	154	...	154	138	28.2	...	28.2	14.1
Housing	225	...	225	62	10.8	...	10.8	14.1
Nonhighway transportation	150	22	128	60	5.1	8.5	4.5	4.8
Water transport and terminal facilities	102	20	82	30	0.4	8.5	-1.7	0.8
Air transportation	43	2	42	25	14.3	9.1	14.5	6.2
Other	5	...	5	5	22.0	...	22.0	22.0
Local parks and recreation	51	...	51	48	6.7	...	6.7	7.3
Miscellaneous commercial activities	58	19	40	40	25.7	23.9	26.5	4.9
Other general functions	362	58	303	62	2.0	5.6	1.2	21.0
Special assessments	196	...	196	145	33.8	...	33.8	28.2
Interest earnings	252	142	110	70	7.3	8.7	5.3	3.3
Sale of property	62	13	49	22	49.2	22.0	56.6	118.1
Miscellaneous sources	590	239	351	227	15.2	23.3	9.7	-1.3

NOTE: Because of rounding, detail may not add to total.
¹Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

SUMMARY OF GOVERNMENTAL FINANCES IN 1954

Table 5.—STATE AND LOCAL GOVERNMENT LIQUOR STORES REVENUE: 1952-1954

(Amounts, except percent, in millions of dollars)

Year	All State and local	State	Local government		
			Total	City	County
1954	1,094	974	119	56	63
1953	1,087	967	120	54	65
1952	1,037	924	113	50	63
Percent change, ¹ 1953-1954	1.0	1.0	-0.2	3.4	-3.3

NOTE: Because of rounding, detail may not add to total.
¹Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 6.—LOCAL GOVERNMENT UTILITY REVENUE: 1952-1954

(Amounts, except percent, in millions of dollars)

Year and type of government	All utilities	Water supply system	Electric power system	Transit system	Gas supply system
All local governments:					
1954	2,403	971	787	554	90
1953	2,237	939	713	500	85
1952	2,071	839	683	479	70
Percent increase, 1953-1954	7.4	3.4	10.4	10.8	6.4
Cities only:					
1954	1,954	877	624	391	62
1953	1,810	830	587	333	60
1952	1,668	758	542	320	49
Percent increase, 1953-1954	8.0	5.6	6.4	17.6	4.1

NOTE: Because of rounding, detail may not add to total.

Table 7.—INSURANCE TRUST REVENUE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: 1952-1954

(Amounts, except percent, in millions of dollars)

Item	Total revenue				Contributions				Earnings on investments			
	1954	1953	1952	Percent change, ¹ 1953-1954	1954	1953	1952	Percent change, ¹ 1953-1954	1954	1953	1952	Percent change, ¹ 1953-1954
All governments	9,898	9,244	8,710	7.1	8,450	7,927	7,534	6.6	1,448	1,317	1,175	9.9
Employee retirement	1,728	1,548	1,442	11.6	1,273	1,139	1,067	11.8	455	410	374	11.1
Unemployment compensation	1,508	1,589	1,612	-5.1	1,281	1,385	1,448	-7.5	227	204	164	11.3
All other	6,662	6,107	5,656	9.1	5,896	5,403	5,019	9.1	766	704	637	8.8
Federal	7,021	6,463	5,986	8.6	6,037	5,552	5,183	8.7	984	911	803	8.0
Employee retirement	658	648	607	3.1	432	423	418	2.1	226	215	189	5.1
Unemployment compensation	38	33	10	13.9	18	15	10	18.6	20	18	...	10.1
Old age and survivors insurance	4,994	4,449	3,881	12.2	4,554	4,060	3,547	12.2	439	389	334	13.1
Veterans' life insurance	630	628	674	0.3	430	428	473	0.4	200	200	201	-0.1
Railroad retirement	701	714	814	-1.8	603	625	735	-3.6	99	89	79	10.9
State and local	2,877	2,781	2,724	3.5	2,414	2,375	2,351	1.6	463	406	373	14.1
Employee retirement	1,070	909	835	17.7	841	715	649	17.5	229	194	185	17.7
Unemployment compensation	1,470	1,556	1,602	-5.5	1,263	1,370	1,438	-7.8	207	186	163	11.4
Other	337	316	287	6.8	309	289	264	6.9	28	26	23	6.5
State	2,560	2,501	2,462	2.4	2,185	2,169	2,171	0.7	375	331	292	13.1
Employee retirement	757	634	579	19.3	615	514	473	19.8	142	121	105	17.2
Unemployment compensation	1,466	1,551	1,597	-5.5	1,261	1,366	1,433	-7.8	206	185	163	11.4
Workmen's compensation	270	249	224	8.5	249	229	207	8.5	21	20	17	8.2
Other	67	67	62	0.7	61	60	56	0.7	6	6	6	0.9
Local	317	280	262	13.1	228	205	181	11.2	89	75	81	18.5
Employee retirement	313	275	256	13.6	226	202	176	11.8	87	73	80	18.7
Unemployment compensation	4	5	5	-14.4	3	4	4	-22.3	1	1	1	8.6
County (employee retirement)	32	27	22	19.2	27	23	19	16.8	5	3	3	77.4
City	246	223	209	10.5	173	159	140	8.9	73	64	69	14.6
Employee retirement	242	218	203	11.1	171	156	135	9.6	72	63	68	14.7
Unemployment compensation	4	5	5	-14.4	3	4	4	-22.3	1	1	1	8.6
Township (employee retirement)	3	1	2	101.7	2	1	2	83.6	1	(²)	...	174.0
School district (employee retirement)	27	24	18	12.2	20	17	14	15.0	7	7	4	5.3
Special district (employee retirement)	8	6	10	46.6	6	5	6	31.0	2	1	4	144.1

NOTE: Because of rounding, detail may not add to total.
¹Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
²Less than \$500 thousand.

