

SUMMARY OF GOVERNMENTAL FINANCES IN 1961

GOVERNMENTAL FINANCES IN
THE UNITED STATES: 1961

GOVERNMENTS DIVISION
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Taxes collected by all governments in the United States--Federal, State, and local--in their fiscal years that ended during 1961 amounted to \$116.1 billion, as compared with the 1960 total of \$113.1 billion.¹ Most of the change was accounted for by State and local governments, whose tax revenue rose from \$36.1 billion to \$38.7 billion. Federal tax yields moved only from \$77.0 billion in fiscal 1960 to \$77.5 billion in fiscal 1961.

Taking account of all other revenue sources as well as taxes, governmental revenue in the fiscal year 1961 totaled \$159.6 billion. This sum was up \$5.6 billion from the 1960 total.

Governmental expenditure totaled \$164.2 billion in fiscal 1961, or \$12.9 billion more than the \$151.3 billion spent in the previous year.

Indebtedness of all governments at the end of their 1961 fiscal years totaled \$364.4 billion. This total included Federal public debt amounting to \$289.0 billion at the end of the Federal fiscal year (June 30, 1961), or \$3.7 billion more than a year before. State and local government indebtedness rose \$5.5 billion during the fiscal year 1961 to a record total of \$75.4 billion.

Trends since 1957 in the revenue, expenditure, and indebtedness of all governments--Federal, State, and local--are summarized in table 1, and historical aggregates covering State and local governments appear in table 2. Nationwide totals for earlier years are presented in the Historical Summary of Governmental Finances in the United States (Vol. IV, No. 3 of the 1957 Census of Governments).

¹The local government amounts for 1961 in this report are preliminary estimates, as more fully discussed under "Sources and Procedures." Revised figures based on a larger sample of local governments, with estimated State-by-State data on State and local government finances, will appear in the forthcoming report, Governmental Finances in 1961.

REVENUE BY SOURCE

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.

Figure 1, on page 2, depicts the major components that make up aggregate revenue of the Federal Government and of State and local governments.

Local governments obtained \$29.3 billion directly from their own revenue sources in fiscal 1961, and the States' own sources yielded \$27.8 billion. These sums together represented 36 percent of all governmental revenue, with Federal revenue accounting for the other 64 percent. A somewhat different distribution appears if allowance is made for intergovernmental transfers, which in 1961 provided State and local governments with nearly \$7.1 billion from the Federal Government, and involved \$10.1 billion of State payments to local governments as well as a relatively minor amount of local-to-State payments. In terms of the final recipient level, public revenue in 1961 was available as follows: three-fifths to the Federal Government, 25 percent to local governments, and 15 percent to the States.

General Revenue

Taxes. --Of tax revenue totaling \$116.1 billion in fiscal 1961, the Federal Government collected \$77.5 billion. The other one-third of all taxes was collected nearly equally by local governments (\$19.6 billion) and the States (\$19.1 billion). Federal tax revenue amounted to \$423 per capita, and State and local taxes were equal to \$211 per capita.

As is evident from table 3, there are marked differences in tax structure among the three levels of government. The Federal Government relies primarily on income taxes: in 1961, the individual income tax supplied about 53 percent of all Federal tax revenue, and the corporation income tax provided 27 percent. The property tax is the principal revenue source for local governments, and in fiscal 1961 yielded 87.6 percent of all their tax revenue. No one type of tax is so predominant for the States. However, sales and gross receipts taxes--including not only those of general application, but also selective taxes on sales of motor fuel, liquor, tobacco products, and other particular commodities or services--altogether provided nearly three-fifths of all State tax revenue in 1961.

Charges and miscellaneous general revenue.--Nontax general revenue of governments mainly consists of "current charges"--i.e., amounts received for performance of specific services benefiting the person charged and from sales of commodities and services other than from utility and liquor stores sales. Charges for services are reported here on a gross basis without offset for cost of producing or buying the commodities or services sold.

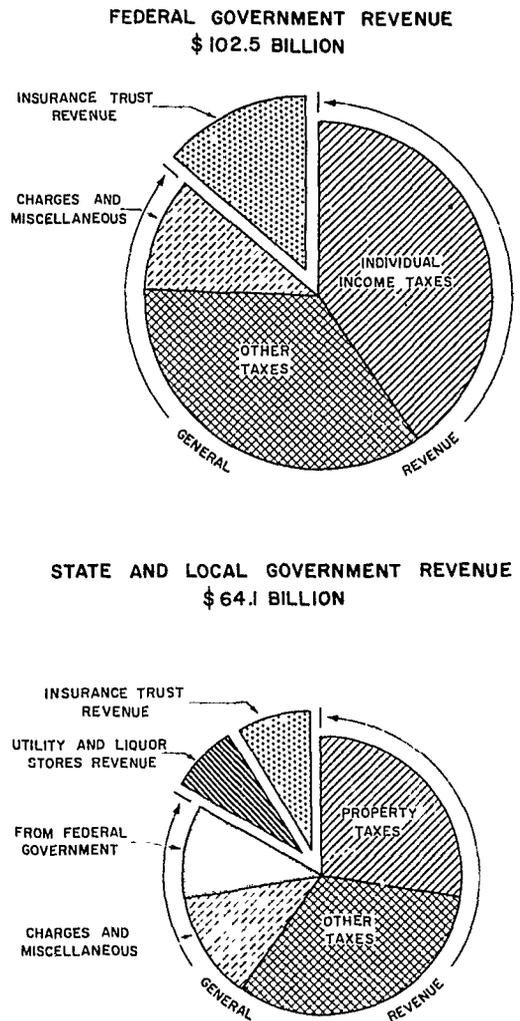
For the Federal Government, the total of \$8.3 billion received as charges for services in the fiscal year 1961 covers numerous items of a highly diverse nature, including \$3.3 billion of postal receipts, and about \$3.0 billion from sales (other than to Federal agencies) by the Commodity Credit Corporation (i.e., the bulk of the amount shown as charge revenue for "natural resources" in table 3). Also included are 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.

State and local general revenue from current charges totaled \$5.7 billion in 1961 and was distributed by function as shown in table 3.

Of the \$4.8 billion of charges and miscellaneous revenue that came from sources other than "current charges," \$1.6 billion represented interest earnings, \$392 million was collected by local governments through special assessments for public improvements, \$202 million was from the sale of real property, and the remaining \$2.6 billion was from miscellaneous sources (fines, forfeits and penalties, royalties, donations, unclaimed moneys) and amounts not allocable by specific source.

General revenue from interest earnings consists of interest on governmental loans and on securities held by governments, other than such investments held as assets by employee-retirement and social-insurance funds. (See discussion under "Insurance trust revenue," below.) As indicated by table 12, a major portion of all investments of State and local governments is in the form of interest-bearing Federal securities and securities of State and local governments, including those of the investing government. The Federal Government also holds large amounts of its own securities, as well as a relatively minor amount of securities issued by State and local governments.

FIG. 1 -- TOTAL REVENUE BY MAJOR FINANCIAL SECTORS, FOR THE FEDERAL GOVERNMENT AND FOR STATE AND LOCAL GOVERNMENTS: 1961



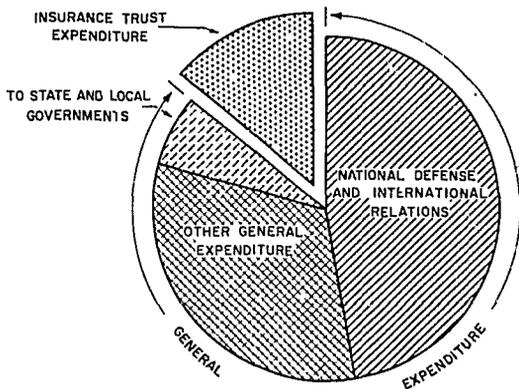
Therefore, a significant portion of gross governmental revenue from interest is received from governments, rather than from other sectors of the economy. Nevertheless, in the data shown in this report for general revenue from interest earnings, no reduction of gross amounts has been made on account of transactions between different governments. Neither has it been possible to exclude, as to State and local governments, interest earned on account of formal debt obligations held by funds or agencies of the issuing government itself. However, the Federal amount of general interest earnings, as reported, is net of all internal interest transactions of the Federal Government.

Utility and Liquor Stores Revenue

Sales receipts of State and local liquor stores and local water, electric, gas, and transit utilities amounted to \$5.0 billion in 1961. 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. As indicated by table 9, 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-operated and locally operated liquor stores, sales revenue exceeded expenditure in 1961 (see tables 3 and 4).

FIG. 2 - EXPENDITURE BY MAJOR FINANCIAL SECTORS, FOR THE FEDERAL GOVERNMENT AND FOR STATE AND LOCAL GOVERNMENTS: 1961

**FEDERAL GOVERNMENT EXPENDITURE
\$104.9 BILLION**



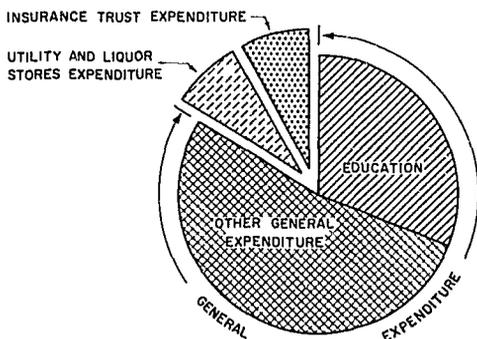
Insurance Trust Revenue

The external transactions of governments with respect to social insurance and employee-retirement systems are shown in this report under the headings "insurance trust revenue" and "insurance trust expenditure." These headings cover amounts for the Federal system of Old Age, Survivors, and Disability Insurance and for systems relating to unemployment compensation, employee retirement, workmen's compensation, and the like.

In the fiscal year 1961, insurance trust revenue altogether amounted to \$19.7 billion. This total includes \$18.7 billion of contributions from employers and from employees and other ultimate beneficiaries, and \$961 million of earnings on investments of insurance trust systems administered by State and local governments.

Federally administered insurance trust systems also received \$1.2 billion as earnings on their investments during fiscal 1961 (as shown by exhibit data in table 10.) However, since these earnings are entirely from investments in Federal securities, they are classed as intragovernmental transactions and excluded from Federal revenue data here--with a corresponding exclusion from reported amounts of Federal expenditure for interest. Although some portion of the earnings of insurance trust systems of State and local governments comes from investments in securities issued by the parent government, no adjustment on this account has been made in arriving at the data shown in this report.

