
STATE & LOCAL GOVERNMENT DEBT: 1941

Total public debt

- Debt trends ● Per capita debt
- Bond maturities ● Interest payments
- Types of liabilities ● Intergovernmental relations
- Debt of States and of specified local governments

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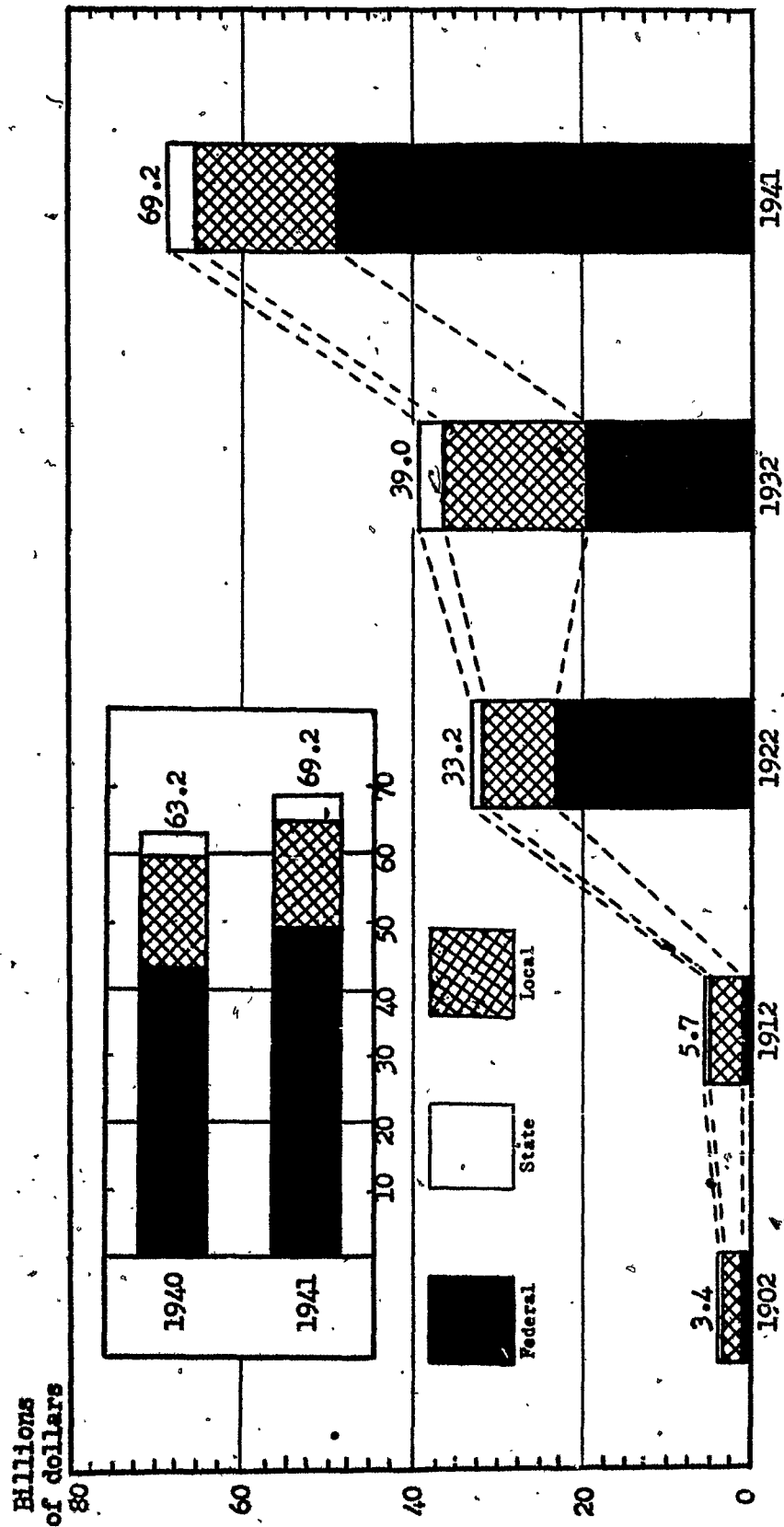


FIGURE 1.--COMPARATIVE FEDERAL, STATE, AND LOCAL DEBT, 1902-1941

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PREFACE

Continuing the series of annual nation-wide studies of State and local public debt, inaugurated in 1940 by the Division of State and Local Government of the Bureau of the Census, this second report is designed to bring up to date the principal information covered in the earlier study. The basic purpose of the series is to collect and make available to government officials, as well as the public, selected statistics of public debt necessary to develop fiscal and economic programs.

Two features are new in the present report: the presentation of statistics of interest payments on State and local government debt for the 1941 fiscal year (tables 12 and 13) and a schedule of the estimated maturities of State and local government debt as of June 30, 1941 (table 14). One feature of the 1940 report--the distribution of total local government debt on a State-by-State basis--has not been included in this study. It is believed, however, that the distribution remained similar to that of 1940.

Current statistics of State and local government debt reported in the annual debt studies are based primarily on information supplied by State and local officials in response to a mail canvass. This information is supplemented with data from a variety of sources, including published and unpublished materials obtained through the cooperation of State and Federal departments and agencies.

Reports of debt and related information for the fiscal year ended on June 30, 1941 were assembled from public units that accounted for 83 percent of the total debt reported in Financial Statistics of State and Local Governments: 1932, the latest decennial census on the subject. The debt figures for State governments, cities of 50,000 population or over, counties of 100,000 population or over, and other major debt-incurring units are based on universal questionnaire coverage. For those classes of local public units for which complete questionnaire coverage was not practicable, the statistics were estimated by sampling methods explained in the "Statement of Procedure", contained in the appendix.

A preliminary report of this survey, containing estimated national totals of State and local public debt, classified by types of public units and by selected debt concepts, in addition to summary statistics of the indebtedness of major public borrowers, was issued December 19, 1941.

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STATE AND LOCAL GOVERNMENT DEBT: 1941

Preparation of Study

This report was prepared by the Division of State and Local Government under the direction of Lynden Mannen, assisted by Elsie F. Hindman.

Acknowledgment to State and Local Public Officials

The generous cooperation of State and local officials who supplied information for the current debt survey is gratefully acknowledged.

STATE AND LOCAL GOVERNMENT DEBT: 1941

THE MOVEMENT of public debt during the fiscal year-ended June 30, 1941 reflected the early stages of the transition of the nation to a war economy. During the depression and recent pre-defense years, public debt behavior has been characterized by relatively stationary State and local government debt in contrast with rapidly mounting Federal debt. Acceleration of Federal borrowing to finance defense expenditures and curtailment of deficit financing by nonfederal public units combined to heighten this contrasting debt behavior during the past year, as portrayed in figure 1.

CURRENT DEBT TRENDS

Defense spending and national defense requirements affect State and local government debt behavior in several ways. Expansion of the national economy has resulted in substantially heavier tax collections^{1/} and in reduced relief loads. Priority requirements have necessitated curtailment of nonessential public construction. Effects of these factors on nonfederal borrowing during the past year were reflected in a slight reduction in State and local government debt—a reversal of the moderate upward movement that typified the pre-war period.

Recent developments—those occurring even since the period covered by this study—indicate that the structure of American public debt will be altered greatly during the war. The Federal public debt had expanded \$11,033 million to a new high of \$60,012 million as of January 31, 1942. Rationing of tires and gasoline has already resulted in reduction of current gasoline tax collections and toll charges in many areas. These and other factors will require public officials to make extensive readjustments to financial dislocations of the war. Numerous signs point to drastic curtailment of State and local public borrowing in the coming months—and years. One of many significant portents of "the shape of things to come" is the recent announcement that New York City, normally the largest nonfederal borrower, will float no more new loans for the duration.

TOTAL PUBLIC DEBT

State and local government gross debt is estimated at \$20,189 million as of June 30, 1941. This is equivalent to \$152 for each person in the continental United States. With the addition of the \$48,979 million Federal

^{1/} Bureau of the Census, State Tax Collections: 1941, February 27, 1942 (preliminary report issued October 6, 1941). A Bureau of the Census study of all State and local government revenues and expenditures for 1941 is now in process.

public debt^{2/}, the total public debt—Federal, State, and local—aggregated \$69,162 million. Of this total, the Federal debt comprised 70.8 percent; the State governments accounted for 4.9 percent; and the local share was 24.3 percent, as shown in table 1. The proportion represented by Federal debt was virtually the same as in 1922, shortly after the first World War. In 1912, the decennial census year preceding that conflict, the Federal share of the public debt was only 21.0 percent and the local share was 71.6 percent, or approximately the reverse of the 1941 proportions.^{3/}

Although State and local government debt decreased only \$42 million during the 1941 fiscal year, this slight contraction reversed the moderate expansion which characterized the pre-defense period, and presents a sharp contrast with the \$6,008 million increase in Federal debt. Expressed in terms of per capita debt, the Federal increase of 13 percent overshadowed the State and local decrease of 1 percent to set a new all-time high per capita public debt of \$521—\$42 more than the corresponding 1940 debt, as shown in table 2.

