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SUMMARY OF GOVERNMENTAL FINANCES IN 1962

GOVERNMENTAL FINANCES IN
THE UNITED STATES 1962

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 1962 amounted to \$123.5 billion, as compared with the 1961 total of \$116.3 billion.¹

Taking account of all other revenue sources as well as taxes, governmental revenue in the fiscal year 1962 totaled \$167.9 billion. This sum was up \$9.2 billion from the 1961 total.

Governmental expenditure totaled \$175.8 billion in fiscal 1962, or \$10.9 billion more than the \$164.9 billion spent in the previous year.

Indebtedness of all governments at the end of their 1962 fiscal years totaled \$379.3 billion. This total included Federal public debt amounting to \$298.2 billion at the end of the Federal fiscal year (June 30, 1962), or \$9.2 billion more than a year before. State and local government indebtedness rose \$6.1 billion during the fiscal year 1962 to a record total of \$81.1 billion.

Trends since 1958 in the revenue, expenditure, and indebtedness of all governments--Federal, State, and local--are summarized in table 1. Corresponding Federal figures and aggregates covering State and local governments appear in tables 2 and 3, respectively. 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 1962 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 annual report, Governmental Finances in 1962. Final and more detailed statistics on governmental finances will later appear in final reports of the 1962 Census of Governments.

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.

Local governments obtained \$31.4 billion directly from their own revenue sources in fiscal 1962, and the States' own sources yielded \$30.1 billion. These sums together represented 37 percent of all governmental revenue, with Federal revenue accounting for the other 63 percent. A somewhat different distribution appears if allowance is made for intergovernmental transfers, which in fiscal 1962 provided State and local governments with \$7.9 billion from the Federal Government, and involved \$10.9 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 1962 was available as follows: 59 percent to the Federal Government, 25 percent to local governments, and 16 percent to the States.

General Revenue

Taxes. --Of tax revenue totaling \$123.5 billion in fiscal 1962, the Federal Government collected \$82.3 billion. The other one-third of all taxes was collected equally by local governments (\$20.6 billion) and the States (\$20.6 billion). Federal tax revenue amounted to \$443 per capita, and State and local taxes were equal to \$222 per capita.

As is evident from table 4, there are marked differences in tax structure among the three levels of government. The Federal Government relies primarily on income taxes: in 1962, the individual income tax supplied more than half

of all Federal tax revenue, and the corporation income tax provided one-fourth. The property tax is the principal revenue source for local governments, and in fiscal 1962 yielded 87.8 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 1962.

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 \$7.4 billion received as charges for services in the fiscal year 1962 covers numerous items of a highly diverse nature, including \$3.4 billion of postal receipts, and about \$1.4 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 4). 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 \$6.3 billion in 1962 and was distributed by function as shown in table 4.

Of the \$4.8 billion of charges and miscellaneous revenue that came from sources other than "current charges," \$1.7 billion represented interest earnings, \$438 million was collected by local governments through special assessments for public improvements, \$267 million was from the sale of real property, and the remaining \$2.4 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 13, 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. 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 \$5.6 billion in 1962. 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 10, 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 1962 (see tables 4 and 5).

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 1962, insurance trust revenue altogether approached \$20.4 billion. This total includes \$19.3 billion of contributions from employers and from employees and other ultimate beneficiaries, and \$1.0 billion of earnings on investments of insurance trust systems administered by State and local governments.

Federally administered insurance trust systems also received \$1.3 billion as earnings on their investments during fiscal 1962 (as shown by exhibit data in table 11). 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.

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--such amounts are included here, without special treatment, in the "revenue from contributions" of the various systems affected.

Table 11 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.

Governmental expenditure totaled \$175.8 billion in fiscal 1962. Direct expenditure of the Federal Government was \$105.7 billion,

direct expenditure of State governments totaled \$25.5 billion, and that of local governments, \$44.6 billion. These are expenditure amounts for "own purposes" of each level of government.

In 1962, the Federal Government disbursed, in addition to its direct expenditure, \$7.7 billion in payments to State and local governments; the State governments paid \$10.9 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 1962 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, 65 percent; local governments, 19 percent; and States, 17 percent.

Table 5 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 1962, 56 percent (\$97.6 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 \$55.4 billion of the current operation total for all governments. State and local governments spent \$42.2 billion for current operation in 1962. 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 \$35.4 billion in 1962, or about 21 percent of total government expenditure. Federal capital outlay (mainly for purchase of military equipment) amounted to \$18.4 billion. Capital outlay by State and local governments amounted to \$17.0 billion.

Governmental expenditure for capital outlay in 1962 is distributed by governmental function in table 9.

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 \$11.6 billion in the fiscal year 1962. Although the Federal Government accounted for most of this sum (\$8.0 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.

Interest on Debt

Expenditure for interest on governmental debt aggregated \$9.6 billion in 1962. Of this sum, almost \$7.2 billion was paid out by the Federal Government. State governments accounted for about one-fourth of the remaining \$2.4 billion and local governments for the balance.

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 \$21.6 billion in 1962. Over three-fourths of this sum represented Federal payments, with the States accounting for most of the remaining \$4.9 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 \$54.0 billion in the fiscal year 1962, including Federal pay and cash allowances for military personnel amounting to \$10.5 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 1962.

Intergovernmental Expenditure

During fiscal 1962, the Federal Government made payments of about \$7.7 billion to State and local governments, and the States paid \$10.9 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.

EXPENDITURE BY FUNCTION

As indicated by table 5, 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 6 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 7, but the amounts shown there pertain solely to direct general expenditure.

General expenditure by all governments in the fiscal year 1962 totaled \$148.4 billion, or about 7 percent more than in the previous year. Changes in direct general expenditure between 1961 and 1962, in total and for selected major functions, were as follows:

Function	Percent increase or decrease (-) in direct general expenditure, 1961-1962		
	All governments	Federal Government	State and local governments
Total.....	7	7	6
National defense and international relations	8	8	xxx
Education.....	6	-7	7
Natural resources.....	7	7	4
Highways.....	5	...	5
Interest on general debt.....	-2	-4	9
Health and hospitals..	7	12	5
Public welfare.....	6	7	6
Postal service.....	2	2	xxx
Police protection....	3	2	4
Sanitation.....	8	xxx	8
Local fire protection.	1	xxx	1

In the foregoing tabulation, functions are listed in descending size order as measured by amounts of public expenditure in 1962. 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 \$53.2 billion in 1962, or 55 percent of all Federal general expenditure and about 36 percent of total general expenditure of all governments--Federal, State, and local.

²Because the local government amounts for 1962 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.

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 8.

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 and 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 \$22.5 billion was spent in 1962.

Direct Federal spending for education in fiscal 1962 amounted to \$598 million, including \$157 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 nearly \$1.2 billion.

Direct expenditure of State and local governments for education totaled \$21.9 billion in 1962, equaling \$118 per capita. Of the total, \$17.5 billion was for local schools, \$4.0 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 \$200 million for local schools, they provided \$1.5 billion through intergovernmental payments--about 37 percent of the total sum spent for education by local governments.

Included in the \$17.5 billion total of expenditure for local schools in 1962 was approximately \$3.0 billion for capital outlay, as shown in table 9. Of this amount, approximately \$2.5 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 7 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 4), 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. 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 \$12.2 billion of governmental expenditure in 1962, of which \$10.8 billion was spent by the Federal Government.

Table 8 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, or transferred in connection with stockpiling, foreign aid, school lunch, or other governmental programs. The expenditure figure does not include commodity loans extended for price support purposes, as such, but does include amounts of loans cancelled in connection with acquisition by the Government of commodities pledged as collateral.

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 \$10.5 billion of public expenditure in fiscal 1962, or 4.5 percent more than in 1961. Direct Federal spending for highway purposes is relatively minor, amounting in fiscal 1962 to only \$151 million. However, Federal grants to help finance State and local highways expenditure amounted to \$2.7 billion.

The State governments made direct expenditures of \$6.6 billion for highways during fiscal 1962, and also provided \$1.3 billion to local governments for street and highway purposes. The local governments spent \$3.7 billion for this function.

About two-thirds of public expenditure for highways in 1962 (\$7.1 billion out of \$10.5 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 protection").

Interest on general debt.--Expenditure for interest on general debt amounted to \$9.2 billion in fiscal 1962. (This sum does not include the \$435 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 expenditure reported for State and local governments.

Health and hospitals.--Public health and hospital services involved \$6.1 billion of governmental expenditure in 1962.