**STATE AND LOCAL GOVERNMENT EXPENDITURE
\$66.4 BILLION**



Insurance trust revenue, as reported herein, excludes contributions from governments to insurance funds they administer. However, to the extent that particular governments make payments as employers to insurance trust systems administered by other governments--for example, employer contributions by State and

local governments to the Federal Old Age, Survivors, and Disability Insurance System, and local government payments into State-administered employee-retirement systems covering their employee--such amounts are included here, without special treatment, in the "revenue from contributions" of the various systems affected.

Table 10 shows a distribution of insurance trust revenue, by source and by insurance program, together with data on insurance trust expenditure. It may be noted that, although the U. S. Treasury serves as a depository for State unemployment compensation fund balances, Federal transactions arising out of this relationship are treated as fiscal agency transactions and are omitted from the Federal finance statistics shown herein.

EXPENDITURE BY CHARACTER AND OBJECT

As shown in this report, governmental expenditure consists of all amounts 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 by governmental enterprises and trust funds.

Figure 2 depicts the major components that make up aggregate expenditure of the Federal Government and of State and local governments.

Governmental expenditure totaled \$164.2 billion in fiscal 1961. Direct expenditure of the Federal Government was nearly \$97.9 billion, direct expenditure of State governments totaled \$24.6 billion, and that of local governments, \$41.8 billion. These are expenditure amounts for "own purposes" of each level of government.

In 1961, the Federal Government disbursed, in addition to its direct expenditure, \$7.0 billion in payments to State and local governments; the State governments paid \$10.1 billion to local governments; and the local governments reported about \$0.2 billion of payments to the States.

When the net total of public spending in the fiscal year 1961 is considered in terms of the final governmental level concerned--i. e., in terms of direct expenditure--the Federal part amounts to three-fifths; the local share, 25 percent; and the State portion, 15 percent.

However, taking account of intergovernmental transfers and making a distribution in terms of the financing level of government, the proportions amount to: Federal, 64 percent; local governments, over 19 percent; and States, about 17 percent.

Table 4 shows public spending by type--i. e., for the broad sectors of general, utility, liquor stores, and insurance trust expenditure--and by character and object classes.

Current Operation

Of all public spending in the fiscal year 1961, 56 percent (\$91.5 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 \$51.9 billion of the current operation total for all governments. State and local governments spent \$39.5 billion for current operation in 1961. About two-thirds of this 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 some 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 existing structures--aggregated \$31.9 billion in 1961, or about 19 percent of total government expenditure. Federal capital outlay (mainly for purchase of military equipment) amounted to \$16.2 billion. Capital outlay by State and local governments amounted to \$15.7 billion.

Governmental expenditure for capital outlay in 1961 is distributed by governmental function in table 8.

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, which totaled \$10.9 billion in the fiscal year 1961. Although the Federal Government accounted for most of this sum (\$7.3 billion), State and local payments for assistance and subsidies also were substantial (\$3.6 billion).

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.

Following is a distribution of governmental expenditure in 1961 for assistance and subsidies, by major program (in millions):

Program	All governments	Federal	State and local
Total.....	\$10,931	\$7,323	\$3,608
National defense and internat'l. relations.	1,434	1,434	...
Education (largely veterans' educational benefits).....	663	566	97
Public welfare (largely public assistance)....	3,420	10	3,410
Natural resources (largely agricultural benefits).....	659	652	7
Veterans' pensions, bonuses, and other noneducational benefits.....	3,780	3,711	69
All other.....	975	950	25

Interest on Debt

Expenditure for interest on governmental debt aggregated \$9.7 billion in 1961. Of this sum, almost \$7.5 billion was paid out by the Federal Government. State governments accounted for about one-fourth of the remaining \$2.2 billion and local governments for the balance. The local government amount included \$387 million paid on utility debt and about \$1.2 billion for interest on general debt.

Interest expenditure of State and local governments is shown here on a gross basis, without any adjustment made for the undetermined but relatively minor portion of all such interest going to funds of the particular paying government. However, the reported amount of Federal expenditure for interest excludes, as intragovernmental transfers, interest on Federal public debt credited to Federal funds or agencies.

Insurance Benefits and Repayments

Insurance trust expenditure--i.e., benefit payments and refunds of contributions of insured persons--totaled \$20.2 billion in 1961. Nearly three-fourths of this sum represented Federal payments, with the States accounting for most of the remaining \$5.3 billion.

These amounts are limited to actual payments to insured persons and therefore exclude (as internal transfers) government contributions to insurance trust funds they administer, and costs of administering insurance trust programs (which are classified as general expenditure). 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. 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 \$50.3 billion in the fiscal year 1961, including Federal pay and cash allowances for military personnel amounting to \$9.7 billion. It should be noted that "expenditure" is defined to comprise cash payments, and does not include the value of subsistence, quarters, or other payments in kind made to military personnel or other public employees.

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.

Detail on civilian public employment and monthly payroll amounts appears in the annual Census Bureau report, State Distribution of Public Employment in 1961.

Intergovernmental Expenditure

During fiscal 1961, the Federal Government made payments of about \$7.0 billion to State and local governments, and the States paid \$10.1 billion to local governments. These transfer amounts mainly represent grants-in-aid or shared taxes, but also include some payments for services performed on a reimbursement or cost-sharing basis, and payments in lieu of taxes.

These figures exclude loans and contributions of commodities or other aids in kind, which fall outside the definition of expenditure as used in this report. They also exclude payments to Territories and possessions.

EXPENDITURE BY FUNCTION

As indicated by table 4, governmental expenditure is divided in this report into four major types: General expenditure, utility expenditure, liquor stores 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) spending for State and local liquor stores and for local water, electric, transit, and gas utilities.

General Expenditure

Table 5 shows general expenditure of the several levels of government on a comprehensive basis--i.e., including intergovernmental payments as well as amounts of direct spending in total and for each of various major functions. A more detailed functional classification is applied in table 6, but the amounts shown there pertain solely to direct general expenditure.

General expenditure by all governments in the fiscal year 1961 totaled \$138.8 billion, or nearly 8 percent more than in the previous year. Changes in direct general expenditure for selected major functions, between 1960 and 1961, were as follows:²

Function	Percent increase or decrease (-) in direct general expenditure, 1960-1961		
	All governments	Federal Government	State and local governments
Total.....	8	8	8
National defense and internat'l. relations.	4	4	xxx
Education.....	8	-7	9
Natural resources.....	36	40	12
Highways.....	4	10	4
Interest on general debt.....	...	- 2	8
Health and hospitals...	7	10	6
Public welfare.....	6	2	6
Postal service.....	8	8	xxx
Police protection.....	8	12	7
Sanitation.....	3	xxx	3
Local fire protection..	10	xxx	10
All other.....	11	11	11

²Because the local government amounts for 1961 are preliminary estimates (see footnote 1), and are subject to sampling variability, indicated rates of change for items that largely or entirely pertain to local governments should be interpreted with caution. It should also be noted that this presentation relates only to direct general expenditure and that for some functions, such as highways and public welfare, Federal Government spending is mainly in the form of intergovernmental payments.

In the foregoing tabulation, functions are listed in descending size order as measured by amounts of public expenditure in '961. The same sequence applies to the following summary discussion of various functional categories.

National defense and international relations.--Expenditure of the Federal Government for defense and international relations totaled \$49.4 billion in 1961, or 59 percent of all direct Federal general expenditure and about 36 percent of total general expenditure of all governments--Federal, State, and local.

This functional class as presented in this report substantially comprises items classified in the "Budget of the United States" under two closely related headings--"National defense" and "International affairs and finance." The major components of the composite category are shown in table 7.

Defense-related activities of State and local governments (including National Guard, civil defense, and armory activities) have been classified under the residual "Other" functional class, so that in this report, defense expenditure is entirely that of the Federal Government.

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, and other defense-related operations of numerous agencies and departments.

Education.--The second ranking function of government is education, for which \$21.0 billion was spent in 1961.

Direct Federal spending for education in fiscal 1961 amounted to \$640 million, including \$264 million for veterans' educational benefits. In addition to its direct spending for education, the Federal Government made payments for this function to State and local governments totaling \$1.0 billion.

Direct expenditure of State and local governments for education totaled \$20.4 billion in 1961, up 9 percent from the previous fiscal year, and equaling \$111 per capita. Of the total, \$16.4 billion was for local schools, \$3.6 billion was for institutions of higher education, and the remaining \$0.4 billion was direct State expenditure for various educational purposes, including State schools for the handicapped and State supervision of local schools. While State governments spent directly only \$226 million for local schools, they provided \$6.0 billion through intergovernmental payments--about 36 percent of the total sum spent for education by local governments.

Included in the \$16.4 billion total of expenditure for local schools in 1961 was approximately \$2.9 billion for capital outlay, as shown in table 8. Of this amount, approximately \$2.4 billion was for new construction, while the remainder was for the purchase of equipment and of land and existing structures.

The "local schools" category, as reported in table 6 comprises all direct expenditure by local governments for education, other than their expenditure for institutions of higher education, plus any direct State government spending for operation of elementary and high schools and for the provision of local school facilities and supplies (direct State payments to contractors for school construction, and State purchases of "free" textbooks, school buses, and the like).

Local expenditure for education includes all expenditure of local school systems other than for interest (reported under "interest on general debt"), duplicative intergovernmental payments, and retirement benefits paid to former education employees (reported under "employee-retirement expenditure"). It thus includes gross school system expenditure for the school lunch program and other cafeteria operations (for which related revenue amounts are shown in table 3), as well as school health, recreation, and library services administered by local school systems.

The category "institutions of higher education" pertains to publicly operated universities, colleges, junior colleges, and other schools beyond the high school level.³ Expenditure shown under this heading includes gross amounts for auxiliary activities, such as dormitories, dining halls, and bookstores, operated by public institutions of higher education. However, expenditure of such institutions for hospitals, and for agricultural experiment stations and agricultural extension services, is reported under other functional categories.

Natural resources.--Conservation and development of natural resources--agricultural, forest, mineral, and the like--involved \$11.4 billion of governmental expenditure in 1961, of which \$10.2 billion was spent by the Federal Government.