Table 8.—PERCENT DISTRIBUTION OF FEDERAL, STATE, AND LOCAL GOVERNMENT REVENUE, BY SOURCE AND BY LEVEL OF GOVERNMENT: 1954

Item	All governments	Federal	State and local	State	Local governments		
					Total	County only	City only
DISTRIBUTION OF TOTAL REVENUE BY SOURCE							
Revenue from all sources.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Intergovernmental revenue.....	(1)	...	8.4	15.3	26.5	37.7	13.8
Revenue from own sources.....	100.0	100.0	91.6	84.7	73.5	62.3	86.1
General revenue from own sources.....	87.7	90.9	73.6	65.9	60.8	60.0	62.3
Taxes.....	77.3	81.2	62.4	58.9	49.0	48.1	51.8
Individual income.....	28.1	38.5	3.2	5.3	0.5	...	1.2
Corporation income.....	20.0	27.5	2.2	4.1	(2)	...	0.1
Sales, gross receipts, and customs.....	16.2	13.5	20.6	34.9	31.1	0.8	6.1
Property.....	9.1	...	28.2	2.1	42.7	45.6	37.4
Death and gift.....	1.1	1.2	0.7	1.3	(2)	(2)	(1)
Licenses, permits, and other taxes.....	2.9	0.6	7.5	11.2	2.5	1.7	4.1
Charges and miscellaneous.....	10.4	9.6	11.2	7.1	11.8	11.9	14.1
Utility and liquor store revenue.....	3.2	...	9.9	5.2	11.3	1.6	2.0
Insurance trust revenue.....	9.1	9.1	8.1	13.6	1.4	0.7	2.4
DISTRIBUTION OF GENERAL REVENUE BY SOURCE							
Total general revenue.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Intergovernmental revenue.....	(1)	...	10.2	18.8	30.3	38.6	14.2
General revenue from own sources.....	100.0	100.0	89.8	81.2	69.7	61.4	85.8
Taxes.....	88.1	89.4	76.1	72.5	56.1	49.3	65.3
Individual income.....	32.0	42.3	3.9	6.6	0.6	...	1.4
Corporation income.....	22.8	30.2	2.7	5.0	(2)	...	0.1
Sales, gross receipts, and customs.....	18.4	14.9	25.1	43.0	3.6	0.8	9.3
Property.....	10.4	...	34.4	2.6	49.0	46.6	43.3
Death and gift.....	1.2	1.3	0.9	1.6	(2)	(2)	0.1
Licenses, permits, and other taxes.....	3.3	0.7	9.2	13.7	2.9	1.7	5.1
Charges and miscellaneous.....	11.9	10.6	13.7	8.7	13.6	12.2	16.3
DISTRIBUTION OF GENERAL REVENUE FROM OWN SOURCES BY LEVEL OF GOVERNMENT							
General revenue from own sources.....	100.0	72.8	27.2	13.0	14.2	2.8	6.1
Taxes.....	100.0	73.9	26.1	13.1	13.0	2.6	5.3
Individual income.....	100.0	96.3	3.7	3.3	0.4	...	...
Corporation income.....	100.0	96.4	3.6	3.5	(2)	...	(1)
Sales, gross receipts, and customs.....	100.0	58.8	41.2	37.3	4.0	0.2	1.7
Property.....	100.0	...	100.0	3.9	96.1	20.6	36.4
Death and gift.....	100.0	78.6	21.4	20.8	0.6	0.2	0.4
Licenses, permits, and other taxes.....	100.0	14.9	85.1	67.2	18.0	2.4	13.1
Charges and miscellaneous.....	100.0	65.0	35.0	11.7	23.3	4.7	10.1

NOTE: Because of rounding, detail may not add to total.
 (1) Not computed; see footnote 1, table 1.
 (2) Less than 1/20 of 1 percent.

Table 9.—GOVERNMENTAL EXPENDITURE: 1952-1954

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School districts	Special districts
1954 (MILLIONS OF DOLLARS)										
Total expenditure.....	110,465	76,825	136,607	18,686	123,814	4,633	9,906	1,032	27,198	1,364
Intergovernmental expenditure.....	(2)	2,967	(1)	5,679	215	367	97	39	(2)	31
To States.....	(1)	2,668	(1)	...	215	177	30	4	...	...
To local governments.....	(1)	299	(2)	5,679	(2)	190	67	35	(2)	27
Direct expenditure.....	110,465	73,858	36,607	13,008	23,599	4,266	9,809	993	7,198	1,332
General.....	99,498	68,797	30,701	10,109	20,193	4,183	7,403	945	7,176	686
National defense.....	46,807	46,807	...	...	...	...	...	...	...	...
All other.....	52,691	21,990	30,701	10,109	20,593	4,183	7,403	945	7,176	886
Utility and liquor stores expenditure.....	3,482	3,482	803	2,679	63	2,134	43	...	...	...
Liquor stores.....	96	...	803	182	55	47	...	...	...	...
Local utilities.....	2,577	...	2,577	...	8	2,086	15	...	...	...
Insurance trust expenditure.....	7,484	5,081	2,403	2,096	327	20	272	2	22	10
Employee retirement.....	1,059	411	648	355	323	20	269	2	22	10
Unemployment compensation.....	1,648	140	1,507	1,504	4	...	...	...	...	...
All other.....	4,747	4,509	237	237	...	...	...	...	...	...
1953 (MILLIONS OF DOLLARS)										
Total expenditure.....	109,890	79,626	132,937	16,850	121,663	4,300	9,139	911	26,174	1,344
Intergovernmental expenditure.....	(1)	2,873	(1)	5,384	191	266	78	28	(2)	26
To States.....	(1)	2,564	(1)	...	191	152	29	9	...	...
To local governments.....	(1)	309	(1)	5,384	(1)	114	49	25	(2)	19
Direct expenditure.....	109,890	76,753	32,937	11,466	21,471	4,034	9,061	883	6,174	1,318
General.....	100,569	72,659	27,910	9,294	18,616	3,966	6,779	844	6,153	874
National defense.....	50,498	50,498	...	...	...	...	...	...	...	...
All other.....	50,070	22,160	27,910	9,294	18,616	3,966	6,779	844	6,153	874
Utility and liquor stores expenditure.....	3,316	3,316	757	2,559	53	2,032	37	...	...	...
Liquor stores.....	860	...	757	102	51	51	...	...	...	...
Local utilities.....	2,456	...	2,456	...	2	1,981	37	...	...	...
Insurance trust expenditure.....	6,006	4,294	1,711	1,416	296	15	250	1	22	8
Employee retirement.....	948	363	585	292	294	15	248	1	22	8
Unemployment compensation.....	1,008	98	910	908	2	...	...	...	...	...
All other.....	4,049	3,833	216	216	...	...	...	...	...	...
1952 (MILLIONS OF DOLLARS)										
Total expenditure.....	100,652	72,375	130,863	15,834	120,229	4,005	8,383	924	25,357	1,665
Intergovernmental expenditure.....	(1)	2,585	(1)	5,044	156	218	68	18	(2)	47
To States.....	(1)	2,348	(1)	...	156	113	22	3	...	...
To local governments.....	(1)	237	(1)	5,044	(1)	100	46	15	(2)	38
Direct expenditure.....	100,652	69,789	30,863	10,790	20,073	3,877	8,314	906	5,357	1,619
General.....	92,096	65,998	26,098	8,653	17,444	3,802	6,235	875	5,342	1,190
National defense.....	43,999	43,999	...	...	...	...	...	...	...	...
All other.....	48,097	21,999	26,098	8,653	17,444	3,802	6,235	875	5,342	1,190
Utility and liquor stores expenditure.....	3,067	3,067	723	2,344	61	1,845	30	...	...	...
Liquor stores.....	821	...	723	98	58	40	...	...	...	...
Local utilities.....	2,246	...	2,246	...	4	1,805	30	...	...	...
Insurance trust expenditure.....	5,489	3,790	1,698	1,413	285	13	234	2	15	21
Employee retirement.....	831	300	530	247	283	13	233	2	15	21
Unemployment compensation.....	1,022	49	973	971	2	...	...	...	...	...
All other.....	3,636	3,441	195	195	...	...	...	...	...	...
PERCENT CHANGE, 1953-1954										
Total expenditure.....	0.5	-3.8	11.1	10.9	1.9	7.8	8.4	13.3	16.6	1.5
Intergovernmental expenditure.....	(2)	3.3	(2)	5.5	12.1	38.2	24.6	36.8	(2)	20.9
To States.....	(2)	3.0	(2)	...	12.1	16.3	31.5	11.7	...	42.9
To local governments.....	(2)	-3.2	(2)	5.5	(2)	67.4	37.1	40.0	(2)	45.0
Direct expenditure.....	0.5	-4.0	11.1	13.4	9.9	5.8	8.9	12.5	16.6	1.1
General.....	-1.1	-5.3	10.0	8.8	10.6	5.3	9.2	12.0	16.6	1.3
National defense.....	-7.3	-7.3	...	...	...	...	...	...	...	...
All other.....	5.0	-0.8	10.0	8.8	10.6	5.5	9.2	12.0	16.6	1.3
Utility and liquor stores expenditure.....	5.0	...	5.0	6.0	4.7	19.0	5.0	21.5	...	0.2
Liquor stores.....	5.3	...	5.3	6.0	0.5	6.9	6.0	...	...	...
Local utilities.....	4.9	...	4.9	4.9	4.9	268.9	5.3	21.5	...	0.2
Insurance trust expenditure.....	24.5	17.9	41.6	48.1	10.5	38.3	8.3	77.2	1.3	25.4
Employee retirement.....	14.9	13.3	15.9	21.9	10.0	38.5	8.2	77.2	1.3	25.4
Unemployment compensation.....	63.4	23.0	65.6	65.5	96.3	...	96.3	...	...	...
All other.....	17.2	17.6	10.0	10.0	...	...	...	...	...	...

