

SUMMARY OF GOVERNMENTAL FINANCES IN 1956

GOVERNMENTAL FINANCES IN
THE UNITED STATES 1956

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G-GF56

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Expenditure by all governments in the United States--Federal, State, and local--in their fiscal years (that ended during 1956 amounted to \$114.5 billion, or nearly \$5 billion more than total public expenditure in fiscal 1955. While national defense spending dropped off by about \$275 million between 1955 and 1956, other direct expenditure of the National Government went up \$2.3 billion (including a \$1 billion increase in benefit payments of the Federal Social Security System), and expenditure by State and local governments increased \$2.8 billion to a total of \$43.2 billion.

These are gross expenditure amounts, without deduction of related receipts, and include capital outlays and social insurance system payments as well as spending for current "general government" purposes. Thus, the Federal total includes \$7.2 billion of insurance trust payments and the entire \$2.9 billion of postal-service expenditure without deduction of related postal receipts. The State and local government total also includes \$2.4 billion of insurance trust payments and \$4.1 billion of spending for publicly operated utilities and liquor stores.

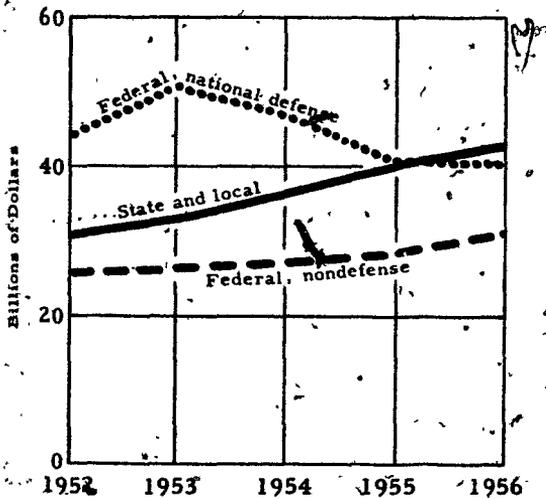
As indicated in figure 1, the proportion of all public expenditure accounted for by States and local governments has been increasing since 1953, and their spending in fiscal 1956 was greater than Federal payments for either defense or nondefense purposes taken separately.

Total governmental revenue in 1956 was \$121.2 billion, or about \$6.7 billion more than the sum of all public expenditure. This is a marked change in relationship as compared with the preceding fiscal year, when governmental revenue was less than expenditure by approximately \$2.1 billion. The shift is accounted for mainly by the Federal Government, which experienced a far greater increase in revenue (up \$9.7 billion) than in total expenditure (up \$2.3 billion) during this interval. A similar tendency appeared for State governments, which in fiscal 1956 had \$0.5 billion more revenue than expenditure, as compared with an expenditure excess of \$0.7 billion the previous year. The relative income-outgo position of local governments, however, remained substantially unchanged. In both 1955 and 1956 these units altogether expended roughly \$2 billion more than they received in the form of revenue.

In per capita terms, total 1956 expenditure of all governments was \$681, with national defense accounting for \$241 per capita and all other public functions for \$440 per capita. Education, which ranks in cost second only to national defense as a governmental function, involved \$14.2 billion of public expenditure in 1956, or \$84 per capita. This was 11 percent more than educational spending of the preceding year.

Over half the 1955-56 rise of \$13.6 billion in total governmental revenue was accounted for by the \$7.6 billion increase in Federal tax receipts, up 13.3 percent from \$57.6 billion in 1955 to \$65.2 billion in 1956. State tax revenue also rose sharply (by 15.3 percent) to \$13.4 billion, and local tax collections moved up 9.3 percent to \$13.0 billion. The 1956 tax total, therefore, was \$91.6 billion, or \$545 per capita, with the Federal Government taking in 71 percent and the States and local governments collecting about equal portions of the other 29 percent of all taxes.

Fig. 1--GOVERNMENTAL EXPENDITURE
1952 TO 1956



Charges for services, sales of products, and miscellaneous general revenue sources produced \$13.4 billion in 1956, or 11 percent of total governmental revenue. Federal revenues of this nature increased 6 percent, to \$8.4 billion. General revenue of State and local governments from charges and miscellaneous sources amounted to \$5.0 billion, up 11 percent from the previous year. Sales of State and local government liquor stores and of local water, electric, transit, and gas utilities amounted to \$3.9 billion, or 3 percent of all public revenue. Liquor store and utility sales were up 5 percent from the 1955 level. The remaining \$12.3 billion of governmental revenue--10 percent of the total--came from employer and employee contributions for insurance trust systems and investment earnings of such systems. Insurance trust revenue was 18 percent greater in 1956 than in 1955.

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 \$82.8 billion in revenue in 1956 and the States and local governments had revenues of \$18.9 billion and \$19.5 billion, respectively.

Governmental debt at the end of fiscal year 1956 stood at \$321.9 billion, with 85 percent of this comprising obligations of the Federal Government. Total governmental debt was one percent more than at the end of 1955. Federal debt was down slightly from the 1955 level in 1956 but, for State and local governments, the 1956 debt level represented a record end-of-year high. State debt was \$12.9 billion, 15 percent more than a year earlier; local government debt totaled \$36.3 billion, up 10 percent. Nearly half of all 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 \$7.0 billion during the fiscal year 1956, whereas debt redemption during the year was only \$2.5 billion.

On the asset side, cash on hand and on deposit, plus investment holdings of State and local governments, amounted to \$46.2 billion at the end of fiscal year 1956, or 8 percent more than at the end of the preceding year. Of this amount, \$3.9 billion was held in sinking funds specifically for future redemption of debt. The bulk of the remainder represented assets held for other special purposes such as unemployment compensation and employee retirement, and holdings of other earmarked funds. A significant but unmeasured part of all State and local governments' holdings of cash and temporarily invested funds represents 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 1956 was substantially greater than that of the previous year, constituting a new record high. Federal revenue rose \$9.7 billion while the States and local governments shared an increase of \$4.1 billion.

Governmental revenue, as defined for this report, 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 1956, 1955, and 1954. Tables 2 to 5 and 14 to 16 show additional detail and derived statistics on revenue, and table 21 presents per capita amounts.

General Revenue

Taxes.--Tax revenues for all governments, totaling \$91.6 billion in the fiscal year 1956, were 13 percent greater than the 1955 level. Federal tax collections were up 13.3 percent; State tax yields rose 15.3 percent, and local taxes, 9.3 percent. Taxes provided 79 percent of all revenue of the Federal Government but only 63 percent of the revenue of State and local governments.

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

Property taxes.--Property taxes (i.e., taxes conditioned on ownership of real or personal property and measured by its value) are not employed by the Federal Government, and they are of comparatively minor significance for State governments, accounting for only 4 percent of State tax revenue in 1956. However, property taxes yielded \$11.3 billion in revenue for local governments in 1956--43 percent of revenue of these units from all sources and 49 percent of all their general revenue.

In 1956, property tax revenue was distributed among the various types of State and local governments as follows:

Type of government	Percent
All property taxes.....	100.0
States.....	4.0
Cities.....	33.9
School districts.....	33.6
Counties.....	20.2
Townships.....	6.1
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 is 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 \$53.0 billion in Federal tax collections in 1956. Although not all State governments levy income taxes and State rates are far lower than Federal rates, the States also obtained \$2.3 billion from taxation of income in 1956. 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 \$164 million in 1956, 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 \$10.5 billion, or 16 percent of Federal tax revenue in 1956.

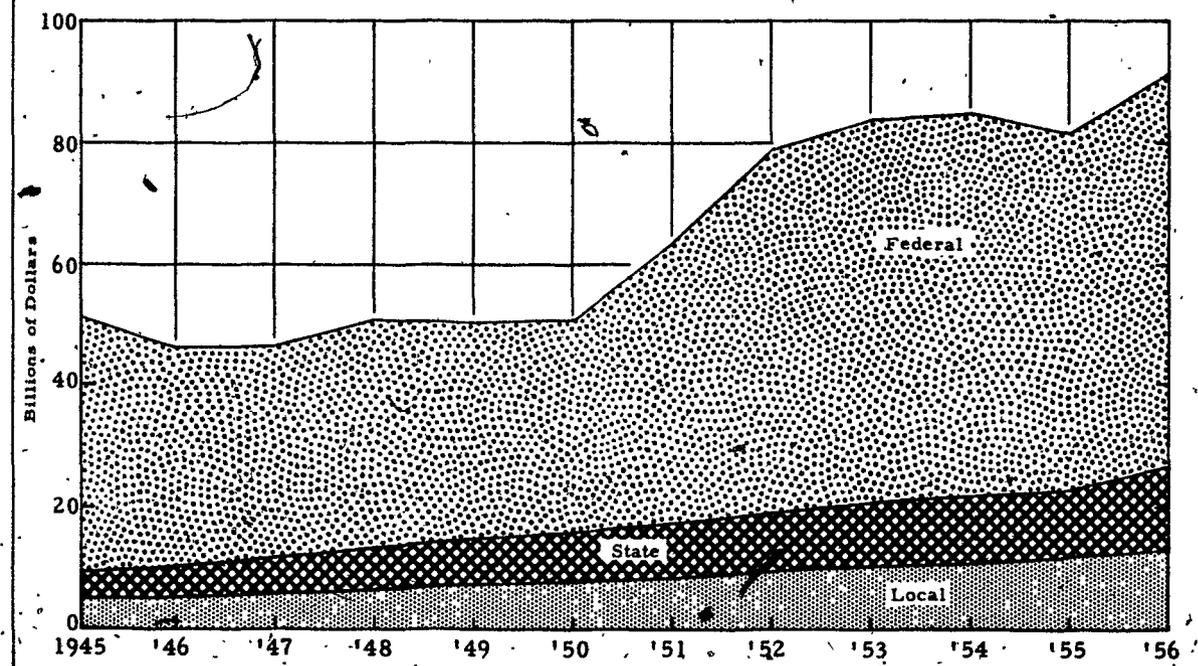
All States levy sales or gross receipts taxes on sales of motor fuel and other specific commodities and services. In addition, 33 States in 1956 had general sales taxes applying, subject to specific exceptions, to sales of all types of goods, or of goods and services, or to gross income. The States collected \$7.8 billion from their various sales taxes in 1956, or 58 percent of all their tax revenue.

In 1956 local governments realized about \$0.9 billion from general and selective sales taxes.

Other taxes.--Taxes other than those on property, income, or sales yielded governments \$5.2 billion in 1956. The largest classes included in this aggregate were death and gift taxes, from which \$1.5 billion was collected in 1956, and motor vehicle and operators' license taxes, which yielded \$1.4 billion. The remainder 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. 2--FEDERAL, STATE, AND LOCAL TAX REVENUE, 1945 TO 1956



services and from sales of products, provided \$13.4 billion in the fiscal year 1956, or 11 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 \$6.2 billion received as charges for services in the fiscal year 1956 comprises numerous items of a highly diverse nature, including \$2.4 billion of postal receipts; receipts from sales (other than to Federal agencies) by the Commodity Credit 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 1956 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 \$3.4 billion in 1956 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 amounted to approximately \$269 million in 1956.

Interest earnings.--General revenue from interest earnings totaled \$1.0 billion for all governments in 1956. 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 19, 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, approximately \$693 million in 1956, 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 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 \$1.9 billion for governments in 1956.

Utility and Liquor Store Revenue

Sales receipts of State and local liquor stores and local water, electric, gas, and transit utilities amounted to \$3.9 billion in 1956, or about 9 percent of all revenue of 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 excess of sales revenue over the cost of producing this revenue would be available for financing other types of governmental services. In the fiscal year 1956, as indicated by table 14, local expenditure for utility purposes (including, it may be noted, capital outlays and interest on utility debt, as well as current operation expenditure) was somewhat more than the total of local utility revenue. For both State and locally operated liquor stores, sales revenue exceeded expenditure in 1956, as shown in table 15.

In addition to the specific activities listed above, there are numerous other revenue-producing activities at the several 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 \$12.3 billion in 1956, or 18 percent more than in 1955.

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 right of specific individuals to insurance-type benefits.

With many governmental insurance trust systems still in a developmental stage, total insurance trust revenue in 1956 exceeded total insurance trust expenditure by \$2.8 billion.

Approximately 87 percent of insurance trust revenue in 1956 came from contributions of 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 13 percent of insurance trust revenue in 1956 was derived 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 16 shows a distribution of insurance trust revenue, by source of revenue and by insurance program, together with data on insurance trust expenditure.

Insurance trust amounts 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 by State-administered 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 District of Columbia) activity. Federal transactions relating to the operations of the State unemployment compensation systems (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 \$10.8 billion in 1956. These transfers considerably affect the 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 \$7.6 billion from general Federal sources in 1956 (i.e., excluding insurance trust revenue), and transferred \$3.3 billion to State and local governments, leaving \$70.3 billion of 1956 general revenue for "own" Federal Government purposes.

The State governments' role was more complex. The States received \$15.1 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 \$3.3 billion. In turn, the States distributed nearly \$6.5 billion to their local governments, so that the net general revenue available for direct State expenditure for "own purposes" was only \$11.9 billion.

Local governments raised from local sources \$16.2 billion of general revenue in 1956 (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 \$7.5 billion. In turn, local governments distributed about \$0.9 billion to their State governments and to other local governments, leaving them with a net amount of general revenue available for local expenditure of \$22.8 billion.

EXPENDITURE BY CHARACTER AND OBJECT

Governmental expenditure aggregated \$114.5 billion in fiscal year 1956. Of this, direct expenditure of the Federal Government accounted for \$71.4 billion. Direct expenditure of State governments totaled \$15.1 billion, and that of local governments, \$28.0 billion. These are

expenditure amounts for "own purposes" of each level of government. In the case of the Federal Government, direct expenditure in 1956 was 3 percent above the 1955 level. State direct expenditure was up 5 percent and local government direct spending 8 percent.

In 1956 the Federal Government disbursed, in addition to its direct expenditure, \$3.3 billion in payments to State and local governments; the State governments paid \$6.5 billion to local governments, and the local governments paid \$0.3 billion to the States.