³For this preliminary report, amounts of expenditure for locally operated "institutions of higher education" have been estimated primarily by reference to the relation of this component to aggregate education expenditure of local governments in recent prior years. Revised amounts will appear in the later report, Governmental Finances in 1961.

Table 7 shows the major components of Federal spending for natural resources. The sums reported under this heading include, with regard to farm price stabilization programs, gross amounts of commodity purchases for price support, without any offset for commodities resold to private buyers during the year. The expenditure amount does not include, however, commodity loans extended for price support purposes (other than those cancelled by the Government's acquisition of the commodities pledged as collateral), nor payments for commodities consumed by the Government in carrying out other functions--used by the military, distributed under the foreign aid programs, distributed under the school lunch program, and the like.

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) multipurpose power and reclamation projects, such as the TVA and projects of the U. S. Bureau of Reclamation and Army Corps of Engineers; and (4) Federal activities in irrigation, drainage, reclamation, flood control, soil conservation, forestry and parks, and mineral resources.

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 \$9.9 billion of public expenditure in fiscal 1961, or 4 percent more than in 1960. Direct Federal spending for highway purposes is relatively minor, amounting in fiscal 1961 to only \$151 million. However, Federal grants to help finance State and local highways expenditure amounted to \$2.6 billion.

The State governments made direct expenditures of \$6.2 billion for highways during fiscal 1961, and also provided \$1.3 billion to local governments for street and highway purposes. The local governments spent \$3.6 billion for this function.

About two-thirds of public expenditure for highways in 1961 (\$6.5 billion out of \$9.9 billion) was for capital purposes--construction, equipment, and land purchases; the remainder was for maintenance and other current operation spending. These figures on highway expenditure do not include interest on debt issued for highway purposes (included in general expenditure for interest) nor highway policing costs (classified under "police").

Interest on general debt.--Expenditure for interest on general debt amounted to \$9.3 billion in fiscal 1961. (This sum does not include the \$387 million of interest on local utility debt, classified under utility expenditure.)

Interest expenditure as reported here does not include interest accrued but not paid during the fiscal year (as in the case of Federal savings bonds and treasury bills). Neither does it include interest paid to individuals on savings deposits (i.e., postal savings accounts, and savings deposits of military personnel). It excludes also, for the Federal Government, amounts paid on Federal securities held by the U. S. Government itself. However, no corresponding kind of adjustment for intragovernmental transactions applies to interest on expenditure reported for State and local governments.

Health and hospitals. --Public health and hospital services involved \$5.6 billion of governmental expenditure in 1961.

Construction, operation, and maintenance of public hospitals required \$4.2 billion, of which State and local governments spent \$3.3 billion. An additional \$239 million was paid to private hospitals for care of patients or for public support. Governmental expenditure for public health services other than hospitals totaled \$1.1 billion.

Public welfare. --As used in this report, the term "public welfare" is limited to governmental activities for institutional and noninstitutional assistance to the needy, and administration of such assistance. Approximately \$4.7 billion was spent by governments for such purposes in 1961.

As in the case of highways, there is extensive Federal participation in public welfare through grants to State and local governments for categorical public assistance programs (\$2.2 billion in 1961). Direct Federal expenditure for public welfare activities is relatively small (\$59 million in 1961).

The individual States vary in the degree to which they directly undertake public welfare activities or delegate this responsibility to local governments. In 1961, the States spent directly \$2.3 billion for public welfare and transferred \$1.6 billion to local governments for welfare programs (including money from Federal sources), thus providing a major portion of the \$2.4 billion spent by local governments for public welfare.

Cash assistance payments under the "categorical" programs--old age assistance, aid to dependent children, aid to the blind, and aid to the disabled--accounted for two-thirds of all public welfare expenditure in 1961. Other public assistance--mainly general relief, which is

wholly financed from State and local sources--accounted for about one-ninth of the welfare total. Other public welfare spending, primarily for administration of welfare and for institutional care of the needy, totaled slightly over \$1.1 billion in 1961.

Direct expenditures for categorical public assistance comprise only cash payments to beneficiaries. General relief and assistance to special classes, including segregable vendor payments for supplies, medical care, burials, and other services provided as part of any public assistance programs, are classed under "other public assistance." Intergovernmental expenditure for public assistance includes any amounts for administration by the recipient government as well as for cash benefits, but direct administrative costs are reported herein under "other public welfare."

Postal service. --Expenditure by the Federal Government for the postal service in 1961 totaled \$4.0 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, expenditure for postal services does not include subsidies to airlines, which are classified as subsidy payments for air transportation. Gross receipts from postal operations, as shown in table 3, amounted to \$3.3 billion in 1961.

Police protection. --Federal, State, and local police protection cost \$2.2 billion in 1961. The bulk of this amount (\$1.7 billion) was spent by local governments, mainly cities. Federal expenditure of \$193 million was primarily for the Federal Bureau of Investigation, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. State expenditure of \$261 million was mainly for highway police activities.

Sanitation. --Sanitation activities, classified as a distinctive function only at the local level, involved local expenditure of \$1.8 billion in 1961. A major portion of this amount--\$1.1 billion--was for sewers and sewage disposal, and the balance was for refuse collection and disposal and street cleaning.

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 \$1.1 billion in 1961.

Other general expenditure. --The functions described above gave rise to about 87 percent of all direct general government expenditure in

1961. The other \$18.3 billion was for numerous different purposes, as indicated by the following figures, based on table 6.

Functional class	Amount (in millions)	Percent of all general expenditure
Federal expenditure for veterans services, not elsewhere classified....	\$3,965	2.9
Air transportation.....	1,800	1.3
Financial administration.....	1,605	1.2
General control.....	1,417	1.0
Housing and urban renewal.....	1,320	1.0
Water transport and terminals.....	1,273	0.9
Local parks and recreation.....	826	0.6
Correction.....	810	0.6
Social insurance administration.....	636	0.5
General public buildings (State-local).....	590	0.4
Libraries.....	368	0.3
All other and unallocable	3,720	2.7

The \$4.0 billion of Federal expenditure for veterans' services shown above consists mainly of payments for compensation and pensions. Another \$2.1 billion of Federal payments for veterans has been reported under various other major functional headings, as indicated by table 7.

The Federal Government accounts for a major fraction of all direct general expenditure for water transport and terminal facilities and for air transportation, as indicated by table 6. These categories include subsidy payments and the provision of other aids to transportation by such agencies as the Federal Aviation Agency, Civil Aeronautics Board, Coast Guard, Coast and Geodetic Survey, and Maritime Administration, as well as spending for space exploration and technology, and gross expenditure of the Panama Canal Company and the St. Lawrence Seaway Development Corporation.

The category "general control" covers legislative bodies, administration of justice, including the courts, governmental chief executives and central staff agencies, other than those concerned primarily with finance. The category "financial administration" includes tax administration and collection activities, and agencies concerned with auditing, budgeting, accounting, fund custody, and purchasing.

For State and local governments, the category "social insurance administration" includes only the administration of employment offices and unemployment compensation. Spending by these governments for administration of public assistance is classed, as noted above, under "public welfare--other."

Insurance Trust Expenditure

Benefit payments, and refunds of contributions received in connection with contributory retirement, life insurance, and social insurance programs, are here designated "insurance trust expenditure." This corresponds to the category "insurance benefits and repayments" as discussed above.

Such payments amounted to \$20.2 billion in 1961, a rise of \$2.6 billion from the previous year. This change largely reflects continuing growth in payments by the Federal OASDI program (up \$1.1 billion to \$11.9 billion in fiscal 1961), and a \$1.1 billion increase in State unemployment system benefits.

Data on insurance trust revenue and expenditure, by type of system and level of government, are presented in table 10.

Utility and Liquor Stores Expenditure

State and local liquor stores and local water, electric, gas, and transit systems altogether spent \$5.2 billion in 1961, as shown in tables 4 and 9. This sum 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.

GOVERNMENT INDEBTEDNESS

Total government debt--Federal, State, and local--amounted to \$364.4 billion at the end of fiscal 1961.

Debt statistics for State and local governments appear in table 11. Indebtedness of these governments at the end of their 1961 fiscal years totaled \$75.4 billion, or \$412 per capita. All but \$4.1 billion of this represented long-term obligations. These figures indicate an increase of approximately \$5.5 billion, or about 8 percent, in State and local government debt in the fiscal year 1961.

Nearly two-fifths of all long-term debt of State and local governments at the end of fiscal 1961 (\$26.8 billion of \$71.4 billion) represented nonguaranteed debt--i.e., obligations payable solely from pledged earnings of specific activities or facilities, or from special assessments.

Net long-term debt, amounting to \$65.7 billion, represented the gross long-term debt less amounts reserved for future debt retirement--shown as "offsets to debt" in table 12.

Detailed statistics on Federal Government indebtedness, being available in other published sources, are not repeated in this report.⁴ The Federal public debt on June 30, 1961, was \$289.0 billion, of which \$56.1 billion was held by U. S. Government investment accounts--mainly insurance trust funds. The "Federal public debt" total excludes nonguaranteed obligations of Federal agencies and guaranteed obligations issued by the Federal Housing Administration.

CASH AND SECURITY HOLDINGS

Statistics on financial assets of State and local governments are summarized in table 12. Cash and security holdings of these governments amounted to \$58.7 billion at the end of fiscal 1961.

This total included \$5.7 billion reserved for unemployment compensation purposes (mainly on deposit with the U. S. Treasury), \$20.9 billion of assets of employee-retirement systems, and \$1.6 billion for other insurance trust systems. Holdings of bond funds, representing proceeds of bond issues held pending their disbursement, amounted to \$6.1 billion in 1961, and holdings of sinking funds and other offsets to debt totaled \$5.7 billion.

Aside from the unemployment compensation reserves, about one-fourth of all other financial assets of State and local governments was in the form of cash and deposits, while \$40.1 billion represented security holdings, including \$19.5 billion of Federal Government securities.

CONCEPTS AND TERMINOLOGY

The general nature of many of the government finance items appearing in this report will be evident from their designation, their tabular presentation, and from the foregoing text. The discussion below, therefore, deals only with certain basic aspects of data classification and presentation.

Revenue and Expenditure

These two categories respectively comprise all amounts of money received or paid out by a government and its agencies (net of correcting

⁴Figures on Federal indebtedness and debt transactions appear in the Annual Report of the Secretary of the Treasury on the State of the Finances, and on a current basis in the Daily Statement of the United States Treasury and the monthly Treasury Bulletin.

transactions such as recoveries or refunds), with the exception of amounts 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 for the withholding and payment by State and local governments of Federal income tax amounts based on their employees' pay.