Table 1.--FEDERAL, STATE, AND LOCAL GOVERNMENT DEBT:
SELECTED YEARS 1902 - 1941

(Amounts in millions)

Year	Total	Federal		State		Local	
		Amount ^{1/}	Percent of total	Amount	Percent of total	Amount	Percent of total
1902	\$ 3,373	\$ 1,178	34.9	\$ 270	8.0	\$ 1,925	57.1
1912	5,692	1,194	21.0	423	7.4	4,075	71.6
1922	33,219	22,964	69.1	1,163	3.5	9,092	27.4
1932	39,049	19,487	49.9	2,882	7.4	16,681	42.7
1937	55,996	36,427	65.1	3,260	5.8	16,309	29.1
1940	63,196	42,971	68.0	3,505	5.5	16,720	26.5
1941	69,162	48,979	70.8	3,370	4.9	16,813	24.3

^{1/} Annual Report of the Secretary of the Treasury for Fiscal Year Ended June 30, 1941, pp. 550-551.

^{2/} Annual Report of the Secretary of the Treasury for Fiscal Year Ended June 30, 1941, p. 551. Additional to the cited Federal debt are the liabilities of governmental corporations and credit agencies of the United States. These liabilities consisted of \$6,403 million of guaranteed debt and \$3,775 million of nonguaranteed debt, a total of \$10,178 million. Assets of the same corporations and agencies aggregated \$14,038 million. *Op. cit.*, pp. 614-15. Interest-bearing debt of the territories and insular possessions, including subdivisions, was \$147 million on June 30, 1941. *Op. cit.*, p. 629.

^{3/} For an analysis of public debt behavior during the period 1902-1940, see Bureau of the Census, State and Local Government Debt: 1940, April 1941.

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Table 2.--PER CAPITA FEDERAL AND STATE AND LOCAL GOVERNMENT GROSS DEBT, SELECTED YEARS 1902 - 1941^{1/}

Year	Total		Federal		State and local	
	Amount	Percent change	Amount	Percent change	Amount	Percent change
1902	\$ 42.50	—	\$ 14.84	—	\$ 27.66	—
1912	59.85	40.8	12.55	-15.4	47.30	71.0
1922	302.35	405.2	209.01	1565.4	93.34	97.3
1932	312.46	3.3	155.93	-25.4	156.53	67.7
1937	433.21	38.6	281.82	80.7	151.39	-3.3
1940	478.92	10.6	325.65	15.6	153.27	1.2
1941	520.73	8.7	368.77	13.2	151.96	-.9

^{1/} Based on Bureau of the Census population estimates for the continental United States as of July 1 for each of the specified years, except 1941. The 1941 per capita debt figures are based on the corresponding population estimate as of April 1, 1941.

PUBLIC DEBT AND NATIONAL INCOME

Has the expansion of the national economy as indicated roughly by national income kept pace with the growth of public debt? Statistics of the relation between national income and public debt may serve as a handy measure of the importance of public debt in our national economy. In 1941, national income produced rose to the record high of \$94.5 billion (preliminary estimate), as shown in table 3. This represented an increase of 22.6 percent for the year,

Table 3.--RELATION OF PUBLIC DEBT TO NATIONAL INCOME:
SELECTED YEARS 1922 - 1941

(Amounts in millions)

Year	National income		Ratio of public debt to national income		
	Amount ^{1/}	Percent change	Total public debt	Federal debt	State and local debt
1922	\$60,100	—	55.3	38.2	17.1
1932	40,100	-33.3	97.4	48.6	48.8
1940	77,100	92.3	82.0	55.8	26.2
1941	94,500	22.6	73.2	51.8	21.4

^{1/} U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce:

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in comparison with the substantially smaller increase of 9.4 percent in total public debt during the 1941 fiscal year. A similar tendency for income to rise at a greater rate than debt has been in operation for the nine-year period since the low point of the depression, when income had shrunk to a level approximately equal to total public debt. While Federal debt increased at a slightly lesser rate than income, the ratio of State and local government debt to national income declined from 48.8 percent for 1932 to 21.4 percent for 1941. These relations indicate that in recent years the resources available to American public units for meeting debt charges have expanded at a greater rate than have their aggregate debts.

STATE AND LOCAL GOVERNMENT GROSS DEBT

Statistics of State and local government debt, classified by types of public units, by selected size classes, and by selected debt concepts, are presented in table 4.

It will be noted that the total volume of State and local gross debt outstanding amounted to \$20,183 million, exclusive of State obligations of \$43 million incurred for reloan to local governments. Local obligations of the same amount held by the States as an offset to their indebtedness are included in local government debt outstanding. The State obligations incurred for reloan are included in gross debt reported for the individual States. In reporting aggregate totals of State debt, however, these obligations are deducted in order to avoid overstatement of total State and local government debt through duplication. For this reason the 1941 total State debt is reported at \$3,370 million, rather than \$3,413 million.

Debt Changes: 1940-1941

Despite the slight change in total gross debt during the 1941 fiscal year, significant movement occurred among the various types of governmental units, as reported in tables 5 and 6. A majority of the States and local governments covered in the mail survey reported decreases in debt. This general downward trend was counterbalanced by substantial increases in the indebtedness of a relatively small number of public units. Debt expansion of \$93 million by New York City for acquisition of subways and improvement of water-supply counteracted moderate debt decreases reported by a large number of municipalities.

Indebtedness of special districts, counties, and States exhibited the most marked change. Outstanding debt of special districts mounted to a new all-time high of \$2,770 million, representing an increase of 8.1 percent for the year. This increase is accounted for by a rise of \$216 million in the debt of local housing authorities. In the aggregate--and by types of local government--municipal, school district, and township debt were comparatively stationary. The apparent inconsistent debt behavior of special districts conforms to the trend of indebtedness of these units for recent years. In the nine-year period since 1932, the debt of this class of units has mounted from \$1,631 million to \$2,770 million, representing an average annual increase of approximately 8 percent. This debt expansion has been accounted for in large part by special authorities created in the past.

Table 4.--STATE AND LOCAL GOVERNMENT GROSS DEBT, ACCORDING TO BEARING OF INTEREST AND LIABILITY FOR REPAYMENT: JUNE 30, 1941

(Amounts in thousands)

Type of government	Gross debt	Classified as to payment of interest		Classified as to assets and net liabilities	
		Non-interest-bearing debt	Interest-bearing debt	Sinking-fund assets	Gross debt less sinking funds
States	\$ 3,413,215	\$ 36,015	\$ 3,377,200	\$ 578,885	\$ 2,834,330
Counties	2,045,957	16,909	2,029,048	162,824	1,883,133
100,000 population or over	1,067,159	11,679	1,055,480	79,094	988,065
Under 100,000	978,798	5,230	973,568	83,730	895,068
Municipalities ^{1/}	9,916,943	26,790	9,890,153	1,174,375	8,742,568
100,000 population or over	7,282,000	14,602	7,267,398	1,014,458	6,267,542
50,000 to 100,000	678,338	1,880	676,458	38,929	639,409
Under 50,000	1,956,605	10,308	1,946,297	120,988	1,835,617
Townships	292,413	—	292,413	15,415	276,998
School districts	1,787,241	8,007	1,779,234	95,856	1,691,385
Special districts	2,770,142	277,749	2,492,393	49,022	2,721,120
Total	20,225,911	365,470	19,860,441	2,076,377	18,149,534
Less State loans to local units	43,172	—	43,172	43,172	2/
Net total	20,182,739	365,470	19,817,269	2,033,205	18,149,534

^{1/} Includes cities, towns, boroughs, and villages.

^{2/} State loans included in sinking-fund assets.

Table 5. -- STATE AND LOCAL GOVERNMENT GROSS DEBT, BY LONG- AND SHORT-TERM OBLIGATIONS: 1941, 1940, AND 1932

(Amounts in millions)

Term of debt and type of government	Outstanding gross debt					
	1941		1940		1932	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Total debt	\$20,183^{1/}	100.0	\$20,225^{2/}	100.0	\$19,562^{3/}	100.0
State	3,370 ^{4/}	16.7	3,505 ^{2/}	17.3	2,882 ^{3/}	14.7
County	2,046	10.1	2,156	10.7	2,531	13.0
Municipal ^{5/}	9,917	49.1	9,899	48.9	9,989	51.1
Township	292	1.5	290	1.4	353	1.8
School district	1,787	8.9	1,813	9.0	2,176	11.1
Special district	2,770	13.7	2,562	12.7	1,631	8.3
Long-term debt	19,012^{5/}	100.0	19,046^{6/}	100.0	17,897^{3/}	100.0
State	3,171 ^{5/}	16.7	3,273 ^{6/}	17.2	2,580 ^{3/}	14.4
County	1,943	10.2	2,036	10.7	2,306	12.9
Municipal ^{5/}	9,534	50.1	9,511	49.9	9,220	51.5
Township	281	1.5	280	1.5	280	1.6
School district	1,669	8.8	1,699	8.9	1,993	11.1
Special district	2,414	12.7	2,247 ^{7/}	11.8	1,518	8.5
Short-term debt	1,170^{8/}	100.0	1,179^{9/}	100.0	1,665	100.0
State	198 ^{8/}	17.0	232 ^{9/}	19.7	302	18.1
County	103	8.8	120	10.2	225	13.5
Municipal ^{5/}	383	32.7	388	32.9	769	46.2
Township	12	1.0	10	.8	73	4.4
School district	118	10.0	115	9.7	184	11.0
Special district	357	30.5	315 ^{7/}	26.7	113	6.8

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

1/ Less State loans to local units of \$43 million.

2/ Less State loans to local units of \$21 million.

3/ Less State loans to local units of \$14 million.

4/ Includes cities, towns, villages and boroughs.

5/ Less State loans to local units of \$28 million.