As shown in this report, governmental expenditure basically consists of all moneys paid out by governments to individuals or external agencies (net of recoveries and other correcting transactions) other than for retirement of debt, investment in financial assets, or extension of loans. With some relatively minor exceptions, internal transfers from fund to fund are excluded, and aggregates for groups of governments exclude intergovernmental transactions between the governments involved. Since government is defined to include all public agencies, corporations, and funds, the government 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 1956, 54 percent (\$61.8 billion) was for current operation. This includes most public payrolls, 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 \$36.3 billion, or three-fifths of the current operation total for all governments. State and local governments spent \$25.5 billion for current operation in 1956. Two-thirds of the total was for pay of State and local employees, and the balance was primarily for supplies, materials, and services needed for the performance of governmental functions. Other than liquor purchased for resale in State and local liquor stores and electric power purchased for resale by local electric utilities, State and local purchases for resale are relatively minor.

Capital Outlay

Governmental expenditure for capital outlay--construction, equipment, and purchase of land and structures--aggregated \$26.4 billion in 1956, or about 23 percent of total governmental expenditure. A substantial portion of this total, \$11.0 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 and ship construction.

Governmental expenditure for capital outlay in 1956 was distributed by governmental function as shown in table 12.

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 \$9.2 billion in the fiscal year 1956. Although the Federal Government accounted for most of this sum (\$6.6 billion), State and local payments for assistance and subsidies also were substantial (\$2.6 billion).

Following is a distribution of governmental expenditure in 1956 for assistance and subsidies, by major program (in millions):

Program	All governments	Federal	State and local
Total.....	\$9,215	\$6,595	\$2,620
National defense.....	681	681	...
International assistance	1,246	1,246	...
Education (largely veterans' educational benefits).....	875	832	42
Public welfare (largely public assistance).....	2,489	12	2,477
Natural resources (largely agricultural benefits).....	351	346	5
Veterans' pensions, bonuses, and other non-educational benefits...	3,026	2,950	76
All other.....	547	528	20

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

Interest on Debt

Total interest payments on governmental debt aggregated \$7.6 billion in 1956. Of this, approximately 84 percent was paid out by the Federal Government. State governments accounted for about one-fourth of the remaining

16 percent and local governments for the balance. The local government total includes \$235 million paid on utility debt as well as \$675 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 \$1,034 million, or 16 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 governments.

Insurance Trust Benefits and Withdrawals

Insurance trust expenditure--i.e., benefit payments and refunds of contributions of insured persons--totaled \$9.6 billion in 1956, marking an increase of 6 percent from the 1955 level or of 28 percent from the fiscal 1954 level. Three-fourths of this total represents Federal payments, with the States accounting for \$2.0 billion and local governments for the remaining \$392 million in 1956.

These amounts are limited to actual payments to insured persons and therefore exclude (as internal transfer's) government contributions to insurance trust funds they administer, and costs of administering insurance trust programs (which are classified as general expenditure).

Insurance trust payments present 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 personnel cut across the classification of expenditure by character described above since, although most public employees are engaged in current operation activities, some are being paid for force-account construction work. The total of payroll expenditure by governments was \$37.6 billion in the fiscal year 1956, including Federal pay and allowances for armed forces personnel amounting to \$9.7 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.

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 \$27.8 billion for fiscal 1956. Of this, \$5.1 billion was for civilian personnel of the Federal defense establishment, \$5.6 billion represented all other Federal payrolls, \$4.1 billion was paid to State employees, and the remaining \$13.0 billion was for local government payrolls. Half of the local government amount was paid to teachers and other personnel concerned with public education. In October 1956, the number of civilian employees on governmental payrolls totaled 7.7 million, including 871 thousand engaged only on a part-time basis. Below is a summary functional distribution of civilian public employment as of October 1956 and civilian payrolls for the fiscal year 1956. The employment data are summarized from the Bureau of the Census report, State Distribution of Public Employment in 1956.

Function	All	Federal	State and local
Total.....	7,685	2,410	5,054
National defense.....	1,162	1,162	...
Postal service.....	516	516	...
Education.....	2,283	(NA)	2,283
Highways.....	496	4	492
Health and hospitals...	723	175	548
Police and fire protection.....	492	22	470
Natural resources.....	297	168	129
General control.....	546	111	434
Local utilities.....	227	...	227
All other.....	942	249	692

Function	All	Federal	State and local
Total.....	27,838	10,720	17,118
National defense.....	5,108	5,108	...
Postal service.....	2,249	2,249	...
Education.....	7,715	59	7,656
Highways.....	1,606	2	1,446
Health and hospitals...	2,185	65	1,520
Police and fire protection.....	1,750	134	1,616
Natural resources.....	1,101	718	383
General control.....	1,628	555	1,073
Local utilities.....	938	...	938
All other.....	3,553	1,204	2,354

(NA) Signifies data not available.

Intergovernmental Expenditure

The foregoing discussion has dealt almost entirely with direct expenditure of the various governmental levels. To avoid duplicate counting of expenditure in governmental aggregates, transfers between governments have been omitted. Such transfers, however, are highly significant in the financing of governmental operations and must be taken into account when considering the total magnitude of expenditure or comparing revenues with expenditures for particular governments or types of government.

Intergovernmental expenditure consists of grants-in-aid, shared taxes, payments in lieu of taxes, and reimbursements for services as between governments. 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 1956 (amounts in millions):

Item	Total	To States*	Directly to local governments
Total.....	\$3,347	\$3,023	\$323
Grants-in-aid.....	3,084	2,795	289
Shared revenues.....	60	48	11
Payments in lieu of taxes.....	4	...	4
Payments for services (including tuition payments for veterans' education)...	195	180	15
Other payments.....	4	...	4

*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 \$6.5 billion in fiscal 1956. This is over two-fifths of the total amount of all other (i.e., 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 payments to other governments is only a small fraction of corresponding Federal and State amounts. For 1956, local-to-State payments amounted to \$269 million, and local-to-local payments totaled about \$633 million.

Intergovernmental transactions, by function and level of government, are shown in table 7 for the years 1954, 1955, and 1956.

EXPENDITURE BY FUNCTION

The foregoing discussion has been concerned mainly with the forms of governmental expenditure (see tables 6 and 11) rather than the purposes for which expenditures are made. Table 8 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 (a) benefit and refund payments of public employee-retirement and other social-insurance systems, and (b) specifically indicated kinds of spending for State and local liquor stores, and for local water, electric, transit, and gas utilities.

General expenditure of all governments totaled \$100.9 billion, or 88 percent of total 1956 spending for all purposes. The major functions accounting for general expenditure are discussed below in the order of magnitude of 1956 expenditure, which differs somewhat from their order of presentation in table 8.

National defense.--Military purposes accounted for by far the largest component of governmental expenditure in 1956. National defense expenditure of the Federal Government totaled \$40.4 billion, 57 percent of all direct Federal expenditure and about 35 percent of total expenditure for all governments--Federal, State, and local.

Total defense spending in 1956 was down about one percent from the 1955 amount, and was nearly 14 percent below the 1954 level. About 36 percent of national defense expenditure in 1956 was for personal services (mainly for pay and allowances for armed forces), and nearly one-third was for capital outlay (mainly procurement of ships, aircraft, weapons, and other equipment).

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.

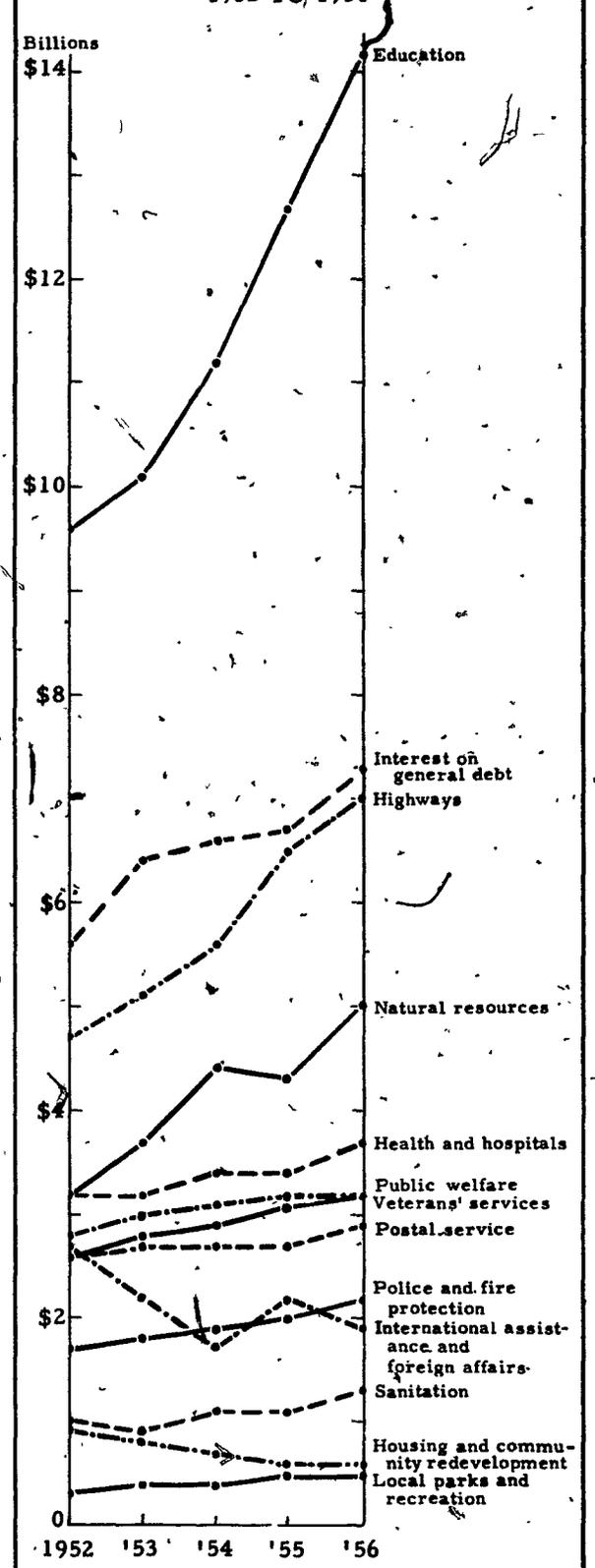
Education.--The second largest function of government in terms of expenditure is education, for which \$14.2 billion was spent in 1956. Education expenditure increased 11 percent between 1955 and 1956. Substantial expenditure for education is made by each governmental level but the kinds of educational services rendered at various levels differ markedly in nature.

Direct Federal spending for education--\$0.9 billion in 1956--was primarily for veterans' educational benefits. Only payments to individual veterans and to private institutions for veterans' education are counted as direct Federal expenditure under this heading. 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 consists 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 \$535 million in 1956.

Fig. 3--GOVERNMENTAL EXPENDITURE FOR SELECTED NONDEFENSE FUNCTIONS 1952 TO 1956



State direct expenditure for education--\$2.1 billion in 1956--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. Amounts shown for State higher education expenditure are exclusive of interest on institutional debt (classified as State expenditure for interest), and of spending for hospitals operated by State universities (classified as hospitals expenditure), and agricultural experiment stations and extension services (classified as natural resources expenditure). In addition to higher education, the States disbursed \$219 million in 1956 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 other \$241 million of direct State education expenditure in 1956.

In addition to their direct expenditure for education in 1956, the States distributed over \$3.5 billion in aid to local governments for education--more than one-half of the total of State aid for all purposes.

Local governments spent \$11.1 billion for education in 1956, or \$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 1956--a total of \$2.7 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, duplicative intergovernmental payments, and retirement benefits paid to former education employees. It includes gross expenditure for the school lunch program and other cafeteria operations, as well as school health, recreation, and library services administered by local school systems. Intergovernmental expenditure among local governments for education totaled about \$452 million in 1956 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 general governmental expenditure in 1956. Approximately \$7.3 billion was spent for this purpose (this does not include the \$235 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 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 roads, highways, and city streets, required \$7.0 billion of public expenditure in 1956. Although the Federal Government provides substantial grants for financing of State and local highways (\$732 million in 1956), its direct expenditures for this purpose totaled only \$82 million.

The State governments, in turn, provide substantial financial assistance to local governments for highway purposes (\$984 million in 1956) but the \$4.4 billion of direct State expenditure for highways accounted for three-fifths of the total spent by all governments for this function in 1956.

The local governments, with substantial financial assistance from the States, spent \$2.6 billion for highway purposes in 1956. As indicated above, 38 percent of this total was financed from State grants.

About two-thirds of public expenditure for highways in 1956 (\$4.7 billion out of \$7.0 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 continued at a high level in 1956. The amount spent for construction and operation of toll highway facilities was \$1,149 million as against \$953 million the year before and \$561 million in the fiscal year 1954. The operation of toll facilities, as distinguished from construction and other capital expenditures, accounted for only \$92 million of total 1956 expenditure for toll facilities. Toll charges,

which, of course, are generally set to cover debt service as well as operation costs, brought in \$270 million during the year.

Natural resources.--Conservation and development of natural resources--agricultural, forest, mineral, electric power, and the like--involved \$5.0 billion of governmental expenditure in 1956.

The Federal Government accounted for \$4.1 billion of this total. Federal expenditures under this heading include, as to farm price stabilization programs, commodity purchases for price support without any offset for commodities resold to private buyers during the year, but do not include commodity loans extended for price support purposes or expenditure for commodities consumed by the government in carrying out other functions (i. e., used by the military, distributed under the foreign aid program, distributed under the school lunch program, etc.). Federal natural resources programs also include (1) farm crop and mortgage insurance and other farm credit activities; (2) other aids to agriculture and agricultural research activities; (3) multi-purpose power and reclamation projects, such as the TVA, and (4) 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 9 shows the major components of Federal spending for natural resources.

The \$670 million spent by State governments for natural resources in 1956 was distributed by program as shown in table 10. Local government natural resources activities involved about \$236 million of expenditure in 1956.

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 expensively 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 under natural resources, and the production and distribution of electric power by local government agencies, classified as local utilities and excluded from the category of general government functions.