Construction, operation, and maintenance of public hospitals required \$4.5 billion, of which State and local governments spent \$3.5 billion. An additional \$260 million was paid to private hospitals for care of patients or for public support. Governmental expenditure for public health services other than hospitals totaled \$1.3 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 \$5.1 billion was spent by governments for such purposes in 1962.

As in the case of highways, there is extensive Federal participation in public welfare through grants to State and local governments for various public assistance programs (\$2.4 billion in 1962). Direct Federal expenditure for public welfare activities is relatively small (\$63 million in 1962).

The individual States vary in the degree to which they directly undertake public welfare activities or delegate this responsibility to local governments. In 1962, the States spent directly \$2.5 billion for public welfare and transferred \$1.8 billion to local governments for welfare programs (including money from Federal sources), thus providing a major portion of the \$2.5 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 1962. State and local amounts under this heading include any applicable cash benefits in excess of, or supplementary to, those financed with Federal participation. Other cash assistance--mainly for general relief, which is wholly financed from State and local sources--amounted to \$251 million. Other public welfare spending, totaling \$1.6 billion in 1962, included vendor payments under all welfare programs, institutional care of the needy, and administration of welfare activities.

Postal service.--Expenditure by the Federal Government for the postal service in 1962 totaled \$4.1 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 4, amounted to \$3.4 billion in 1962.

Police protection.--Federal, State, and local police protection cost \$2.3 billion in 1962. The bulk of this amount (\$1.8 billion) was spent by local governments, mainly cities. Federal expenditure of \$196 million was primarily for the Federal Bureau of Investigation, Immigration and Naturalization Service, Bureau of Narcotics, and Secret Service. State expenditure of \$276 million was mainly for highway police activities.

Sanitation.--Sanitation activities, classified as a distinctive function only at the local level, involved local expenditure of \$1.9 billion in 1962. A major portion of this amount--\$1.2 billion--was for sewerage, 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 1962.

Other general expenditure.--The functions described above gave rise to about 86 percent of all direct general government expenditure in 1962. The other \$20.3 billion was for numerous different purposes, as indicated by the following figures, based on table 7.

Functional class	Amount (in millions)	Percent of all general expenditure
Federal expenditure for veterans services, n.e.c.	\$4,129	2.8
Financial administration	1,699	1.1
Housing and urban renewal	1,666	1.1
General control.....	1,482	1.0
Water transport and terminals.....	1,383	0.9
Space research and technology.....	1,242	0.8
Air transportation.....	1,105	0.7
Local parks and recreation.....	871	0.6
Correction.....	835	0.6
Social insurance administration.....	727	0.5
General public buildings (State-local).....	608	0.4
Libraries.....	352	0.2
All other and unallocable	4,164	2.8

The \$4.1 billion of Federal expenditure for veterans' services shown above consists mainly of payments for compensation and pensions. Another \$2.0 billion of Federal payments for veterans has been reported under various other major functional headings, as indicated by table 8.

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 7. 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 gross expenditure of the Panama Canal Company and the St. Lawrence Seaway Development Corporation.

The item shown for space research and technology is a new classification which involves Federal activities that in earlier reports were included under the category "air transportation."

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 \$21.6 billion in 1962, as compared with \$20.2 billion in 1961. A marked drop in unemployment compensation payments (from \$3.7 billion to \$3.0 billion) was more than offset by the rise in payments of other insurance trust systems, particularly the Federal OASDI program (up from \$11.9 billion to \$13.7 billion) and employee-retirement systems (up from \$2.3 billion to \$2.6 billion).

Data on insurance trust revenue and expenditure, by type of system and level of government, are presented in table 11.

Utility and Liquor Stores Expenditure

State and local liquor stores and local water, electric, gas, and transit systems altogether spent \$5.8 billion in 1961, as shown in tables 5 and 10. 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 \$379.3 billion at the end of fiscal 1962.

Debt statistics for State and local governments appear in table 12. Indebtedness of these governments at the end of their 1962 fiscal years totaled \$81.1 billion, or \$437 per capita. All but \$3.7 billion of this represented long-term obligations.

Nearly two-fifths of all long-term debt of State and local governments at the end of fiscal 1962 (\$29.7 billion of \$77.4 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 \$71.4 billion, represented the gross long-term debt less amounts reserved for future debt retirement--shown as "offsets to debt" in table 13.

Detailed statistics on Federal Government indebtedness, being available in other published sources, are not repeated in this report.³ The Federal public debt on June 30, 1962, was \$298.2 billion, of which \$56.3 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 13. Cash and security holdings of these governments amounted to \$63.9 billion at the end of fiscal 1962.

This total included \$5.7 billion reserved for unemployment compensation purposes (mainly on deposit with the U. S. Treasury), \$23.3 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 \$7.3 billion in 1962, and holdings of sinking funds and other offsets to debt totaled \$6.1 billion.

Aside from the unemployment compensation reserves, about one-fourth of all other financial assets of State and local governments was

³Figures 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.

in the form of cash and deposits, while \$43.6 billion represented security holdings, including \$20.5 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 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 1962 relate, with a few minor exceptions, to governmental fiscal years ended during calendar 1962. For the Federal Government, most school districts, and all except 3 of the 50 States, this means the 12 months ended June 30, 1962. There is more variation among other governments, with a considerable proportion operating in terms of a fiscal year ending December 31.

RELATION TO PREVIOUS REPORTS

Only one significant change in data classification has been initiated with the present report. This concerns the new expenditure category, "space research and technology," which covers certain Federal Government activities that formerly were included under "air transportation." Prior year figures shown in tables 1 and 2 for "air transportation" have been appropriately adjusted.

Other prior year amounts appearing in tables 1, 2, and 3 are taken directly from Census Bureau reports on "Governmental Finances" for the years specified, except for certain changes in data classification which were described on page 13 of Governmental Finances in 1961 and for which adjustments were incorporated in the summary historical tables of that report.

Nationwide financial statistics for years prior to 1958, conforming closely in classification to the more recent data shown in tables 1 to 3 of this report, appear in the Historical Summary of Governmental Finances in the United States (Vol. IV, No. 3 of the 1957 Census of Governments).

SOURCES AND PROCEDURES

Federal Finance Statistics

The Budget of the United States Government for the Fiscal Year 1964 (which presents "actual" data for 1962) 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 1962 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 1962 data for local governments that are shown or included in this report are preliminary estimates. They will be replaced, in the forthcoming report, Governmental Finances in 1962, by estimates based on a larger sample of governmental units. Later, reports of the 1962 Census of Governments will provide adjusted data based upon information obtained for substantially all local governments in the Nation.

The procedures customarily used to derive preliminary nationwide estimates of local government finances for this annual report have been somewhat modified, for fiscal 1962, to take advantage of information available this year from the conduct of the 1962 Census of Governments. The change mainly involves school districts, for which amounts included here were developed by adding figures reported for the Census by nearly all such units in the Nation, and expanding the results slightly (by reference to school enrollment data) to allow

Government finance statistics will appear in a number of 1962 Census reports. A descriptive leaflet, "Publication Program for the 1962 Census of Governments" is available upon request from the Publications Distribution Section, Bureau of the Census, Washington, D. C., 20233.

for nonrespondent districts. Amounts included here for special districts represent the summation of estimates developed on a State-by-State basis from an extensive sample of such units. For other local governments--counties, municipalities, and townships--customary annual procedures have applied. For each of these types of units, the estimated amounts included here are based upon figures obtained for a size-stratified sample, expanded by reference to the total 1960 population of the various size groups in the sample, and summed.

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.

Per Capita Statistics

The nationwide per capita amounts for 1962 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, 1962.

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 to 3, 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:

1962 (provisional estimate)	185,822,000
1961	183,043,000
1960	179,983,000
1959	176,515,000
1958	173,332,000

These figures are from Current Population Reports of the Bureau of the Census, Series P-25, No. 250 and No. 259, respectively issued in July and November 1962.