6/ Less State loans to local units of \$7 million.

7/ Revised to report as short-term debt local housing authority notes amounting to \$284 million, classified as long-term debt in 1940.

8/ Less State loans to local units of \$16 million.

9/ Less State loans to local units of \$14 million.

decade--such as the Metropolitan Water District of Southern California and the Triborough Bridge Authority of New York--and indicates the growing importance of this comparatively new type of functional organization in providing specialized services and facilities for the larger metropolitan areas.

State debt decreased \$135 million during the past year, in contrast with the rise of 21.6 percent for the eight-year period 1932-1940. This decrease reflects the improvement in the financial position of a large number of States, notably those in which defense industries are located, resulting from the defense boom. Among the States reporting substantial decreases in debt were the following: California, \$14.1 million; Massachusetts, \$19.6 million; New Jersey, \$32.3 million; and Pennsylvania \$104 million^{4/}. In this connection, it may be noted that since the date of this

Table 6. -- PERCENT CHANGES IN STATE AND LOCAL GOVERNMENT GROSS DEBT, BY LONG- AND SHORT-TERM OBLIGATIONS AND BY TYPE OF GOVERNMENT: 1932 - 1941

Periods of change	Total	State	County	Municipal	Township	School district	Special district
Total gross debt							
1932 - 1941	3.2	16.9	-19.2	-.7	-17.3	-17.9	69.8
1932 - 1940	3.4	21.6	-14.8	-.9	-17.8	-16.7	57.1
1940 - 1941	-.2	-3.9	-5.1	.2	.7	-1.4	8.1
Long-term debt							
1932 - 1941	6.2	22.9	-15.7	3.4	.4	-16.3	59.0
1932 - 1940	6.4	26.9	-11.7	3.2	—	-14.8	48.0
1940 - 1941	-.2	-3.1	-4.6	.2	.4	-1.8	7.4
Short-term debt							
1932 - 1941	-29.7	-34.1	-54.2	-50.2	-83.6	-35.9	215.9
1932 - 1940	-29.2	-23.2	-46.7	-49.5	-86.3	-37.5	178.8
1940 - 1941	-.8	-14.2	-14.2	-1.3	20.0	2.6	13.3

survey the State of California has retired its short-term debt, which amounted to \$84 million on June 30, 1941; except for a brief period in 1937, this is the first time in recent years that the State's current financial operations have been on a current cash basis.

The largest rate of decrease in local government debt, 5.1 percent, was reported by the counties. In amount, however, the decrease of \$110 million was smaller than the \$135 million decline in State debt.

4/ This comparison includes in Pennsylvania State debt for 1940 and 1941 the obligations of the General State Authority and Turnpike Commission, which are classified as State debt in order to make the statistics comparable with those of other States.

Distribution of Gross Debt

Municipalities—i.e., cities, towns, boroughs, and villages—were responsible for approximately one-half the State and local debt. Almost 40 percent of the total was concentrated in cities with debt of \$5 million or over, and more than one-third was concentrated in the 92 cities of 100,000 population or over. The significant role of the larger cities in American society is suggested by the \$3,136 million debt of New York City, which is almost as large as the \$3,370 million debt of all 48 States. In order of size of gross debt, the municipalities and States were followed by special districts, \$2,770 million; counties, \$2,046 million; and school districts, \$1,787 million. The debt of townships amounted to less than \$300 million.

More than \$14,321 million, or 71 percent, of the total State and local government gross debt was reported by 356 public units with gross indebtedness of \$5 million or over, as shown in table 7. This group of major debt-incurring units included 38 States with aggregate debt of \$3,346 million and 318 local governmental units with aggregate debt of \$10,975 million.

Table 7. --CONCENTRATION OF STATE AND LOCAL GOVERNMENT DEBT: JUNE 30, 1941

(Dollar amounts in thousands)

Unit of government	Number of units		Amount of gross debt		Percent of total debt	
	By class	Cumulative total	By class	Cumulative total	By class	Cumulative total
<u>Units with debt above \$5 million</u>						
States	38	38	\$3,346,526	\$3,346,526	16.6	16.6
Counties	51	89	869,465	4,215,991	4.3	20.9
Cities	161	250	7,963,036	12,179,027	39.4	60.3
Townships	2	252	10,935	12,189,962	0.1	60.4
School districts	23	275	390,606	12,580,568	1.9	62.3
Special districts	81	356	1,740,636	14,321,204	8.6	70.9
<u>Units with debt below \$5 million</u>	182,295	182,651 ^{1/}	5,861,535	20,182,739	29.1	100.0

^{1/} As reported by the Bureau of the Census, 1932.

GROSS DEBT LESS SINKING-FUND ASSETS

The \$20,183 million total gross debt of State and local governments was partially offset by sinking-fund assets valued at \$2,033 million, exclusive of local government obligations held by States as an offset to State obligations incurred for reloan to the local units. After deduction of net sinking-fund assets, "net total debt" outstanding amounted to \$18,150 million. This figure is equivalent to 19.2 percent of the estimated \$94,500 million national income produced in the calendar year 1941.

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Gross debt less sinking funds is a significant measure of the debt position of the public borrowers, since it represents the net volume of obligations for which provision must be made for retirement—or refunding—over a period of time. Moreover, it is a valuable index of the real change in the debt position of individual units, since an apparent decrease in debt measured in terms of gross debt may reflect a corresponding or larger reduction in sinking-fund assets which have been accumulated and held for a long period of time. To state the converse, a rise in gross debt may be offset by an equal or greater rise in sinking-fund assets. As an example, a \$24.2 million increase in gross debt of New York State during the 1941 fiscal year was counterbalanced by a rise of \$24.1 million in sinking-fund assets.

Table 8. --STATE AND LOCAL GOVERNMENT DEBT AND SINKING-FUND ASSETS: SELECTED YEARS 1902 - 1941

(Amounts in thousands)

Year	Gross debt	Sinking fund assets	Gross debt less sinking funds		
			Total	Amount (in dollars)	Percent change from previous reported year
1902	\$ 2,195,026	\$ 330,048	\$ 1,865,035 ^{1/}	\$ 23.50	29.4 ^{2/}
1912	4,497,949	676,179	3,821,893 ^{3/}	40.19	71.0
1922	10,255,458	1,565,718	8,689,740	79.09	96.8
1932	19,562,325 ^{4/}	1,864,149 ^{4/}	17,698,176	141.61	79.0
1937	19,568,546 ^{5/}	1,974,014 ^{5/}	17,594,532	136.12	-3.9
1940	20,225,070 ^{6/}	2,042,280 ^{6/}	18,182,790	137.80	1.2
1941	20,182,739 ^{7/}	2,033,205 ^{7/}	18,149,534	136.65	-.8

* Based on Bureau of the Census population estimates for the continental United States as of July 1 for each of the specified years, except 1941. The 1941 per capita debt figures are based on the corresponding population estimate as of April 1, 1941. Figures differ from prior publications of this division because earlier figures were based on current year estimates, or estimates as of a different date.

^{1/} Surplus of \$57 thousand in New Jersey's sinking fund excluded in deducting sinking funds from gross debt.

^{2/} Per capita gross debt less sinking funds in 1890 was \$18.16, representing a State and local debt of \$1,137,200 thousand.

^{3/} Surplus of \$126 thousand in sinking funds of State of Pennsylvania excluded in deducting sinking funds from gross debt.

^{4/} Reduced by \$14,087 thousand for State loans to local units. Real estate mortgages of \$121,337 thousand, resulting from rural credit loans, are excluded from State sinking funds of Minnesota, North Dakota, and South Dakota.

^{5/} Reduced by \$26,007 thousand for State loans to local units.

^{6/} Reduced by \$21,021 thousand for State loans to local units.

^{7/} Reduced by \$43,172 thousand for State loans to local units.

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Expressed in terms of per capita debt, the \$18,150 million total gross debt less sinking funds represented a debt burden of \$136.65 for every man, woman, and child in the nation—\$1.15 less than the corresponding per capita "net total debt" in 1940.

DEBT TRENDS: 1902-1941

Comparative trends in State and local government debt, since the turn of the century, expressed in terms of gross debt, gross debt less sinking funds, and per capita gross debt less sinking funds are portrayed by figures 2 and 3. Supporting statistics are presented in summary form in table 8 and in detail in tables 9 and 10.

During the three decades ending in 1932, total gross debt increased almost eight-fold from \$2,195 million in 1902 to \$19,562 million in 1932. The rate of growth for the decade ending in 1932, 91 percent, was the smallest for any of the three decades, but the amount of increase, \$9,307 million, was far in excess of that for any decade. For the nine-year period 1932-1941, the rise of \$620 million represented an increase of only 3.2 percent.

Partially offsetting the upward swing in gross debt during the first third of the century, sinking-fund assets grew from \$330 million in 1902 to \$1,864 million in 1932. With allowance for the rise in sinking funds, gross debt less sinking funds mounted from \$1,865 million to \$17,698 million. This represented an increase in per capita gross debt less sinking funds from \$23.50 in 1902 to \$141.61 in 1932.

In contrast with the rapid debt expansion of the pre-depression period, gross debt less sinking funds increased only \$451 million, or 2.6 percent.