Health and hospitals.--Public health and hospital services involved \$3.7 billion of governmental expenditure in 1956. One-fifth of

this total--\$745 million--was expended by the Federal Government for hospital care and other medical services for veterans.

Construction, operation, and maintenance of public hospitals required \$2.9 billion in 1956. The Federal Government accounted for about one-fourth of this total, devoting \$633 million to veterans' hospitals and \$81 million to other Federal hospital facilities. In addition to its direct expenditures for hospital facilities, the Federal Government granted \$24 million to State and local governments for hospital construction and \$31 million to private nonprofit institutions and to the territories and possessions for the same purpose. An additional \$6 million was expended for contract hospitalization of Federal patients--mainly veterans--in private institutions and \$2 million for care in State and local institutions.

State and local governments spent \$2.2 billion for construction, maintenance, and operation of hospital facilities in 1956--roughly 13 percent for capital outlay and 87 percent for current expenditure. An additional \$152 million was spent for care of patients in private hospitals.

Governmental expenditure for public health services totaled \$627 million in 1956. Of the \$215 million direct Federal expenditure included in that sum, \$106 million was for medical services to veterans (other than hospitalization). 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 expenditure for public health services, \$411 million in 1956, was for public health administration, research, nursing, immunization, clinics, and other general health activities and for specific federally aided programs for maternal and child health and for control of cancer, tuberculosis, mental illness, etc. In addition to the direct provision of public health services, State and local governments spent \$45 million in 1956 through programs for making vendor payments to private physicians and others for medical supplies and services--chiefly for public assistance beneficiaries.

Public welfare.--As used in this report, the term "Public welfare" is limited to governmental activities for institutional and non-institutional assistance to the needy, and administration of such assistance. Approximately \$3.2 billion was spent by governments for such purposes in 1956.

As in the case of highways, there is extensive Federal participation in public welfare through grants to State and local governments for public assistance (\$1.5 billion in 1956) but

direct Federal expenditure for programs for the needy is relatively small (\$45 million in 1956).

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 costs. In 1956, the States spent directly \$1.6 billion for public welfare and passed on \$1.1 billion to local governments (including moneys from Federal sources), thus providing the major portion of the \$1.5 billion spent by local governments for public welfare.

The "categorical" public assistance programs--old age assistance, aid to dependent children, aid to the blind, and aid to the disabled--accounted for 73 percent of all public welfare expenditure in 1956. Other public assistance, which is wholly financed from State and local sources, accounted for only 8 percent of the welfare total. The remaining \$607 million spent in 1956 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 aid-in-kind furnished to the needy, as well as cash payments to beneficiaries. All administration costs are included in the classification "Other public welfare."

Veterans' services, not elsewhere classified.--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 nearly \$3.2 billion in 1956. 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 \$88 million of State government expenditure, chiefly veterans' bonus payments.

The classification of veterans' benefits and services used in this report differs from that sometimes found elsewhere, 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 \$5.4 billion would appear as representing identifiable expenditure specifically for veterans in 1956 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 9.

Postal service.--Expenditures by the Federal Government for the postal service in 1956 totaled \$2.9 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."

The postal service constitutes, next to national defense, the largest operating function of the Federal Government in terms of employment of personnel and performance of direct services. The \$2.2 billion expended in 1956 for wages and salaries of postal workers, for example, was three times the personal services cost of any other nondefense Federal function.

International assistance and foreign affairs.--Expenditures for economic and technical assistance and administration of foreign affairs totaled \$1.9 billion in 1956, 13 percent less than in the preceding year but somewhat more than 1954 expenditure of this nature.

In accordance with the definition of expenditure used in this report, loans to foreign governments are not included in the expenditure total. The expenditure amount does, however, 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 nearly \$2.2 billion in 1956.

At the Federal level, such expenditures, which are about three-fourths for financial administration, accounted for only 0.9 percent of total direct Federal expenditure. The proportion was substantially higher for States (3.2 percent) and local governments (3.9 percent).

Police.--Federal, State, and local police protection cost \$1.5 billion in 1956. The bulk of this amount, \$1.2 billion, was expended by local governments, mainly cities. Federal expenditure of \$156 million was primarily for the Federal Bureau of Investigation, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. State expenditure of \$159 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 \$1.3 billion in 1956 for other types of transportation facilities and

services. These expenditures are summarized in tables 9 and 10, 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 (\$108 million in 1956). In addition, large Federal expenditures are made for facilitating air transportation, subsidizing ship construction and merchant marine operations, improving 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 \$230 million in 1956. 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 expenditure of \$1.3 billion in 1956. The greater portion of this amount--\$835 million--was for sewers and sewage disposal facilities. Refuse collection and disposal accounted for \$396 million and street cleaning for the remaining \$96 million.

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 1956, of which wages and salaries of employees accounted for three-fourths.

Although fire protection is a fundamental local government service, it accounted, in 1956, for only 2.6 percent of the total direct expenditure of local governments.

Housing and community redevelopment.--Public expenditure for housing and community redevelopment totaled \$0.6 billion in 1956, not including Federal loan disbursements for the Federal housing programs. Housing activities of the Federal Government, for which \$125

million was spent in 1956, include operations of the Housing and Home Finance Agency in the fields of insurance, lending activities, and operation of housing projects. As to these activities, expenditure figures here 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 1956. Local governments, however--usually through independent local housing authorities, but also through city-administered housing activities--spent \$435 million in 1956. Of this amount, \$198 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 community redevelopment. In 1956 local rental income from public housing facilities was \$275 million which, of course, includes amounts intended to cover debt-service charges as well as project operating costs.

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 \$0.5 billion for recreational purposes in 1956.

Other general government functions.--Public expenditure for general functions not accounted for in the foregoing discussion totaled \$3.8 billion in 1956. Major components of the Federal Government's \$1.5 billion share of this amount are indicated in table 9. State and local governments spent their \$2.3 billion, not accounted for above, as shown in table 10.

Insurance Trust Expenditure

Benefits and refunds of contributions paid in connection with contributory retirement, life insurance, and social insurance programs are designated here as "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 \$9.6 billion in the fiscal year 1956. Partly because of the relative newness of many of the existing systems for insurance, expenditures for insurance benefits were less, by \$2.8 billion, than insurance trust revenue from contributions and investment earnings during this year.

Old Age and Survivors Insurance benefits made up more than half (\$5.4 billion) of all insurance trust payments in 1956. Life insurance benefit payments and premium refunds to

veterans accounted for \$0.6 billion; unemployment compensation payments, chiefly by the States, required \$1.4 billion; and payments to retired employees of Federal, State, and local governments approached \$1.3 billion. The remaining social insurance benefits were divided by program as follows (in millions):

Railroad retirement benefits (Federal)	\$599
State workmen's compensation benefits (State-administered plans only and not including payments by commercial insurers) ..	209
Miscellaneous State temporary disability and sickness insurance benefits	65

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.

Data on insurance trust revenue and expenditure are presented in detail in table 16.

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 1956 expenditure total of \$4.1 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 14 and 15 show major categories of expenditure made for utility and liquor store purposes in 1956.

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 the production, transmission, and distribution of electric power, only local government enterprises are included in the utilities category.

GOVERNMENTAL DEBT

Total governmental debt at the end of the fiscal year 1956 was \$321.9 billion, as compared with \$318.6 billion at the end of the 1955 fiscal year. Outstanding debt of State and local governments amounted to \$49.2 billion at the end of 1956, having increased \$4.9 billion since the end of 1955. Public debt of the Federal Government, however, decreased in this period from \$274.4 billion to \$272.8 billion.

State debt increased sharply in fiscal 1956, reaching a new high of \$12.9 billion as compared with \$11.2 billion at the end of the fiscal year 1955. Total debt of local governments rose \$3.2 billion to a new record of \$36.3 billion at the end of the fiscal year 1956.

In fiscal 1956, approximately \$6.8 billion of long-term debt was issued by State and local governments, including about \$60 million of refunding issues. Retirement of previously outstanding long-term debt was only about one-third as great, comprising about \$2.3 billion redeemed and \$62 million refunded during fiscal 1956.

In the State and local government debt statistics in this report, a distinction is made between obligations backed by the full faith and credit of the issuing government, i.e., by the taxing power, and obligations payable solely from pledged earnings of specific activities or facilities or from special assessments. Beginning with 1956, the treatment of special district debt was modified in this regard to permit the classification of debt as full faith and credit only when districts had the power to levy property taxes to repay such debt. Previously all debt to which the total resources of a district were pledged was considered to be full faith and credit debt whether or not the district was empowered to levy property taxes. The figures shown in table 17 of this report for 1954, 1955, and 1956 have been revised to reflect this change in classification. Corresponding revisions for the two earlier years in this series, 1953 and 1952 are as follows (in millions of dollars):

Item	1953		1952	
	Original	Revised	Original	Revised
Total State and local long-term debt..	32,004	32,004	28,720	28,720
Full faith and credit.....	25,480	24,273	23,406	22,936
Nonguaranteed....	6,524	7,731	5,314	6,284
Total local government long-term debt.	24,499	24,499	22,080	22,080
Full faith and credit.....	20,322	19,115	18,480	17,510
Nonguaranteed....	4,177	5,384	3,601	4,571

STATE AND LOCAL CASH AND SECURITY HOLDINGS

Cash on hand and on deposit plus security holdings of State and local governments amounted to \$46.2 billion at the end of fiscal year 1956, \$3.4 billion more than at the end of the preceding year. Of this amount, \$3.9 billion was held in sinking funds specifically for redemption of debt, \$8.2 billion comprised the balances in State unemployment compensation trust funds on deposit in the U. S. Treasury, \$11.3 billion represented assets of State and local employee-retirement funds, and the remaining \$22.8 billion was held by other State and local funds.

Of the invested assets of State and local governments, the predominant type of investment was United States Government securities; State and local governments held \$16.4 billion in U. S. securities at the end of fiscal 1956. They also had \$5.4 billion in State and local securities and \$4.8 billion in other types of security holdings. In addition to securities held by State and local governments, the approximately \$8.2 billion of State unemployment compensation fund deposits in the U. S. Treasury was invested by the Treasury in Federal securities.

Although nongovernmental securities still represent only 18 percent of all securities held by State and local governments, this component has been rising rapidly, moving from \$3.2 billion at the end of fiscal 1954 to \$4.2 billion the next year and then by the end of 1956 to a level of \$4.8 billion. About two-thirds of these nongovernmental securities are held by retirement funds of State and local governments.

Table 19 shows cash and securities data covering all holdings of State and local governments, and table 20 supplies added detail as to their employee retirement fund holdings.

CONCEPTS AND TERMINOLOGY

The general nature of many of the governmental 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 in 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 long-term debt issued, other than that to refund existing long-term debt or to fund short-term obligations, plus, for the individual government, any net increase of short-term debt outstanding. "Debt redemption" comprises long-term debt retired, other than debt refunded by issuing of long- or short-term obligations, plus, for the individual government, any net decrease in short-term debt outstanding. The computation of changes in short-term debt excludes (1) retirement of such debt through funding and (2) issuance of short-term debt to retire long-term obligations.

"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 Government

Data herein relate to the finances of all governments in the continental United States, including the Federal Government, the 48 States, and all local governments. Preliminary findings of the 1957 Census of Governments showed a total of 102,304 local governments as of January 1, 1957, distributed as follows:

Counties	3,047
Cities	17,183
Townships	7,198
School districts	50,443
Special districts	14,415

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

Data for governmental "authorities" or agencies which lack sufficient autonomy to be regarded as separate units are included with

amounts for the parent type of government. Thus, Federal figures include amounts for agencies treated as government corporations in the U. S. Budget; State figures include amounts for State colleges and universities and for certain State "authorities;" and data for cities and other types of local governments are also inclusive of various semi-autonomous agencies associated with them.

Intragovernmental and Intergovernmental Transactions

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

Periods Covered

Data in this report for 1956 relate, with a few minor exceptions, to governmental fiscal years ended during calendar 1956. For the Federal Government most school districts, and all except 4 of the 48 States, this means the 12 months ended June 30, 1956. 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 1958 (which presents "actual" data for 1956) 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 1956 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 H" 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 12. 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 13), 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 1956, 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 1956, 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 2,000 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 1956 survey, local government reports were received by mail or compiled for 1,192 out of 2,453, or 48.6 percent, of the units canvassed for data, including reports for cities having 25,000 or more inhabitants received in connection with the 1956 survey of city finances. In addition, 1955 data were used in lieu of 1956 data for some 200 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. Frank Perry handled the classification of Federal Government data, under the direction of Mr. Jacob M. Jaffe.