General Government, Utility, Liquor Stores, and Insurance Trust Sectors

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

The term "utility" covers only water supply, electric power, gas supply, and transit systems owned and operated by local governments. "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) as to State and local systems,

earnings on investment assets of insurance trust funds (see text discussion under "Insurance trust revenue"). 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.

Intergovernmental Transactions and Intragovernmental Transfers

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. As to State and local government data, no attempt has been made to reduce reported amounts of interest expenditure and of revenue from earnings on investments by reason of interest amounts paid on securities held by funds or agencies of the issuing government.

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 respectively, 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 1961 relate, with a few minor exceptions, to governmental fiscal years ended during calendar 1961. For the Federal Government, most school districts, and all except 4 of the 50 States, this means the 12 months ended June 30, 1961. There is more variation among other governments, with a considerable proportion operating in terms of a fiscal year ending December 31.

CHANGES IN DATA CLASSIFICATION

State and local government aggregates herein for fiscal 1961 include amounts for the present 50 States and their local governments. In tables 1 and 2 the similar totals for 1959 exclude Hawaii and its local governments, and those for 1958 and earlier years exclude both Alaska and Hawaii, and their local governments. Alaska became a State on January 3, 1959, and Hawaii on August 21, 1959 (in fiscal 1960).

As indicated by footnotes on tables 1 and 2, several data items as published in previous Census Bureau reports have been revised to reflect subsequent changes in classification.

For fiscal years 1956 through 1959, all segregable vendor payments for medical care were initially reported under "health" or "hospitals," as applicable. Vendor payments under public assistance programs, including amounts for medical care, are now classed under "public welfare," as was the practice before 1956. Figures herein for 1957, 1958, and 1959 as to categories involved have been adjusted.⁵

State government expenditure for crop insurance programs and for State electric power activities, classed under "natural resources" before 1960, are now classified as "miscellaneous commercial activities" and are included in the residual "other" general expenditure categories in this report.

In table 1, the 1960 exhibit figure on expenditure for personal services has been adjusted to include Federal cash allowances to military personnel and other employees. Amounts involved were included in basic expenditure figures as originally published for 1960, although not included in the exhibit item.

⁵Revised State expenditure amounts for fiscal 1959 and 1958, with detail for States affected, are supplied in the Compendium of State Governmental Finances in 1960. That report includes additional information on classification changes first applied in 1960, and an extensive glossary of terms applied.

In table 2, 1957 and 1958 expenditure figures under "education" have been adjusted to apply the subcategory "institutions of higher education" to local government amounts. In Census reports prior to 1959, such higher education amounts were not reported separately from other local expenditure for education.

Two changes in data presentation may be evident from tables herein which have not involved adjustment of prior-year amounts. "Financial administration," formerly treated as a sub-category under "general control," is now presented as a separate major function. The category "libraries" is now applied for State governments as well as local governments.

Prior-year amounts in tables 1 and 2 have not been revised for two other recent changes in classification. City revenue from onstreet parking meters, classed as "license taxes" before 1960, is now included under general revenue from "current charges." (About \$110 million annually was involved.) Federal direct expenditures for the distinctive Federal unemployment compensation programs for veterans and for Federal employees, classed before 1960 under "social insurance administration," are now included in the residual "other" categories in tables 5 and 6. (These components involved \$110 million of Federal expenditure in 1959, and lesser amounts in preceding years.)

Most North Carolina State amounts provided to finance local schools are now classed as State intergovernmental payments for education and then enter into local government direct expenditure for local schools. In reports for previous years most of such amounts were treated as State direct expenditure for local schools, and therefore were not included in local government figures. (The altered treatment affected \$161 million of State expenditure in 1960, and lesser sums in preceding years.) However, this change does not affect the historical aggregates presented in tables 1 and 2, since intergovernmental amounts are excluded in arriving at State-local totals.

In a few instances adjustments have been made in terminology without any change in concept or coverage--for example, "Police protection" was formerly termed "Police" and the category "Sewerage" was formerly termed "Sewers and sewage disposal."

SOURCES AND PROCEDURES

Federal Finance Statistics

The Budget of the United States Government for the Fiscal Year 1963 (which presents "actual" data for 1961) 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 1961 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 recast Federal data as presented in the United States Budget in order to develop the governmental finance statistics presented in this report. This involved not only (1) grouping of individual Federal receipt items and "budget expenditure" amounts for various agencies and appropriation items in accordance with the functional framework used for reporting of State and local government finances, but also (2) applying certain adjustments to Federal "budget receipts" and "budget expenditures" data in order to arrive at "revenue" and "expenditure" amounts, as reported here. These adjustments took account of the following major differences between these series:

- (1) Receipts from the repayment of loans and payments for extension of loans are included in Federal "budget receipts," and "budget expenditures"; such transactions are excluded from revenue and expenditure as defined by the Bureau of the Census.
- (2) The financial transactions of government enterprises are included in Federal budget figures only to the extent of their net effect (plus or minus) upon "budget expenditures"; Census figures include gross revenue and expenditure of government enterprises (loan and investment transactions are not included herein).
- (3) Federal "budget receipts" and "budget expenditures" omit the financial transactions of trust funds; such transactions are included in Census reporting of Federal revenue and expenditure, except for trust funds handled on an agency basis for State and local governments (e.g., the State accounts in the unemployment compensation fund, and District of Columbia funds).
- (4) Federal Budget receipts and expenditures include amounts transferred between general and special accounts, on the one hand, and trust funds, on the other; Census figures exclude such interfund transfers.
- (5) Certain kinds of reimbursements from non-Federal sources and receipts from

charges for quarters and subsistence furnished to employees are treated in the Federal Budget as "appropriation credits" and result in the reduction of Budget expenditure by the amount of such credits; for Census purposes, these amounts are counted as revenue and added back to expenditure.

- (6) Federal Budget expenditures include interest accrued but not paid during the fiscal year; Census data on interest are on a disbursement basis.

State Government Statistics

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.

Local Government Statistics

The data reported for local governments are estimates having a measurable degree of sampling variation, based on information obtained from a sample of local governments. The sample consisted of 2,170 local governments. The sample was stratified by type and size: counties, municipalities, and townships by 1960 population; school districts by enrollment in the 1959-60 school year; and special districts by amount of debt in 1957. Fiscal 1961 data were received from approximately 90 percent of the governments canvassed.

Except for the 43 largest municipalities and a limited number of other major units (for which information was compiled by Census representatives from official records and reports), basic financial data were obtained by mail with detailed questionnaires calling for figures in terms of the Census classification pattern. Followup correspondence was used extensively to clear up inadequacies and inconsistencies evident from examination of reported information.

Figures were developed for each type and size-group of governments by applying to the sum of amounts reported for each item an expansion factor, based on the size relation be-

tween respondent sample units and all local governments of similar type and size. Resulting cell estimates of financial data were summed to obtain the estimated local aggregates shown in this report; An adjustment was applied to estimate the portion of local education expenditure that was for locally operated colleges and universities, as explained in footnote 3.

The local government amounts presented here will be supplanted, in the forthcoming report, Governmental Finances in 1961, by estimates based on information from a considerably larger sample of governmental units.

Per Capita Statistics

The per capita amounts for 1961 which appear in various tables have been calculated by reference to the estimated resident population of the United States (i. e., excluding armed forces overseas) as of July 1, 1961.

Corresponding July 1 estimates of resident population for previous years have been used to derive the per capita figures for earlier years that appear in tables 1 and 2, except that the earlier population totals (like the financial data for State and local governments) exclude amounts for Alaska and Hawaii prior to their becoming States--i. e., omitting Alaska before 1959, and omitting Hawaii before 1960. On this basis, the population totals applied were as follows (in thousands): 1961--183,043; 1960--179,983; 1959--176,515; 1958--173,332; and 1957--170,375. These figures are based on the Bureau of the Census report Series P-25, No. 250, issued July 3, 1962. The data for 1957-1960 differ slightly, as indicated by footnotes of tables 1 and 2, from provisional population estimates used in earlier Census Bureau reports on governmental finances.

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 Sherman Landau. The assembly and classification of data for State governments and for the largest cities was supervised by Darwin Hoffman and Lynden Mannen. The latter also supervised the development of the Federal data shown here.

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

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Table 1.—HISTORICAL SUMMARY, FINANCES OF ALL GOVERNMENTS (FEDERAL, STATE, AND LOCAL), 1957 TO 1961