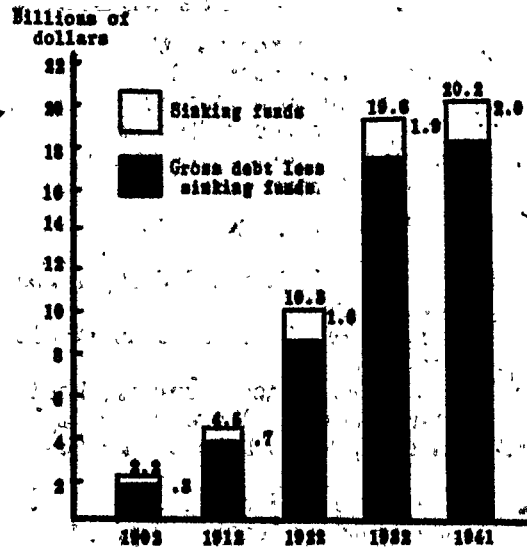


FIGURE 2.--STATE AND LOCAL GOVERNMENT DEBT, SELECTED YEARS, 1902 TO 1941

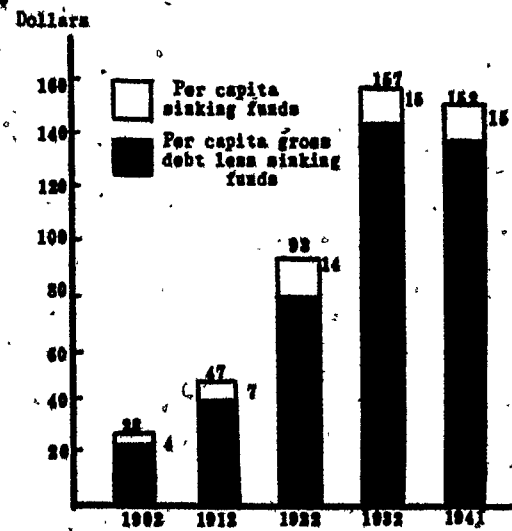


FIGURE 3.--PER CAPITA STATE AND LOCAL GOVERNMENT DEBT, SELECTED YEARS, 1902 TO 1941

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Table 9.--STATE AND LOCAL GOVERNMENT GROSS DEBT, BY TYPE OF GOVERNMENT: SELECTED YEARS 1902 - 1941

(Amounts in thousands)

Year	Total	State	County	Municipal	Town-ship	School district	Special district
1902	\$ 2,195,026	270,190	204,973	1,611,825	56,481	46,188	5,370
1912	4,497,949	422,797	393,279	3,446,746	80,069	118,900	36,158
1922	10,255,458	1,162,651	1,386,916	5,809,968	129,555	1,126,912	639,456
1932	19,562,325	2,881,785	2,531,456	9,988,710	353,018	2,176,313	1,631,070
1940	20,225,070	3,505,386	2,155,817	9,898,891	289,827	1,813,360	2,561,789
1941	20,182,739	3,370,043	2,045,957	9,916,943	292,413	1,787,241	2,770,142
Percent of total							
1902	100.0	12.3	9.3	73.4	2.6	2.1	.3
1912	100.0	9.4	8.7	76.6	1.8	2.6	.8
1922	100.0	11.3	13.5	56.7	1.3	11.0	6.2
1932	100.0	14.7	13.0	51.1	1.8	11.1	8.3
1940	100.0	17.3	10.7	48.9	1.4	9.0	12.7
1941	100.0	16.7	10.1	49.1	1.5	8.9	13.7
Percent change							
1902-12	104.9	56.5	91.9	113.8	41.8	157.4	573.3
1912-22	128.0	175.0	252.7	68.6	61.8	847.8	1668.5
1922-32	90.8	147.9	82.5	71.9	172.5	93.1	155.1
1932-41	3.2	16.9	-19.2	-.7	-17.2	-17.9	59.8
1940-41	-.2	-3.9	-5.1	.2	.9	-1.4	8.1

1/ Derived from Bureau of the Census, Public Debt, 1922.
 2/ Gross school debt, less sinking funds, except that of municipalities over 8,000 population.
 3/ Derived from Bureau of the Census, Financial Statistics of State and Local Governments, 1932, in which small adjustments are made from the figures in the corresponding reports of 1912 and 1922.
 4/ Gross school debt less sinking funds.
 5/ State loans of \$14,087 thousand to local units excluded from State and total gross debt.
 6/ State loans of \$21,021 thousand to local units excluded from State and total gross debt.
 7/ State loans of \$43,172 thousand to local units excluded from State and total gross debt.

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Table 10.--STATE AND LOCAL GOVERNMENT GROSS DEBT LESS SINKING-FUND ASSETS, BY TYPE OF GOVERNMENT: SELECTED YEARS 1902 - 1941/

(Amounts in thousands)

Year	Total	State	County	Municipal	Town-ship	School district	Special district
1902	\$ 1,865,035	234,965	196,565	\$1,327,962	54,035	46,188	5,320
1912	3,821,696	345,942	371,600	2,871,622	78,109	118,900	35,723
1922	6,689,740	935,544	1,273,276	4,679,352	122,975	1,052,935	625,658
1932	17,698,746	2,482,895	2,390,830	8,842,189	343,879	2,039,852	1,599,131
1940	18,182,790	2,949,231	2,011,512	8,737,900	276,233	1,705,237	2,504,677
1941	18,149,534	2,834,330	1,883,133	8,742,568	276,998	1,691,385	2,721,180
Percent of total							
1902	100.0	12.6	10.5	71.2	2.9	2.5	.3
1912	100.0	9.1	9.7	75.1	2.1	3.1	.9
1922	100.0	10.8	14.7	53.8	1.4	12.1	7.2
1932	100.0	14.0	13.5	50.0	2.0	11.5	9.0
1940	100.0	16.2	11.1	48.0	1.5	9.4	13.8
1941	100.0	15.6	10.4	48.2	1.5	9.3	15.0
Percent change							
1902-12	104.9	47.2	89.1	116.2	44.6	157.4	571.5
1912-22	127.4	170.4	242.7	63.0	37.4	785.6	1,651.4
1922-32	105.7	165.3	87.8	89.0	179.6	93.7	155.6
1932-41	2.6	14.2	-21.2	-1.1	-19.4	-17.1	70.2
1940-41	.2	-3.9	-6.4	.1	1.0	.8	8.6

1/ Based on gross debt reported in table 5, less sinking-fund assets derived from sources noted in that table. For sinking-fund statistics for 1902 to 1940 see Bureau of the Census, State and Local Government Debt: 1940, pp. 14, 16; and for corresponding statistics for 1941 see table 4 of this report.

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during the period 1932-1941. That this rate of growth was substantially lower than the rate of population increase for the continental United States between 1932 and 1941 is reflected in the decline in per capita gross debt less sinking funds from \$141.61 in 1932 to \$136.65 in 1941, representing a decrease of 3.5 percent for the nine-year period.

INTEREST-BEARING SECURITIES

State and local government interest-bearing securities outstanding on June 30, 1941 amounted to \$19,860 million, inclusive of the \$43 million State obligations incurred to finance loans to local public units, as shown in table 4. In terms of debt, rather than in terms of the total gross volume of securities outstanding, the total interest-bearing debt amounted to \$19,817 million (exclusive of the State loans of \$43 million), as reported in detail in table 11. This figure represents a decline of \$53 million in interest-bearing debt during the 1941 fiscal year, in contrast with the rise of \$743 million during the period 1937-1940.

The amount of interest-bearing securities outstanding is significant for two reasons. Provision must be made for interest payments (as well as for retirement of principal). Moreover, interest derived from these obligations is wholly exempt from taxation under Federal income tax laws, and in many States is accorded special tax treatment by State law.

The tax-exempt feature of State and local government obligations has been an important factor in the establishment of an unusually favorable market for obligations of this character in recent years. In addition to the safety features which normally make government securities an attractive investment for many investors, including those who are subject to no income tax--or comparatively low rates of tax--the tax-exempt feature makes State and local government securities particularly attractive to persons with large income who are subject to high rates of the Federal income tax.

For many years, the value of the tax-exempt feature of State and local government securities has been vitiated in part by the large volume of tax-exempt securities of all categories--Federal and territorial, as well as State and local issues--available to investors. On June 30, 1940 there were \$70,166 million tax-exempt public securities outstanding, including \$50,275 million obligations of the United States Government, Federal instrumentalities, and territories^{5/}, in addition to \$19,891 million State and local securities. This gross amount represented an increase of \$34,223 million from the total volume of \$35,943 million tax-exempt obligations outstanding in 1930.

Several recent developments, however, have enhanced the value of the tax-exempt feature. Termination of the tax exemption of securities issued by the United States Government and Federal instrumentalities on and after March 1, 1941 was provided by Federal legislation. In this connection, it is to be noted that interest derived from certain Federal securities issued

5/ Annual Report of the Secretary of the Treasury for the Fiscal Year Ended June 30, 1941, pp. 629-637.

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prior to March 1, 1941 was accorded only partial tax exemption—i.e. exemption from the normal tax, but not from surtax rates of the Federal income tax. This legislation, coupled with action of the Treasury Department to refund a considerable volume of tax-exempt obligations with new taxable issues resulted in a reduction of \$4,237 million in the total outstanding volume of tax-exempt securities of the United States Government, Federal instrumentalities, and territories during the 1941 fiscal year. Moreover, of the \$46,038 million tax-exempt securities of these categories outstanding on June 30, 1941, only \$10,007 million were wholly exempt, the remainder, or \$36,031 million partially-exempt securities being subject to surtax.