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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GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956

Table 1.—SUMMARY OF GOVERNMENTAL REVENUE, BY TYPE OF GOVERNMENT: 1954-1956

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
Revenue from all sources.....	121,169	82,812	141,692	22,199	126,352	5,247	10,942	1,160	27,984	1,418
Intergovernmental revenue.....	(1)	...	13,335	3,296	16,899	1,917	1,566	280	23,415	120
From Federal Government.....	(1)	...	3,335	3,027	309	38	83	1	122	65
From State governments.....	(1)	...	(1)	...	6,590	1,806	1,346	262	3,148	27
From local governments.....	(1)	...	(1)	269	(1)	73	137	16	2,145	28
Revenue from own sources.....	121,169	82,812	38,357	18,903	19,453	3,329	9,376	880	4,570	1,298
General revenue.....	104,978	73,646	31,332	15,093	16,238	3,217	6,875	836	4,534	776
Taxes.....	91,593	65,226	26,368	13,375	12,992	2,522	5,447	751	4,013	260
Property.....	11,749	...	11,749	467	11,282	2,374	3,986	712	3,980	260
Other.....	79,844	65,226	14,619	12,908	1,711	147	1,461	39	62	...
Charges and miscellaneous.....	13,384	8,420	4,964	1,718	3,246	695	1,429	85	521	516
Utility and liquor stores revenue.....	3,854	...	3,854	1,019	2,835	69	2,212	42	...	512
Insurance trust revenue.....	12,337	9,166	3,171	2,791	380	44	289	2	36	10
1955 (MILLIONS OF DOLLARS)										
Revenue from all sources.....	107,602	73,113	137,619	19,667	124,166	4,895	10,227	1,035	27,004	1,304
Intergovernmental revenue.....	(1)	...	13,131	2,989	16,355	1,837	1,439	244	23,031	303
Revenue from own sources.....	107,602	73,113	34,489	16,678	17,811	3,058	8,788	791	3,972	1,201
General revenue.....	93,477	65,535	27,942	13,205	14,737	2,952	6,385	752	3,941	707
Taxes.....	81,072	57,589	23,483	11,597	11,886	2,360	5,100	672	3,520	233
Property.....	10,735	...	10,735	412	10,323	2,231	3,767	631	3,461	233
Other.....	70,337	57,589	12,748	11,185	1,563	129	1,333	42	59	...
Charges and miscellaneous.....	12,405	7,946	4,459	1,608	2,851	592	1,285	80	421	474
Utility and liquor stores revenue.....	3,688	...	3,688	962	2,726	68	2,137	36	...	486
Insurance trust revenue.....	10,437	7,579	2,858	2,511	347	39	267	3	31	8
1954 (MILLIONS OF DOLLARS)										
Revenue from all sources.....	109,244	76,824	135,386	18,834	122,402	4,517	9,585	940	26,483	1,158
Intergovernmental revenue.....	(1)	...	12,966	2,882	15,934	1,703	1,338	229	2,862	84
Revenue from own sources.....	109,244	76,824	32,420	15,951	18,468	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	2,178	4,795	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	(1)
Charges and miscellaneous.....	11,374	7,395	3,979	1,328	2,651	537	1,195	85	398	437
Utility and liquor stores revenue.....	3,496	...	3,496	974	2,522	71	2,011	32	...	408
Insurance trust revenue.....	9,898	7,021	2,877	2,560	317	32	246	3	27	8
PERCENT CHANGE, 4 1955-1956										
Revenue from all sources.....	12.6	13.3	10.8	12.9	9.0	7.2	7.0	12.1	14.0	8.7
Intergovernmental revenue.....	(5)	...	6.5	10.3	8.6	4.4	8.8	14.7	12.6	16.9
Revenue from own sources.....	12.6	13.3	11.2	13.3	9.2	8.9	6.7	11.3	15.0	8.0
General revenue.....	12.3	12.4	12.1	14.3	10.2	9.0	7.7	11.1	15.0	9.8
Taxes.....	13.0	13.3	12.3	15.3	9.3	6.9	6.8	11.7	14.0	11.6
Property.....	9.4	...	9.4	13.3	9.3	6.4	5.8	12.9	14.1	11.6
Other.....	13.5	13.3	14.7	15.4	9.5	14.5	9.6	-6.1	7.6	...
Charges and miscellaneous.....	7.9	8.0	11.3	6.9	13.8	17.4	11.2	6.7	23.7	8.2
Utility and liquor stores revenue.....	4.5	...	4.5	5.9	4.0	1.7	3.5	16.5	...	5.4
Insurance trust revenue.....	18.2	20.9	11.0	11.2	9.5	13.2	8.3	-12.1	15.4	16.3

NOTE: Because of rounding, detail may not add to total. For further detail, see tables 2, 3, 14, 15, and 16.
 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 \$149 million in 1956, \$155 million in 1955, and \$138 million in 1954.
 3Less than \$500 thousand.
 4Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
 5Not computed.

SUMMARY OF GOVERNMENTAL FINANCES IN 1956

Table 2.—TAX REVENUE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: 1954-1956

Item	All governments	Federal	State and local	State	Local governments	
					Total	City only
Taxes, total.....	91,593	65,226	26,368	13,375	12,992	5,447
Property.....	11,749	...	11,749	467	11,282	3,986
Individual income.....	33,725	32,188	1,538	1,374	1,64	149
Corporation income.....	21,770	20,880	890	890	(1)	(1)
Sales, gross receipts, and customs.....	19,160	10,469	8,691	7,801	889	833
Customs duties.....	682	682	...	...	...	...
General sales and gross receipts.....	3,583	...	3,583	3,036	546	521
Motor fuel.....	3,766	1,055	2,712	2,687	24	23
Alcoholic beverages.....	3,414	2,846	568	546	22	17
Tobacco products.....	2,164	1,607	556	515	42	39
Other selective sales and gross receipts.....	5,551	4,279	1,272	1,017	255	233
Death and gift.....	1,481	1,161	320	310	9	7
Other, including licenses and permits.....	3,709	528	3,181	2,533	648	471
Motor vehicle and operators' licenses.....	1,391	...	1,391	1,295	95	56
All other taxes.....	2,318	528	1,790	1,238	553	476
1955 (MILLIONS OF DOLLARS)						
Taxes, total.....	81,072	57,589	23,483	11,597	11,886	5,100
Property.....	10,735	...	10,735	412	10,323	3,767
Individual income.....	29,984	28,747	1,237	1,094	143	131
Corporation income.....	18,604	17,861	744	737	7	7
Sales, gross receipts, and customs.....	17,221	9,578	7,643	6,864	779	728
Customs duties.....	585	585	...	...	...	...
General sales and gross receipts.....	3,090	...	3,090	2,637	453	433
Motor fuel.....	3,347	972	2,375	2,353	22	20
Alcoholic beverages.....	3,185	2,694	491	471	20	16
Tobacco products.....	2,078	1,571	508	459	49	45
Other selective sales and gross receipts.....	4,937	3,787	1,179	944	235	213
Death and gift.....	1,182	984	258	249	8	7
Other, including licenses and permits.....	3,345	478	2,867	2,241	625	461
Motor vehicle and operators' licenses.....	1,278	...	1,278	1,184	94	54
All other taxes.....	2,066	478	1,588	1,057	531	407
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.....	30,569	29,542	1,027	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.....	3,073	855	2,218	2,218	(1)	(1)
Alcoholic beverages.....	2,179	2,716	463	463	(1)	(1)
Tobacco products.....	2,044	1,580	464	464	(1)	(1)
Other selective sales and gross receipts.....	5,858	4,674	1,184	885	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.....	2,031	465	1,567	1,005	562	421
PERCENT CHANGE, 3 1955-1956						
Taxes, total.....	13.0	13.3	12.3	15.3	9.3	6.8
Property.....	9.4	...	9.4	13.3	9.3	5.8
Individual income.....	12.5	12.0	24.3	25.6	14.6	13.7
Corporation income.....	17.0	16.9	19.6	20.7	(4)	(4)
Sales, gross receipts, and customs.....	11.3	9.3	13.7	13.7	14.1	14.5
Customs duties.....	16.6	16.6	...	...	...	...
General sales and gross receipts.....	15.9	...	15.9	15.2	20.5	20.3
Motor fuel.....	12.5	8.6	14.2	14.2	13.0	12.1
Alcoholic beverages.....	7.2	5.6	15.7	16.0	8.2	7.8
Tobacco products.....	4.1	2.3	9.6	12.2	-14.9	-13.4
Other selective sales and gross receipts.....	12.4	13.9	7.8	7.7	8.5	9.3
Death and gift.....	25.3	25.6	24.2	24.6	11.4	5.5
Other, including licenses and permits.....	10.9	10.4	11.0	13.0	3.6	2.2
Motor vehicle and operators' licenses.....	8.8	...	8.8	9.4	1.0	2.8
All other taxes.....	12.2	10.4	12.7	17.1	4.1	2.1

NOTE: Because of rounding, detail may not add to total.
 1Amount included in individual income tax collections.
 2Local government amounts included in "other" for this category.
 3Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
 4Not computed.

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956

Table 3.—CHARGES AND MISCELLANEOUS GENERAL REVENUE OF THE FEDERAL GOVERNMENT: 1954-1956

(Amounts, except percent, in millions of dollars)

Item	1956	1955	1954	Percent change, ¹ 1955-1956
Charges for service (including sales of products).....	6,176	6,059	5,626	1.9
National defense (chiefly sales of commissary and ships stock and strategic and critical materials, and sales to military personnel).....	470	597	613	-21.3
International assistance and foreign affairs (chiefly advances from foreign governments for procurement of supplies, materials, and services).....	112	134	131	-16.4
Postal service.....	2,435	2,363	2,269	3.1
Hospitals.....	28	27	27	4.7
Natural resources.....	2,307	1,813	1,527	27.2
Commodity Credit Corporation.....	1,783	1,385	1,134	28.7
Other (including power projects crop and farm mortgage insurance premiums).....	523	427	392	22.5
Housing.....	167	217	186	-23.3
Insurance premiums.....	121	113	103	7.5
Project rental and other income.....	46	105	82	-56.5
Nonhighway transportation.....	108	104	91	4.0
Canals and waterways.....	90	84	70	6.3
Railroads and other.....	18	20	21	-6.1
Miscellaneous.....	550	804	783	-31.6
RFC lending, production, and liquidation programs.....	1	6	426	-84.3
Expansion of defense production.....	135	405	106	-66.6
All other.....	414	394	252	51.1
Interest earnings.....	647	567	589	14.2
Sale of property.....	591	399	245	48.1
Miscellaneous sources.....	1,006	921	935	9.2

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

¹Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 4.—CHARGES AND MISCELLANEOUS GENERAL REVENUE OF STATE AND LOCAL GOVERNMENTS: 1954-1956

Item	All State and local		State		Local governments		All State and local		State		Local governments	
	Total	Cities only	Total	Cities only	Total	Cities only	Total	Cities only	Total	Cities only	Total	Cities only
Total.....	4,964	1,718	3,246	1,429	3,979	1,328	2,651	1,195				
Charges for services (including sales of products).....	3,379	1,092	2,287	821	2,674	863	1,811	668				
Education.....	1,118	540	578	63	425	400	52					
Commercial activities of institutions of higher education.....	326	321	5	5	269	262	7					
School-lunch charges (gross).....	429	...	429	33	(¹)	...	(¹)	(¹)				
Other charges for services.....	362	219	143	24	557	163	394	47				
Highways.....	332	180	157	62	225	115	110	47				
Toll facilities.....	270	162	108	42	203	104	99	36				
Regular highways.....	67	18	49	20	22	11	11	11				
Hospitals.....	526	155	371	132	385	126	260	103				
Natural resources.....	152	99	53	...	135	88	47	...				
Sanitation.....	246	...	246	209	198	...	198	163				
Housing.....	275	...	275	88	250	...	250	71				
Nonhighway transportation.....	230	29	201	93	158	24	134	63				
Water transport and terminal facilities.....	137	26	111	33	102	22	80	30				
Air transportation.....	76	2	74	43	49	2	48	27				
Other.....	17	...	17	17	6	...	6	...				
Local parks and recreation.....	81	...	81	63	-55	...	55	32				
Miscellaneous commercial activities.....	74	23	51	46	73	23	50	42				
Other general functions.....	339	65	274	64	369	62	307	76				
Special assessments.....	269	...	269	204	...	...	262	106				
Interest earnings.....	359	204	155	89	271	154	116	70				
Sale of property.....	102	18	84	43	93	16	76	48				
Miscellaneous sources.....	856	404	452	272	680	295	385	223				
Total.....	4,459	1,608	2,851	1,285	3,979	1,328	2,651	1,195				
Charges for services (including sales of products).....	2,972	953	2,019	756	2,674	863	1,811	668				
Education.....	939	479	460	52	19.0	12.8	25.5	21.7				
Commercial activities of institutions of higher education.....	297	289	7	5	10.0	10.9	-23.5	7.4				
School-lunch charges (gross).....	355	...	355	28	21.0	...	21.0	16.5				
Other charges for services.....	288	190	98	18	25.8	15.7	45.3	33.7				
Highways.....	274	136	138	58	22.8	32.1	13.5	7.6				
Toll facilities.....	227	120	107	39	19.1	34.9	1.3	7.3				
Regular highways.....	48	16	32	19	40.2	10.8	54.9	8.0				
Hospitals.....	453	143	309	122	16.3	8.4	19.9	8.7				
Natural resources.....	133	91	42	...	14.1	8.4	26.3	...				
Sanitation.....	222	...	222	191	10.8	...	10.8	9.8				
Housing.....	269	...	269	83	2.4	...	2.4	76.1				
Nonhighway transportation.....	191	24	167	78	20.4	19.8	20.4	19.9				
Water transport and terminal facilities.....	116	22	94	30	17.6	18.6	17.4	9.9				
Air transportation.....	60	2	58	33	27.0	34.6	26.7	30.6				
Other.....	15	...	15	14	15.4	...	15.4	15.6				
Local parks and recreation.....	72	...	72	59	12.7	...	12.7	6.8				
Miscellaneous commercial activities.....	76	23	53	46	-2.2	0.7	-3.4	0.5				
Other general functions.....	343	56	286	68	-1.0	16.0	-4.4	-6.4				
Special assessments.....	239	...	239	175	12.6	...	12.6	16.6				
Interest earnings.....	287	161	125	73	25.1	26.3	23.5	22.7				
Sale of property.....	86	15	71	35	18.3	22.3	17.5	20.9				
Miscellaneous sources.....	875	479	397	246	-2.2	-15.5	13.8	10.6				

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

¹Amounts included in "Education—other charges for services."²Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