NOTE: Because of rounding, detail may not add to total.
 (1) To avoid duplication in summarizing data, all transactions between levels of government described in the column heading have been excluded; consequently, this figure is less than the sum of the components listed in the columns at the right.
 (2) Excludes interschool-district payments for tuition, transportation, and other services.
 Revised.
 Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
 Not computed.

Table 10.--INTERGOVERNMENTAL EXPENDITURE: 1952-1954.

Level of government	Total	Education	Highways	Public welfare	Health and hospitals	Natural resources	Employment security administration	Other, combined and unallocable
Federal to State.....	2,668	284	528	1,435	92	70	197	6
Federal to local.....	299	191	2	4	1	...	1	10
State to local.....	5,679	2,930	871	1,004	126	9	...	79
Local to State.....	215	18	76	25	43	12	...	4
Local to local ¹	441	311	29	7	33	1	...	9
1953 (Millions of dollars)								
Federal to State.....	2,564	288	509	1,329	115	66	195	8
Federal to local.....	309	220	1	3	1	...	1	8
State to local.....	5,384	2,737	803	981	130	11	...	72
Local to State.....	191	14	67	23	39	8	...	4
Local to local ¹	336	238	22	7	26	1	...	4
1952 (Millions of dollars)								
Federal to State.....	2,348	276	414	1,178	122	119	181	7
Federal to local.....	237	160	1	3	12	...	1	5
State to local.....	5,044	2,525	734	976	125	9	...	69
Local to State.....	156	12	50	22	37	6	...	2
Local to local ¹	319	220	17	6	16	...	...	5
Percent change, ² 1953-1954								
Federal to State.....	4.0	-1.4	3.7	8.0	-20.6	6.6	1.1	0.0
Federal to local.....	-3.2	-13.0	235.1	11.6	-7.4	...	6.4	20.0
State to local.....	5.5	7.1	8.5	2.3	-2.8	-22.5	...	18.1
Local to State.....	12.1	34.1	14.4	7.8	9.8	45.8	...	-0.4
Local to local.....	31.1	30.5	30.0	-3.4	28.8	27.9	...	0.7

NOTE: Because of rounding, detail may not add to total.
¹These amounts will differ in total from interlocal government transfers shown in tables 1, 9, and 15 because the figures here include payments between local governments of the same type (e.g., school district to school district payments for tuition, transportation, etc.) which are excluded from figures shown elsewhere.
²Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 11.--DIRECT GENERAL EXPENDITURE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: 1952-1954.