A similar, although less important, development has been the gradual curtailment in the issuance of new State and local government securities, as distinct from issuance of refunding obligations, which merely results in an exchange in the market but does not add to the total supply of securities. During the decade ending in 1932, the volume of tax-exempt State and local government securities outstanding rose from \$9,893 million in 1922 to \$19,330 million in 1932. In striking contrast with this expansion, the volume of such obligations increased only \$530 million in the period 1932-1941.

Finally, the rates of the Federal income taxes have been raised sharply, and it appears certain that they will be increased to higher levels in the near future.

These factors, past and prospective, explain the extremely favorable market for tax-exempt State and local government securities which prevailed during the past fiscal year. In this connection, it may be noted that the Bond Buyer index of the yield of representative long-term securities of twenty prominent cities declined from 2.67 percent at the beginning of the 1941 fiscal year—the high point for the year—to 2.07 percent at the close of the fiscal year. This closing figure represented an all-time low for the series. The all-time high for the series, 5.69 percent, was reported on May 1, 1933.

Further evidence of the favorable market for tax-exempt obligations is found in the State and Municipal Compendium, June 30, 1941 report of sales of long-term State and local government bonds. Of the \$1,234 million total sales of such bonds reported for the 1940 calendar year, \$883 million, or 72 percent, were reported as carrying coupon rates of 3 percent or less, \$308 million, or 25 percent, ranged from 3 percent to 4 percent, and only \$43 million, or 3 percent, were reported as having interest rates of over 4 percent. That many public units were not slow to take advantage of the heavy demand for tax-exempt bonds is indicated by the report of the Compendium that \$482 million, or 39 percent, of the total reported bond sales, were comprised of refunding issues.

NONINTEREST-BEARING DEBT

Noninterest-bearing obligations amounted to less than 2 percent of the total gross debt outstanding. Of the \$365 million debt of this character, in excess of two-thirds was comprised of liabilities of western irrigation

Table 11.—STATE AND LOCAL GOVERNMENT INTEREST-BEARING AND NONINTEREST-BEARING DEBT, BY TYPE OF GOVERNMENT: 1941 AND 1937

(Amounts in millions)

Term of debt and type of government	Total debt		Interest-bearing debt		Noninterest-bearing debt	
	1941	1937 ^{1/}	1941	1937 ^{1/}	1941	1937 ^{1/}
Total debt	\$20,182.7 ^{2/}	\$19,568.5 ^{3/}	\$19,817.3 ^{2/}	\$19,126.2 ^{3/}	\$365.5	\$441.7
State	3,370.0 ^{2/}	3,260.2 ^{3/}	3,334.0 ^{2/}	3,215.5 ^{3/}	36.0	44.7
County	2,046.0	2,343.5	2,029.0	2,323.3	16.9	20.2
Municipal ^{4/}	10,209.4	10,060.6	10,182.6	9,969.0	26.8	91.6
School district	1,787.2	1,653.1	1,779.2	1,864.3	8.0	18.8
Special district	2,770.1	2,021.1	2,492.4	1,754.7	277.8	266.4
Long-term	19,012.4 ^{5/}	18,465.7 ^{6/}	18,688.5 ^{5/}	18,251.7 ^{6/}	323.9	214.0
State	3,171.4 ^{5/}	3,073.3 ^{6/}	3,150.4 ^{5/}	3,073.3 ^{6/}	21.0	—
County	1,943.3	2,237.8	1,935.7	2,237.8	7.7	—
Municipal ^{4/}	9,814.8	9,485.1	9,801.6	9,485.1	13.2	—
School district	1,669.3	1,723.8	1,663.9	1,723.8	5.3	—
Special district	2,413.6	1,945.7	2,136.9	1,731.7	276.8	214.0
Short-term	1,170.3 ^{7/}	1,102.9 ^{8/}	1,128.8 ^{7/}	875.2 ^{8/}	41.5	227.7
State	198.7 ^{7/}	187.0 ^{8/}	183.7 ^{7/}	142.3 ^{8/}	15.0	44.7
County	102.6	105.7	93.3	85.5	9.2	20.2
Municipal ^{4/}	394.5	375.5	380.9	483.9	13.6	91.6
School district	118.0	159.3	115.3	140.5	2.7	18.8
Special district	356.5	75.4	355.6	23.0	1.0	52.4

Note: Because of rounding, figures in this table may not add to totals.

- 1/ Division of Research and Statistics, Treasury Department, Securities Exempt from the Federal Income Tax, as of June 30, 1937, p. 52 (1938).
- 2/ Excludes State loans to local units of \$43.2 million.
- 3/ Excludes State loans to local units of \$26.0 million.
- 4/ Includes cities, towns, villages, boroughs and townships.
- 5/ Excludes State loans to local units of \$27.6 million.
- 6/ Excludes State loans to local units of \$10.7 million.
- 7/ Excludes State loans to local units of \$15.6 million.
- 8/ Excludes State loans to local units of \$15.3 million.

and reclamation districts to the United States Government. The remainder consisted principally of matured obligations not presented for payment and noninterest-bearing notes and warrants.

INTEREST PAYMENTS

Total interest payments on State and local government interest-bearing securities for the 1941 fiscal year amounted to \$774 million. This represented a decrease of 2.6 percent for the period 1937-1941 as reported in table 12, in contrast to the rise of 3.6 percent in total State and local government interest-bearing debt during the four-year period. For the nine-year period 1932-1941, total interest payments decreased 8.3 percent, in comparison with the 3.7 percent increase in long-term interest-bearing debt. These data merely confirm the generally known fact that interest rates have decreased materially in recent years. These comparisons may not reveal the complete extent of the decline in average coupon rates on total debt outstanding, since defaults in interest payments were more extensive in 1932 than in 1941.

Interest payments on the Federal public debt for the 1941 fiscal year amounted to \$1,111 million. This figure, however, does not reflect the full cost of Federal borrowing in the latter part of the fiscal year. As of June 30, 1941, the computed rate of interest on the Federal interest-bearing public debt amounted to 2.5 percent, and the computed annual interest charge amounted to \$1,219 million. Seven months later, January 30, 1942, the computed interest charge on the \$59,531 million Federal debt was 2.4 percent, and the computed annual interest charge amounted to \$1,431 million.

The combined Federal and State and local government interest payments for the 1941 fiscal year amounted to \$1,885 million. This is equivalent to \$14 for each person in the United States. In relation to national income, the total interest payments of \$1,885 million amounted to 2 percent

Table 12.--ANNUAL INTEREST PAYMENTS ON STATE AND LOCAL GOVERNMENT DEBT, BY TYPE OF GOVERNMENT: 1941, 1937, AND 1932

(Amounts in millions)

Type of government	Interest payments			Percent change		
	1941	1937	1932	1932-1941	1937-1941	1932-1937
Total	\$774	\$795	\$844	-8.3	-2.6	-5.8
State	120	119	112	7.1	.8	6.3
County	86	106	119	-27.7	-18.9	-10.9
Municipal ^{1/}	398	402	441	-9.8	-1.0	-8.8
School district	83	88	109	-23.9	-5.7	-19.3
Special district	87	80	63	38.1	8.8	27.0

^{1/} Includes cities, towns, villages, boroughs and townships

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of the estimated \$94,500 million national income produced in the 1941 calendar year. State and local governments were responsible for 41 percent of this amount, in comparison with their 29 percent share of the total public debt as of June 30, 1941. As noted above, these figures do not reflect the complete annual interest cost of the 1941 fiscal year and Federal public debt, and thus are not an accurate measure of differences in interest rates on the indebtedness of the two levels of government.

Since State and local government interest payments may be expected to show only a relatively small decrease in the 1942 fiscal year and Federal debt—hence interest cost—is rapidly mounting, it seems clear that total interest costs on the total Federal, State, and local debt will exceed \$2,200 million for the 1942 fiscal year. This figure is equivalent to approximately 2.3 percent of the total estimated national income produced in the 1941 calendar year.

Comparison of interest payments on long-term securities for the 1941 fiscal year by the various types of governmental units, as shown in table 13, with the long-term interest-bearing obligations of these units outstanding as of June 30, 1941, reported in table 11, provides a rough basis for comparison of the average annual interest cost of the various classes of public units for the 1941 fiscal year. The average ratios of annual interest costs to debt range from 3.7 percent for States to 4.8 percent for school districts. Similarly, the ratios for other classes of units are: for municipalities, 4.0 percent; counties, 4.4 percent; and for special districts, 3.8 percent. These figures are not presented as representing the averages of the coupon rates of securities outstanding on June 30, 1941, since no allowance is made for debt change during the year and other factors, but are suggestive of the average of coupon interest rates on total long-term interest-bearing debt (including special assessments) for the 1941 fiscal year. It is to be noted that interest payments are measured by coupon rates, rather than the effective or computed rates, which take into consideration the premiums or discounts involved in marketing the securities.

Table 13.--INTEREST PAYMENTS ON STATE AND LOCAL GOVERNMENT DEBT, BY LONG- AND SHORT-TERM OBLIGATIONS AND BY TYPE OF GOVERNMENT: FISCAL YEAR ENDED JUNE 30, 1941

(Amounts in thousands)

Type of government	Total interest payments	Interest paid on long-term debt	Interest paid on short-term debt
Total	\$774,411	\$754,949	\$19,462
State	120,392	115,511	4,881
County	86,377	84,311	2,066
Municipal ^{1/}	397,559	393,607	3,952
School district	82,628	80,528	2,100
Special district	87,455	80,992	6,463

^{1/} Includes cities, towns, villages, boroughs and townships.