SUMMARY OF GOVERNMENTAL FINANCES IN 1956

Table 5.—PERCENT DISTRIBUTION OF GOVERNMENTAL REVENUE, BY SOURCE AND BY LEVEL OF GOVERNMENT: 1956

Item	All governments	Federal	State and local	State	Local governments		
					Total	County only	City only
Revenue from all sources.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Intergovernmental revenue.....	(¹)	...	8.0	14.8	26.2	36.5	14.3
Revenue from own sources.....	100.0	100.0	92.0	85.2	73.8	63.5	85.7
General revenue from own sources.....	86.6	88.9	75.2	68.0	61.6	61.3	62.8
Taxes.....	75.6	78.8	63.2	60.3	49.3	48.1	49.8
Individual income.....	27.8	38.9	3.7	6.2	0.6	...	1.4
Corporation income.....	18.0	25.2	2.1	4.0	(²)	...	(²)
Sales, gross receipts, and customs.....	15.8	12.6	20.8	35.1	3.4	0.9	7.6
Property.....	9.7	...	28.2	2.1	42.8	45.3	36.4
Death and gift.....	1.2	1.4	0.8	1.4	(³)	(³)	0.1
Licenses, permits, and other taxes.....	3.1	0.6	7.6	11.4	2.5	1.8	4.2
Charges and miscellaneous.....	11.0	10.2	11.9	7.7	12.3	13.2	13.2
Utility and liquor stores revenue.....	3.2	...	9.2	4.6	10.8	1.3	20.2
Insurance trust revenue.....	10.2	11.1	7.6	12.6	1.4	0.8	2.6
Total general revenue.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Intergovernmental revenue.....	(¹)	...	9.6	17.9	29.8	37.3	18.6
General revenue from own sources.....	100.0	100.0	90.4	82.1	70.2	62.7	81.4
Taxes.....	87.3	88.6	76.1	72.7	56.2	49.1	64.5
Individual income.....	32.1	43.7	4.4	7.5	0.7	...	1.8
Corporation income.....	20.7	28.4	2.6	4.8	(²)	...	(²)
Sales, gross receipts, and customs.....	18.3	14.2	25.1	42.4	3.8	0.9	9.9
Property.....	11.2	...	33.9	2.5	48.8	46.2	47.2
Death and gift.....	1.4	1.6	0.9	1.7	(³)	(³)	0.1
Licenses, permits, and other taxes.....	3.5	0.7	9.2	13.8	2.8	1.9	5.6
Charges and miscellaneous.....	12.7	11.4	14.3	9.3	14.0	13.5	16.9
General revenue from own sources.....	100.0	70.2	29.8	14.4	15.5	3.1	6.5
Taxes.....	100.0	71.2	28.8	14.6	14.2	2.8	5.9
Individual income.....	100.0	95.4	4.6	4.1	0.5	...	0.4
Corporation income.....	100.0	95.9	4.1	4.1	(³)	...	(³)
Sales, gross receipts, and customs.....	100.0	54.6	45.4	40.7	4.6	0.2	4.4
Property.....	100.0	...	100.0	4.0	96.0	20.2	33.9
Death and gift.....	100.0	78.4	21.6	21.0	0.6	0.2	0.5
Licenses, permits, and other taxes.....	100.0	14.2	85.8	68.3	17.5	2.6	12.7
Charges and miscellaneous.....	100.0	62.9	37.1	12.8	24.3	5.2	10.7

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

¹Not computed; see footnote 1, table 1.²Included in individual income taxes.³Less than 0.05 percent.

Table 6.—SUMMARY OF GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956
 Table 6.—SUMMARY OF GOVERNMENTAL EXPENDITURE, BY TYPE OF GOVERNMENT: 1954-1956

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
1956 (MILLIONS OF DOLLARS)										
Total expenditure.....	114,525	74,719	143,152	21,686	123,273	5,497	11,265	1,148	29,148	1,628
Intergovernmental expenditure.....	(1)	3,347	(1)	6,538	1,269	462	94	75	218	3
To States.....	(1)	3,023	(1)	...	269	221	33	4	8	4
To local governments.....	(1)	323	(1)	6,538	(1)	241	61	72	210	30
Direct expenditure.....	114,525	71,373	43,152	15,148	28,004	5,035	11,171	1,073	9,129	1,595
General.....	100,884	64,173	36,711	12,319	24,392	4,938	8,428	1,026	9,100	89
National defense.....	40,447	40,447	...	...	...	...	...	...	...	...
All other.....	60,437	23,727	36,711	12,319	24,392	4,938	8,428	1,026	9,100	89
Utility and liquor stores expenditure.....	4,065	...	4,065	845	3,220	66	2,426	44	...	64
Insurance trust expenditure.....	9,576	7,200	2,376	1,984	392	30	317	3	30	12
1955 (MILLIONS OF DOLLARS)										
Total expenditure.....	109,685	72,409	140,375	20,357	126,230	5,130	10,541	1,130	28,192	1,645
Intergovernmental expenditure.....	(1)	3,099	(1)	5,986	1,226	408	106	49	(2)	32
Direct expenditure.....	109,685	69,310	40,375	14,371	25,004	4,722	10,436	1,081	8,192	1,573
General.....	96,796	63,072	33,724	11,196	22,534	4,629	7,870	1,029	8,168	87
National defense.....	40,722	40,722	...	...	...	...	...	...	...	...
All other.....	56,074	22,350	33,724	11,190	22,534	4,629	7,870	1,029	8,168	87
Utility and liquor stores expenditure.....	3,886	...	3,886	770	3,116	68	2,274	50	...	73
Insurance trust expenditure.....	9,002	6,238	2,764	2,411	353	25	291	2	24	11
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.....	(1)	2,967	(1)	5,679	1,215	367	97	39	(2)	31
Direct expenditure.....	110,465	73,858	36,607	13,008	23,599	4,266	9,809	993	7,198	1,333
General.....	99,498	68,797	30,701	10,109	20,593	4,183	7,403	945	7,176	88
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	88
Utility and liquor stores expenditure.....	3,482	...	3,482	803	2,679	63	2,134	45	...	47
Insurance trust expenditure.....	7,484	5,061	2,423	2,096	327	20	272	2	22	11
PERCENT CHANGE, ³ 1955-1956										
Total expenditure.....	4.4	3.2	6.9	6.5	7.8	7.2	6.9	1.6	11.7	1.1
Intergovernmental expenditure.....	(4)	8.0	(4)	9.2	18.9	13.2	-11.3	54.1	(4)	6.2
Direct expenditure.....	4.4	3.0	6.9	5.4	7.7	6.6	7.0	-0.8	11.4	1.0
General.....	4.2	1.7	8.9	10.1	8.2	6.7	7.1	-0.3	11.4	7.4
National defense.....	-0.7	-0.7	...	...	...	...	...	...	...	...
All other.....	7.8	6.2	8.9	10.1	8.2	6.7	6.7	-0.3	11.4	7.4
Utility and liquor stores expenditure.....	4.6	...	4.6	9.7	3.3	-2.0	6.7	-11.4	...	-5.7
Insurance trust expenditure.....	6.4	15.4	-14.0	-17.7	11.0	19.7	8.8	43.5	24.2	14.1

NOTE: Because of rounding, detail may not add to total. For further detail, see tables 7 through 15.
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.
³Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
⁴Not computed.

SUMMARY OF GOVERNMENTAL FINANCES IN 1956
 Table 7.—INTERGOVERNMENTAL EXPENDITURE, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1954-1956

Level of government	Total	Education	Highways	Public welfare	Health and hospitals	Natural resources	Employment security administration	Other, combined, and unallocated
Federal, total.....	3,347	535	732	1,458	88	92	224	217
Federal to State.....	3,023	359	729	1,453	87	92	223	79
Federal to local.....	323	176	4	4	1	...	1	137
State to local.....	6,538	3,541	984	1,069	132	11	...	800
Local, total.....	903	476	137	36	93	12	...	149
Local to State.....	269	25	105	26	53	12	...	49
Local to local ¹	633	452	32	10	40	(2)	...	100
1955 (MILLIONS OF DOLLARS)								
Federal, total.....	3,099	521	589	1,429	74	88	187	211
Federal to State.....	2,731	308	585	1,425	73	88	186	66
Federal to local.....	368	213	4	4	1	...	1	145
State to local.....	5,986	3,150	911	1,046	125	14	...	739
Local, total.....	739	398	108	34	83	10	...	104
Local to State.....	226	22	79	25	49	10	...	42
Local to local ¹	512	376	29	10	35	(2)	...	62
1954 (MILLIONS OF DOLLARS)								
Federal, total.....	2,967	476	530	1,439	92	70	198	162
Federal to State.....	2,668	284	528	1,435	92	70	197	62
Federal to local.....	299	191	2	4	1	...	1	100
State to local.....	5,679	2,930	871	1,004	133	...	...	739
Local, total.....	655	329	105	32	76	13	...	99
Local to State.....	215	18	76	25	43	12	...	40
Local to local ¹	441	311	29	7	33	1	...	59
PERCENT CHANGE, ³ 1955-1956								
Federal, total.....	8.0	2.8	24.3	2.0	18.3	5.4	19.9	2.5
Federal to State.....	10.7	16.7	24.4	2.0	18.4	5.4	19.9	20.3
Federal to local.....	-12.1	-17.3	-0.2	-2.0	11.1	...	21.8	-5.6
State to local.....	9.2	12.4	8.1	2.2	5.5	-18.2	...	8.2
Local, total.....	22.2	19.7	26.8	3.6	11.5	17.2	...	42.6
Local to State.....	18.9	12.1	33.3	4.8	9.2	16.5	...	15.7
Local to local ¹	23.7	20.1	9.4	0.5	14.7	36.7	...	61.0

NOTE: Because of rounding, detail may not add to total.
¹These amounts will differ in total from interlocal government transfers shown in tables 1, 6, and 11 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.
²Less than \$500 thousand.
³Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 8.—DIRECT GENERAL EXPENDITURE BY FUNCTION, BY TYPE OF GOVERNMENT: 1954-1956

Type of government	Education					Highways				Public welfare				
	Total direct general expenditure	National defense	Postal service	Total	Institutions of higher education	Elementary and secondary schools	Other education	Total	Toll facilities	Regular highways	% Total	Categorical public assistance	Other public assistance	Other public welfare
All governments	100,884	40,447	2,899	14,161	1,775	11,199	1,189	7,035	1,149	5,886	3,185	2,319	258	607
Federal.....	64,173	40,447	2,899	9,460	1,775	11,199	897	7,035	1,149	5,886	3,185	2,319	258	571
State and local.....	36,711	1,928	1,928	13,220	1,775	11,199	292	1,149	2,319	2,319	1,149	2,319	258	36
State.....	12,319	1,928	1,928	2,138	1,775	11,199	241	1,053	1,053	1,053	1,053	1,053	207	169
Local.....	24,392	1,928	1,928	11,082	1,775	11,199	51	96	2,490	2,490	1,053	2,490	114	249
County.....	4,938	1,928	1,928	657	1,775	11,199	29	1,076	1,076	1,076	1,076	1,076	81	121
City.....	8,428	1,928	1,928	1,217	1,775	11,199	15	258	1,142	1,142	472	1,142	12	12
School district.....	1,026	1,928	1,928	28	1,775	11,199	7	76	258	258	64	258	12	12
Special district.....	9,100	1,928	1,928	8,691	1,775	11,199	8,663	13	13	13	63	13	13	13
All governments	96,796	40,722	2,726	12,710	1,577	10,115	1,017	6,520	953	5,567	3,210	2,278	382	590
Federal.....	65,072	40,722	2,726	802	1,577	10,115	762	68	68	5,499	3,168	2,269	382	537
State and local.....	31,724	1,990	1,990	11,907	1,577	10,115	254	6,452	5,499	5,499	1,660	2,269	181	517
State.....	11,190	1,990	1,990	1,905	1,577	10,115	210	3,489	3,489	3,489	1,600	1,947	285	336
Local.....	20,534	1,990	1,990	10,003	1,577	10,115	45	2,952	2,466	2,466	1,568	681	213	192
County only.....	4,183	1,990	1,990	581	1,577	10,115	33	1,077	1,077	1,077	1,033	637	148	100
City only.....	7,403	1,990	1,990	1,056	1,577	10,115	7	1,056	987	987	443	235	88	109
All governments	99,498	46,807	2,669	11,196	1,425	8,927	843	5,586	561	5,025	3,103	-2,234	349	520
Federal.....	64,797	46,807	2,669	639	1,425	8,927	600	5,277	561	4,716	3,060	9	349	486
State and local.....	30,701	1,990	1,990	10,557	1,425	8,927	243	3,254	2,777	2,777	1,548	2,284	243	486
State.....	10,109	1,990	1,990	1,715	1,425	8,927	192	3,254	2,777	2,777	1,548	1,298	276	309
Local.....	20,593	1,990	1,990	8,842	1,425	8,927	51	932	2,188	2,188	1,512	927	148	177
County only.....	4,183	1,990	1,990	581	1,425	8,927	38	932	2,188	2,188	1,033	637	148	100
City only.....	7,403	1,990	1,990	1,056	1,425	8,927	9	1,014	987	987	443	235	88	109
All governments	4.2	-0.7	6.4	11.4	12.4	10.7	16.9	7.9	20.5	17.7	-0.8	1.8	-32.4	10.4
Federal.....	1.7	-0.7	6.4	17.2	4.2	10.8	17.6	21.2	17.8	21.2	8.1	2.4	-32.4	9.7
State and local.....	8.9	6.4	6.4	11.0	12.4	10.7	14.9	7.8	20.5	17.7	-0.9	1.8	-32.4	10.4
State.....	10.1	6.4	6.4	12.3	12.4	10.7	14.9	12.0	17.8	17.7	0.2	1.8	-47.6	4.0
Local.....	8.2	6.4	6.4	10.8	12.4	10.7	13.9	1.3	10.7	10.7	-1.0	-0.1	-27.1	13.9
County only.....	6.7	6.4	6.4	13.1	12.4	10.7	12.9	0.1	10.7	10.7	-3.2	-6.3	-17.0	15.7
City only.....	7.1	6.4	6.4	8.6	12.4	10.7	108.1	7.0	20.5	17.7	0.1	3.7	-21.0	11.4
All governments	100.0	40.1	2.9	14.0	1.8	11.1	1.2	7.0	1.1	5.8	3.2	2.3	0.3	0.6
Federal.....	100.0	63.0	4.5	15.1	1.8	11.1	0.1	7.0	1.1	5.8	0.1	6.3	0.7	0.4
State and local.....	100.0	63.0	4.5	36.0	1.8	11.1	30.6	18.9	2.7	15.8	8.6	11.1	0.9	1.5
State.....	100.0	63.0	4.5	37.4	1.8	11.1	44.9	10.6	2.0	16.2	6.3	5.9	0.9	1.6
Local.....	100.0	63.0	4.5	43.4	1.8	11.1	44.9	10.6	2.0	16.2	6.3	5.9	0.9	1.6

See footnote at end of table.