Item	Amount (millions of dollars)					Per capita ²				
	1961 (prelim.)	1960	1959 ¹	1958 ¹	1957 ¹	1961	1960	1959	1958	1957
REVENUE										
Total.....	159,607	154,041	133,939	130,403	129,151	871.96	855.86	758.80	752.33	758.04
General revenue.....	134,907	131,557	115,062	112,466	112,723	737.02	730.94	651.85	648.85	661.62
Taxes.....	116,133	113,120	99,636	98,387	98,632	634.46	628.50	564.46	567.62	578.91
Individual income.....	43,951	43,170	38,715	36,483	37,374	230.11	239.90	219.32	210.48	219.36
Corporation income.....	22,220	22,674	18,310	21,092	22,151	121.39	125.98	103.73	121.69	130.01
Sales, gross receipts, and customs.....	25,112	24,452	21,769	21,102	20,594	137.19	135.86	123.33	121.74	120.87
Property.....	17,806	16,405	14,983	14,047	12,864	97.28	91.15	84.88	81.04	75.50
Other.....	7,044	6,411	5,852	5,661	5,649	38.48	35.62	33.21	32.66	33.16
Charges and miscellaneous general revenue.....	13,773	18,438	15,426	14,079	14,091	102.56	102.44	87.39	81.23	82.71
Utility and liquor stores revenue.....	5,044	4,877	4,536	4,211	4,127	27.56	27.10	25.70	24.29	24.22
Insurance trust revenue ³	19,657	17,608	14,341	13,776	12,301	107.39	97.83	81.25	79.19	72.20
Employee retirement.....	3,190	2,868	2,641	2,365	2,130	17.43	15.93	14.96	13.64	12.50
Unemployment compensation.....	2,669	2,476	1,935	1,807	1,799	14.58	13.76	10.96	10.43	10.56
Old age, survivors and disability insurance.....	12,131	10,656	8,294	8,044	6,857	66.27	59.21	46.99	46.41	40.25
Other.....	1,667	1,606	1,472	1,508	1,515	9.11	8.92	8.34	8.70	8.89
EXPENDITURE, BY CHARACTER AND OBJECT										
Total.....	164,212	151,288	145,748	134,931	125,463	897.12	840.57	825.70	778.45	736.39
Current operation.....	91,469	81,654	78,950	71,637	68,966	499.71	453.68	447.27	413.29	404.79
Capital outlay.....	31,938	31,946	32,228	30,838	28,866	174.48	177.49	182.58	177.91	169.43
Construction.....	16,675	15,832	16,385	14,922	13,782	91.10	87.96	92.82	86.09	80.89
Equipment.....	13,387	14,378	14,158	14,576	13,825	73.14	79.89	80.21	84.09	81.14
Land and existing structures.....	1,877	1,735	1,684	1,340	1,259	10.25	9.64	9.54	7.73	7.39
Assistance and subsidies.....	10,931	10,402	10,658	10,278	9,488	59.72	57.79	60.38	59.30	55.69
Interest on debt ³	9,683	9,690	7,283	7,653	6,873	52.90	53.84	41.26	44.15	40.34
Insurance benefits and repayments.....	20,191	17,596	16,631	14,524	11,269	110.31	97.76	94.22	83.79	66.14
Exhibit: Expenditure for personal services.....	50,252	44,136	44,994	41,857	39,486	274.54	261.89	254.90	241.48	231.76
EXPENDITURE, BY FUNCTION										
Total.....	164,212	151,288	145,748	134,931	125,463	897.12	840.57	825.70	778.45	736.39
General expenditure.....	138,801	128,600	124,217	115,714	109,765	758.30	714.51	703.72	667.59	644.26
National defense and international relations.....	49,387	47,464	48,389	46,127	45,803	269.81	263.71	274.14	266.12	268.84
Postal service.....	4,025	3,730	3,499	3,327	3,034	21.99	20.72	19.82	19.19	17.81
Education.....	21,022	19,404	18,119	16,836	15,098	114.85	107.81	102.65	97.13	88.62
Highways.....	9,936	9,565	9,726	8,702	7,931	54.28	53.14	55.10	50.20	46.55
Public welfare.....	4,732	4,462	4,193	4,866	4,534	25.85	24.79	23.75	22.30	20.74
Hospitals.....	4,478	4,213	4,074	4,809	4,416	24.46	23.41	23.08	21.98	20.05
Health.....	1,132	1,031	993	761	735	6.18	5.73	5.63	4.39	4.31
Police protection.....	2,184	2,030	1,880	1,769	1,623	11.93	11.28	10.65	10.21	9.53
Natural resources.....	11,409	8,414	9,086	7,355	7,600	62.33	46.75	51.47	42.43	44.61
Housing and urban renewal.....	1,320	1,142	838	801	624	7.21	6.35	4.75	4.62	3.66
Air transportation.....	1,800	1,237	878	613	508	9.83	6.87	4.97	3.54	2.98
Water transport and terminals.....	1,273	1,142	1,022	885	862	6.95	6.35	5.79	5.11	5.06
Correction.....	810	722	708	573	498	4.43	4.01	4.01	3.31	2.92
Social insurance administration.....	636	549	651	521	424	3.47	3.05	3.69	3.01	2.49
Financial administration.....	1,605					8.77				
General control.....	1,417	2,859	2,750	2,536	2,405	7.74	15.88	15.58	14.63	14.12
Interest on general debt.....	9,296	9,332	6,959	7,360	6,603	50.79	51.85	39.42	42.46	38.76
Other and unallocable.....	12,335	11,304	10,454	9,876	9,066	67.39	62.81	59.22	56.98	53.21
Utility and liquor stores expenditure.....	5,221	5,088	4,901	4,693	4,428	28.52	28.27	27.77	27.08	25.99
Insurance trust expenditure.....	20,191	17,596	16,631	14,524	11,269	110.31	97.76	94.22	83.79	66.14
Employee retirement.....	2,339	2,161	1,936	1,773	1,534	12.78	12.01	10.97	10.23	9.00
Unemployment compensation.....	3,715	2,639	3,523	2,979	1,633	20.30	14.66	19.96	17.19	9.58
Old age, survivors and disability insurance.....	11,889	10,798	9,388	8,043	6,515	64.95	59.99	53.19	46.40	38.24
Other.....	2,248	1,997	1,784	1,728	1,589	12.28	11.10	10.11	9.97	9.33
INDEBTEDNESS										
Debt outstanding at end of fiscal year.....	364,386	356,286	348,816	334,530	323,566	1,990.71	1,979.55	1,976.13	1,930.00	1,899.14
Increase in total debt during fiscal year.....	8,100	7,470	14,286	10,964	1,947	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)

Note: Because of rounding, detail may not add to totals. Subject to limited revisions as indicated by footnotes 2 and 4, figures for 1958, 1959, and 1960 are from the Bureau of the Census reports on "Governmental Finances" for the years specified and 1957 data are from the Compendium of Government Finances (Vol. III, No. 5 of the 1957 Census of Governments). Nationwide totals for earlier years: appear in Historical Summary of Governmental Finances in the United States (Vol. IV, No. 3 of the 1957 Census of Governments). Except for 1957, local government amounts included here are estimates subject to sampling variation; see text.

¹State and local government aggregates herein for 1959 exclude data for Hawaii and its local governments, and those for 1958 and 1957 exclude both Alaska and Hawaii, and their local governments; see text.

²Being based on revised annual estimates of the total resident population of the United States, per capita amounts shown here for the years 1957 through 1960 are less than corresponding figures appearing in the reports from which the basic data have been taken, to the following extent: 1960, minus 0.003 percent; 1959, minus 0.083 percent; 1958, minus 0.042 percent; and 1957, minus 0.048 percent. See text under "Sources and Procedures."

³Excluding, as intragovernmental transactions, interest on Federal securities held by Federal agencies and funds; see also table 10.

⁴Revised; see text discussion of "Changes in Data Classification."

⁵Not computed.

Table 2.—HISTORICAL SUMMARY, FINANCES OF STATE AND LOCAL GOVERNMENTS, 1957 TO 1961

Item	Amount (millions of dollars)					Per capita ²				
	1961 (Prelim.)	1960	1959 ¹	1958 ¹	1957 ¹	1961	1960	1959	1958	1957
REVENUE										
Total.....	64,133	60,277	53,972	49,262	45,929	350.37	334.90	305.76	284.21	269.58
Total general revenue.....	53,712	50,505	45,306	41,219	38,164	293.44	280.61	256.67	237.80	224.00
Intergovernmental revenue.....	7,056	6,974	6,377	4,865	3,843	38.55	38.75	36.13	28.07	22.56
Revenue from own sources.....	57,077	53,302	47,596	44,397	42,085	311.82	296.15	269.64	256.14	247.01
General revenue from own sources.....	46,656	43,530	38,929	36,354	34,320	254.89	241.86	220.54	209.74	201.44
Taxes.....	38,663	36,117	32,379	30,380	28,817	211.22	200.67	183.43	175.27	169.14
Individual income.....	2,613	2,463	1,994	1,759	1,754	14.28	13.68	11.30	10.15	10.29
Corporation income.....	1,266	1,180	1,001	1,018	984	6.92	6.56	5.67	5.87	5.78
Sales and gross receipts.....	12,463	11,849	10,437	9,829	9,467	68.09	65.83	59.13	56.71	55.57
General.....	5,431	5,177	4,444	4,206	4,029	29.67	28.76	25.18	24.27	23.65
Selective.....	7,032	6,672	5,993	5,622	5,438	38.42	37.07	33.95	32.43	31.92
Property.....	17,806	16,405	14,983	14,047	12,864	97.28	91.15	84.88	81.04	75.50
Other.....	4,515	4,220	3,966	3,725	3,747	24.67	23.45	22.47	21.49	21.99
Charges and miscellaneous general revenue	7,992	7,414	6,550	5,974	5,503	43.66	41.19	37.11	34.47	32.30
Utility revenue.....	3,784	3,613	3,320	3,041	2,944	20.67	20.07	18.81	17.54	17.28
Liquor stores revenue.....	1,260	1,264	1,216	1,111	1,183	6.88	7.02	6.89	6.75	6.94
Insurance trust revenue.....	5,378	4,896	4,131	3,832	3,638	29.38	27.20	23.40	22.11	21.35
Employment retirement.....	2,324	2,099	1,871	1,688	1,486	12.70	11.66	10.60	9.74	8.72
Unemployment compensation.....	2,519	2,323	1,833	1,717	1,725	13.76	12.91	10.38	9.91	10.12
Other.....	535	472	428	426	427	2.92	2.62	2.42	2.46	2.51
EXPENDITURE, BY CHARACTER AND OBJECT										
Total.....	66,360	60,999	58,572	53,712	47,553	362.54	338.92	331.82	309.88	279.11
Current operation.....	39,546	36,318	33,369	30,862	27,983	216.05	201.79	189.04	178.05	164.24
Capital outlay.....	15,709	15,104	15,351	13,986	12,616	85.82	83.92	86.97	80.69	74.05
Construction.....	1,902	12,352	12,723	11,704	10,386	70.49	68.63	72.08	67.52	60.96
Equipment.....	1,205	1,192	1,075	1,025	1,032	6.58	6.62	6.09	5.91	6.06
Land and existing structures.....	1,603	1,560	1,552	1,257	1,198	8.76	8.67	8.79	7.25	7.03
Assistance and subsidies.....	3,608	3,518	3,329	3,159	2,828	19.71	19.55	18.86	18.23	16.60
Interest on debt.....	2,198	2,028	1,740	1,537	1,376	12.01	11.27	9.86	8.87	8.08
Insurance benefits and repayments.....	5,299	4,031	4,784	4,168	2,749	28.95	22.40	27.10	24.05	16.13
Exhibit: Expenditure for personal services...	26,498	24,445	22,528	20,786	18,707	144.76	135.82	127.63	119.92	109.80
EXPENDITURE, BY FUNCTION										
Total.....	66,360	60,999	58,572	53,712	47,553	362.54	338.92	331.82	309.88	279.11
General expenditure.....	55,841	51,876	48,817	44,851	40,375	305.07	288.23	276.96	258.76	236.98
Education.....	20,382	18,719	17,283	15,919	14,134	111.35	104.00	97.91	91.84	82.96
Institutions of higher education.....	3,568	3,202	2,920	2,582	2,206	19.49	17.79	16.54	14.90	12.95
Local schools.....	16,418	15,166	14,034	13,032	11,657	89.69	84.26	79.51	75.18	68.42
Other education.....	396	351	329	305	271	2.16	1.95	1.86	1.76	1.59
Highways.....	9,785	9,428	9,592	8,567	7,816	53.46	52.38	54.34	49.43	45.88
Public welfare.....	4,673	4,404	34,136	33,818	33,485	25.53	24.47	23.43	22.03	20.45
Hospitals.....	3,425	3,235	3,142	2,961	2,619	18.71	17.97	17.80	17.08	15.37
Health.....	590	559	582	501	500	3.22	3.11	3.30	2.89	2.93
Police protection.....	1,991	1,857	1,710	1,610	1,468	10.88	10.32	9.69	9.29	8.62
Local fire protection.....	1,094	995	914	873	810	5.98	5.53	5.18	5.04	4.75

See footnotes at end of table.