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The low ratio of annual interest cost to debt reported for special districts is explained in part by the substantial rise in long-term interest-bearing debt of special districts during the 1941 fiscal year. This debt change, in contrast with the relatively stationary character of the debt of other local units, except for the decrease in county debt, gives the special district interest cost ratio a downward bias and the similar county relation an upward bias. The large volume of bonds of the large metropolitan and housing authorities recently issued at low interest rates also explains the apparent inconsistency of the special district interest cost figures.

Low interest rates on tax-exempt securities currently quoted on the market, particularly when they are based on a few selected high-grade market obligations and are expressed in terms of the effective rates, provide a satisfactory measure of the current cost of borrowing by a limited number of governmental units. They do not provide any statistical basis for measuring the actual annual interest payments of those governmental units for the current period, and are particularly misleading when applied to the total volume of obligations outstanding. Several factors serve to explain the apparently anomalous circumstance that some public units have floated long-term loans at effective rates of approximately 1 percent in recent months, and that available data indicate that in the 1941 fiscal year all municipalities in the nation paid interest on their total outstanding long-term bonds amounting to approximately 4 percent.

The principal explanation, apart from the factors of premium and discount, lies in the fact that the various governments have a large volume of debt outstanding which was issued in periods of comparatively unfavorable market conditions, when high interest rates prevailed. New York City, for example, has issued long-term bonds aggregating nearly \$1,000 million in recent years providing coupon rates of 3 percent or less. The average coupon rate of the total funded debt of that city outstanding on June 30, 1941, however, amounted to approximately 3.65 percent. Other factors which merit attention relate to variation in current coupon rates among local governments with respects to size, geographic location, credit history, and timing of bond sales.

ESTIMATED MATURITY SCHEDULE

Table 14 presents an estimate of the scheduled maturities of total State and local government long-term interest-bearing securities outstanding as of June 30, 1941. The statistics were estimated on the basis of data relating to the estimated maturities of interest-bearing debt outstanding as of June 30, 1940 made available by the Division of Tax Research of the United States Treasury Department, supplemented by selected maturity data contained in State and local government reports and other published sources. It is to be noted that no allowance is made for possible redemption of optional or other callable bonds prior to regular maturity dates.

Of the \$19,860^{6/} total State and local government interest-bearing securities outstanding on June 30, 1941, short-term loans scheduled to mature

^{6/} Inclusive of \$43 million State government interest-bearing securities incurred for reloan to local units.

Table 14.--ESTIMATED MATURITY SCHEDULE OF STATE AND LOCAL GOVERNMENT LONG-TERM INTEREST-BEARING DEBT: JUNE 30, 1941

(Amounts in millions)

Year or Years	Maturities		Debt retired		Debt outstanding	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
1941	\$ —	—	\$ —	—	\$18,716	100.0
1942	877	4.7	877	4.7	17,839	95.3
1943	905	4.8	1,782	9.5	16,934	90.5
1944	904	4.8	2,686	14.4	16,030	85.6
1945	849	4.5	3,535	18.9	15,181	81.1
1946	725	3.9	4,260	22.8	14,456	77.2
1947	737	3.9	4,997	26.7	13,719	73.3
1948	651	3.5	5,648	30.2	13,068	69.8
1949	673	3.6	6,321	33.8	12,395	66.2
1950	682	3.6	7,003	37.4	11,713	62.6
1951 - 1955	3,396	18.1	10,399	55.6	8,317	44.4
1956 - 1960	2,779	14.8	13,178	70.4	5,538	29.6
1961 - 1965	2,267	12.1	15,445	82.5	3,271	17.5
1966 - 1970	1,138	6.1	16,583	88.6	2,133	11.4
1971 - 1975	686	3.7	17,269	92.3	1,447	7.7
1976 - 1980	1,235	6.6	18,504	98.9	212	1.1
1981 - 1985	182	1.0	18,686	99.8	30	.2
1986 - 1990	29	.2	18,715	100.0-	1	—
1991 - 1995	1	—	18,716	100.0	—	—

in the 1941 fiscal year accounted for \$1,144 million. Analysis of available maturity data pertaining to the \$18,716 million long-term bonds—all fixed-term and serial interest-bearing obligations—indicates that \$7,003 million, or more than 37 percent, will be retired by June 30, 1950. Cumulative maturities will amount to 56 percent by 1955, 70 percent by 1960, 89 percent by 1970, and 99 percent by 1980. A small amount of debt is not scheduled to be retired until the five-year period ending on June 30, 1995.

DEBT LIABILITY BY CHARACTER OF BONDS

Distribution of long-term debt according to legal liability for debt service is shown in table 15. Approximately 86 percent, or \$16,342 million, of the total \$19,012 long-term debt (including interest-bearing and noninterest-bearing securities) consists of general obligation bonds. The remainder is comprised of \$1,745 million revenue bonds, representing 9 percent of the total; \$800 million, or 4 percent, special assessment obligations; and \$125 million, or less than 1 percent, State contingent debt. The latter item consists of State-issued obligations that are serviced by local governments, as reported in detail in table 17.

Of the \$3,171 million total long-term debt of State governments, general obligations accounted for 89 percent and revenue bonds accounted for 7 percent, the remaining 4 percent being comprised of the contingent debt noted above. Approximately \$73 million, or nearly one-third, of the State revenue bonds consisted of obligations of the State of California incurred to finance the San Francisco-Oakland Bay Bridge and the Carquinez Toll Bridge.

It is to be noted that revenue bonds include only those obligations that are payable exclusively from the revenues of an income-producing enterprise. In recent years, a considerable volume of quasi-revenue bonds—i.e. bonds payable from special funds or specific dedicated revenues—have been issued by a number of public units. Examples of obligations of this character, which are classified by the Census Bureau as general obligations, include the gasoline tax anticipation bonds of Colorado and Mississippi. Another example is found in the securities issued by the General Authority of the State of Pennsylvania. These latter obligations are paid from proceeds of building rentals paid to the Authority from various funds of the State government. Since the General Authority is an instrumentality of the State government, the rentals received from the State are treated as State payments and not as earnings of the Authority. Obligations of the Pennsylvania Turnpike Commission, however, amounting to nearly \$41 million, are payable exclusively from earnings of the toll road operated by the Commission and are classified here as State revenue bonds.

More than 85 percent of the \$15,841 million long-term debt of local public units consists of general obligations. Approximately 10 percent, or

Table 15.--STATE AND LOCAL GOVERNMENT LONG-TERM DEBT, BY CHARACTER OF BONDS: JUNE 30, 1941

(Amounts in millions)

Character	Total		State		Local	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
Total long-term debt	\$19,012 ^{1/}	100.0	\$3,171 ^{1/}	100.0	\$15,841	100.0
General obligation bonds	16,342	85.9	2,828	89.2	13,514	85.3
Revenue bonds	1,745	9.2	218	6.9	1,527	9.6
Special assessment bonds	800	4.2	—	—	800	5.1
Contingent debt	125 ^{1/}	.7	125 ^{1/}	3.9	—	—

^{1/} Exclusive of State loans to local units of \$28 million.

^{2/} Consult the "explanation of terms" in the appendix for an explanation of the classification and terminology used in this report, as well as a brief discussion of some of the limitations of the statistics.

Table 16.--LOCAL GOVERNMENT LONG-TERM DEBT, BY CHARACTER OF BONDS AND BY TYPE OF GOVERNMENT: JUNE 30, 1941

(Amounts in millions)

Type of government	Total long-term debt	General obligation bonds		Revenue bonds		Special assessment bonds	
		Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
Total	\$15,841	\$13,514	85.3	\$1,527	9.6	\$800	5.1
State	3,171	2,828	89.2	218	6.9	125	.7
County	1,943	1,877	96.6	12	.6	55	2.8
Municipal	9,534	8,460	88.7	620	6.5	454	4.8
Township	281	264	94.0	—	—	17	6.0
School district	1,669	1,669	100.0	—	—	—	—
Special district	2,412 ^{1/}	1,243	51.5	895	37.1	275	11.4

Note: Because of rounding, figures in this table may not add to totals.

- ^{1/} Inclusive of cities, towns, villages and boroughs.
- ^{2/} Exclusive of \$328 million housing authority notes.

\$1,527 million, is comprised of revenue bonds, and \$800 million, or 5 percent, consists of special assessment obligations, as reported in detail in table 16.

INTERGOVERNMENTAL TRANSFER OF DEBT SERVICE

Among the devices employed to provide financial aid from one level of government to another are various financial transactions that result in the assumption by one jurisdiction of economic liability for indebtedness issued by other public units.

In some instances, the assumption of debt may be complete, resulting in the absorption of both legal and economic liability by one government, and extinguishment of the original indebtedness of the other. Examples of transactions of this type are found in the outright assumption by Arkansas, Tennessee, and other States of specified indebtedness incurred by counties and special road districts to finance the construction of local highways that subsequently have been incorporated in the State highway system.

In other cases, however, one public unit may assume economic liability for payment of principal, or interest, or both on certain indebtedness of another jurisdiction without assumption of formal legal liability for the debt. The principal examples of situations of this character where economic liability for debt as of June 30, 1941 was different from nominal liability, as shown elsewhere in this study, are reported in tables 17 and 18.