Table 9.—DIRECT GENERAL EXPENDITURE BY FUNCTION, BY TYPE OF GOVERNMENT: 1954-1956—Continued

Type of government	Health and hospitals		Police	Local fire protection	Natural resources	Sanitation	Local park and recreation	Housing and community redevelopment	Veterans services, etc.	Nonhighway transportation	General control	Interest on general debt	Other and unallocable
	Public hospitals	Other hospitals											
	Total	Public hospitals	Other hospitals	Police	Local fire protection	Natural resources	Sanitation	Local park and recreation	Housing and community redevelopment	Veterans services, etc.	Nonhighway transportation	General control	Interest on general debt	Other and unallocable
All governments	3,739	2,878	189	1,487	737	5,046	1,326	541	3,185	1,277	2,235	7,317	3,776
Federal.....	967	715	37	156	337	4,140	1,326	541	3,097	872	675	6,331	1,467
State and local.....	2,772	2,164	152	1,330	404	906	1,326	437	3,097	405	1,560	986	2,309
State.....	1,470	1,216	52	159	397	906	1,326	437	2,977	57	477	311	977
Local.....	1,302	948	100	1,172	27	236	1,326	437	88	349	1,083	675	1,332
County.....	687	483	52	164	28	102	1,326	437	88	11	537	85	446
City.....	601	409	47	948	645	1,092	1,326	437	88	150	470	273	786
Township.....	9	9	9	61	49	65	65	18	85	4	76	21	85
School district.....	9	9	9	61	49	65	65	18	85	4	76	21	85
Special district.....	56	55	1	15	15	134	74	46	213	183	33	209	14
All governments	3,428	2,721	189	1,388	694	4,278	1,142	509	2,086	1,128	2,060	6,712	3,720
Federal.....	905	667	129	1,129	694	3,485	1,142	509	2,086	818	607	5,873	1,575
State and local.....	2,524	2,054	160	1,259	694	793	1,142	499	2,086	310	1,452	838	2,145
State.....	1,338	1,245	139	1,130	694	597	1,142	499	2,086	40	427	587	811
Local.....	1,185	908	26	1,091	694	196	1,142	499	2,086	270	1,025	587	4,077
County only.....	563	449	24	155	24	116	1,142	433	2,086	145	489	71	4,077
City only.....	566	410	24	884	610	116	932	208	2,086	145	437	246	784
All governments	3,368	2,676	189	1,254	653	4,449	1,058	424	2,913	1,193	1,997	6,577	3,817
Federal.....	958	714	124	1,124	653	3,686	1,058	424	2,811	856	622	5,858	1,840
State and local.....	2,409	1,962	130	1,130	653	762	1,058	424	2,811	337	1,375	718	1,977
State.....	1,276	1,089	130	1,000	653	563	1,058	424	2,811	289	936	681	858
Local.....	1,137	873	130	1,000	653	199	1,058	424	2,811	289	936	681	1,119
County only.....	545	436	130	138	22	115	21	14	2,811	14	489	68	380
City only.....	534	389	130	816	588	115	904	366	2,811	134	417	232	629
All governments	9.1	2.5	0.2	9.5	6.2	18.0	16.1	6.2	7.9	13.2	8.5	9.0	1.5
Federal.....	6.9	7.1	0.1	21.2	6.2	18.3	16.1	6.2	3.3	6.6	11.2	7.8	6.9
State and local.....	9.9	7.4	0.2	8.2	6.2	12.3	16.1	6.2	45.5	30.7	11.2	7.8	7.5
State.....	9.9	6.1	0.2	14.3	6.2	20.1	16.1	6.2	45.5	45.1	11.2	7.8	7.5
Local.....	13.1	7.7	0.4	7.2	6.2	18.8	16.1	6.2	45.5	28.2	7.8	7.8	7.2
County only.....	6.2	-0.2	0.4	7.2	6.2	18.8	16.1	6.2	45.5	31.2	7.5	10.8	8.5
City only.....	6.2	-0.2	0.4	7.2	6.2	18.8	16.1	6.2	45.5	31.2	7.5	10.8	8.5
All governments	3.7	2.9	0.2	3.5	0.7	5.0	1.3	0.5	3.2	1.3	2.2	7.3	3.7
Federal.....	1.5	1.1	0.1	0.2	0.7	6.5	1.3	0.5	4.8	1.4	1.1	9.9	2.3
State and local.....	7.6	5.9	0.4	3.6	2.0	2.5	3.6	1.5	0.7	1.1	3.9	2.5	6.9
State.....	11.9	9.9	0.4	1.3	2.0	5.4	3.4	1.8	0.7	0.5	3.9	2.5	7.9
Local.....	5.3	3.9	0.4	4.8	3.0	1.0	5.4	2.2	0.7	1.4	4.4	2.8	5.5

NOTE: Because of rounding, detail may not add to total.
 1. Less than \$500 thousand.
 2. Distribution comparable to that for 1956 is not available for 1955 and 1954.
 3. Included in "Other" and unallocable.
 4. Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
 5. Less than 0.05 percent.

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956

Table 9.—DETAIL OF FEDERAL EXPENDITURE FOR SELECTED CATEGORIES: 1956

(Millions of dollars)

Item	Amount	Item	Amount
Intergovernmental expenditure (as shown for particular functions in table 7):		Direct Federal expenditure (as shown for particular functions in table 8)—Continued	
Education:		Public hospitals:	
Grants-in-aid.....	347	Veterans.....	63
School construction.....	86	Other.....	81
Maintenance and operation of schools.....	77	Other hospitals:	
School lunch and school milk programs.....	111	Veterans.....	5
Other grants-in-aid.....	72	Other.....	32
Payments for services:^a		Public health services:	
Tuition payments.....	26	Veterans.....	106
Scientific research and development.....	163	Other.....	109
Public welfare:		Nonhighway transportation:	
Public assistance.....	1,446	Water transport and terminal facilities and aids to water transportation.....	618
Other public welfare.....	12	Air transportation.....	234
Health and hospitals:		Other nonhighway transportation.....	
Public health programs.....	62		19
Hospital construction.....	24	Other and unallocable general expenditure:^b	
Other.....	2	Expansion of defense production.....	305
Other, combined, and unallocable:		Administration and payment of claims, n.e.c.....	302
Air transportation.....	16	General service administration, n.e.c.....	142
Civil defense and disaster relief.....	24	Employment security and social insurance administration, n.e.c.....	123
Shared revenues.....	60	Civil defense and disaster relief.....	46
Federal contribution to District of Columbia.....	20	All other.....	497
Housing and community redevelopment.....	88	Exhibit: Distribution of Federal expenditure for veterans:	
Other.....	9	Classified under education:	
Direct Federal expenditure (as shown for particular functions in table 8):		Direct (table 8).....	
Education:		Intergovernmental (table 7).....	
Veterans' educational benefits.....	791	Classified under public welfare:	
Other.....	149	Direct (table 8).....	
Natural resources:		Intergovernmental (table 7).....	
Farm price support.....	2,634	Classified under health and hospitals:	
Farm credit insurance.....	90	Direct (table 8).....	
Other agricultural resources.....	168	Intergovernmental (table 7).....	
Soil, water, and electric energy resources ^c	1,001	Veterans' services, n.e.c.—direct (table 8).....	
Forests and parks.....	148	Classified under insurance trust expenditure (veterans' life insurance benefits and premium refunds—table 16).....	
Mineral resources.....	54		
Other natural resources.....	45	Total Federal expenditure for veterans' services:	
		Direct.....	
		Intergovernmental.....	

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

¹Includes electric power, flood control, reclamation, soil conservation, and other land and water resources activities of the TVA and other resources development corporations, the Corps of Engineers, the Department of Agriculture, and the Department of the Interior.

Table 10.—DETAIL OF STATE AND LOCAL GOVERNMENT DIRECT GENERAL EXPENDITURE FOR SELECTED CATEGORIES: 1956

(Millions of dollars)

Item	Total State and local	State	Local
Sanitation.....			
Sanitation.....	1,326	...	1,326
Sewers and sewerage disposal.....	835	...	835
Street cleaning.....	96	...	96
Refuse collection and disposal.....	396	...	396
Nonhighway transportation.....			
Water transport and terminal facilities.....	405	57	349
Air transportation.....	200	50	150
Other.....	171	6	165
Other.....	35	1	34
Natural resources.....			
Agricultural resources.....	906	670	236
Soil, water, and electric energy resources.....	(1)	325	(1)
Forests and parks.....	(1)	81	(1)
Fish and wildlife.....	(1)	133	(1)
Other.....	(1)	111	(1)
Other.....	(1)	19	(1)
Other and unallocable general expenditure.....			
Employment security administration.....	2,309	977	1,332
Correction.....	216	215	1
General public buildings.....	467	295	172
Libraries.....	362	85	277
Miscellaneous commercial activities.....	187	20	167
Civil defense.....	119	...	119
All other.....	33	11	22
	925	351	574

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

¹Distribution of local government expenditure not available.

SUMMARY OF GOVERNMENTAL FINANCES IN 1956

Table 11.—GOVERNMENTAL EXPENDITURE BY CHARACTER AND OBJECT, BY TYPE OF GOVERNMENT: 1954-1956

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
1956 (MILLIONS OF DOLLARS)										
Total expenditure.....	114,525	74,719	143,152	21,686	128,273	5,497	11,265	1,148	29,148	1,629
Intergovernmental expenditure.....	(1)	3,347	(1)	6,538	269	462	94	75	218	34
Direct expenditure.....	114,525	71,373	43,152	15,148	28,004	5,035	11,171	1,073	9,129	1,595
Current operation.....	61,820	36,292	25,528	6,788	18,771	3,308	7,284	787	6,607	785
Capital outlay.....	26,363	14,956	11,407	4,564	6,843	925	2,779	214	2,284	651
Construction.....	12,771	3,416	9,355	3,872	5,482	764	2,253	176	1,749	541
Contract construction.....	11,425	2,793	8,632	3,588	5,093	725	2,018	150	1,749	452
Force account construction.....	1,346	623	723	334	389	39	235	26	...	87
Land and existing structures.....	1,262	62	1,200	489	712	48	267	7	313	77
Equipment.....	12,330	11,478	852	203	649	104	299	30	223	33
Assistance and subsidies.....	9,215	6,595	2,620	1,531	1,089	697	345	47	...	...
Interest on debt.....	7,551	6,331	1,220	1,984	311	910	85	447	22	209
Insurance trust benefits and withdrawals.....	9,576	7,200	2,376	1,984	392	30	3	3	30	12
Exhibit: Total personal services.....	37,573	20,454	17,118	4,132	12,986	1,783	5,083	464	5,228	428
1955 (MILLIONS OF DOLLARS)										
Total expenditure.....	109,685	72,409	140,375	20,357	126,230	5,130	10,541	1,130	28,192	1,605
Intergovernmental expenditure.....	(1)	3,099	(1)	5,986	126	408	106	49	(1)	32
Direct expenditure.....	109,685	69,310	40,375	14,371	26,004	4,722	10,436	1,081	8,192	1,573
Current operation.....	56,072	32,886	23,186	6,234	16,951	3,001	6,757	714	5,756	723
Capital outlay.....	28,736	18,030	10,706	3,992	6,713	884	2,586	300	2,243	701
Construction.....	12,612	3,564	9,048	3,404	5,644	737	2,142	270	2,009	486
Contract construction.....	11,498	3,109	8,389	3,110	5,279	697	1,907	262	2,009	424
Force account construction.....	1,114	455	659	294	365	40	235	28	...	62
Land and existing structures.....	984	59	925	412	512	39	214	4	71	184
Equipment.....	15,141	14,408	733	177	557	108	229	26	163	31
Assistance and subsidies.....	8,942	6,282	2,660	1,482	1,179	741	392	46	...	...
Interest on debt.....	6,932	5,873	1,059	251	807	71	410	1	169	138
Insurance trust benefits and withdrawals.....	9,002	6,238	2,764	2,411	353	25	291	2	24	11
Exhibit: Total personal services.....	34,916	19,377	15,539	3,795	11,744	1,677	4,749	386	4,524	408
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.....	(1)	2,967	(1)	5,679	215	367	97	39	(1)	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	1,837	546
Construction.....	11,739	4,001	7,738	2,831	4,907	601	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	219	32	...	57
Land and existing structures.....	767	80	687	342	342	35	183	4	77	46
Equipment.....	14,864	14,164	700	173	527	98	215	22	171	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	135	116
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	19,195	14,343	3,491	10,851	1,568	4,463	357	4,079	385
PERCENT CHANGE, 1955-1956										
Total expenditure.....	4.4	3.2	6.9	6.5	7.8	7.2	6.9	1.6	11.7	1.5
Intergovernmental expenditure.....	(3)	8.0	(3)	9.2	18.9	13.2	-11.3	54.1	(5)	6.2
Direct expenditure.....	4.4	3.0	6.9	5.4	7.7	6.6	7.0	-0.8	11.4	1.4
Current operation.....	10.3	10.4	10.1	8.4	10.7	10.2	7.8	10.3	14.8	8.5
Capital outlay.....	-8.3	-17.4	6.6	14.4	1.9	3.6	7.5	-28.8	1.8	-7.1
Construction.....	1.3	-4.1	3.4	13.8	-2.9	3.6	5.2	-34.9	-13.0	11.2
Contract construction.....	-0.6	-10.2	2.9	13.8	-3.5	3.9	5.8	-38.0	-13.0	6.6
Force account construction.....	20.9	37.2	9.7	13.6	6.5	-2.5	0.1	8.0	...	43.5
Land and existing structures.....	28.3	4.3	29.8	18.5	38.9	22.5	24.5	83.5	340.0	-58.0
Equipment.....	-18.6	-20.3	16.2	15.2	16.5	-3.4	12.9	16.8	36.4	7.5
Assistance and subsidies.....	3.1	5.0	-1.5	3.3	-7.6	-6.0	-12.0	3.8	...	...
Interest on debt.....	8.9	7.8	15.3	23.7	12.6	19.8	9.1	10.9	23.6	6.2
Insurance trust benefits and withdrawals.....	6.4	15.4	-14.0	-17.7	11.0	19.7	8.8	43.5	24.2	14.7
Exhibit: Total personal services.....	7.6	5.6	10.2	8.9	10.6	6.1	7.1	20.0	15.6	4.9

NOTE: Because of rounding, detail may not add to total. An asterisk (*) indicates revised figures.