Type of government	Total direct general expenditure	National defense	Inter-national assistance and foreign affairs	Postal service	Education			Highways			Public welfare			
					Total	Institutions of higher education	Elementary and secondary schools	Other education	Total	Toll facilities	Regular Highways	Categorical public assistance	Other public assistance	Other public welfare
1954 (MILLIONS OF DOLLARS)														
All governments.....	99,498	46,807	1,691	2,669	11,196	1,425	8,927	843	5,586	561	5,025	3,103	2,234	349
Federal.....	68,797	46,807	1,691	2,669	10,574	1,463	8,856	600	5,224	561	4,966	3,060	2,224	349
State and local.....	30,701	...	...	...	1,715	1,324	8,199	243	3,254	477	2,777	1,548	1,298	73
State.....	10,109	...	...	...	8,642	94	8,697	51	2,272	84	2,188	1,512	927	276
Local.....	20,593	...	...	...	480	...	442	38	932	...	932	148	371	192
County.....	4,183	...	...	...	1,056	50	997	9	1,014	27	987	443	255	88
City.....	7,403	...	...	...	264	...	261	4	250	...	250	92	35	17
Township.....	7,945	...	...	...	7,041	44	6,997	...	76	...	...	...	...	...
School district.....	7,176	...	...	...	...	...	...	...	...	...	...	...	...	...
Special district.....	886	...	...	...	...	...	...	...	...	...	...	...	...	...
1953 (MILLIONS OF DOLLARS)														
All governments.....	210,569	50,498	2,235	2,686	10,117	1,368	7,819	929	5,053	264	4,789	2,956	2,167	488
Federal.....	165,998	50,498	2,235	2,686	9,727	1,361	7,477	873	4,987	264	4,723	2,914	2,159	324
State and local.....	44,571	...	...	...	1,390	1,277	7,773	236	4,987	...	4,723	2,914	2,159	454
State.....	8,284	...	...	...	1,634	84	7,622	207	2,781	194	2,587	1,534	1,307	162
Local.....	36,287	...	...	...	7,736	...	7,622	36	2,207	70	2,137	1,380	1,037	292
County only.....	3,966	...	...	...	467	...	431	36	2,207	...	951	1,380	1,037	178
City only.....	6,779	...	...	...	996	48	937	11	947	18	929	430	251	103
1952 (MILLIONS OF DOLLARS)														
All governments.....	292,096	43,999	2,744	2,612	9,598	1,273	6,877	1,448	4,714	368	4,346	2,830	2,033	469
Federal.....	265,998	43,999	2,744	2,612	8,280	1,273	6,816	1,213	4,714	368	4,346	2,830	2,033	327
State and local.....	26,098	...	...	...	1,318	...	6,816	235	2,550	...	4,282	2,788	2,023	437
State.....	8,653	...	...	...	1,494	...	6,816	189	2,556	290	2,266	1,440	1,192	158
Local.....	17,444	...	...	...	6,824	...	6,691	46	2,094	79	2,015	1,378	831	266
County only.....	3,802	...	...	...	413	...	389	24	2,094	...	912	882	561	145
City only.....	6,235	...	...	...	933	55	861	16	853	16	837	432	243	96
PERCENT CHANGE, ² 1953-1954														
All governments.....	-1.1	-7.3	-24.3	-0.6	10.7	4.2	14.2	-9.3	10.6	112.7	4.9	5.0	3.1	6.6
Federal.....	-5.3	-7.3	-24.3	-0.6	-12.1	-7.9	-31.7	-10.8	-9.0	...	-9.0	2.5	15.9	-0.5
State and local.....	10.0	...	...	...	12.4	4.2	14.4	-5.2	10.8	112.7	5.1	3.0	3.0	7.1
State.....	8.8	...	...	...	5.0	3.7	32.2	-6.9	17.0	146.1	7.4	0.9	7.7	12.8
Local.....	10.6	...	...	...	14.0	12.1	14.1	4.8	3.0	20.1	2.4	9.5	8.7	6.0
County only.....	5.5	...	...	...	2.8	...	2.6	4.8	-2.0	...	-2.0	9.4	10.0	9.7
City only.....	9.2	...	...	...	6.0	4.4	6.4	-19.3	7.1	54.3	6.2	3.0	1.3	15.9
PER CAPITA, 1954 ³ (DOLLARS)														
All governments.....	612.64	288.21	10.41	16.43	68.94	8.78	54.97	5.19	34.40	3.45	30.94	19.11	13.75	2.15
Federal.....	423.60	288.21	10.41	16.43	3.93	0.4	20	3.70	37	...	37	27	06	3.20
State and local.....	189.04	...	...	...	65.00	8.74	54.77	1.50	34.03	3.45	30.57	18.84	13.70	2.15
State.....	62.24	...	...	...	10.56	1.22	1.18	1.18	20.04	2.94	17.10	7.99	7.99	2.99
Local.....	126.79	...	...	...	54.44	.58	53.55	.31	13.99	.52	13.47	9.31	5.71	1.90

See footnotes at end of table.

Table 11.—DIRECT GENERAL EXPENDITURE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: 1952-1954.—Continued

Table 11: Direct General Expenditure of Federal, State, and Local Governments: 1952-1954. Columns include Type of government, Health, Hospitals, Police, Local fire protection, Natural resources, Sanitation, Local parks and recreation, Housing and community redevelopment, Veterans' services, Nonhighway transportation, General control, Interest on general debt, and Other and unallocable. Rows show data for 1954, 1953, and 1952 in millions of dollars, plus percent change from 1952-1954.

NOTE: Because of rounding, detail may not add to total.
1. Figures are in thousands.
2. Revised figures are shown in parentheses.
3. Figures are in millions of dollars.

Table 12.—DETAIL OF FEDERAL EXPENDITURES FOR SELECTED CATEGORIES: 1954

Table 12: Detail of Federal Expenditures for Selected Categories: 1954. Columns: Item, Amount. Rows include Education, Highways, Public welfare, Health, Hospitals, Natural resources, Nonhighway transportation, Veterans' service, and Other and unallocable expenditure.

NOTE: Because of rounding, detail may not add to total.
1. Includes electric power, flood control, reclamation, soil conservation, and other land and water resources activities of the T. V. A. and other resource development corporations, the Corps of Engineers, the Department of Agriculture, and the Department of the Interior.

Table 13.—DETAIL OF STATE AND LOCAL GOVERNMENT EXPENDITURE FOR SELECTED CATEGORIES: 1954

Table 13: Detail of State and Local Government Expenditure for Selected Categories: 1954. Columns: Item, Total State and local, State, Local. Rows include Nonhighway transportation, Natural resources, Other and unallocable general expenditure, and All other insurance trust expenditure.

NOTE: Because of rounding, detail may not add to total.
1. Less than \$500 thousand.
2. Distribution of local government expenditure not available.