Table 2.—HISTORICAL SUMMARY, FINANCES OF STATE AND LOCAL GOVERNMENTS, 1957 TO 1961—Continued

Item	Amount (millions of dollars)					Per capita ²				
	1961 (Prelim.)	1960	1959 ¹	1958 ¹	1957 ¹	1961	1960	1959	1958	1957
EXPENDITURE, BY FUNCTION—Continued										
General expenditure—Continued										
Sewerage.....	1,101	1,103	1,011	933	906	6.01	6.13	5.73	5.38	5.32
Sanitation other than sewerage.....	671	624	598	572	537	3.67	3.47	3.39	3.30	3.15
Local parks and recreation.....	826	770	729	685	608	4.51	4.28	4.13	3.95	3.57
Natural resources.....	1,327	1,189	³ 1,076	³ 999	³ 932	7.25	6.61	6.10	5.76	5.47
Housing and urban renewal.....	943	858	615	601	505	5.15	4.77	3.48	3.47	2.96
Airports.....	422	342	308	254	232	2.31	1.90	1.74	1.47	1.36
Water transport and terminals.....	293	237	241	219	187	1.60	1.32	1.37	1.26	1.10
Correction.....	763	678	671	534	464	4.17	3.77	3.80	3.08	2.72
Libraries.....	368	278	⁴ 243	⁴ 224	⁴ 199	2.01	1.54	1.38	1.29	1.17
Employment security administration.....	351	313	303	271	234	1.92	1.74	1.72	1.56	1.37
Financial administration.....	1,014	2,113	2,003	1,843	1,725	5.54	11.74	11.35	10.63	10.12
General control.....	1,220					6.67				
General public buildings.....	590	533	567	493	429	3.22	2.96	3.21	2.84	2.52
Interest on general debt.....	1,811	1,670	1,416	1,244	1,106	9.89	9.28	8.02	7.18	6.49
Other and unallocable.....	2,200	1,970	³ 1,748	³ 1,730	³ 1,478	12.02	10.95	9.90	9.98	8.67
Utility expenditure.....	4,229	4,066	3,923	3,720	3,494	23.10	22.59	22.22	21.46	20.51
Liquor stores expenditure.....	992	1,022	978	973	934	5.42	5.68	5.54	5.61	5.48
Insurance trust expenditure.....	5,299	4,031	4,784	4,168	2,749	28.95	22.40	27.10	24.05	16.13
Employee retirement.....	1,383	1,265	1,144	1,074	943	7.56	7.03	6.48	6.20	5.53
Unemployment compensation.....	3,463	2,364	3,275	2,757	1,500	18.92	13.13	18.55	15.91	8.80
Other.....	453	402	365	337	307	2.47	2.23	2.07	1.94	1.80
INDEBTEDNESS										
Debt outstanding at end of fiscal year.....	75,415	69,955	64,110	58,187	53,039	412.01	388.68	363.20	335.70	311.31
Long-term.....	71,363	66,801	61,127	55,737	50,845	389.87	371.15	346.30	321.56	298.43
Full faith and credit.....	44,543	41,650	39,263	35,844	32,577	243.35	231.41	222.43	206.79	191.21
Nonguaranteed.....	26,822	25,151	21,864	19,893	18,268	146.53	139.74	123.86	114.77	107.22
Short term.....	4,052	3,154	2,983	2,450	2,194	22.14	17.52	16.90	14.13	12.88
Long-term debt issued.....	7,981	7,955	8,147	7,865	6,776	43.60	44.20	46.15	45.38	39.77
Long-term debt retired.....	3,685	3,458	3,222	2,839	2,716	20.13	19.21	18.25	16.38	15.94
Increase in total debt during fiscal year.....	5,460	5,845	5,923	5,148	4,171	29.83	(⁵)	(⁵)	(⁵)	(⁵)

Note: Because of rounding, detail may not add to totals. Subject to limited revisions indicated by footnotes 2 and 3, figures for 1958, 1959, and 1960 are from the Bureau of the Census reports on "Governmental Finances" for the years specified and 1957 data are from the *Compendium of Government Finances* (Vol. III, No. 5 of the 1957 Census of Governments). Nationwide totals for earlier years appear in *Historical Summary of Governmental Finances in the United States* (Vol. IV, No. 3 of the 1957 Census of Governments). Except for 1957, local government amounts included here are estimates subject to sampling variation; see text.

¹Amounts for 1959 exclude data for Hawaii and its local governments, and those for 1958 and 1957 exclude both Alaska and Hawaii, and their local governments; see text.

²Being based on revised annual estimates of the total resident population of the United States, per capita amounts shown here for the years 1957 through 1960 are less than corresponding figures appearing in the reports from which the basic data have been taken, to the following extent: 1960, minus 0.003 percent; 1959, minus 0.085 percent; 1958, minus 0.042 percent; and 1957, minus 0.048 percent. See text under "Sources and Procedures."

³Revised; see text discussion of "Changes in Data Classification."

⁴Local libraries only. (1960 and 1961 amounts include direct State library expenditure.)

⁵Not computed.

Table 3.—GOVERNMENTAL REVENUE, BY SOURCE, BY LEVEL OF GOVERNMENT: 1961

Source	Amount (millions of dollars)					Per capita		
	All govern- ments (Prelim.)	Federal Govern- ment	State and local governments			Total	Federal Govern- ment	State and local Govern- ments
			Total (Prelim.)	State	Local (Prelim.)			
Total revenue.....	1,59,607	102,530	164,133	34,603	139,855	1871.96	560.14	1350.37
Total general revenue.....	1,134,907	88,251	153,712	28,693	135,344	1737.02	482.13	1293.44
Intergovernmental revenue.....	(1)	...	7,056	6,782	10,599	(1)	...	38.55
From Federal Government.....	(1)	...	7,056	6,412	644	(1)	...	38.55
From States.....	(1)	...	(1)	...	9,955	(1)	...	(1)
From local governments.....	(1)	...	(1)	370	(1)	(1)	...	(1)
Revenue from own sources.....	159,607	102,530	57,077	27,821	29,256	871.96	560.14	311.82
General revenue from own sources.....	134,907	88,251	46,656	21,911	24,745	737.02	482.13	254.89
Taxes.....	116,133	77,470	38,663	19,057	19,606	634.46	423.23	211.22
Property.....	17,806	...	17,806	631	17,175	97.28	...	97.28
Individual income.....	43,951	41,338	2,613	2,355	258	240.11	225.84	14.28
Corporation income.....	22,220	20,954	1,266	1,266	(2)	121.39	114.48	6.92
Sales and gross receipts.....	25,112	12,649	12,463	11,031	1,432	137.19	69.10	68.09
Customs duties.....	982	982	...	...	...	5.36	5.36	...
General sales and gross receipts.....	5,431	...	5,431	4,510	921	29.67	...	29.67
Selective sales and gross receipts.....	18,699	11,667	7,032	6,522	510	102.16	63.74	38.42
Motor fuel.....	5,798	2,333	3,465	3,431	34	31.68	12.75	18.93
Alcoholic beverages.....	3,837	3,124	713	688	25	20.96	17.07	3.90
Tobacco products.....	3,063	1,986	1,077	1,001	76	16.73	10.85	5.88
Public utilities.....	1,791	1,092	699	401	298	9.78	5.97	3.82
Other.....	4,210	3,132	1,078	1,000	78	23.00	17.11	5.89
Motor vehicle and operators licenses.....	1,754	...	1,754	1,641	113	9.58	...	9.58
Death and gift.....	2,397	1,896	501	501	(3)	13.10	10.36	2.74
All other.....	2,893	633	2,260	1,632	628	15.81	3.46	12.35
Charges and miscellaneous general revenue.....	18,773	10,781	7,992	2,854	5,138	102.56	58.90	43.66
Current charges.....	13,994	8,290	5,704	1,959	3,745	76.45	45.29	31.16
National defense and international relations.....	565	565	...	...	...	3.09	3.09	...
Postal service.....	3,300	3,300	...	...	...	18.03	18.03	...
Education.....	1,923	7	1,916	966	950	10.51	0.04	10.47
School lunch sales.....	696	...	696	...	696	3.80	...	3.80
Other.....	1,228	7	1,221	966	255	6.71	0.04	6.67
Highways.....	579	1	578	401	177	3.16	0.01	3.16
Hospitals.....	939	30	909	258	651	5.13	0.16	4.97
Sewerage.....	330	...	330	...	330	1.80	...	1.80
Sanitation other than sewerage.....	139	...	139	...	139	0.76	...	0.76
Local parks and recreation.....	112	...	112	...	112	0.61	...	0.61
Natural resources.....	3,768	3,605	163	106	57	20.59	19.69	0.89
Housing and urban renewal.....	597	212	385	4	381	3.26	1.16	2.10
Air transportation.....	171	3	168	8	160	0.93	0.02	0.92
Water transport and terminals.....	257	108	149	40	109	1.40	0.59	0.81
Other.....	1,317	460	857	177	680	7.20	2.51	4.68
Special assessments.....	392	...	392	...	392	2.14	...	2.14
Sale of property.....	202	21	181	40	141	1.10	0.11	0.99
Interest earnings.....	1,610	936	674	364	310	8.80	5.11	3.68
Other miscellaneous general revenue.....	2,575	1,534	1,041	491	550	14.07	8.38	5.69
Utility revenue.....	3,784	...	3,784	...	3,784	20.67	...	20.67
Liquor stores revenue.....	1,260	...	1,260	1,119	141	6.88	...	6.88
Insurance trust revenue.....	19,657	14,279	5,378	4,791	587	107.39	78.01	29.38

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Duplicative transactions between levels of government are excluded in arriving at aggregates; see text.