ACKNOWLEDGMENT

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

Table 1.—HISTORICAL SUMMARY, FINANCES OF ALL GOVERNMENTS (FEDERAL, STATE, AND LOCAL), 1958 TO 1962

Item	Amount (millions of dollars)					Per capita				
	1962 (prelim.)	1961	1960	1959 ¹	1958 ¹	1962	1961	1960	1959	1958
REVENUE										
Total.....	167,915	158,741	153,102	133,955	130,403	903.63	867.23	850.65	753.79	752.33
General revenue.....	142,000	133,969	130,618	114,478	112,466	764.17	731.90	725.72	646.85	648.85
Taxes.....	123,453	116,331	113,120	99,636	98,387	664.36	635.54	628.50	564.46	567.62
Individual income.....	48,599	43,951	43,178	38,713	36,483	261.54	240.11	239.90	219.32	210.48
Corporation income.....	21,831	22,220	22,674	18,310	21,092	117.48	121.39	125.98	103.73	121.69
Sales, gross receipts, and customs.....	26,939	25,112	24,452	21,769	21,102	144.97	137.19	135.86	123.33	121.74
Property.....	18,752	18,002	16,405	14,983	14,047	100.91	98.35	91.15	84.88	81.04
Other.....	7,331	7,047	6,411	5,862	5,661	39.45	38.50	35.62	33.21	32.66
Charges and miscellaneous general revenue.....	18,547	17,637	17,499	14,542	14,079	99.81	96.35	97.23	82.38	81.23
Utility and liquor stores revenue.....	5,562	5,116	4,877	4,536	4,211	29.93	27.95	27.10	25.70	24.29
Insurance trust revenue ²	20,353	19,657	17,608	14,341	13,726	109.53	107.39	97.83	81.25	79.19
Employee retirement.....	3,435	3,190	2,868	2,641	2,365	18.49	17.43	15.93	14.96	13.64
Unemployment compensation.....	2,967	2,669	2,476	1,935	1,807	15.97	14.58	13.76	10.96	10.43
Old age, survivors and disability insurance.....	12,289	12,131	10,656	8,294	8,044	66.13	66.27	59.21	46.99	46.41
Other.....	1,662	1,667	1,606	1,472	1,508	8.94	9.11	8.92	8.34	8.70
EXPENDITURE, BY CHARACTER AND OBJECT										
Total.....	175,805	164,875	151,288	145,748	134,931	946.09	900.74	840.57	825.70	778.45
Current operation.....	97,579	91,723	81,654	78,950	71,637	525.12	501.10	453.68	447.27	413.29
Capital outlay.....	35,401	32,320	31,946	32,228	30,838	190.51	176.57	177.49	182.58	177.91
Construction.....	17,415	16,987	15,832	16,385	14,922	93.72	92.80	87.96	92.82	86.09
Equipment.....	15,675	13,424	14,378	14,158	14,576	84.35	73.34	79.89	80.21	84.09
Land and existing structures.....	2,311	1,909	1,735	1,684	1,340	12.44	10.43	9.64	9.54	7.73
Assistance and subsidies.....	11,600	10,931	10,402	10,658	10,278	62.43	59.72	57.79	60.38	59.30
Interest on debt ³	9,594	9,710	9,690	7,283	7,653	51.63	53.05	53.84	41.26	44.15
Insurance benefits and repayments.....	21,630	20,191	17,596	16,631	14,524	116.40	110.31	97.76	94.22	83.79
Exhibit: Expenditure for personal services.....	53,974	50,215	47,136	44,994	41,857	290.46	274.33	261.89	254.90	241.48
EXPENDITURE, BY FUNCTION										
Total.....	175,805	164,875	151,288	145,748	134,931	946.09	900.74	840.57	825.70	778.45
General expenditure.....	148,415	139,161	128,600	124,217	115,714	798.69	760.26	714.51	703.72	667.59
National defense and international relations.....	53,225	49,387	47,464	48,389	46,127	286.43	269.81	263.71	274.14	266.12
Space research and technology.....	1,242	735	395	145	389	6.68	4.02	2.19	0.82	0.51
Postal service.....	4,101	4,025	3,730	3,499	3,327	22.07	21.99	20.72	19.82	19.19
Education.....	22,525	21,214	19,404	18,119	16,836	121.22	115.90	107.81	102.65	97.13
Highways.....	10,472	9,995	9,565	9,726	8,702	56.36	54.60	53.14	55.10	50.20
Public welfare.....	5,070	4,779	4,462	4,193	3,866	27.28	26.11	24.79	23.75	22.30
Hospitals.....	4,283	4,549	4,243	4,074	3,809	25.74	24.85	23.61	23.08	21.98
Health.....	1,311	1,132	1,031	993	761	7.06	6.18	5.73	5.63	4.39
Police protection.....	2,286	2,210	2,030	1,880	1,769	12.30	12.07	11.28	10.65	10.21
Natural resources.....	12,209	11,409	8,414	9,086	7,355	65.70	62.33	46.75	51.47	42.43
Housing and urban renewal.....	1,666	1,320	1,142	838	801	8.97	7.21	6.35	4.75	4.62
Air transportation.....	1,105	1,065	842	733	524	5.95	5.82	4.68	4.15	3.10
Water transport and terminals.....	1,383	1,273	1,142	1,022	885	7.44	6.95	6.35	5.79	5.11
Correction.....	835	810	722	708	573	4.49	4.43	4.01	4.01	3.31
Social insurance administration.....	727	636	549	651	521	3.91	3.47	3.05	3.69	3.01
Financial administration.....	1,699	1,608	2,809	2,750	2,536	9.14	8.78	15.88	15.58	14.63
General control.....	1,482	1,417	1,417	1,417	1,417	7.98	7.74	7.74	7.74	7.74
Interest on general debt.....	9,158	9,309	9,332	6,959	7,360	49.28	50.86	51.85	39.42	42.46
Other and unallocable.....	13,136	12,284	11,304	10,454	9,876	70.69	67.11	62.81	59.22	56.98
Utility and liquor stores expenditure.....	5,758	5,523	5,088	4,901	4,693	30.99	30.17	28.27	27.77	27.08
Insurance trust expenditure.....	21,630	20,191	17,596	16,631	14,524	116.40	110.31	97.76	94.22	83.79
Employee retirement.....	2,645	2,339	2,161	1,936	1,773	14.23	12.78	12.01	10.97	10.23
Unemployment compensation.....	3,019	3,715	2,639	3,523	2,979	16.25	20.30	14.66	19.96	17.19
Old age, survivors and disability insurance.....	13,669	11,889	10,798	9,388	8,043	73.56	64.95	59.99	53.19	46.40
Other.....	2,298	2,248	1,997	1,784	1,728	12.37	12.28	11.10	10.11	9.97
INDEBTEDNESS										
Debt outstanding at end of fiscal year.....	379,329	363,994	356,286	348,816	334,530	2,041.36	1,988.57	1,979.55	1,976.13	1,930.00
Increase in total debt during fiscal year.....	15,335	7,708	7,470	14,286	10,964	(⁴)	(^{4})	(^{4})	(^{4})	(^{4})

Note: Because of rounding, detail may not add to totals. Figures for 1958-1961 are from annual Bureau of the Census reports on "Governmental Finances" for the years specified, aside from the change indicated by footnote 2 below and certain revisions shown by table 1 of the report "Governmental Finances in 1961." 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 exclude both Alaska and Hawaii, and their local governments.

²Excluding, as intragovernmental transactions, interest on Federal securities held by Federal agencies and funds; see also table 11.

³Revised; see text discussion of "Relation to Previous Reports."

⁴Not computed.

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Table 2.—HISTORICAL SUMMARY, FINANCES OF THE FEDERAL GOVERNMENT, 1958 TO 1962