¹To avoid duplication in summarizing data, all transactions between levels of government described in this column heading have been excluded; consequently, this figure is less than the sum of the components listed in the columns at the right.

²Includes interest on district payments for tuition, transportation, and other services.

³Includes pay and allowance of armed forces; see table 13.

⁴Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

⁵Not computed.

Table 12.—GOVERNMENTAL EXPENDITURE FOR CAPITAL OUTLAY, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1956
(Millions of dollars)

Function	Total capital outlay					Construction expenditure only*				
	All governments	Federal	State and local			All governments	Federal	State and local		
			Total	State	Local			Total	State	Local
All functions.....	26,363	14,956	11,407	4,564	6,843	12,771	3,416	9,355	3,872	5,482
Defense.....	13,554	13,554	...	...	...	2,482	2,482	...	...	...
Other, total.....	12,808	1,401	11,407	4,564	6,843	10,289	934	9,355	3,872	5,482
Education.....	3,212	17	3,195	467	2,728	2,527	15	2,511	371	2,140
Highways.....	4,715	60	4,654	3,579	1,076	4,015	58	3,957	3,083	874
Hospitals.....	333	43	290	186	104	289	34	255	167	89
Natural resources.....	939	727	212	121	90	808	639	168	86	82
Sanitation.....	634	...	634	...	634	598	...	598	...	598
Housing and community redevelopment.....	241	3	237	(1)	237	158	2	156	...	154
Nonhighway transportation.....	439	192	248	29	219	325	117	208	26	182
Local parks and recreation.....	144	...	144	...	144	111	...	111	...	111
Local utilities.....	1,191	...	1,191	...	1,191	991	...	991	...	991
Water supply system.....	712	...	712	...	712	622	...	622	...	622
Electric power system.....	337	...	337	...	337	275	...	275	...	275
Transit system.....	109	...	109	...	109	62	...	62	...	62
Gas supply system.....	33	...	33	...	33	31	...	31	...	31
All other.....	961	349	612	182	430	467	68	399	140	259

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

Table 13.—GOVERNMENTAL EXPENDITURE FOR PERSONAL SERVICES, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1956
(Millions of dollars)

Function	All governments	Federal	State and local ¹		
			Total	State	Local
All functions.....	37,573	20,454	17,118	4,132	12,986
Defense, total.....	14,842	14,842	...	...	...
Armed forces pay and allowances.....	9,734	9,734	...	...	...
Other (civilian personnel).....	5,108	5,108	...	...	...
International assistance and foreign affairs.....	187	187	...	...	...
Postal service.....	2,249	2,249	...	...	...
Education, total.....	7,715	59	7,656	1,149	6,507
Elementary and secondary schools.....	6,561	22	6,539	122	6,417
Institutions of higher education.....	960	4	956	89	867
Other.....	195	34	161	129	32
Highways.....	1,606	28	1,578	726	851
Public welfare.....	363	25	338	143	195
Health.....	375	126	250	96	154
Hospitals.....	1,809	539	1,270	686	584
Police.....	1,185	134	1,051	102	949
Local fire protection.....	565	...	565	...	565
Natural resources.....	1,101	718	383	310	73
Sanitation.....	447	...	447	...	447
Local parks and recreation.....	239	...	239	...	239
Housing and community redevelopment.....	157	61	96	1	95
Nonhighway transportation.....	444	352	92	14	78
General control.....	1,628	555	1,073	290	783
Other general functions.....	1,666	578	1,087	565	522
Liquor stores and local utilities.....	993	...	993	48	945
Liquor stores.....	55	...	55	48	7
Water supply system.....	350	...	350	...	350
Electric power system.....	217	...	217	...	217
Transit system.....	349	...	349	...	349
Gas supply system.....	21	...	21	...	21

NOTE: Because of rounding, detail may not add to total.
¹This distribution of "personal services" totals shown in table 11 is based on the Bureau of the Census survey of public employment—primarily data for October 1956—as presented in the report, State Distribution of Public Employment in 1956.

Table 14.—LOCAL GOVERNMENT UTILITY REVENUE AND EXPENDITURE, BY TYPE OF UTILITY: 1954-1956

Type of utility	Utility revenue	Utility expenditure				Utility revenue	Utility expenditure			
		Total	Current operation ¹	Capital outlay	Interest		Total	Current operation ¹	Capital outlay	Interest
ALL LOCAL GOVERNMENT SYSTEMS										
Total.....	2,718	3,119	1,694	1,191	235	2,403	2,577	1,558	821	198
Water supply.....	1,162	1,461	615	712	133	971	1,150	551	486	112
Electric power.....	887	895	519	337	39	787	751	474	249	28
Transit.....	542	636	471	109	56	554	586	469	62	56
Gas supply.....	127	128	89	33	6	90	90	65	23	1
CITY SYSTEMS ONLY										
Total.....	2,154	2,376	1,323	879	174	1,954	2,086	1,241	689	157
Water supply.....	1,002	1,182	534	547	101	872	1,000	488	420	92
Electric power.....	682	621	396	204	21	624	601	380	204	17
Transit.....	380	483	332	104	47	391	425	331	47	46
Gas supply.....	90	90	61	24	5	62	61	42	17	1
1955 (MILLIONS OF DOLLARS)										
ALL LOCAL GOVERNMENT SYSTEMS										
Total.....	2,610	3,023	1,640	1,162	220	4.1	3.2	3.2	2.5	6.4
Water supply.....	1,092	1,479	598	752	129	6.4	-1.2	2.9	-5.3	3.6
Electric power.....	870	819	504	281	34	2.0	9.3	2.9	19.8	16.6
Transit.....	544	600	465	81	55	-0.4	5.9	1.2	35.3	2.2
Gas supply.....	104	125	73	48	3	21.5	2.5	21.5	-31.8	86.2
CITY SYSTEMS ONLY										
Total.....	2,080	2,228	1,285	780	163	3.6	6.6	2.9	12.7	6.7
Water supply.....	952	1,087	525	467	96	5.3	8.7	1.8	17.2	5.5
Electric power.....	677	601	385	197	19	0.8	3.3	2.9	3.6	7.8
Transit.....	384	452	330	77	45	-1.0	7.0	0.8	35.8	3.2
Gas supply.....	68	88	46	39	3	32.4	2.1	31.4	-39.4	96.6

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

Table 15.—GOVERNMENTAL LIQUOR STORES REVENUE AND EXPENDITURE, BY TYPE OF GOVERNMENT: 1954-1956
(Amounts, except percent, in millions of dollars)

Type of liquor store	Revenue				Expenditure ¹			
	1956	1955	1954	Percent change, ² 1955-1956	1956	1955	1954	Percent change, ² 1955-1956
All liquor stores.....	1,136	1,079	1,094	5.3	946	863	905	9.6
State.....	1,019	962	974	5.9	845	770	803	9.7
Local, total.....	117	117	119	0.4	101	93	102	8.0
City.....	58	57	56	-2.0	50	46	47	9.1
County.....	59	59	63	-1.2	51	48	55	7.0

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

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956

Table 16.—GOVERNMENTAL INSURANCE TRUST REVENUE AND EXPENDITURE, BY TYPE OF GOVERNMENT: 1954-1956
(Amount, except percent, in millions of dollars)

Item	Insurance trust revenue							
	Total				Contributions			
	1956	1955	1954	Percent change, ¹ 1955-1956	1956	1955	1954	Percent change, ¹ 1955-1956
All governments.....	12,337	10,437	9,898	18.2	10,776	8,966	8,450	20.2
Employee retirement.....	2,084	1,857	1,728	12.3	1,565	1,355	1,273	15.1
Unemployment compensation.....	1,545	1,356	1,508	13.9	1,350	1,156	1,281	16.7
All other.....	8,708	7,224	6,662	20.5	7,862	6,455	5,896	21.4
Federal.....	9,166	7,579	7,021	20.9	8,132	6,594	6,037	23.3
Employee retirement.....	790	677	658	16.7	577	442	432	20.0
Unemployment compensation.....	40	27	38	46.3	31	16	18	96.7
Old age and survivors insurance.....	6,930	5,525	4,994	25.4	6,442	5,087	4,554	26.6
Veterans' life insurance.....	661	650	630	1.8	641	599	603	7.0
Railroad retirement.....	746	700	701	6.5	599	599	603	7.0
State and local.....	3,171	2,858	2,877	11.0	2,644	2,373	2,414	11.3
Employee retirement.....	1,180	1,070	1,070	9.7	988	913	841	6.2
Unemployment compensation.....	1,505	1,329	1,470	13.3	1,319	1,140	1,263	15.6
Other.....	371	349	337	6.2	338	319	309	5.9
State.....	2,791	2,511	2,560	11.2	2,380	2,128	2,185	11.4
Employee retirement.....	919	837	757	9.9	727	671	615	8.4
Unemployment compensation.....	1,500	1,325	1,466	13.3	1,315	1,138	1,261	15.6
Workmen's compensation.....	292	279	270	4.7	267	256	249	4.3
Other.....	79	71	67	12.2	71	64	61	12.4
Local.....	380	347	317	9.5	264	245	228	8.0
Employee retirement.....	376	343	313	9.4	261	242	226	7.8
Unemployment compensation.....	5	4	4	19.8	3	3	3	23.5
County (employee retirement).....	44	39	32	13.2	33	29	27	11.3
City.....	289	267	246	8.3	197	185	173	6.4
Employee retirement.....	284	263	242	8.2	194	182	171	6.1
Unemployment compensation.....	5	4	4	19.8	3	3	3	23.5
Township (employee retirement).....	2	3	3	-12.1	2	2	2	12.6
School district (employee retirement).....	36	31	27	15.4	25	22	20	15.3
Special district (employee retirement).....	10	8	8	16.3	7	6	6	12.4

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

SUMMARY OF GOVERNMENTAL FINANCES IN 1956

Table 17.—GOVERNMENTAL DEBT OUTSTANDING AT END OF FISCAL YEAR, BY TYPE OF GOVERNMENT: 1954-1956

Item	All governments	Federal	State and local	State	Local governments					
					All local	County	City	Township	School district	Special district
					1956 (MILLIONS OF DOLLARS)					
Total debt outstanding.....	321,911	1272,751	49,161	12,890	36,271	3,528	16,937	974	8,586	6,246
Long-term, total.....	(2)	(2)	47,067	12,643	34,424	3,343	16,139	955	8,394	5,592
Full faith and credit.....	(2)	(2)	32,108	6,213	25,895	2,892	11,497	792	8,394	2,321
Nonguaranteed.....	(2)	(2)	14,960	6,430	8,529	451	4,643	164	...	3,272
Short-term.....	(2)	(2)	2,093	247	1,846	184	797	19	192	654
Exhibit: Net long-term debt.....	(2)	(2)	43,217	11,175	32,042	3,209	14,544	939	8,200	5,240
1955 (MILLIONS OF DOLLARS)										
Total debt outstanding.....	318,641	1274,374	44,267	11,198	33,069	3,140	15,973	860	7,259	5,837
Long-term, total.....	(2)	(2)	42,272	10,950	31,322	2,960	15,302	833	7,098	5,128
Full faith and credit.....	(2)	(2)	*29,325	5,929	*23,396	2,599	10,864	676	7,098	*2,159
Nonguaranteed.....	(2)	(2)	*12,947	5,022	*7,926	361	4,438	157	...	*2,969
Short-term.....	(2)	(2)	1,995	248	1,747	180	671	26	161	709
Exhibit: Net long-term debt.....	(2)	(2)	38,502	9,493	29,009	2,837	13,632	818	6,928	4,793
1954 (MILLIONS OF DOLLARS)										
Total debt outstanding.....	310,190	1271,260	38,931	9,600	29,331	2,710	14,587	801	5,923	5,310
Long-term, total.....	(2)	(2)	36,898	9,317	27,581	2,624	13,892	782	5,827	4,455
Full faith and credit.....	(2)	(2)	*26,992	5,770	*21,222	2,355	10,415	758	5,827	*1,867
Nonguaranteed.....	(2)	(2)	*9,905	3,547	*6,359	269	3,478	24	...	*2,587
Short-term.....	(2)	(2)	2,033	283	1,750	85	695	19	96	855
Exhibit: Net long-term debt.....	(2)	(2)	33,182	7,877	25,305	2,501	12,252	768	5,639	4,145
PERCENT CHANGE, ³ 1955-1956										
Total debt outstanding.....	1.0	-0.6	11.1	15.1	9.7	12.3	6.0	13.3	18.3	7.0
Long-term, total.....	(2)	(2)	11.3	15.5	9.9	12.9	5.5	14.6	18.3	9.0
Full faith and credit.....	(2)	(2)	9.5	4.8	10.7	11.3	5.8	17.0	18.3	7.5
Nonguaranteed.....	(2)	(2)	15.5	28.0	7.6	24.9	4.6	4.2	...	10.2
Short-term.....	(2)	(2)	4.9	-0.3	5.7	2.4	18.7	-27.9	19.2	-7.7
Exhibit: Net long-term debt.....	(2)	(2)	12.2	17.7	10.5	13.1	6.0	14.7	18.4	9.3

NOTE: Because of rounding, detail may not add to total. An asterisk (*) indicates revised figures. See also text discussion of "Governmental debt."
¹Public 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.
²The distinction between long-term and short-term debt is not applied to Federal debt figures in this report.
³Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 18.—DEBT TRANSACTIONS OF STATE AND LOCAL GOVERNMENTS, BY TYPE OF GOVERNMENT: 1954-1956