²Minor amount included in individual income tax figure.

³Minor amount included in "All other taxes".

Table 4.—GOVERNMENTAL EXPENDITURE, BY TYPE AND BY CHARACTER AND OBJECT, BY LEVEL OF GOVERNMENT: 1961

Item	Amount (millions of dollars)					Per capita		
	All govern- ments (Prelim.)	Federal Govern- ment	State and local governments			Total	Federal Govern- ment	State and local govern- ments
			Total (Prelim.)	State	Local (Prelim.)			
Total expenditure.....	¹ 164,212	104,863	¹ 66,360	34,693	¹ 41,978	¹ 897.12	572.89	¹ 362.54
Intergovernmental expenditure.....	(¹)	7,011	(¹)	10,114	196	(¹)	38.30	(¹)
To States.....	(¹)	6,266	(¹)	...	196	(¹)	34.23	(¹)
To local governments.....	(¹)	745	(¹)	10,114	(¹)	(¹)	4.07	(¹)
Direct expenditure.....	164,212	97,852	66,360	24,578	41,782	897.12	534.58	362.54
By type:								
General.....	138,801	82,960	55,841	19,004	36,837	758.30	453.23	305.07
Utility expenditure	4,229	...	4,229	...	4,229	23.10	...	23.10
Liquor stores expenditure.....	992	...	992	873	119	5.42	...	5.42
Insurance trust expenditure.....	20,191	14,892	5,299	4,701	598	110.31	81.36	28.95
By character and object:								
Current operation.....	91,469	51,923	39,546	10,384	29,162	499.71	283.67	216.05
Capital outlay	31,938	16,229	15,709	6,865	8,844	174.48	88.66	85.82
Construction.....	16,675	3,773	12,902	5,699	7,203	91.10	20.61	70.49
Equipment.....	13,387	12,182	1,205	334	871	73.14	66.55	6.58
Land and existing structures.....	1,877	274	1,603	833	770	10.25	1.50	8.76
Assistance and subsidies.....	10,931	7,323	3,608	2,044	1,564	59.72	40.01	19.71
Interest on debt.....	9,683	7,485	2,198	584	1,614	52.90	40.89	12.01
Insurance benefits and repayments.....	20,191	14,892	5,299	4,701	598	110.31	81.36	28.95
Exhibit: Expenditure for personal services.	50,252	² 23,754	26,498	6,524	19,974	262.31	117.55	144.76

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Duplicative transactions between levels of government are excluded in arriving at aggregates; see text.

²Includes pay and allowances for military personnel amounting to \$9,737.

Table 5.—SUMMARY OF GENERAL EXPENDITURE (DIRECT AND INTERGOVERNMENTAL), BY FUNCTION, BY LEVEL OF GOVERNMENT: 1961

Item	Amount (millions of dollars)				Percent			
	All govern-ments	Federal Govern-ment	States	Local govern-ments	All govern-ments	Federal Govern-ment	States	Local govern-ments
All functions.....	138,801	89,971	29,118	37,033	100.0	100.0	100.0	100.0
Direct.....	138,801	82,960	19,004	36,837	100.0	92.2	65.3	99.5
Intergovernmental.....	(¹)	27,011	10,114	196	(¹)	7.8	34.7	0.5
National defense and international relations ³	49,387	49,387	...	...	35.6	54.9	...	...
Postal service ³	4,025	4,025	...	...	2.9	4.5	...	...
Education.....	121,022	1,669	9,755	16,590	15.1	1.9	33.5	44.8
Direct.....	21,022	640	3,792	16,590	15.1	0.7	13.0	44.8
Intergovernmental.....	(¹)	1,030	5,963	(⁴)	(¹)	1.1	20.5	(⁴)
Highways.....	19,936	2,738	7,496	3,586	7.2	3.0	25.7	9.7
Direct.....	9,936	151	6,230	3,555	7.2	0.2	21.4	9.6
Intergovernmental.....	(¹)	2,586	1,266	31	(¹)	2.9	4.3	0.1
Public welfare.....	14,732	2,238	3,913	2,345	3.4	2.5	13.4	6.5
Direct.....	4,732	59	2,311	2,362	3.4	0.1	7.9	6.4
Intergovernmental.....	(¹)	2,178	1,602	33	(¹)	2.4	5.5	0.1
Health and hospitals.....	15,611	1,750	2,243	2,021	4.0	1.9	7.7	5.5
Direct.....	5,611	1,595	2,059	1,957	4.0	1.8	7.1	5.3
Intergovernmental.....	(¹)	154	184	64	(¹)	0.2	0.6	0.2
Natural resources.....	11,409	10,214	924	421	8.2	11.4	3.2	1.1
Direct.....	11,409	10,082	906	421	8.2	11.2	3.1	1.1
Intergovernmental.....	(¹)	132	18	(⁴)	(¹)	0.1	0.1	(⁴)
Housing and urban renewal.....	1,320	655	37	936	1.0	0.7	0.1	2.5
Direct.....	1,320	377	7	936	1.0	0.4	(⁵)	2.5
Intergovernmental.....	(¹)	278	30	(⁴)	(¹)	0.3	0.1	(⁴)
Air transportation.....	1,800	1,442	55	386	1.3	1.6	0.2	1.0
Direct.....	1,800	1,378	36	386	1.3	1.5	0.1	1.0
Intergovernmental.....	(¹)	64	20	...	(¹)	0.1	0.1	...
Social insurance administration.....	1636	655	351	(⁴)	0.5	0.7	1.2	(⁴)
Direct.....	636	285	351	(⁴)	0.5	0.3	1.2	(⁴)
Intergovernmental.....	(¹)	370	...	...	(¹)	0.4	...	...
Interest on general debt ³	9,296	7,485	584	1,227	6.7	8.3	2.0	3.3
Other and combined.....	119,626	7,714	3,760	9,470	14.1	8.6	12.9	25.6
Direct.....	19,626	7,494	2,729	9,403	14.1	8.3	9.4	25.4
Intergovernmental.....	(¹)	219	1,031	67	(¹)	0.2	3.5	0.2

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Duplicative transactions between levels of government are excluded in arriving at aggregates; see text.

²Entirely to States except for \$745 million paid direct to local governments, including \$276 million for education, \$278 million for housing and urban renewal, \$44 million for airports, \$44 million for waste treatment facilities, and about \$28 million, Federal lump-sum contribution to the District of Columbia.

³Entirely direct expenditure.

⁴Minor amounts included under "Other and combined," below.

⁵Less than 0.05 percent.

Table 6.—DIRECT GENERAL EXPENDITURE, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1961

Function	Amount (millions of dollars)					Per capita		
	All govern-ments (Prelim.)	Federal Govern-ment	State and local governments			Total	Federal Govern-ment	State and local gov-ernments
			Total (Prelim.)	State	Local (Prelim.)			
Total.....	138,801	82,960	55,841	19,004	36,837	758.30	453.23	305.07
National defense and international relations.....	49,387	49,387	...	...	...	269.81	269.81	...
All other functions.....	89,414	33,573	55,841	19,004	36,837	488.49	183.42	305.07
Postal service.....	4,025	4,025	...	...	...	21.99	21.99	...
Education.....	21,022	640	20,382	3,792	16,590	114.85	3.50	111.35
Institutions of higher education.....	3,568	(¹)	3,568	3,170	398	19.49	(¹)	19.49
Local schools.....	16,418	...	16,418	226	16,192	89.69	...	89.69
Other.....	1,036	640	396	396	...	5.66	3.50	2.16
Highways.....	9,936	151	9,785	6,230	3,555	54.28	0.82	53.46
Public welfare.....	4,732	59	4,673	2,311	2,362	25.85	0.32	25.53
Categorical public assistance.....	3,088	13	3,075	1,767	1,308	16.87	0.07	16.80
Other public assistance.....	515	...	515	258	257	2.81	...	2.81
Other public welfare.....	1,131	46	1,085	287	798	6.18	0.25	5.93
Health and hospitals.....	5,611	1,595	4,016	2,059	1,957	30.65	8.71	21.94
Public hospitals.....	4,239	957	3,282	1,750	1,532	23.16	5.23	17.93
Other hospitals.....	239	96	143	40	94	1.31	0.52	0.78
Health.....	1,132	542	590	260	330	6.18	2.96	3.22
Police protection.....	2,184	193	1,991	261	1,730	11.93	1.05	10.88
Local fire protection.....	1,094	...	1,094	...	1,094	5.98	...	5.98
Sewerage.....	1,101	...	1,101	...	1,101	6.01	...	6.01
Sanitation other than sewerage.....	671	...	671	...	671	3.67	...	3.67
Local parks and recreation.....	826	...	826	...	826	4.51	...	4.51
Natural resources.....	11,409	10,082	1,327	906	421	62.33	55.08	7.25
Housing and urban renewal.....	1,320	377	943	7	936	7.21	2.06	5.15
Air transportation.....	1,800	1,378	422	36	386	9.83	7.53	2.31
Water transport and terminals.....	1,273	980	293	78	215	6.95	5.35	1.60
Correction.....	810	47	763	479	284	4.43	0.26	4.17
Libraries.....	368	...	368	19	349	2.01	...	2.01
Social insurance administration.....	636	285	351	351	...	3.47	1.56	1.92
Financial administration.....	1,605	591	1,014	472	542	8.77	3.23	5.54
General control.....	1,417	197	1,220	253	967	7.74	1.08	6.67
General public buildings (State-local).....	590	...	590	120	470	3.22	...	3.22
Interest on general debt.....	9,296	7,485	1,811	584	1,227	50.79	40.89	9.89
Other and unallocable.....	7,685	5,485	2,200	1,046	1,154	41.98	29.97	12.02

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Service academies are included under "National defense and international relations" and other relatively minor Federal amounts are included under "Other education."