Item	Amount (millions of dollars)					Per capita				
	1962	1961	1960	1959	1958	1962	1961	1960	1959	1958
REVENUE										
Total.....	106,441	101,341	99,800	85,459	86,006	572.81	553.65	554.50	484.15	496.19
General revenue.....	92,016	87,062	87,088	75,249	76,112	495.18	475.64	483.87	426.30	439.11
Taxes.....	82,262	77,470	77,003	67,257	68,007	442.69	423.23	427.83	381.03	392.35
Individual income.....	45,571	41,338	40,715	36,719	34,724	245.24	225.84	226.22	208.02	200.33
Corporation income.....	20,523	20,954	21,494	17,309	20,074	110.44	114.48	119.42	98.06	115.81
Sales, gross receipts, and customs.....	13,428	12,649	12,603	11,332	11,273	72.26	69.10	70.02	64.20	65.04
Customs duties.....	1,142	982	1,105	925	782	6.15	5.36	6.14	5.24	4.51
Motor fuel.....	2,451	2,333	1,984	1,656	1,592	13.19	12.75	11.02	9.38	9.18
Alcoholic beverages.....	3,248	3,124	3,106	2,915	2,860	17.48	17.07	17.26	16.51	16.50
Tobacco products.....	2,022	1,986	1,927	1,798	1,728	10.88	10.85	10.71	10.19	9.97
Other sales and gross receipts taxes.....	4,565	4,224	4,481	4,638	4,311	24.57	23.08	24.90	22.88	24.87
Other taxes.....	2,740	2,529	2,191	1,896	1,936	14.75	13.82	12.17	10.74	11.17
Death and gift.....	2,016	1,896	1,606	1,333	1,393	10.85	10.36	8.92	7.55	8.04
All other.....	724	633	585	563	543	3.90	3.46	3.25	3.19	3.13
Charges and miscellaneous general revenue.....	9,754	9,592	10,085	7,992	8,105	52.49	52.40	56.03	45.28	46.76
Current charges ²	7,395	7,101	7,132	5,877	5,929	39.80	38.79	39.63	33.29	34.21
Postal receipts.....	3,420	3,300	3,260	3,054	2,566	18.40	18.03	18.11	17.30	14.80
Natural resources ²	2,021	2,416	2,392	1,377	1,999	10.88	13.20	13.29	7.80	11.53
Sales of agricultural products.....	1,362	1,799	1,748	1,772	1,475	7.33	9.83	9.71	4.37	8.51
Sale of property.....	83	21	48	51	59	0.45	0.11	0.27	0.29	0.34
Interest earnings.....	976	936	818	674	628	5.25	5.11	4.54	3.82	3.62
Other miscellaneous general revenue.....	1,300	1,534	2,087	1,390	1,489	7.00	8.38	11.60	7.87	8.50
Insurance trust revenue ³	14,425	14,279	12,712	10,210	9,894	77.63	78.01	70.63	57.84	57.08
Employee retirement.....	877	866	769	770	677	4.72	4.73	4.27	4.36	3.91
Unemployment compensation.....	147	150	153	102	90	0.79	0.82	0.85	0.58	0.52
Old age, survivors, and disability insurance.....	12,289	12,131	10,656	8,294	8,044	66.13	66.27	59.21	46.99	46.41
Veterans' life insurance.....	548	561	527	519	507	2.95	3.06	2.93	2.94	2.93
Railroad retirement.....	564	571	607	525	575	3.04	3.12	3.37	2.97	3.32
EXPENDITURE, BY CHARACTER AND OBJECT										
Total.....	113,428	104,863	97,284	93,531	86,054	610.41	572.89	540.52	529.88	496.47
Intergovernmental expenditure.....	7,735	7,011	6,994	6,355	4,835	41.63	38.30	38.86	36.00	27.89
Direct expenditure.....	105,693	97,852	90,289	87,177	81,219	568.79	534.58	501.65	493.88	468.57
Current operation.....	55,410	51,923	45,336	45,581	40,775	298.19	283.67	251.89	258.23	235.24
Capital outlay.....	18,429	16,229	16,842	16,877	16,852	99.18	88.66	93.58	95.61	97.22
Construction.....	3,673	3,773	3,480	3,662	3,218	19.77	20.61	19.34	20.75	18.57
Equipment.....	14,708	12,182	13,186	13,083	14,551	77.00	66.55	73.26	74.12	78.18
Land and existing structures.....	448	274	175	132	83	2.41	1.50	0.97	0.75	0.48
Assistance and subsidies.....	7,952	7,323	6,884	7,329	7,119	42.79	40.01	39.25	41.52	41.07
Interest on debt.....	7,162	7,485	7,662	5,543	6,116	38.54	40.89	42.57	31.40	35.28
Insurance benefits and repayments.....	16,740	14,892	13,565	11,847	10,356	90.87	81.36	75.57	67.12	59.75
Exhibit: Expenditure for personal services.....	25,424	23,754	22,691	22,466	21,071	136.82	129.77	126.07	127.28	121.50

See footnotes at end of table.

Table 2.—HISTORICAL SUMMARY, FINANCES OF THE FEDERAL GOVERNMENT, 1958 TO 1962—Continued

Item	Amount (millions of dollars)					Per capita				
	1962	1961	1960	1959	1958	1962	1961	1960	1959	1958
EXPENDITURE, BY FUNCTION										
Total.....	113,428	104,863	97,284	93,531	86,054	610.41	572.89	540.52	529.88	496.47
Total general expenditure.....	96,689	89,971	83,719	81,685	75,698	520.33	491.53	465.15	462.77	436.72
Intergovernmental expenditure.....	7,735	7,011	6,994	6,355	4,835	41.63	38.30	38.86	36.00	27.89
Education.....	1,169	1,030	950	826	653	6.29	5.63	5.28	4.68	3.77
Highways.....	2,748	2,586	2,995	2,575	1,478	14.79	14.13	16.14	14.59	8.53
Public welfare.....	2,448	2,178	2,070	1,973	1,799	13.17	11.90	11.50	11.18	10.38
Social insurance administration.....	461	370	325	298	288	2.48	2.02	1.81	1.69	1.66
Other and unallocable intergovernmental expenditure.....	909	847	745	682	617	4.89	4.63	4.14	3.86	3.56
Direct expenditure.....	105,693	97,852	90,289	87,177	81,219	568.79	534.58	501.65	493.88	468.57
General.....	88,953	82,960	76,724	75,330	70,863	478.70	453.23	426.28	426.76	408.83
National defense and international relations.....	53,225	49,387	47,464	48,389	46,127	286.43	269.81	263.71	274.14	266.12
Space research and technology.....	1,242	735	395	145	89	6.68	4.02	2.19	0.82	0.51
Postal service.....	4,101	4,025	3,730	3,499	3,327	22.07	21.99	20.72	19.82	19.19
Education.....	598	640	685	836	917	3.22	3.50	3.82	4.74	5.29
Highways.....	151	151	137	134	135	0.81	0.82	0.76	0.76	0.78
Public welfare.....	63	59	58	57	48	0.34	0.32	0.32	0.32	0.28
Hospitals.....	1,118	1,053	978	932	844	6.02	5.75	5.43	5.28	4.87
Health.....	675	542	472	411	260	3.63	2.96	2.62	2.33	1.50
Police protection.....	196	193	173	170	159	1.05	1.05	0.96	0.96	0.92
Natural resources ²	10,823	10,082	7,225	8,010	6,356	58.24	55.08	40.14	45.38	36.67
Stabilization of farm prices and income.....	7,910	7,331	4,862	5,858	4,339	42.57	40.05	27.01	33.19	25.03
Housing and urban renewal.....	548	377	284	223	200	2.95	2.06	1.58	1.26	1.15
Air transportation.....	709	1,643	1,500	1,425	1,270	3.82	3.51	2.78	2.41	1.56
Water transport and terminals.....	1,096	980	905	781	666	5.90	5.35	5.03	4.42	3.84
Correction.....	51	47	44	37	39	0.27	0.26	0.24	0.21	0.23
Social insurance administration.....	328	285	236	348	250	1.77	1.56	1.31	1.97	1.44
Financial administration.....	641	591	746	747	693	3.45	3.23	4.14	4.23	4.00
General control.....	209	197	746	747	693	1.12	1.08	4.14	4.23	4.00
Interest on general debt ³	7,162	7,485	7,662	5,543	6,116	38.54	40.89	42.57	31.40	35.28
Other and unallocable direct general expenditure ²	6,019	5,486	5,031	4,644	4,366	32.39	29.97	27.95	26.31	25.19
Veterans' services not elsewhere classified.....	4,129	3,965	3,689	3,645	3,455	22.22	21.66	20.50	20.65	19.93
Insurance trust expenditure.....	16,740	14,893	13,565	11,847	10,356	90.09	81.36	75.37	67.12	59.75
Employee retirement.....	1,064	956	896	792	699	5.73	5.22	4.98	4.49	4.03
Unemployment compensation.....	211	252	275	248	222	1.14	1.38	1.53	1.40	1.28
Old age, survivors and disability insurance.....	13,669	11,889	10,798	9,388	8,043	73.56	64.95	59.99	53.19	46.40
Veterans' life insurance.....	772	814	679	651	672	4.15	4.45	3.77	3.69	3.88
Railroad retirement.....	1,024	982	916	768	719	5.51	5.36	5.09	4.35	4.15
INDEBTEDNESS										
Debt outstanding at end of fiscal year.....	298,201	288,971	286,331	284,706	276,343	1,604.77	1,578.71	1,590.88	1,612.93	1,594.30
Held by Federal Government.....	50,296	50,002	55,259	54,554	55,842	302.96	305.95	307.02	309.06	322.17
Other debt outstanding.....	241,905	232,969	231,072	230,152	220,501	1,301.81	1,272.76	1,283.85	1,303.87	1,272.13
Increase in total debt during fiscal year.....	9,230	2,640	1,625	8,363	5,816	(4)	(4)	(4)	(4)	(4)

Note: Because of rounding, detail may not add to totals. Subject to limited revisions as indicated by footnote 1, amounts for 1958-1961 are from annual Bureau of the Census reports on "Government Finances" for the years specified.