Table 14.—EXPENDITURE FOR LOCAL UTILITIES: 1952-1954

Item	Total	Water supply system	Electric power system	Transit system	Gas supply system	
All local governments:						
Total.....	2,577	1,150	751	586		30
Current operation ²	1,558	551	474	469		63
Capital outlay.....	821	486	249	62		23
Interest on debt.....	198	112	28	56		1
Cities, only:						
Total.....	2,086	1,000	601	425		61
Current operation ²	1,241	488	380	331		42
Capital outlay.....	689	420	204	47		17
Interest on debt.....	157	92	17	46		1
1953 (MILLIONS OF DOLLARS)						
All local governments:						
Total.....	2,456	1,084	723	582		38
Current operation ²	1,486	530	427	475		34
Capital outlay.....	787	453	270	52		12
Interest on debt.....	184	101	26	54		2
Cities, only:						
Total.....	1,981	930	587	416		48
Current operation ²	1,185	462	353	332		37
Capital outlay.....	653	387	217	39		9
Interest on debt.....	144	81	16	45		2
1952 (MILLIONS OF DOLLARS)						
All local governments:						
Total.....	2,246	973	631	581		61
Current operation ²	1,397	473	412	461		30
Capital outlay.....	677	406	195	67		9
Interest on debt.....	172	94	24	53		1
Cities, only:						
Total.....	1,805	855	501	407		42
Current operation ²	1,104	424	326	321		34
Capital outlay.....	562	353	160	41		8
Interest on debt.....	139	79	15	45		1
PERCENT CHANGE, ² 1953-1954						
All local governments:						
Total.....	4.9	6.1	3.9	0.8		31.6
Current operation ²	4.9	4.0	10.9	-1.4		19.8
Capital outlay.....	4.3	7.3	-7.5	18.7		95.1
Interest on debt.....	7.9	11.4	6.9	3.2		-28.5
Cities, only:						
Total.....	5.3	7.5	2.4	2.1		26.0
Current operation ²	4.8	5.5	7.6	-0.3		14.1
Capital outlay.....	5.5	8.5	-5.1	21.3		83.6
Interest on debt.....	9.0	13.9	6.3	2.7		-32.0

NOTE: Because of rounding, detail may not add to total.
¹Includes purchase of goods for resale.
²Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 15.—GOVERNMENTAL EXPENDITURE BY CHARACTER AND OBJECT, BY TYPE OF GOVERNMENT: 1952-1954

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
1954 (MILLIONS OF DOLLARS)										
Total expenditure.....	110,465	76,825	36,607	18,686	123,814	4,633	9,906	1,032	27,196	1,264
Intergovernmental expenditure.....	(1)	2,967	(1)	5,679	215	367	97	39	(3)	31
Direct expenditure.....	110,465	73,858	36,607	13,008	23,599	4,266	9,809	993	7,198	1,332
Current operation.....	60,566	39,057	21,508	5,886	15,622	2,736	6,361	660	5,205	661
Capital outlay.....	27,369	18,244	9,125	3,347	5,778	734	2,417	245	1,637	546
Construction.....	11,739	4,001	7,738	2,831	4,907	621	2,020	219	1,589	478
Contract construction.....	10,655	3,532	7,123	2,559	4,564	567	1,800	187	1,589	421
Force account construction.....	1,084	469	615	272	342	34	218	34	...	27
Land and existing structures.....	767	80	687	342	344	35	183	4	...	46
Equipment.....	14,864	14,164	700	173	527	98	215	22	77	21
Assistance and subsidies.....	8,271	5,637	2,634	1,486	1,148	708	370	70	...	...
Interest on debt.....	6,775	5,858	916	193	723	68	389	16	...	...
Insurance trust benefits and withdrawals.....	7,484	5,061	2,423	2,096	327	20	272	2	22	10
Exhibit: Total personal services.....	33,538	21,195	14,343	3,491	10,851	1,568	4,463	357	4,079	385
1953 (MILLIONS OF DOLLARS)										
Total expenditure.....	109,890	479,826	32,937	16,850	121,663	4,300	9,139	911	26,174	1,344
Intergovernmental expenditure.....	(1)	2,873	(1)	5,384	191	266	78	28	(3)	26
Direct expenditure.....	109,890	476,953	32,937	11,466	21,471	4,034	9,061	883	6,174	1,318
Current operation.....	61,966	42,000	19,965	5,540	14,425	2,596	5,972	587	4,685	584
Capital outlay.....	26,403	18,498	7,905	2,847	5,058	715	2,119	235	1,358	630
Construction.....	10,498	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.....	555	(5)	555	238	318	45	206	11	...	56
Land and existing structures.....	603	74	530	218	312	23	170	4	...	51
Equipment.....	15,301	14,689	612	197	455	90	181	20	133	31
Assistance and subsidies.....	8,933	6,376	2,558	1,501	1,037	653	361	43	...	...
Interest on debt.....	46,582	45,785	798	162	635	56	359	16	110	96
Insurance trust benefits and withdrawals.....	6,006	4,284	1,711	1,416	296	15	250	1	22	8
Exhibit: Total personal services.....	33,070	21,970	13,100	3,232	9,868	1,405	4,179	313	3,615	397
1952 (MILLIONS OF DOLLARS)										
Total expenditure.....	100,652	472,373	30,863	15,834	120,229	4,095	8,383	924	25,357	1,665
Intergovernmental expenditure.....	(1)	2,585	(1)	5,044	156	216	68	18	(3)	47
Direct expenditure.....	100,652	469,788	30,863	10,790	20,073	3,877	8,314	906	5,357	1,619
Current operation.....	56,105	37,572	18,533	5,173	13,360	2,489	5,519	579	4,169	603
Capital outlay.....	24,873	17,437	7,436	2,658	4,778	673	1,850	263	1,079	524
Construction.....	9,723	3,337	6,386	2,323	4,063	547	1,511	240	921	844
Contract construction.....	9,145	3,337	5,808	2,084	3,724	496	1,363	219	921	724
Force account construction.....	578	(5)	578	239	340	51	148	21	...	120
Land and existing structures.....	647	(6)	467	178	289	37	156	1	51	43
Equipment.....	14,684	14,100	584	158	426	88	183	21	108	26
Assistance and subsidies.....	8,387	5,916	2,472	1,402	1,070	653	370	47	...	...
Interest on debt.....	45,798	45,074	724	144	580	49	341	15	94	81
Insurance trust benefits and withdrawals.....	5,489	3,790	1,698	1,413	285	13	234	2	15	21
Exhibit: Total personal services.....	29,766	21,721	12,045	2,956	9,089	1,274	3,850	306	3,261	399
PERCENT CHANGE, ⁷ 1953-1954										
Total expenditure.....	0.5	-3.8	11.1	10.9	9.9	7.8	8.4	13.3	16.6	1.5
Intergovernmental expenditure.....	(8)	3.3	(8)	5.5	12.1	38.2	24.6	36.8	(8)	20.9
Direct expenditure.....	0.5	-4.0	11.1	13.4	9.9	5.8	8.3	12.5	16.6	1.1
Current operation.....	-2.3	-7.0	7.7	6.2	8.3	5.4	6.5	12.4	11.1	13.1
Capital outlay.....	3.7	-1.4	15.4	17.5	14.2	2.6	14.0	4.2	35.2	-13.4
Construction.....	(9)	(8)	14.4	14.5	14.3	-0.2	14.2	4.1	36.5	-12.3
Contract construction.....	7.2	-5.4	14.7	14.5	14.9	1.8	15.2	-6.3	36.5	-14.1
Force account construction.....	(9)	(9)	10.7	14.7	7.8	-24.3	6.3	198.7	...	2.9
Land and existing structures.....	27.1	8.1	29.6	57.3	10.6	49.1	7.7	-2.1	25.3	-13.1
Equipment.....	-2.9	-3.6	14.3	10.0	15.7	9.4	18.9	5.9	28.5	-32.4
Assistance and subsidies.....	-7.4	-11.6	3.0	-1.0	8.7	8.6	2.6	61.5	...	...
Interest on debt.....	2.9	1.3	14.8	18.9	13.8	22.0	8.4	2.5	22.9	20.9
Insurance trust benefits and withdrawals.....	24.6	17.9	41.6	48.1	10.5	38.3	8.9	77.2	1.3	25.4
Exhibit: Total personal services.....	1.4	-3.9	9.5	8.0	10.0	11.6	6.8	14.0	12.8	7.9