GOVERNMENTAL FINANCES IN THE UNITED STATES: 1961

Table 7.—DETAIL OF FEDERAL EXPENDITURE FOR SELECTED CATEGORIES: 1961

(In millions of dollars)

Item	Amount	Item	Amount
Intergovernmental expenditure (as shown for particular functions in table 5)—		Direct Federal expenditure (as shown for particular functions in table 6)—Continued	
Education.....	1,030	Hospitals:	
Grants-in-aid.....	599	Public hospitals.....	957
School lunch and school milk programs.....	172	Veterans.....	837
Maintenance and operation of schools.....	207	Other.....	120
School construction.....	59	Other hospitals.....	96
Defense educational activities.....	49	Veterans.....	5
Other grants-in-aid.....	112	Other.....	91
Payments for services.....	430	Health.....	542
Scientific research and redevelopment.....	418	Veterans.....	123
Tuition payments.....	12	Other.....	419
Public welfare.....	2,178	Other and unallocable.....	5,485
Public assistance.....	2,158	Veterans' services, n.e.c.....	3,965
Other public welfare.....	21	General property and records management.....	370
Health and hospitals.....	154	Regulation of commerce and finance and other aids to business, n.e.c.....	209
Public health programs.....	85	Unemployment compensation for Federal employees and ex-servicemen.....	171
Hospital construction.....	66	Employees' compensation and other claims, n.e.c.....	65
Other.....	2	Promotion of science, research, libraries, and museums.....	81
Other and combined.....	219	Labor and manpower, n.e.c.....	7
Shared revenues.....	98	Indian tribal funds.....	137
Waste treatment facilities.....	44	Interest on internal revenue refunds.....	83
Federal contribution to District of Columbia....	28	Assistance to territories and possessions, n.e.c.....	37
Transitional grants to Alaska.....	6	Civilian weather services.....	56
Civil defense and disaster relief.....	19	Civil defense and disaster relief.....	38
Other.....	24	All other.....	202
Direct Federal expenditure (as shown for particular functions in table 6)—		Exhibit: Distribution of Federal expenditure for veterans—	
National defense and international relations.....	49,387	Classified under education:	
Military functions.....	43,068	Direct (table 6).....	264
Military assistance.....	1,449	Intergovernmental (table 5).....	3
Economic and financial assistance.....	1,811	Classified under public welfare:	
Atomic energy.....	2,557	Direct (table 6).....	30
Defense-related activities.....	140	Intergovernmental (table 5).....	8
Other (foreign affairs).....	362	Classified under health and hospitals:	
Education.....	640	Direct (table 6).....	966
Veterans' educational benefits.....	264	Intergovernmental (table 5).....	2
Other.....	375	Classified under other and unallocable:	
National resources.....	7,614	Direct (table 6).....	3,965
Stabilization of farm prices and income.....	7,331	Classified under insurance trust expenditure:	
Farm credit and insurance.....	47	Veterans' life insurance benefits and premium refunds—table 10.....	814
Other agricultural resources.....	236	Total Federal expenditure for veterans' services:	
Soil, water, and electric energy resources.....	1,995	Direct.....	6,040
Forests and parks.....	326	Intergovernmental.....	14
Mineral resources.....	44		
Other natural resources.....	103		

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

SUMMARY OF GOVERNMENTAL FINANCES IN 1961

Table 8.—GOVERNMENTAL EXPENDITURE FOR CAPITAL OUTLAY, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1961

(In millions of dollars)

Function	Total capital outlay					Construction expenditure only				
	All governments (Prelim.)	Federal	State and local			All governments	Federal	State and local		
			Total (Prelim.)	State	Local (Prelim.)			Total	State	Local
All functions.....	31,938	16,229	15,709	6,865	8,844	16,675	3,773	12,902	5,699	7,203
National defense and international relations.....	13,670	13,670	...	...	...	1,912	1,912	...	...	...
Other, total.....	18,268	2,559	15,709	6,865	8,844	14,764	1,862	12,902	5,699	7,203
Education.....	3,745	32	3,713	858	2,855	3,068	29	3,039	683	2,356
Institutions of higher education....	785	(¹)	785	716	69	610	(¹)	610	553	57
Local schools.....	2,897	...	2,897	110	2,787	2,403	...	2,403	104	2,299
Other.....	64	32	32	32	...	55	29	26	26	...
Highways.....	6,537	57	6,480	5,054	1,426	5,478	56	5,422	4,231	1,191
Hospitals.....	434	70	364	199	165	367	56	311	167	144
Sewerage.....	733	...	733	...	733	714	...	714	...	714
Local parks and recreation.....	235	...	235	...	235	175	...	175	...	175
Natural resources.....	1,581	1,229	352	136	216	1,309	1,032	277	86	191
Housing and urban renewal.....	766	160	606	1	605	307	...	307	1	306
Air transportation.....	702	388	314	27	287	531	238	293	27	266
Water transport and terminals.....	455	262	193	41	152	404	227	177	36	141
Local utilities.....	1,407	...	1,407	...	1,407	1,229	...	1,229	...	1,229
Water supply.....	834	...	834	...	834	758	...	758	...	758
Electric power.....	411	...	411	...	411	379	...	379	...	379
Transit.....	120	...	120	...	120	52	...	52	...	52
Gas supply.....	42	...	42	...	42	41	...	41	...	41
All other.....	1,673	360	1,313	549	764	1,181	224	957	468	489

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Service academies are included under "National defense and international relations" and other relatively minor Federal amounts are included under "Other education."

Table 9.—UTILITY REVENUE, EXPENDITURE, AND INDEBTEDNESS, BY TYPE OF UTILITY: 1961

(In millions of dollars)

Type of utility	Utility revenue	Utility expenditure				Utility debt at end of fiscal year		
		Total	Current operation	Capital outlay	Interest on utility debt	Total	Full faith and credit	Nonguaranteed
Total.....	3,784	4,229	2,435	1,407	387	11,667	5,290	6,376
Water supply.....	1,575	1,924	879	524	211	6,489	3,221	3,268
Electric power.....	1,427	1,355	842	411	102	3,039	368	2,671
Transit.....	588	555	568	120	68	2,018	1,688	330
Gas supply.....	194	195	146	42	6	121	14	107

Note: Because of rounding, detail may not add to totals. These data are estimates subject to sampling variation; see text.

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Table 10.—GOVERNMENTAL INSURANCE TRUST REVENUE AND EXPENDITURE, BY TYPE OF INSURANCE TRUST SYSTEM, BY LEVEL OF GOVERNMENT: 1961

(In millions of dollars)

Item	Insurance trust revenue			Insurance trust expenditure
	Total	Contributions	Earnings on investments	
All governments.....	19,657	18,696	961	20,191
Unemployment compensation.....	2,669	2,473	196	3,715
Employee retirement.....	3,190	2,473	717	2,339
All other.....	13,798	13,750	48	14,138
Federal Government.....	14,279	14,279	¹ (1,215)	14,893
Unemployment compensation.....	150	150	(²)	252
Employee retirement.....	866	866	¹ (281)	956
Old age, survivors, and disability insurance.....	12,131	12,131	¹ (592)	11,889
Veterans life insurance.....	561	561	¹ (231)	814
Railroad retirement.....	571	571	¹ (111)	982
State and local governments.....	5,378	4,417	961	5,299
Unemployment compensation.....	2,519	2,323	196	3,463
Employee retirement.....	2,324	1,607	717	1,383
Other.....	535	487	48	453
State governments.....	4,701	4,067	724	4,701
Unemployment compensation.....	2,511	2,317	194	3,456
Employee retirement.....	1,745	1,263	482	791
Other.....	535	487	48	453
Local governments.....	587	350	237	599
Unemployment compensation.....	8	6	2	7
Employee retirement.....	579	344	235	592

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.

¹Earnings on investments of Federal insurance trust systems consist entirely of interest on holdings of Federal securities; these amounts, as intragovernmental transactions, are excluded from "revenue" figures here, and are shown only as exhibit data.

²Less than \$500 thousand.

Table 11.—INDEBTEDNESS AND DEBT TRANSACTIONS OF STATE AND LOCAL GOVERNMENTS: 1961

Item	Amount (millions of dollars)			Per capita
	Total (Prelim.)	State governments	Local governments (Prelim.)	
Debt outstanding, total.....	75,415	19,993	55,422	412.01
Long-term.....	71,363	19,529	51,834	389.87
Full faith and credit.....	44,543	9,521	35,022	243.35
Nonguaranteed.....	26,822	10,009	16,813	146.53
Short-term.....	4,052	464	3,588	22.14
Net long-term debt outstanding.....	65,668	16,664	49,004	358.76
Long-term debt issued.....	7,981	2,205	5,776	43.60
General.....	7,145	2,205	4,940	39.03
Utility.....	836	...	836	4.57
Long-term debt retired.....	3,685	826	2,859	20.13
General.....	3,240	826	2,414	17.70
Utility.....	445	...	445	2.43

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text. As to Federal Government debt, see text discussion under "Government Indebtedness."

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Table 12.—CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY TYPE AND PURPOSE OF HOLDING: 1961

Item	Amount (millions of dollars)			Per capita
	Total (Prelim.)	State governments	Local governments (Prelim.)	
Total.....	58,731	35,412	23,319	320.86
By type:				
Unemployment compensation fund balances in U.S. Treasury.....	5,675	5,613	62	31.00
Other deposits and cash.....	12,998	4,313	8,685	71.01
Securities.....	40,058	25,486	14,572	218.84
Federal.....	19,518	11,564	7,954	106.63
Own government securities.....	3,936	805	3,131	21.50
Other State and local government securities.....	3,262	2,815	447	17.82
Other.....	13,342	10,302	3,041	72.89
By purpose of holding:				
Unemployment compensation.....	5,704	5,642	62	31.16
Employee retirement.....	20,876	13,798	7,078	114.05
Other insurance trust systems.....	1,575	1,575	...	8.60
Offsets to debt.....	5,696	2,866	2,830	31.12
Bond funds.....	6,091	1,207	4,884	33.28
All other.....	18,791	10,325	8,466	102.66
Employee-retirement holdings by type:				
Cash and deposits.....	268	145	123	1.46
Securities.....	20,607	13,653	6,954	112.58
Federal.....	5,991	4,142	1,849	32.73
Own government securities.....	2,687	550	2,137	14.68
Other State and local government securities.....	1,716	1,359	357	9.37
Other.....	10,214	7,603	2,611	55.80

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.