¹Revised; see text discussion of "Relation to Previous Reports."

²Including amounts for categories not shown separately.

³Excluding, as intragovernmental transactions, interest on Federal securities held by Federal agencies and funds; see also table 11.

⁴Not computed.

Table 3.—HISTORICAL SUMMARY, FINANCES OF STATE AND LOCAL GOVERNMENTS, 1958 TO 1962

Item	Amount (millions of dollars)					Per capita				
	1962 (Prelim.)	1961	1960	1959 ¹	1958 ¹	1962	1961	1960	1959	1958
REVENUE										
Total.....	69,374	64,531	60,277	53,972	49,262	373.34	352.55	334.90	305.76	284.21
Total general revenue.....	57,884	54,037	50,505	45,306	41,219	311.50	295.21	280.61	256.67	237.80
Intergovernmental revenue.....	7,900	7,131	6,974	6,377	4,865	42.51	38.96	38.75	36.13	28.07
Revenue from own sources.....	61,474	57,400	53,302	47,596	44,397	330.82	313.59	296.15	269.64	256.14
General revenue from own sources.....	49,984	46,907	43,530	38,929	36,354	268.99	256.26	241.86	220.54	209.74
Taxes.....	41,191	38,861	36,117	32,379	30,380	221.67	212.31	200.67	183.43	175.27
Individual income.....	3,028	2,613	2,463	1,994	1,759	16.30	14.28	13.68	11.30	10.15
Corporation income.....	1,308	1,266	1,180	1,001	1,018	7.04	6.92	6.56	5.67	5.87
Sales and gross receipts.....	13,511	12,463	11,849	10,437	9,829	72.71	68.09	65.83	59.13	56.71
General.....	6,071	5,431	5,177	4,444	4,206	32.67	29.67	28.76	25.18	24.27
Selective.....	7,440	7,032	6,672	5,993	5,622	40.04	38.42	37.07	33.95	32.43
Property.....	18,752	18,002	16,405	14,983	14,047	100.91	98.35	91.15	84.88	81.04
Other.....	4,591	4,518	4,220	3,966	3,725	24.71	24.68	23.45	22.47	21.49
Charges and miscellaneous general revenue	8,793	8,045	7,414	6,550	5,974	47.32	43.95	41.19	37.11	34.47
Utility revenue.....	4,278	3,856	3,613	3,320	3,041	23.02	21.07	20.07	18.81	17.54
Liquor stores revenue.....	1,284	1,260	1,264	1,216	1,170	6.91	6.88	7.02	6.89	6.75
Insurance trust revenue.....	5,928	5,378	4,896	4,131	3,832	31.90	29.38	27.20	23.40	22.11
Employment retirement.....	2,558	2,324	2,099	1,871	1,688	13.77	12.70	11.66	10.60	9.74
Unemployment compensation.....	2,820	2,519	2,323	1,833	1,717	15.18	13.76	12.91	10.38	9.91
Other.....	550	535	472	428	426	2.96	2.92	2.62	2.42	2.46
EXPENDITURE, BY CHARACTER AND OBJECT										
Total.....	70,112	67,023	60,999	58,572	53,712	377.31	366.16	338.92	331.82	309.88
Current operation.....	42,169	39,800	36,318	33,369	30,862	226.93	217.44	201.79	189.04	178.05
Capital outlay.....	16,972	16,091	15,104	15,351	13,986	91.33	87.91	83.92	86.97	80.69
Construction.....	13,742	13,214	12,352	12,723	11,704	73.95	72.19	68.63	72.08	67.52
Equipment.....	1,367	1,242	1,192	1,075	1,025	7.36	6.79	6.62	6.09	5.91
Land and existing structures.....	1,863	1,635	1,560	1,552	1,257	10.03	8.93	8.67	8.79	7.25
Assistance and subsidies.....	3,648	3,608	3,518	3,329	3,159	19.63	19.71	19.55	18.86	18.23
Interest on debt.....	2,432	2,225	2,028	1,740	1,537	13.09	12.16	11.27	9.86	8.87
Insurance benefits and repayments.....	4,890	5,299	4,031	4,784	4,168	26.32	28.95	22.40	27.10	24.05
Exhibit: Expenditure for personal services.....	28,550	26,461	24,445	22,528	20,786	153.64	144.56	135.82	127.63	119.92
EXPENDITURE, BY FUNCTION										
Total.....	70,112	67,023	60,999	58,572	53,712	377.31	366.16	338.92	331.82	309.88
General expenditure.....	59,462	56,201	51,876	48,887	44,851	319.99	307.04	288.23	276.96	258.76
Education.....	21,927	20,574	18,719	17,283	15,919	118.00	112.40	104.00	97.91	91.84
Institutions of higher education.....	4,036	3,570	3,202	2,920	2,582	21.72	19.50	17.79	16.54	14.90
Local schools.....	17,457	16,608	15,166	14,034	13,032	93.94	90.73	84.26	79.51	75.18
Other education.....	434	396	351	329	305	2.16	1.95	1.86	1.86	1.76
Highways.....	10,321	9,844	9,428	9,592	8,567	55.54	53.78	52.38	54.34	49.43
Public welfare.....	5,007	4,720	4,404	4,136	3,818	26.95	25.79	24.47	23.43	22.03
Hospitals.....	3,665	3,496	3,235	3,142	2,961	19.72	19.10	17.97	17.80	17.08
Health.....	636	590	559	582	501	3.42	3.22	3.11	3.30	2.89
Police protection.....	2,090	2,017	1,857	1,710	1,610	11.02	11.02	10.32	9.69	9.29
Local fire protection.....	1,100	1,087	995	914	873	5.92	5.94	5.53	5.18	5.04

See footnotes at end of table.

Table 3.—HISTORICAL SUMMARY, FINANCES OF STATE AND LOCAL GOVERNMENTS, 1958 TO 1962—Continued

Item	Amount (millions of dollars)					Per capita				
	1962 (Prelim.)	1961	1960	1959 ¹	1958 ¹	1962	1961	1960	1959	1958
EXPENDITURE, BY FUNCTION—Continued										
General expenditure—Continued										
Sewerage.....	1,214	1,103	1,103	1,011	933	6.53	6.03	6.13	5.73	5.38
Sanitation other than sewerage.....	698	671	624	598	572	3.76	3.87	3.47	3.39	3.30
Local parks and recreation.....	871	857	770	729	685	4.69	4.68	4.28	4.13	3.95
Natural resources.....	1,386	1,327	1,189	1,076	999	7.46	7.25	6.61	6.10	5.76
Housing and urban renewal.....	1,118	943	858	615	601	6.02	5.15	4.77	3.48	3.47
Airports.....	396	422	342	308	254	2.13	2.31	1.90	1.74	1.47
Water transport and terminals.....	287	293	237	241	219	1.54	1.60	1.32	1.37	1.26
Correction.....	784	763	678	671	534	4.22	4.17	3.77	3.80	3.08
Libraries.....	352	368	278	243	224	1.89	2.01	1.54	1.38	1.29
Employment security administration.....	399	351	313	303	271	2.15	1.92	1.74	1.72	1.56
Financial administration.....	1,058	1,017	913	803	771	5.69	5.56	5.11	4.72	4.56
General control.....	1,273	1,220	2,113	2,003	1,843	6.85	6.67	11.74	11.35	10.63
General public buildings.....	608	590	534	567	493	3.27	3.22	2.96	3.21	2.84
Interest on general debt.....	1,996	1,824	1,670	1,416	1,244	10.74	9.96	9.28	8.02	7.18
Other and unallocable.....	2,274	2,122	1,970	1,748	1,730	12.24	11.59	10.95	9.90	9.98
Utility expenditure.....	4,748	4,531	4,066	3,923	3,720	25.55	24.75	22.59	22.22	21.46
Liquor stores expenditure.....	1,010	992	1,022	978	973	5.44	5.42	5.68	5.54	5.61
Insurance trust expenditure.....	4,890	5,299	4,031	4,784	4,168	26.32	28.95	22.40	27.10	24.05
Employee retirement.....	1,581	1,383	1,265	1,144	1,074	8.50	7.56	7.03	6.48	6.20
Unemployment compensation.....	2,808	3,463	2,364	3,275	2,757	15.11	18.92	13.83	15.55	15.91
Other.....	502	453	402	365	337	2.70	2.47	2.23	2.07	1.94
INDEBTEDNESS										
Debt outstanding at end of fiscal year.....	81,128	75,023	69,955	64,110	58,187	436.59	409.87	388.68	363.20	335.70
Long-term.....	77,420	71,540	66,801	61,127	55,737	416.64	390.84	371.15	346.30	321.56
Full faith and credit.....	47,732	44,664	41,650	39,263	35,844	256.87	244.01	231.41	222.43	206.79
Non-guaranteed.....	29,690	26,878	25,151	21,864	19,893	159.78	146.84	139.74	123.86	114.77
Short term.....	3,707	3,483	3,154	2,983	2,450	19.95	19.03	17.52	16.90	14.13
Long-term debt issued.....	10,507	8,081	7,955	8,147	7,865	56.54	44.15	44.20	46.15	45.38
Long-term debt retired.....	4,773	3,696	3,458	3,222	2,839	25.69	20.19	19.21	18.25	16.38
Increase in total debt during fiscal year.....	6,105	5,068	5,845	5,923	5,148	(3)	(3)	(3)	(3)	(3)

Note: Because of rounding, detail may not add to totals. Figures for 1958-1961 are from annual Bureau of the Census reports on "Governmental Finances" for the years specified, aside from the change indicated by footnote 2 below and certain revisions shown by table 1 of the report *Governmental Finances in 1961*. 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 exclude both Alaska and Hawaii, and their local governments.