Both principal charges and interest payments on \$168 million of the total volume of State securities outstanding on June 30, 1941 were being serviced by local governments; \$43 million of this amount was comprised of State securities incurred to provide loans to subordinate governments, that were offset by local securities aggregating the same amount held by the States.

Table 17.--STATE DEBT SERVICED BY LOCAL GOVERNMENTS: JUNE 30, 1941

(Amounts in thousands)

State	Local units responsible for debt service	Purpose of loan or bond issue	Debt outstanding June 30, 1941	Debt service, last fiscal year	
				Retirement	Interest
1. State Loans to Local Governmental Units					
California	Counties	Relief	\$ 14,000	\$ 2,293	\$ 570
Massachusetts	Municipalities	Current (tax title) loans	15,590	17,092	19
Minnesota	Local units	Refinancing	1,302	191	60
New York	Housing Authorities	Housing	7,060	--	--
North Carolina	Counties	School buildings	4,932	766	275
Washington	Reclamation districts	Reclamation	288	14	12
Total			43,172	20,356	936
2. Other State Debt Serviced By Local Governments					
Arizona	Cities and counties	Refunding R.R. aid and other bonds	1,172	17	38
Illinois	Cities and counties	Relief	31,802	3,205	1,262
Massachusetts	Municipalities of metropolitan district	Parks, water and sewer systems	91,548	7,023	3,090
New Mexico	Cities and counties	Refunding R.R. aid and other bonds	732	36	32
Total			125,254	10,281	4,422

There is, of course, a considerable volume of State loans to local governments, direct or indirect, which is excluded from this tabulation. The State of Washington has made a number of direct loans to local public units from certain revolving funds, in addition to the loans made from borrowed funds which are reported here. There is obviously no transfer of debt service in transactions of this type, since the loans are financed from available cash, rather than from borrowed funds. Examples of indirect

Table 18.--LOCAL GOVERNMENT DEBT SERVICED BY STATES: JUNE 30, 1941^{1/}

(Amounts in thousands)

Local governments issuing obligations	State paying debt service	Purpose of bond issue	Debt outstanding June 30, 1941	Debt service, last fiscal year	
				Retirement	Interest
Road and bridge districts	Arkansas	Highways	\$ 2,678	\$ 205	\$ 141
Counties	Connecticut	Highways	12,318	1,350	227
Counties	Delaware	Highways	5,035	270	208
School districts	Delaware	School buildings	2,172	165	--
Counties and special districts	Florida	Highways	35,150 ^{2/}	7,526	145
Counties	Georgia	Highways	6,800	1,250	--
Counties	Illinois	Highways	12,000	1,500	--
Counties	Iowa	Highways	62,153	6,652	1,706
Counties	Kansas	Highways	15,594	1,037	--
Counties	Minnesota	Highways	2,785	1,436	182
Counties	Ohio	Relief	6,109	1,827	176
Counties	South Carolina	Highways	14,409	2,732	651
Counties	Tennessee	Highways	15,492	4,192 ^{3/}	600
Counties	Texas	Highways	85,670	5,665	4,652
Counties	Washington	Highways	300	34	16
Counties	Wisconsin	Highways	16,279	3,945	--
Total			294,944	39,786	8,714

^{1/} Exclusive of small amounts of debt incidentally serviced by local governments from State grants or locally-shared taxes which were available for other purposes in addition to the payment of debt service. Statistics are derived primarily from 1941 reports of State officials. In part, data are estimated on the basis of the most recent available State reports.

^{2/} Includes reimbursement obligation to counties and special districts, approximately \$31,000,000 and \$4,150,000 debt on county and local bridges leased by the State, under agreements to pay debt service (or equivalent annual rent).

^{3/} Includes \$3,444,000 reduction in county debt effected by exchange of State bonds for county bonds.

intergovernmental loans are found in the investment of cash assets of State and local government reserve funds in securities of public units. It is estimated that as of June 30, 1941, \$1,549 million State and local government interest-bearing securities were held by sinking funds and that \$2,520 million of such securities were held by State and local public trust and investment funds. It is also to be noted that the tabulation is confined to State-local unit debt transfers, and excludes holdings of State and local government interest-bearing securities by Federal agencies amounting to \$697 million, as well as reclamation and conservation district noninterest-bearing obligations of \$255 million held by the Bureau of Reclamation of the Department of the Interior.

Six States have borrowed funds to finance formal loans to local governments. Since 1933, Massachusetts has extended short-term loans to her municipalities, secured by tax titles, to provide funds for current operations. The remaining five loan programs were instituted to provide long-term credit for specific purposes, as shown in detail in table 17. The most recent program of this character was instituted by New York in the latter part of the 1941 fiscal year to assist local authorities in financing the construction of public housing. Because of the recent date on which the plan was placed in operation, no payments of debt service had been made by the borrowing units as of June 30, 1941.

In addition to the indirect servicing of State bonds incurred for reloan, a total of \$125 million securities issued by four States was being serviced by local units in 1941. The major portion of the total consisted of "contingent debt" issued by Massachusetts in behalf of the Metropolitan District. The 43 municipalities which are served by the District are required to levy taxes as determined by the State to provide for all debt service costs on this debt.

Locally issued bonds aggregating approximately \$295 million as of June 30, 1941 were being serviced by the States during the past fiscal year, either in whole or in part, as shown in detail in table 18. The largest volume of debt transfer of this character consisted of primary road bonds issued by counties of Iowa in accordance with agreements entered into whereby the State agreed to finance all debt charges on the obligations. In most instances, the assumption of debt service by the States has been provided many years after the debt was originally issued by the local units in consequence of absorption of locally built highways into the State highway system.

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Table 19.—DEBT OF INDIVIDUAL STATES, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941

(Dollar amounts in thousands)

State	Population 1940	Gross debt								Sinking fund assets	Gross debt less sinking funds
		Total	Short-term	Interest-bearing				Non-interest-bearing			
				Total	General	Revenue	Serviced by local units				
Total	131,006,184	\$3,413,215	\$199,257	\$3,177,943	\$2,411,418	\$213,689	\$152,836	\$36,015	\$978,885	\$2,634,550	
Alabama*	2,832,961	69,730	—	69,730	58,102	1,628	—	—	244	69,486	
Arizona	499,261	2,830	—	2,830	—	1,658	1,172	—	121	2,709	
Arkansas*	1,949,387	149,413	—	149,413	146,349	3,064	—	—	350	149,063	
California	6,907,987	319,818	84,451	235,213	148,507	72,706	14,000	154	88,190	231,628	
Colorado	1,123,296	26,145	46	26,099	23,781	2,318	—	—	178	25,921	
Connecticut	1,709,242	33,350	—	33,350	32,900	450	—	—	—	33,350	
Delaware	266,505	4,195	—	4,195	4,195	—	—	—	72	4,123	
Florida	1,897,414	—	—	—	—	—	—	—	—	—	
Georgia	3,123,723	28,667	—	13,407	11,207	2,200	—	15,260	191	28,476	
Idaho	524,873	1,986	—	1,986	1,328	658	—	—	63	1,923	
Illinois	7,897,241	160,783	—	160,783	128,329	634	31,808	18	7,341	153,442	
Indiana**	3,427,796	8,904	—	8,904	8,697	207	—	—	259	8,645	
Iowa	2,538,268	3,199	519	2,680	2,300	480	—	—	86	3,103	
Kansas	1,801,028	16,884	—	16,884	16,884	—	—	—	1,077	15,807	
Kentucky	2,845,627	16,815	3,052	12,900	2,543	10,357	—	—	863	16,251	
Louisiana	2,363,880	185,464	—	185,464	185,464	—	—	—	1,534	183,930	
Maine	847,226	22,011	—	22,743	22,743	—	—	—	99	22,644	
Maryland	1,821,244	53,485	—	53,485	46,285	7,200	—	—	2,214	51,271	
Massachusetts**	4,316,721	131,813	15,590	116,041	24,493	—	91,548	182	13,376	102,665	
Michigan	5,256,106	89,140	—	73,349	63,950	9,399	—	15,391	60,559	12,791	
Minnesota	2,792,300	112,818	1,000	111,818	110,316	—	1,502	—	4,502	107,316	
Mississippi	2,183,796	83,746	—	83,746	83,472	274	—	—	1,274	82,472	
Missouri	3,784,664	95,630	—	95,630	95,630	—	—	—	4,300	91,330	
Montana	559,456	12,024	—	9,129	6,095	3,036	—	—	2,895	840	
Nebraska	1,315,834	998	—	998	—	998	—	—	—	998	
Nevada	110,247	542	—	542	542	—	—	—	111	431	
New Hampshire	491,524	15,551	—	15,551	14,061	1,490	—	—	2,575	12,976	
New Jersey	4,160,165	117,071	—	117,071	117,071	—	—	—	49,456	67,615	
New Mexico	531,818	26,747	45	26,701	25,669	300	732	1	732	25,973	
New York	13,479,142	751,757	75,600	676,157	669,097	—	7,060	—	192,008	484,149	
North Carolina**	3,571,623	150,613	365	150,248	143,282	2,034	4,932	—	27,265	123,013	
North Dakota	641,935	23,069	888	22,180	21,851	329	—	1	2,014	21,039	
Ohio*	6,907,612	10,664	—	10,664	6,085	4,579	—	—	577	10,127	
Oklahoma	2,336,434	43,223	17,257	25,966	22,412	3,554	—	—	717	25,249	
Oregon	1,089,684	34,986	—	34,986	34,534	452	—	—	21,199	13,787	
Pennsylvania	9,900,180	205,365	—	205,224	164,424	40,800	—	141	26,584	178,640	
Rhode Island	713,346	30,766	—	30,766	30,766	—	—	—	5,463	25,303	
South Carolina	1,899,804	71,738	—	71,727	55,403	16,324	—	—	942	70,785	
South Dakota	642,961	41,436	—	41,436	41,436	—	—	—	8,951	32,485	
Tennessee**	2,915,843	95,120	—	95,120	95,120	—	—	—	3,987	91,133	
Texas	6,434,824	21,873	444	21,429	21,429	—	—	—	2,750	18,679	
Utah	550,310	2,105	—	2,105	2,105	—	—	—	—	2,105	
Vermont	359,231	7,807	—	7,807	7,807	—	—	—	—	7,807	
Virginia	2,677,773	26,379	—	25,949	18,784	7,165	—	436	5,297	21,082	
Washington	1,736,191	20,611	—	20,611	10,199	10,412	—	—	4,449	16,162	
West Virginia	1,801,974	78,260	—	78,260	76,175	2,085	—	—	4,085	74,175	
Wisconsin**	3,137,587	4,104	—	4,104	4,104	—	—	—	—	4,104	
Wyoming*	250,742	3,558	—	3,558	3,412	146	—	—	—	3,558	

*Reported for a date in 1941 other than June 30.