NOTE: Because of rounding, detail may not add to total.
¹To avoid duplication in summarizing data, all transactions between levels of government described in the column heading have been excluded; consequently this figure is less than the sum of the components listed in the columns at the right.
²Includes interschool-district payments for tuition, transportation, and other services.
³Includes pay and allowances of armed forces as follows: 1954, \$9,362 million; 1953, \$9,785 million; 1952, \$8,340 million.
⁴Revised.
⁵Force account construction for Federal Government included in current operation expenditure for 1953 and 1952.
⁶Federal expenditure for land and existing structures included in construction expenditure for 1952.
⁷Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
⁸Not computed.
⁹Not computed; 1954 data not comparable with figures for 1953 and 1952. See footnote 5.

Table 16.—CAPITAL OUTLAY EXPENDITURE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS, BY OBJECT AND BY FUNCTION: 1954

(In millions of dollars)

Item	Total capital outlay	Construction	Equipment	Land and existing structures	
Defense (Federal only).....	16,543	2,909	13,593	41	
Other.....	10,826	8,829	1,271	726	
Education.....	2,551	2,185	265	101	
Highways.....	3,491	3,020	130	341	
Hospitals.....	438	384	48	6	
Natural resources.....	1,138	858	232	48	
Sanitation.....	472	443	24	6	
Housing and community redevelopment.....	461	347	7	108	
Nonhighway transportation.....	418	286	111	21	
Local parks and recreation.....	112	91	11	10	
Local utilities.....	821	734	71	16	
Water supply system.....	486	446	31	9	
Electric power system.....	249	211	32	6	
Transit system.....	62	55	6	1	
Gas supply system.....	23	22	2	(1)	
All other.....	926	482	374	70	

Note: Because of rounding, detail may not add to total.
¹Less than \$500 thousand.

Table 17.—STATE AND LOCAL GOVERNMENT EXPENDITURE FOR PERSONAL SERVICES AND FOR CONSTRUCTION, BY FUNCTION: 1954

(In millions of dollars)

Item	Expenditure for personal services ¹			Construction expenditure			
	State and local	State	Local	State and local	State	Local	
Education, total.....	6,117	945	5,172	2,172	238	1,935	
Elementary and secondary schools.....	5,203	118	5,085	1,963	49	1,914	
Institutions of higher education.....	797	737	60	194	178	16	
Other.....	117	90	27	15	10	4	
Highways.....	1,366	600	766	2,982	2,204	778	
Public welfare.....	294	125	168	10	2	7	
Health.....	223	85	138	17	3	14	
Hospitals.....	1,073	570	503	337	212	125	
Police.....	906	82	824	21	3	17	
Local fire protection.....	486	...	486	19	...	19	
Natural resources.....	334	265	69	109	51	58	
Sanitation.....	363	...	363	443	...	443	
Housing and community redevelopment.....	82	1	81	325	...	325	
General control.....	949	241	708	9	3	6	
Liquor stores and local utilities, total.....	922	43	880	734	(2)	734	
Liquor stores.....	48	43	6	(2)	(2)	...	
Water supply system.....	308	...	308	446	...	446	
Electric power system.....	201	...	201	211	...	211	
Transit system.....	348	...	348	55	...	55	
Gas supply system.....	17	...	17	22	...	22	
All other.....	1,226	533	693	560	...	445	

Note: Because of rounding, detail may not add to total.

²This distribution of the 1954 personal services totals shown in table 15 is based on the Bureau of the Census survey of public employment, primarily data for October 1954, as presented in the report, *State Distribution of Public Employment in 1954*.

³Less than \$500 thousand.

Table 18.—GOVERNMENTAL DEBT OUTSTANDING AT END OF FISCAL YEAR, BY TYPE OF GOVERNMENT: 1952-1954

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
1954 (MILLIONS OF DOLLARS)										
Total debt outstanding.....	310,190	271,260	38,931	9,600	29,331	2,710	14,587	801	5,923	25,310
Long-term, total.....	(3)	(3)	36,898	9,317	27,581	2,624	13,892	782	5,827	4,455
Full faith and credit.....	(3)	(3)	28,253	5,770	22,483	2,355	10,415	758	5,827	3,128
Nonguaranteed.....	(3)	(3)	8,645	3,547	5,098	269	3,478	24	...	1,327
Short-term.....	(3)	(3)	2,033	283	1,750	85	695	19	96	855
Exhibit: Net long-term.....	(3)	(3)	33,182	7,877	25,305	2,501	12,252	768	5,639	4,145
1953 (MILLIONS OF DOLLARS)										
Total debt outstanding.....	429,852	266,071	43,782	7,824	45,957	2,454	13,558	4,656	4,712	4,577
Long-term, total.....	(3)	(3)	432,004	7,805	24,499	2,370	12,913	4,647	4,551	4,018
Full faith and credit.....	(3)	(3)	425,480	5,158	20,322	2,128	9,965	4,610	4,551	3,068
Nonguaranteed.....	(3)	(3)	6,524	2,347	4,177	242	2,947	37	...	950
Short-term.....	(3)	(3)	1,778	320	1,458	84	646	9	161	559
Exhibit: Net long-term.....	(3)	(3)	428,553	6,296	42,257	2,257	11,265	4,645	4,401	3,689
1952 (MILLIONS OF DOLLARS)										
Total debt outstanding.....	289,205	259,105	30,100	6,874	23,226	2,018	12,659	619	3,806	4,125
Long-term, total.....	(3)	(3)	28,720	6,640	22,080	1,938	12,113	604	3,715	3,710
Full faith and credit.....	(3)	(3)	23,406	4,926	18,480	1,691	9,556	514	3,715	3,003
Nonguaranteed.....	(3)	(3)	5,314	1,714	3,601	246	2,557	90	...	707
Short-term.....	(3)	(3)	1,380	235	1,146	80	546	15	90	414
Exhibit: Net long-term.....	(3)	(3)	25,513	5,620	19,892	1,817	10,503	587	3,571	3,415
PERCENT CHANGE, ² 1953-1954										
Total debt outstanding.....	3.4	2.0	15.2	22.7	13.0	10.4	7.6	22.2	25.7	(7)
Long-term, total.....	(6)	(6)	15.3	24.1	12.6	10.7	7.6	20.9	28.0	(7)
Full faith and credit.....	(6)	(6)	10.9	11.9	10.6	10.7	4.5	24.3	28.0	(7)
Nonguaranteed.....	(6)	(6)	32.5	51.1	22.0	11.4	18.0	36.0	...	(7)
Short-term.....	(6)	(6)	14.3	-11.6	20.0	1.9	7.5	120.6	-40.6	(7)
Exhibit: Net long-term.....	(6)	(6)	16.2	25.1	13.7	10.8	8.8	19.1	28.1	(7)