²Local libraries only. (1960 to 1962 amounts include direct State library expenditure.)

³Not computed.

Table 4.—GOVERNMENTAL REVENUE, BY SOURCE, BY LEVEL OF GOVERNMENT: 1962

Source	Amount (millions of dollars)					Per capita		
	All government-ments (Prelim.)	Federal Government	State and local governments			Total	Federal Government	State and local government-ments
			Total (Prelim.)	State	Local (Prelim.)			
Total revenue.....	167,915	106,441	169,374	37,597	142,869	1903.63	572.81	1373.34
Total general revenue.....	142,000	92,016	157,884	31,157	137,819	1764.17	495.18	1311.50
Intergovernmental revenue.....	(1)	...	7,900	7,480	11,512	(1)	...	42.51
From Federal Government.....	(1)	...	7,900	7,108	792	(1)	...	42.51
From States.....	(1)	...	(1)	...	10,720	(1)	...	(1)
From local governments.....	(1)	...	(1)	373	(1)	(1)	...	(1)
Revenue from own sources.....	167,915	106,441	61,474	30,117	31,357	903.63	572.81	330.82
General revenue from own sources.....	142,000	92,016	49,984	23,677	26,307	764.17	495.18	268.99
Taxes.....	123,453	82,262	41,191	20,561	20,630	664.36	442.69	221.67
Property.....	18,752	...	18,752	640	18,112	100.91	...	100.91
Individual income.....	48,599	45,571	3,028	2,728	300	261.54	245.24	16.30
Corporation income.....	21,831	20,523	1,308	1,308	(2)	117.48	110.44	7.04
Sales and gross receipts.....	26,939	13,428	13,511	12,038	1,473	144.97	72.26	72.71
Customs duties.....	1,142	1,142	...	...	...	6.15	6.15	...
General sales and gross receipts.....	6,071	...	6,071	5,111	960	32.67	...	32.67
Selective sales and gross receipts.....	19,726	12,286	7,440	6,927	513	106.16	66.12	40.04
Motor fuel.....	6,154	2,451	3,703	3,665	38	33.12	13.19	19.93
Alcoholic beverages.....	4,015	3,248	767	740	27	21.61	17.48	4.13
Tobacco products.....	3,169	2,022	1,147	1,075	72	17.05	10.88	6.17
Public utilities.....	1,828	1,094	734	420	314	9.84	5.89	3.95
Other.....	4,561	3,471	1,090	1,028	62	24.54	18.68	5.87
Motor vehicle and operators licenses.....	1,797	...	1,797	1,667	130	9.67	...	9.67
Death and gift.....	2,532	2,016	516	516	(3)	13.63	10.85	2.78
All other.....	3,002	724	2,278	1,663	615	16.16	3.90	12.26
Charges and miscellaneous general revenue.....	18,547	9,754	8,793	3,216	5,677	99.81	52.49	47.32
Current charges.....	13,709	7,395	6,314	2,198	4,116	73.77	39.80	33.98
National defense and international relations.....	966	966	...	...	...	5.20	5.20	...
Postal service.....	3,420	3,420	...	...	...	18.40	18.40	...
Education.....	2,195	8	2,187	1,098	1,089	11.81	0.04	11.77
School lunch sales.....	778	...	778	...	778	4.19	...	4.19
Other.....	1,418	8	1,410	1,098	312	7.63	0.04	7.59
Hospitals.....	1,098	30	1,068	292	776	5.91	0.16	5.75
Sewerage.....	420	...	420	...	420	2.26	...	2.26
Sanitation other than sewerage.....	146	...	146	...	146	0.79	...	0.79
Local parks and recreation.....	130	...	130	...	130	0.70	...	0.70
Natural resources.....	2,220	2,021	199	111	88	11.95	10.88	1.07
Housing and urban renewal.....	604	235	369	3	366	3.25	1.26	1.99
Air transportation.....	218	7	211	10	201	1.17	0.04	1.14
Water transport and terminals.....	259	110	149	43	106	1.39	0.59	0.80
Other.....	2,033	599	1,434	641	793	10.94	3.22	7.72
Special assessments.....	438	...	438	...	438	2.36	...	2.36
Sale of property.....	267	83	184	29	155	1.44	0.45	0.99
Interest earnings.....	1,686	976	710	365	345	9.07	5.25	3.82
Other miscellaneous general revenue.....	2,446	1,300	1,146	524	622	13.16	7.00	6.17
Utility revenue.....	4,278	...	4,278	...	4,278	23.02	...	23.02
Liquor stores revenue.....	1,284	...	1,284	1,134	150	6.91	...	6.91
Insurance trust revenue.....	20,353	14,425	5,928	5,306	622	109.53	77.63	31.90

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.
 1 Duplicative transactions between levels of government are excluded in arriving at aggregates; see text.
 2 Minor amount included in individual income tax figure.
 3 Minor amount included in "All other" taxes.

Table 5.—GOVERNMENTAL EXPENDITURE, BY TYPE AND BY CHARACTER AND OBJECT, BY LEVEL OF GOVERNMENT: 1962

Item	Amount (millions of dollars)					Per capita		
	All government-ments (Prelim.)	Federal Government	State (and local governments)			Total	Federal Government	State and local government-ments
			Total (Prelim.)	State	Local (Prelim.)			
Total expenditure.....	175,805	113,428	170,112	36,384	144,822	1946.09	610.41	1377.31
Intergovernmental expenditure.....	(1)	7,735	(1)	10,891	204	(1)	41.63	(1)
To States.....	(1)	6,953	(1)	...	204	(1)	37.42	(1)
To local governments.....	(1)	782	(1)	10,891	(1)	(1)	4.21	(1)
Direct expenditure.....	175,805	105,693	70,112	25,494	44,618	946.09	568.79	377.31
By type:								
General.....	148,415	88,953	59,462	20,373	39,089	798.69	478.71	319.99
Utility expenditure.....	4,748	...	4,748	...	4,748	25.55	...	25.55
Liquor stores expenditure.....	1,010	...	1,010	882	128	5.44	...	5.44
Insurance trust expenditure.....	21,630	16,740	4,890	4,238	652	116.40	90.09	26.32
By character and object:								
Current operation.....	97,579	55,410	42,169	11,289	30,880	525.12	298.19	226.93
Capital outlay.....	35,401	18,429	16,972	7,214	9,758	190.51	99.18	91.33
Construction.....	17,415	3,673	13,742	5,960	7,782	93.72	19.77	73.95
Equipment.....	15,675	14,308	1,367	351	1,016	84.35	77.00	7.36
Land and existing structures.....	2,311	448	1,863	903	960	12.44	7.41	10.03
Assistance and subsidies.....	11,600	7,952	3,648	2,118	1,530	62.43	42.79	19.63
Interest on debt.....	9,594	7,162	2,432	635	1,797	51.63	38.54	13.09
Insurance benefits and repayments.....	21,630	16,740	4,890	4,238	652	116.40	90.09	26.32
Exhibit: Expenditure for personal services.....	53,974	25,424	28,550	7,051	21,499	290.46	136.82	153.64

Note: Because of rounding, detail may not add to totals. Local government amounts are estimates subject to sampling variation; see text.
 1 Duplicative transactions between levels of government are excluded in arriving at aggregates; see text.
 2 Includes pay and allowances for military personnel amounting to \$10,464 million.