Item	All State and local	State	Local governments						
			All local	County	City	Township	School district	Special district	
			1956 (MILLIONS OF DOLLARS)						
Long-term debt issued, total.....	6,846	2,125	4,721	474	2,018	157	1,413	660	
Original issues.....	6,786	2,115	4,671	474	2,004	157	1,413	623	
Refunding issues.....	60	10	50	(1)	13	...	...	37
Long-term debt retired, total.....	2,315	527	1,788	207	916	66	406	193	
Redeemed.....	2,253	517	1,735	206	901	66	406	156	
Refunded.....	62	10	53	(1)	15	...	...	37
Total borrowing ²	7,011	2,121	4,890	513	2,190	166	1,508	514	
Total debt redemption ²	2,490	524	1,966	242	993	73	489	168	
1955 (MILLIONS OF DOLLARS)									
Long-term debt issued, total.....	7,221	2,202	5,019	552	2,113	135	1,653	567	
Original issues.....	7,070	2,117	4,953	543	2,100	135	1,650	525	
Refunding issues.....	151	85	66	9	13	...	2	42	
Long-term debt retired, total.....	2,351	563	1,788	209	868	58	380	273	
Redeemed.....	2,200	477	1,723	200	856	58	377	231	
Refunded.....	150	85	65	9	12	...	2	42	
Total borrowing ²	7,263	2,155	5,108	659	2,170	149	1,748	382	
Total debt redemption ²	2,388	550	1,838	222	982	65	399	170	
1954 (MILLIONS OF DOLLARS)									
Long-term debt issued, total.....	6,820	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	(2)	44	...	2	61	
Total borrowing ²	6,929	2,239	4,690	416	1,925	190	1,485	674	
Total debt redemption ²	2,359	497	1,862	199	937	60	318	348	
PERCENT CHANGE, ³ 1955-1956									
Long-term debt issued, total.....	-5.2	-3.5	-5.9	-14.0	-4.5	16.5	-14.5	16.3	
Original issues.....	-4.0	-0.1	-5.7	-12.6	-4.5	16.5	-14.4	18.6	
Refunding issues.....	-60.2	-88.6	-23.7	-97.1	1.1	...	(4)	-11.7	
Long-term debt retired, total.....	-1.5	-6.3	(4)	-1.2	5.5	13.9	7.0	-29.4	
Redeemed.....	2.4	8.4	0.7	3.0	5.2	13.9	7.7	-32.5	
Refunded.....	-58.5	-88.6	-19.1	-97.1	29.0	...	(5)	-11.9	
Total borrowing ²	-3.5	-1.5	-4.3	-22.2	0.9	11.2	-13.7	34.4	
Total debt redemption ²	4.3	-4.7	7.0	9.1	1.2	13.3	22.4	-1.2	

NOTE: Because of rounding, detail may not add to total.
¹Less than \$500 thousand.
²See definitions.
³Changes are increases unless preceded by a minus sign (-) which denotes a decrease.
... than 0.05 percent.

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1956
Table 19.—CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS: 1954-1956

Item	All State and local	State	Local governments					Special district
			All local	County	City	Township	School district	
1956 (MILLIONS OF DOLLARS)								
Total.....	46,196	28,899	17,296	2,740	9,546	519	3,073	1,418
Distribution by type of holding:								
Cash and deposits.....	19,527	12,341	7,186	1,789	2,851	419	1,946	481
Federal securities.....	16,434	10,655	5,779	662	3,587	76	797	723
Own-government securities.....	3,034	527	2,508	39	2,409	1	38	21
Other State and local government securities.....	2,380	1,960	420	41	185	(2)	40	154
Other securities.....	4,821	3,418	1,403	269	813	29	252	40
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,851	1,468	2,382	134	1,685	16	194	333
Unemployment compensation.....	8,225	8,170	56	...	56	...	...	...
Employee retirement.....	11,305	7,081	4,225	395	3,340	24	362	103
Other insurance trust systems.....	1,278	1,278	...	...	...	...	...	...
All other.....	21,536	10,902	10,634	2,211	4,465	479	2,512	963
1955 (MILLIONS OF DOLLARS)								
Total.....	42,832	26,526	16,306	2,515	8,909	487	3,060	1,336
Distribution by type of holding:								
Cash and deposits.....	18,897	11,920	6,976	1,659	2,519	362	1,853	583
Federal securities.....	14,726	9,555	5,171	580	3,277	98	686	523
Own-government securities.....	2,908	458	2,450	33	2,298	2	67	49
Other State and local government securities.....	2,089	1,684	405	48	177	(2)	28	153
Other securities.....	4,212	2,909	1,304	196	637	23	426	21
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,770	1,457	2,313	123	1,670	15	170	333
Unemployment compensation.....	7,992	7,938	55	...	55	...	...	...
Employee retirement.....	9,402	6,159	3,743	332	3,017	20	297	77
Other insurance trust systems.....	1,213	1,213	...	...	...	...	...	...
All other.....	19,955	9,759	10,196	2,060	4,168	451	2,593	924
1954 (MILLIONS OF DOLLARS)								
Total.....	40,377	25,536	14,841	2,255	8,083	449	2,850	1,203
Distribution by type of holding:								
Cash and deposits.....	18,756	12,249	6,507	1,595	2,348	346	1,788	430
Federal securities.....	11,700	8,993	4,707	409	2,900	845	775	54
Own-government securities.....	1,752	421	2,331	25	2,184	2	73	47
Other State and local government securities.....	1,921	1,531	390	52	145	3	28	162
Other securities.....	3,249	2,343	906	174	505	15	187	26
Distribution by purpose of holding:								
Offsets to long-term debt.....	3,710	1,440	2,276	123	1,641	14	188	309
Unemployment compensation.....	8,480	8,394	56	...	56	...	...	...
Employee retirement.....	8,709	5,371	3,339	287	2,684	19	275	73
Other insurance trust systems.....	1,157	1,157	...	...	...	...	...	...
All other.....	18,346	9,175	9,171	1,844	3,753	416	2,387	821
PERCENT CHANGE, 1955-1956								
Total.....	7.9	8.9	6.1	8.9	7.2	6.7	0.4	6.2
Distribution by type of holding:								
Cash and deposits.....	3.3	3.5	3.0	7.8	1.3	15.7	5.0	17.4
Federal securities.....	11.6	11.5	11.8	3.9	9.5	-29.2	16.2	36.4
Own-government securities.....	4.3	14.9	2.4	18.7	4.9	-66.6	-43.9	158.2
Other State and local government securities.....	13.9	16.4	3.7	-14.6	4.4	266.7	44.2	1.3
Other securities.....	14.5	17.5	7.7	37.5	27.6	25.7	-40.8	83.0
Distribution by purpose of holding:								
Offsets to long-term debt.....	2.1	0.8	3.0	8.8	0.9	7.7	14.0	5.3
Unemployment compensation.....	2.9	2.9	1.5	...	1.5	...	...	...
Employee retirement.....	14.2	15.0	12.9	19.0	10.7	20.8	22.0	33.4
Other insurance trust systems.....	5.3	5.3	...	...	...	...	...	...
All other.....	7.9	11.7	4.3	7.3	7.2	6.1	-2.9	4.2

NOTE: Because of rounding, detail may not add to total.
 1 Includes State unemployment compensation fund balances on deposit in U. S. Treasury, as follows: 1956, \$8,140 million; 1955, \$7,906 million; and 1954, \$8,362 million.
 2 Less than \$500 thousand.
 3 Changes are increases unless preceded by a minus sign (-) which denotes a decrease.

Table 20.—CASH AND SECURITY HOLDINGS OF EMPLOYEE-RETIREMENT FUNDS OF STATE AND LOCAL GOVERNMENTS: 1954-1956
(Amounts, except percent, in millions of dollars)

Item	All State and local	State	All local		All State and local	State	All local		City only
			City only	County			City only	County	
1956									
Total.....	11,305	7,081	4,225	3,340	9,902	6,159	3,743	3,017	
Cash and deposits.....	174	93	81	62	178	95	83	70	
Federal securities.....	4,826	3,352	1,474	1,197	4,476	3,105	1,371	1,111	
Own-government securities.....	1,831	439	1,392	1,362	1,587	329	1,257	1,200	
Other State and local government securities.....	1,092	883	210	127	947	754	193	115	
Other securities.....	3,383	2,314	1,068	593	2,714	1,876	838	471	
1955									
Total.....	8,709	5,371	3,339	2,684	14.2	15.0	12.9	10.7	
Cash and deposits.....	202	100	102	87	-2.4	-1.9	-2.9	-11.2	
Federal securities.....	4,210	2,938	1,272	1,028	7.8	8.0	7.5	5.4	
Own-government securities.....	1,421	295	1,178	1,186	15.4	33.3	10.7	10.7	
Other State and local government securities.....	815	658	157	92	15.3	17.0	8.8	10.7	
Other securities.....	2,061	1,429	632	331	24.6	23.4	27.5	25.8	
PERCENT CHANGE, 1955-1956									
Total.....	29.7	33.9	29.7	29.7	29.7	29.7	29.7	29.7	
Cash and deposits.....	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	
Federal securities.....	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	
Own-government securities.....	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	
Other State and local government securities.....	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	
Other securities.....	29.7	29.7	29.7	29.7	29.7	29.7	29.7	29.7	

NOTE: Because of rounding, detail may not add to total.
 (-) denotes a decrease.

SUMMARY OF GOVERNMENTAL FINANCES IN 1956
Table 21.—PER CAPITA GOVERNMENTAL REVENUE, EXPENDITURE, AND DEBT, BY LEVEL OF GOVERNMENT: 1956

Item	All governments	Federal	State and local		
			Total	State	Local
Revenue from all sources.....	\$720.50	\$492.42	\$247.91	\$132.00	\$156.70
Intergovernmental revenue.....	(1)	...	19.83	19.60	41.02
Revenue from own sources.....	720.50	492.42	228.08	112.40	115.67
General revenue.....	624.22	437.91	186.31	89.75	96.56
Taxes.....	544.63	387.85	156.79	79.53	77.25
Property.....	69.86	69.86	2.78	67.08	...
Individual income.....	200.54	191.39	9.14	8.17	98
Corporation income.....	129.45	124.16	5.29	5.29	(2)
Sales, gross receipts, and customs.....	113.93	62.25	51.68	46.39	5.29
Death and gift.....	8.80	6.90	1.90	1.85	0.06
Other, including licenses and permits.....	22.05	3.14	18.91	15.06	3.85
Charges and miscellaneous.....	79.59	50.07	29.52	10.22	19.30
Utility and liquor stores revenue.....	22.92	...	22.92	6.06	16.86
Insurance trust revenue.....	73.36	54.50	18.86	16.60	2.26
Total expenditure.....	680.99	444.30	256.59	128.95	168.12
Intergovernmental expenditure.....	(3)	19.90	(3)	38.88	1.60
To States.....	(3)	17.98	(3)	...	1.60
To local governments.....	(3)	1.92	(3)	38.88	...
Direct expenditure.....	680.99	424.40	256.59	90.07	166.52
General expenditure.....	599.88	381.59	218.29	73.25	145.04
National defense.....	240.51	240.51	...	73.25	145.04
All other.....	359.37	141.08	218.29	73.25	145.04
International assistance and foreign affairs.....	11.47	11.47	...	...	...
Postal service.....	17.24	17.24	...	...	...
Education, total.....	84.20	5.59	78.61	12.71	65.90
Institutions of higher education.....	10.54	0.05	10.49	9.98	0.51
Elementary and secondary schools.....	66.59	0.21	66.39	1.30	65.09
Other education.....	7.07	5.33	1.74	1.43	0.30
Highways.....	41.83	0.49	41.34	25.97	15.38
Public welfare, total.....	18.94	0.27	18.67	9.53	9.13
Categorical public assistance.....	13.79	0.06	13.73	8.11	5.62
Other public assistance.....	1.54	...	1.54	0.30	1.23
Other public welfare.....	3.61	0.21	3.40	1.12	2.27
Health.....	3.99	1.28	2.71	1.20	1.51
Hospitals.....	18.24	4.47	13.77	7.54	6.23
Police.....	8.84	0.93	7.91	0.94	6.97
Local fire protection.....	4.38	...	4.38	...	4.38
Natural resources.....	30.01	24.62	5.39	3.98	1.41
Sanitation.....	7.89	...	7.89	...	7.89
Local parks and recreation.....	3.22	...	3.22	...	3.22
Housing and community redevelopment.....	3.34	0.75	2.60	0.1	2.59
Veterans' services, n.e.c.....	18.94	18.41	0.52	0.52	...
Nonhighway transportation.....	7.59	5.18	2.41	0.34	2.07
General control.....	13.29	4.01	9.28	2.84	6.44
Interest on general debt.....	43.51	37.64	5.86	1.85	4.01
Other and unallocable general expenditure.....	22.45	8.72	13.73	5.81	7.92
Utility and liquor stores expenditure.....	24.17	...	24.17	5.02	19.15
Liquor stores.....	5.62	...	5.62	5.02	0.60
Local utilities.....	18.55	...	18.55	...	18.55
Insurance trust expenditure.....	56.94	42.81	14.13	11.80	2.33
Employee retirement.....	7.92	3.01	4.91	2.60	2.31
Unemployment compensation.....	8.22	0.63	7.59	7.57	0.02
Total debt outstanding.....	1,914.16	1,621.84	292.32	76.65	215.67
Long-term, total.....	(4)	(4)	279.87	75.18	204.69
Full faith and credit.....	(4)	(4)	190.92	36.94	153.98
Mortgagee.....	(4)	(4)	88.95	38.24	50.72
Short-term.....	(4)	(4)	12.45	1.47	10.98
Unpaid.....	(4)	(4)	256.98	66.45	190.53

NOTE: Because of rounding, detail may not add to total. Computations are based on estimated total population of the United States, including armed forces overseas, as of July 1, 1956.
 (1) Not computed; see footnote 1, table 1.
 (2) Included in individual income taxes.
 (3) Not computed; see footnote 1, table 6.
 (4) Not computed; see footnote 2, table 17.