NOTE: Because of rounding, detail may not add to total. ¹"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. ²A substantial portion of the 1953-1954 increase in special district debt is due to additions to survey coverage in 1954; therefore the 1953-1954 change shown in this table will not agree with the results of debt transactions during 1953-1954. ³The distinction between long-term and short-term debt is not applied to Federal debt figures in this report. ⁴Revised. ⁵Changes are increases unless preceded by a minus sign (-) which denotes a decrease. ⁶Not computed. ⁷Not computed; 1954 data not comparable with 1953 and 1952 amounts. See footnote 2.

Table 19.—DEBT TRANSACTIONS OF STATE AND LOCAL GOVERNMENTS, BY TYPE OF GOVERNMENT: 1952-1954

Item	All State and local	State	Local governments					
			All local	County	City	Township	School district	Special district
1954 (MILLIONS OF DOLLARS)								
Long-term debt issued, total.....	6,620	2,284	4,336	395	1,792	176	1,466	507
Original issues.....	6,439	2,214	4,225	394	1,748	176	1,462	445
Refunding issues.....	181	70	111	1	44	...	5	61
Long-term debt retired, total.....	2,327	493	1,835	185	914	54	290	391
Redeemed.....	2,149	422	1,727	185	870	54	288	330
Refunded.....	178	70	108	(1)	44	...	2	61
Total borrowing ²	6,929	2,239	4,690	416	1,925	190	1,485	674
Total debt redemption ²	2,403	497	1,905	199	981	60	318	348
1953 (MILLIONS OF DOLLARS)								
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	241	137
Refunded.....	291	47	244	1	240	1	...	3
Total borrowing ²	5,004	1,351	3,652	457	1,489	119	1,006	581
Total debt redemption ²	1,810	404	1,405	179	759	54	266	147
1952 (MILLIONS OF DOLLARS)								
Long-term debt issued, total.....	3,838	1,124	2,714	(3)	1,153	(3)	(3)	(3)
Original issues.....	3,742	1,110	2,633	(3)	1,127	(3)	(3)	(3)
Refunding issues.....	96	15	81	(3)	26	(3)	(3)	(3)
Long-term debt retired, total.....	1,747	457	1,290	(3)	666	(3)	(3)	(3)
Redeemed.....	1,643	443	1,201	(3)	639	(3)	(3)	(3)
Refunded.....	104	15	89	(3)	27	(3)	(3)	(3)
Total borrowing ²	3,771	1,147	2,624	(3)	1,296	(3)	(3)	(3)
Total debt redemption ²	1,786	495	1,292	(3)	671	(3)	(3)	(3)
PERCENT CHANGE, ⁴ 1953-1954								
Long-term debt issued, total.....	38.8	76.1	24.9	-9.2	9.5	53.1	59.2	39.5
Original issues.....	43.4	76.9	30.4	-9.4	24.1	53.1	58.7	23.4
Refunding issues.....	-35.0	51.0	-52.4	79.9	-80.9	...	(5)	(5)
Long-term debt retired, total.....	17.4	10.9	19.2	13.0	-3.6	16.8	20.4	179.5
Redeemed.....	27.1	6.4	33.4	13.5	23.0	19.3	19.3	140.9
Refunded.....	-38.8	21.0	-55.8	-42.9	-81.7	(5)	(5)	(5)
Total borrowing ²	38.5	65.7	28.4	-9.0	29.3	59.7	47.6	16.0
Total debt redemption ²	32.7	23.1	35.6	11.3	29.3	10.5	19.4	136.4

NOTE: Because of rounding detail, may not add to total. ¹Less than \$500 thousand. ²See definitions, page 15. ³Distribution of local government totals not available. ⁴Changes are increases unless preceded by a minus sign (-) which denotes a decrease. ⁵Not computed.