Table 6.—SUMMARY OF GENERAL EXPENDITURE (DIRECT AND INTERGOVERNMENTAL), BY FUNCTION, BY LEVEL OF GOVERNMENT: 1962

Function	Amount (millions of dollars)				Percent			
	All governments	Federal Government	States	Local governments	All governments	Federal Government	States	Local governments
All functions.....	148,415	96,689	31,264	39,292	100.0	100.0	100.0	100.0
Direct.....	148,415	88,953	20,373	39,089	100.0	92.0	65.2	99.5
Intergovernmental.....	(¹)	27,735	10,891	203	(¹)	8.0	34.8	0.5
National defense and international relations ²	53,225	53,225	...	...	35.9	55.2	...	...
Space research and technology ³	1,242	1,242	...	...	0.8	1.3	...	...
Postal service ³	4,101	4,101	...	...	2.8	4.3	...	...
Education.....	122,525	1,767	10,731	17,675	15.2	1.8	34.3	45.0
Direct.....	22,525	598	4,268	17,659	15.2	0.6	13.7	44.9
Intergovernmental.....	(¹)	1,169	6,463	16	(¹)	1.2	20.7	(⁴)
Highways.....	10,472	2,899	7,961	3,706	7.1	3.0	25.5	9.4
Direct.....	10,472	151	6,635	3,686	7.1	0.2	21.2	9.4
Intergovernmental.....	(¹)	2,748	1,327	20	(¹)	2.9	4.2	0.1
Public welfare.....	15,070	2,511	4,285	2,535	3.4	2.6	13.7	6.5
Direct.....	5,070	63	2,509	2,498	3.4	0.1	8.0	6.4
Intergovernmental.....	(¹)	2,448	1,777	37	(¹)	2.5	5.7	0.1
Health and hospitals.....	16,094	1,960	2,351	2,205	4.1	2.0	7.5	5.6
Direct.....	6,094	1,793	2,161	2,140	4.1	1.9	6.9	5.4
Intergovernmental.....	(¹)	168	191	65	(¹)	0.2	0.6	0.2
Natural resources.....	12,209	10,965	992	416	8.2	11.4	3.2	1.1
Direct.....	12,209	10,823	973	413	8.2	11.2	3.1	1.1
Intergovernmental.....	(¹)	142	19	3	(¹)	0.1	0.1	(⁴)
Housing and urban renewal.....	1,666	863	43	1,110	1.1	0.9	0.1	2.8
Direct.....	1,666	548	8	1,110	1.1	0.6	(⁴)	2.8
Intergovernmental.....	(¹)	315	35	(⁵)	(¹)	0.3	0.1	(⁴)
Air transportation.....	1,105	766	58	363	0.7	0.8	0.2	0.9
Direct.....	1,105	709	35	361	0.7	0.7	0.1	0.9
Intergovernmental.....	(¹)	57	22	2	(¹)	0.1	0.1	(⁴)
Social insurance administration.....	727	789	399	...	0.5	0.8	1.3	...
Direct.....	727	328	399	...	0.5	0.3	1.3	...
Intergovernmental.....	(¹)	461	...	...	(¹)	0.5	...	...
Interest on general debt ³	9,158	7,162	635	1,361	6.2	7.4	2.0	3.5
Other and combined.....	120,824	8,439	3,809	9,920	14.0	8.4	12.2	25.2
Direct.....	20,824	8,212	2,752	9,860	14.0	8.2	8.8	25.1
Intergovernmental.....	(¹)	227	1,057	60	(¹)	0.2	3.4	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 \$782 million paid direct to local governments, including \$278 million for education, \$315 million for housing and urban renewal, \$33 million for airports, \$42 million for waste treatment facilities, and \$30 million, Federal lump-sum contribution to the District of Columbia.

³Entirely direct expenditure.

⁴Less than 0.05 percent.

⁵Minor amounts included under "Other and combined," below.

Table 7.—DIRECT GENERAL EXPENDITURE, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1962

Function	Amount (millions of dollars)					Per capita		
	All governments (Prelim.)	Federal Government	State and local governments		Total	Federal Government	State and local governments	
			Total (Prelim.)	State				Local (Prelim.)
Total.....	148,415	88,953	59,462	20,373	39,089	798.69	478.70	319.99
National defense and international relations.....	53,225	53,225	...	...	...	286.43	286.43	...
All other functions.....	95,190	35,728	59,462	20,373	39,089	512.26	192.27	319.99
Space research and technology.....	1,242	1,242	...	...	...	6.68	6.68	...
Postal service.....	4,101	4,101	...	...	...	22.07	22.07	...
Education.....	22,525	598	21,927	4,268	17,659	121.22	3.22	118.00
Institutions of higher education.....	4,036	(¹)	4,036	3,634	402	21.72	(¹)	21.72
Local schools.....	17,457	...	17,457	200	17,257	93.94	...	93.94
Other.....	1,032	598	434	434	...	5.55	3.22	2.34
Highways.....	10,472	151	10,321	6,635	3,686	56.36	0.81	55.54
Public welfare.....	5,070	63	5,007	2,509	2,498	27.28	0.34	26.95
Categorical cash assistance.....	3,218	15	3,203	1,863	1,340	17.32	0.08	17.24
Other cash assistance.....	251	...	251	61	190	1.35	...	1.35
Other public welfare.....	1,601	48	1,553	585	968	8.62	0.26	8.36
Health and hospitals.....	6,094	1,793	4,301	2,161	2,140	32.79	9.65	23.15
Public hospitals.....	4,523	1,005	3,518	1,824	1,694	24.34	5.41	18.93
Other hospitals.....	260	113	147	54	93	1.40	0.61	0.79
Health.....	1,311	675	636	283	353	7.06	3.63	3.42
Police protection.....	2,286	196	2,090	276	1,814	12.30	1.05	11.25
Local fire protection.....	1,100	...	1,100	...	1,100	5.92	...	5.92
Sewerage.....	1,214	...	1,214	...	1,214	6.53	...	6.53
Sanitation other than sewerage.....	698	...	698	...	698	3.76	...	3.76
Local parks and recreation.....	871	...	871	...	871	4.69	...	4.69
Natural resources.....	12,209	10,823	1,386	973	413	65.70	58.24	7.46
Housing and urban renewal.....	1,666	548	1,118	8	1,110	8.97	2.95	6.02
Air transportation.....	1,105	709	396	35	361	5.95	3.82	2.13
Water transport and terminals.....	1,383	1,096	287	91	196	7.44	5.90	1.54
Correction.....	835	51	784	508	276	4.49	0.27	4.22
Libraries.....	352	...	352	20	332	1.89	...	1.89
Social insurance administration.....	727	328	399	399	...	3.91	1.77	2.15
Financial administration.....	1,699	641	1,058	509	549	9.14	3.45	5.69
General control.....	1,482	209	1,273	254	1,019	7.98	1.12	6.85
General public buildings (State-local).....	608	...	608	130	478	3.27	...	3.27
Interest on general debt.....	9,158	7,162	1,996	635	1,361	49.28	38.54	10.74
Other and unallocable.....	8,293	6,019	2,274	962	1,312	44.23	2.39	12.24

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 relative amounts are included under "Other education."

Table 8.—DETAIL OF FEDERAL EXPENDITURE FOR SELECTED CATEGORIES: 1962

(In millions of dollars)