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1954

Table 20.—CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS: 1952-1954

Item	All State and local	Local governments						
		State	All local	County	City	Township	School district	Special district
1954 (MILLIONS OF DOLLARS)								
Total.....	40,377	25,536	14,841	2,255	8,083	449	2,850	1,287
Distribution by type of holding:								
Cash and deposits.....	18,756	12,249	6,507	1,595	2,348	346	1,788	617
Federal securities.....	13,700	8,993	4,707	409	2,900	85	775	328
Own-government securities.....	2,752	421	2,331	25	2,184	2	73	145
Other State and local government securities.....	1,921	1,531	390	52	145	3	28	103
Nongovernmental securities.....	3,249	2,343	906	174	505	15	187	107
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,716	1,440	2,276	123	1,641	14	188	110
Unemployment compensation.....	8,450	8,394	56	...	56	...	...	...
Employee retirement.....	8,709	5,371	3,339	2,287	2,684	219	275	1,008
Other insurance trust systems.....	1,157	1,157	...	...	...	...	...	...
All other.....	18,346	9,175	9,171	1,844	3,703	416	2,387	1,008
1953 (MILLIONS OF DOLLARS)								
Total.....	37,084	23,663	13,421	2,220	7,481	381	2,318	1,028
Distribution by type of holding:								
Cash and deposits.....	17,846	12,053	5,793	1,574	2,080	291	1,488	584
Federal securities.....	12,643	8,141	4,502	469	2,775	71	639	281
Own-government securities.....	2,559	369	2,190	18	2,093	3	22	137
Other State and local government securities.....	1,571	1,309	262	56	130	(3)	28	103
Nongovernmental securities.....	2,465	1,790	675	102	403	14	141	107
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,450	1,208	2,242	113	1,648	3	150	107
Unemployment compensation.....	8,482	8,427	55	...	55	...	...	...
Employee retirement.....	7,402	4,638	2,764	137	2,333	9	254	1,008
Other insurance trust systems.....	1,088	1,088	...	...	...	...	...	...
All other.....	16,662	8,302	8,360	1,970	3,445	369	1,915	1,008
1952 (MILLIONS OF DOLLARS)								
Total.....	33,959	21,492	12,467	2,048	6,877	418	2,013	1,028
Distribution by type of holding:								
Cash and deposits.....	16,877	11,314	5,563	1,484	1,967	342	1,318	584
Federal securities.....	11,116	7,314	3,801	380	2,408	58	468	200
Own-government securities.....	2,421	323	2,099	21	2,040	1	28	137
Other state and local government securities.....	1,478	1,139	339	53	127	...	12	103
Nongovernmental securities.....	2,067	1,401	665	110	334	17	186	107
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,207	1,019	2,188	121	1,611	17	144	107
Unemployment compensation.....	7,838	7,786	52	...	52	...	...	...
Employee retirement.....	6,406	4,011	2,395	106	2,081	12	170	1,008
Other insurance trust systems.....	1,014	1,014	...	...	...	...	...	...
All other.....	15,495	7,662	7,832	1,821	3,133	389	1,699	1,008
PERCENT CHANGE, ⁴ 1953-1954								
Total.....	8.9	7.9	10.6	1.6	8.0	17.9	23.0	15.3
Distribution by type of holding:								
Cash and deposits.....	5.1	1.6	12.3	1.3	12.9	18.8	20.2	14.5
Federal securities.....	8.4	10.5	4.6	-12.9	4.5	18.6	21.2	14.5
Own-government securities.....	7.5	14.0	6.4	39.9	4.4	-50.6	230.5	14.5
Other State and local government securities.....	22.3	17.0	48.7	-7.1	11.6	572.7	-0.9	28.2
Nongovernmental securities.....	31.8	30.9	34.2	70.1	25.4	3.3	32.6	14.5
Distribution by purpose of holding:								
Offsets to long-term debt.....	7.7	19.2	1.5	9.2	-0.5	413.9	25.5	14.5
Unemployment compensation.....	0.3	-0.4	0.7	...	0.7	...	...	...
Employee retirement.....	17.7	15.8	20.8	(3)	15.1	(5)	8.3	14.5
Other insurance trust systems.....	6.3	6.3	...	...	...	...	...	...
All other.....	10.1	10.5	9.7	-6.4	7.5	12.9	24.6	14.5

NOTE: Because of rounding, detail may not add to total.

¹Includes \$8,362 million in State unemployment compensation fund balances on deposit in U. S. Treasury.²1954 data not comparable with 1953 and 1952 amounts owing to more complete survey coverage in 1954 of retirement systems of these governments.³Less than \$500 thousand.⁴Changes are increases unless preceded by a minus sign (-) which denotes a decrease.⁵Not computed. See footnote 2.

Table 21.—CASH AND SECURITY HOLDINGS OF EMPLOYEE RETIREMENT FUNDS OF STATE AND LOCAL GOVERNMENTS: 1954

(In millions of dollars)

Item	All State and local	State	All local	City only
Total.....	8,709	5,371	3,339	2,684
Cash and deposits.....	202	100	102	87
Federal securities.....	4,210	2,938	1,272	1,028
Own-government securities.....	1,421	245	1,175	1,146
Other State and local government securities.....	815	658	157	92
Non-governmental securities.....	2,061	1,429	632	331

Note: Because of rounding, detail may not add to total.

Table 22.—PER CAPITA GOVERNMENTAL REVENUE, EXPENDITURE, AND DEBT: 1954

Item	All Governments	Federal	State and local		
			Total	State	Local
Revenue from all sources.....	\$728.66	\$473.03	\$255.63	\$115.96	\$139.66
Intergovernmental revenue.....	(¹)	...	18.26	17.75	36.54
Revenue from own sources.....	672.65	473.03	199.62	98.22	101.40
General revenue.....	590.17	429.80	160.37	76.45	83.92
Taxes.....	520.14	384.27	135.87	68.28	67.60
Property.....	61.37	...	61.37	2.40	58.97
Individual income.....	183.84	181.90	6.94	6.18	.75
Corporation income.....	134.72	129.92	4.79	4.75	.04
Sales, gross receipts and customs.....	108.64	63.83	44.80	40.47	4.33
Death and gift.....	7.31	5.75	1.56	1.52	.04
Other, including licenses and permits.....	19.27	2.86	16.41	12.94	3.46
Charges and miscellaneous revenue.....	70.03	45.53	24.50	8.18	16.33
Utility and liquor stores revenue.....	21.53	...	21.53	6.00	15.53
Insurance trust revenue.....	60.94	43.23	17.71	15.76	1.95
Total expenditure.....	680.16	473.03	225.40	115.06	146.63
Intergovernmental expenditure.....	(¹)	18.27	(¹)	34.96	1.32
To States.....	(¹)	16.43	(¹)	...	1.32
To local governments.....	(¹)	1.84	(¹)	34.96	(¹)
Direct expenditure.....	680.16	454.76	225.40	80.09	145.31
General expenditure.....	612.64	423.60	189.04	62.24	126.79
National defense.....	288.21	288.21	...	...	...
All other.....	324.43	135.40	189.04	62.24	126.79
Utility and liquor stores expenditure.....	21.44	...	21.44	4.94	16.50
Liquor stores.....	5.57	...	5.57	4.94	.63
Local utilities.....	15.87	...	15.87	...	15.87
Insurance trust expenditure.....	46.08	31.16	14.92	12.91	2.01
Employee retirement.....	6.71	2.53	4.18	2.19	1.99
Unemployment compensation.....	10.14	.86	9.28	9.26	.02
Total debt outstanding.....	1,909.93	1,670.23	239.71	59.11	180.60
Long-term, total.....	(²)	(²)	227.19	57.37	169.82
Full faith and credit.....	(²)	(²)	173.96	35.53	138.44
Nonguaranteed.....	(²)	(²)	53.23	21.84	31.39
Short-term.....	(²)	(²)	12.52	1.74	10.77
Exhibit: Net long-term.....	(²)	(²)	204.31	48.50	155.81

NOTE: Because of rounding, detail may not add to total. Computations are based on estimated population of continental United States as of July 1, 1954.
¹Not computed. See footnote 1, table 1.
²Not computed. See footnote 3, table 18.