Item	Amount	Item	Amount
Intergovernmental expenditure (as shown for particular functions in table 6)—			
Education.....	1,169	Hospitals:	
Grants-in-aid.....	646	Public hospitals.....	1,005
School lunch and school milk programs.....	180	Veterans.....	882
Maintenance and operation of schools.....	225	Other.....	123
School construction.....	42	Other hospitals.....	113
Defense educational activities.....	65	Veterans.....	5
Other grants-in-aid.....	134	Other.....	107
Payments for services.....	524	Health.....	675
Scientific research and redevelopment.....	510	Veterans.....	132
Tuition payments.....	14	Other.....	543
Public welfare.....	2,448	Other and unallocable.....	6,019
Public assistance.....	2,423	Veterans' services, n.e.c.....	4,129
Other public welfare.....	26	General property and records management.....	419
Health and hospitals.....	168	Regulation of commerce and finance and other aids to business, n.e.c.....	364
Public health programs.....	102	Unemployment compensation for Federal employees, ex-servicemen, and temporary extended benefits.....	433
Hospital construction.....	63	Employees' compensation and other claims, n.e.c.....	66
Other.....	2	Promotion of science, research, libraries, and museums.....	100
Other and combined.....	227	Labor and manpower, n.e.c.....	79
Shared revenues.....	90	Indian tribal funds.....	64
Waste treatment facilities.....	42	Interest on internal revenue refunds.....	68
Federal contribution to District of Columbia.....	30	Assistance to territories and possessions, n.e.c.....	45
Transitional grants to Alaska.....	6	Civilian weather services.....	64
Civil defense and disaster relief.....	31	Civil defense and disaster relief.....	84
Other.....	28	All other.....	102
Direct Federal expenditure (as shown for particular functions in table 7)—			
National defense and international relations.....	53,225	Exhibit: Distribution of Federal expenditure for veterans—	
Military functions.....	46,950	Classified under education:	
Military assistance.....	1,390	Direct (table 7).....	157
Economic and financial assistance.....	1,711	Intergovernmental (table 6).....	2
Atomic energy.....	2,602	Classified under public welfare:	
Defense-related activities.....	120	Direct (table 7).....	29
Other (foreign affairs).....	451	Intergovernmental (table 6).....	7
Education.....	598	Classified under health and hospitals:	
Veterans' educational benefits.....	157	Direct (table 7).....	1,020
Other.....	441	Intergovernmental (table 6).....	2
National resources.....	10,823	Classified under other and unallocable:	
Stabilization of farm prices and income.....	7,910	Direct (table 7).....	4,129
Farm credit and insurance.....	49	Classified under insurance trust expenditure:	
Other agricultural resources.....	266	Veterans' life insurance benefits and premium refunds (table 11).....	772
Soil, water, and electric energy resources.....	2,140	Total Federal expenditure for veterans' services:	
Forest and parks.....	287	Direct.....	6,108
Mineral resources.....	52	Intergovernmental.....	12
Other natural resources.....	118		

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

Table 9.—GOVERNMENTAL EXPENDITURE FOR CAPITAL OUTLAY, BY FUNCTION, BY LEVEL OF GOVERNMENT: 1962

(In millions of dollars)

Function	Total capital outlay					Construction expenditure only				Percent change	
	All governments (Prelim.)	Federal Government	State and local governments			All governments (Prelim.)	Federal Government	State and local governments			
			Total (Prelim.)	State	Local (Prelim.)			Total (Prelim.)	State (Prelim.)		Local (Prelim.)
All functions.....	35,401	18,429	16,972	7,214	9,758	17,415	3,673	13,742	5,960	7,782	3.6
National defense and international relations.....	15,451	15,451	...	...	...	1,613	1,613	...	...	...	...
Other, total.....	19,950	2,978	16,972	7,214	9,758	15,802	2,060	13,742	5,960	7,782	3.6
Space research and technology.....	219	219	...	...	...	114	114	...	...	...	...
Education.....	4,060	41	4,019	988	3,031	3,262	39	3,223	778	2,445	-1.1
Institutions of higher education.....	947	(1)	947	854	93	732	(1)	732	660	72	20.0
Local schools.....	3,038	...	3,038	100	1,938	2,467	...	2,467	94	2,373	-1.6
Other.....	76	41	35	35	64	39	25	25	...	...	...
Highways.....	7,090	75	7,015	5,403	1,612	5,909	72	5,837	4,520	1,317	10.9
Health and hospitals.....	535	133	402	181	221	422	76	346	155	191	24.8
Sewerage.....	844	...	844	...	844	814	...	814	...	814	15.0
Local parks and recreation.....	253	...	253	...	253	195	...	195	...	195	3.2
Natural resources.....	1,647	1,290	357	161	196	1,378	1,088	290	116	174	-8.9
Housing and urban renewal.....	1,079	313	766	2	764	361	...	361	2	359	17.3
Air transportation.....	468	203	265	26	239	386	145	241	24	217	-18.4
Water transport and terminals.....	530	349	181	52	129	453	299	154	38	116	-17.7
Local utilities.....	1,694	...	1,694	...	1,694	1,467	...	1,467	...	1,467	0.5
Water supply.....	1,044	...	1,044	...	1,044	943	...	943	...	943	4.8
Electric power.....	514	...	514	...	514	450	...	450	...	450	-2.0
Transit.....	90	...	90	...	90	32	...	32	...	32	-38.5
Gas supply.....	45	...	45	...	45	41	...	41	...	41	-16.3
All other.....	1,533	355	1,178	402	776	1,040	227	813	327	486	10.2

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

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

Table 10.—UTILITY REVENUE, EXPENDITURE, AND INDEBTEDNESS, BY TYPE OF UTILITY: 1962

(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.....	4,278	4,748	2,619	1,694	435	13,149	5,549	7,600
Water supply.....	1,768	2,239	954	1,044	232	7,131	3,464	3,667
Electric power.....	1,596	1,490	852	514	124	3,673	322	3,351
Transit.....	632	762	605	90	67	2,026	1,721	305
Gas supply.....	282	265	208	45	12	319	42	277

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

Table 11.—GOVERNMENTAL INSURANCE TRUST REVENUE AND EXPENDITURE, BY TYPE OF INSURANCE TRUST SYSTEM, BY LEVEL OF GOVERNMENT: 1962

(In millions of dollars)

Item	Insurance trust revenue			Insurance trust expenditure
	Total	Contributions	Earnings on investments	
All governments.....	20,353	19,309	1,043	21,630
Unemployment compensation.....	2,967	2,802	164	3,019
Employee retirement.....	3,435	2,608	826	2,645
All other.....	13,951	13,898	53	15,967
Federal Government.....	14,425	14,425	1(1,263)	16,740
Unemployment compensation.....	147	147	(3)	211
Employee retirement.....	877	877	1(317)	1,064
Old age, survivors, and disability insurance.....	12,289	12,289	1(609)	13,669
Veterans life insurance.....	548	548	1(230)	772
Railroad retirement.....	564	564	1(107)	1,024
State and local governments.....	5,928	4,884	1,043	4,890
Unemployment compensation.....	2,820	2,655	164	2,808
Employee retirement.....	2,558	1,731	826	1,581
Other.....	550	497	53	502
State governments.....	5,306	4,533	773	4,238
Unemployment compensation.....	2,812	2,649	162	2,802
Employee retirement.....	1,944	1,386	558	934
Other.....	550	497	53	502
Local governments.....	622	351	270	652
Unemployment compensation.....	8	6	2	6
Employee retirement.....	613	345	268	647

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 12.—INDEBTEDNESS AND DEBT TRANSACTIONS OF STATE AND LOCAL GOVERNMENTS: 1962

Item	Amounts (millions of dollars)			Per capita
	Total (Prelim.)	State governments	Local governments (Prelim.)	
Debt outstanding, total.....	81,128	21,971	59,157	436.59
Long-term.....	77,420	21,560	55,860	416.64
Full faith and credit.....	47,732	10,313	37,419	256.87
Nonguaranteed.....	29,690	11,248	18,442	159.78
Short-term.....	3,707	411	3,296	19.95
Net long-term debt outstanding.....	71,359	18,593	52,766	384.02
Long-term debt issued.....	10,507	3,070	7,437	56.54
General.....	9,453	3,070	6,383	50.87
Utility.....	1,054	...	1,054	5.67
Long-term debt retired.....	4,773	1,065	3,708	25.69
General.....	4,216	1,065	3,151	22.69
Utility.....	557	...	557	3.00

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."

Table 13.—CASH AND SECURITY HOLDINGS OF STATE AND LOCAL GOVERNMENTS, BY TYPE AND PURPOSE OF HOLDING: 1962

Item	Amount (millions of dollars)			Per capita
	Total (Prelim.)	State governments	Local governments (Prelim.)	
Total.....	63,942	38,543	25,399	344.10
By type:				
Unemployment compensation fund balances in U.S. Treasury.....	5,666	5,603	63	30.49
Other deposits and cash.....	14,630	4,650	9,980	78.73
Securities.....	43,645	28,290	15,355	234.88
Federal.....	20,478	12,194	8,284	110.20
Own government securities.....	3,593	726	2,867	19.34
Other State and local government securities.....	3,085	2,695	390	16.60
Other.....	16,489	12,675	3,814	88.74
By purpose of holding:				
Unemployment compensation.....	5,659	5,596	63	30.45
Employee retirement.....	23,286	15,547	7,739	125.31
Other insurance trust systems.....	1,646	1,646	...	8.86
Offsets to debt.....	6,062	2,968	3,094	32.62
Bond funds.....	7,312	1,984	5,328	99.5
All other.....	19,976	10,802	9,174	107.50
Employee-retirement holdings by type:				
Cash and deposits.....	286	153	133	1.54
Securities.....	23,000	15,394	7,606	123.77
Federal.....	6,113	4,149	1,964	32.90
Own government securities.....	2,499	485	2,014	13.45
Other State and local government securities.....	1,544	1,235	309	8.31
Other.....	12,845	9,525	3,320	69.13

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