**Reported for a date earlier than 1941.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941

(Dollar amounts in thousands)

Governmental Unit	Population 1940	Gross debt								
		Total	Interest-bearing					Non-interest-bearing	Sinking fund assets	Gross debt less sinking funds
			Short-term	Total	General	Revenue	Special assessment			
Counties over 100,000 population	50,822,465	\$1,067,159	\$38,143	\$997,337	\$951,619	\$9,211	\$36,507	\$11,679	\$79,094	\$988,065
Cities over 50,000 population	45,217,983	7,960,338	280,913	7,662,943	6,901,188	444,455	317,300	16,482	1053,387	6,906,951
Alabama										
Counties over 100,000 population	716,324	21,029	392	20,569	20,569	--	--	68	24	21,005
Jefferson	459,930	12,581	250	12,331	12,331	--	--	--	9	12,572
Mobile	121,974	7,115	99	6,948	6,948	--	--	68	15	7,100
Montgomery	114,420	1,333	43	1,290	1,290	--	--	--	--	1,333
Cities over 50,000 population	424,387	52,774	311	52,463	42,992	8,916	555	--	3,494	49,280
Birmingham	267,583	26,463	300	26,163	21,608	4,000	555	--	3,343	23,120
Mobile	78,720	13,567	11	13,556	9,994	3,562	--	--	88	13,479
Montgomery	78,084	12,744	--	12,744	11,390	1,354	--	--	63	12,681
Arizona										
Counties over 100,000 population	186,193	5,230	--	5,230	5,230	--	--	--	231	4,999
Mariopca	186,193	5,230	--	5,230	5,230	--	--	--	231	4,999
Cities over 50,000 population	65,614	10,109	--	9,894	9,360	--	534	215	--	10,109
Phoenix	65,614	10,109	--	9,894	9,360	--	534	215	--	10,109
Arkansas										
Counties over 100,000 population	156,085	119	--	119	119	--	--	--	--	119
Fulton	156,085	119	--	119	119	--	--	--	--	119
Cities over 50,000 population	88,039	9,718	30	9,688	2,659	7,029	--	--	233	9,485
Little Rock	88,039	9,718	30	9,688	2,659	7,029	--	--	233	9,485
California										
Counties over 100,000 population	5,097,956	19,126	129	18,934	18,848	--	86	63	248	18,878
Alameda	513,011	4,307	--	4,307	4,307	--	--	--	72	4,307
Contra Costa	100,450	950	--	950	950	--	--	--	--	950
Fresno	178,563	2,818	--	2,818	2,818	--	--	--	--	2,818
Kern	135,124	129	129	--	--	--	--	--	--	129
Los Angeles	2,785,643	3,250	--	3,250	3,250	--	--	--	--	3,250
Orange	130,760	240	--	240	240	--	--	--	--	240
Riverside	105,524	575	--	575	575	--	--	--	--	575
Sacramento	170,333	677	--	677	677	--	--	105	--	572
San Bernardino	161,108	720	--	720	720	--	--	--	11	709
San Diego	289,348	4,343	--	4,343	4,343	--	--	--	--	4,343
San Joaquin	194,207	539	--	476	476	--	--	63	48	491
San Mateo	111,782	499	--	413	413	--	86	--	12	487
Santa Clara	174,949	60	--	60	60	--	--	--	--	60
Stanislaus	107,152	19	--	19	19	--	--	--	--	19
Cities over 50,000 population	3,401,895	459,548	212	459,148	337,472	100,843	20,833	188	4,650	454,898
Berkeley	85,547	928	--	928	911	--	17	--	--	928
Fresno	60,685	2,794	--	2,794	2,794	--	--	--	--	2,794
Glendale	82,582	1,445	--	1,445	1,355	--	90	--	64	1,381
Long Beach	164,271	12,861	--	12,861	12,861	--	--	--	--	12,861
Los Angeles	1,504,277	247,091	--	247,091	131,327	100,843	14,921	--	2,291	244,800
Oakland	302,169	8,552	--	8,552	8,271	--	281	--	--	8,552
Pasadena	81,864	10,785	--	10,602	8,636	--	1,966	183	--	10,785
Sacramento	105,958	7,860	212	7,648	7,260	--	388	--	--	7,860
San Diego	203,341	17,029	--	17,029	14,987	--	2,042	--	--	17,029
San Francisco	634,536	142,128	--	142,128	141,242	--	886	--	2,135	139,993
San Jose	68,457	814	--	814	760	--	54	--	--	814
Santa Monica	53,500	2,589	--	2,589	2,414	--	175	--	155	2,434
Stockton	54,714	4,667	--	4,667	4,654	--	13	5	5	4,667

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.2)

(Dollar amounts in thousands)

Governmental Unit	Population 1940	Gross debt								
		Total	Interest-bearing					Non-interest-bearing	Sinking fund assets	Gross debt less sinking funds
			Short-term	Total	General	Revenue	Special assessment			
Colorado										
Counties over 50,000 population	374,574	36,701	--	36,635	32,566	300	3,769	66	1,629	35,072
Denver	322,412	35,364	--	35,298	32,058	300	2,940	66	1,629	33,735
Pueblo	52,162	1,337	--	1,337	508	--	829	--	--	1,337
Connecticut										
Counties over 100,000 population	1,478,113	12,931	820	12,111	12,111	--	--	--	358	12,573
Fairfield	418,384	11,063	--	11,063	11,063	--	--	--	358	10,705
Hartford	450,189	1,798	450	1,048	1,048	--	--	--	--	1,798
New Haven	484,316	--	--	--	--	--	--	--	--	--
New London	125,224	70	70	--	--	--	--	--	--	70
Cities over 50,000 population	641,992	69,278	650	68,628	68,628	--	--	--	3,977	65,301
Bridgport	147,121	13,215	650	12,565	12,565	--	--	--	--	13,215
Hartford	166,267	21,933	--	21,933	21,933	--	--	--	3,006	18,927
New Britain	68,685	5,957	--	5,957	5,957	--	--	--	391	5,566
New Haven	160,605	12,050	--	12,050	12,050	--	--	--	580	11,470
Waterbury	99,314	16,123	--	16,123	16,123	--	--	--	--	16,123
Delaware										
Counties over 100,000 population	179,562	3,489	--	3,489	3,489	--	--	--	--	3,489
New Castle	179,562	3,489	--	3,489	3,489	--	--	--	--	3,489
Cities over 50,000 population	112,504	11,050	--	11,050	11,050	--	--	--	1,341	9,709
Wilmington	112,504	11,050	--	11,050	11,050	--	--	--	1,341	9,709
District of Columbia										
Cities over 50,000 population	663,091	11,253	--	9,413	9,413	--	--	1,840	--	11,253
Washington	663,091	11,253	--	9,413	9,413	--	--	1,840	--	11,253
Florida										
Counties over 100,000 population	658,030	20,125	--	20,125	16,125	4,000	--	--	4,166	15,959
Dade	287,739	12,486	--	12,486	8,486	4,000	--	--	1,194	11,292
Duval	210,143	3,637	--	3,637	3,637	--	--	--	1,869	1,768
Hillsborough	180,148	4,002	--	4,002	4,002	--	--	--	1,103	2,899
Cities over 50,000 population	514,440	86,383	106	86,049	69,613	15,729	707	228	2,082	84,301
Jacksonville	179,065	13,251	6	13,033	9,295	3,031	707	212	1,133	12,118
Miami	172,172	39,519	--	39,519	30,230	9,289	--	--	34	39,485
St. Petersburg	60,612	22,627	--	22,627	19,330	3,297	--	--	452	22,175
Tampa	108,391	10,986	100	10,870	10,758	112	--	16	463	10,523
Georgia										
Counties over 100,000 population	510,856	2,019	427	1,592	1,592	--	--	--	627	1,965
Chatham	117,970	1,938	427	1,511	1,511	--	--	--	627	1,311
Fulton	392,886	81	--	81	81	--	--	--	--	81
Cities over 50,000 population	575,348	24,532	57	24,475	23,414	1,027	34	--	2,884	22,468
Atlanta	302,288	12,647	--	12,647	11,591	1,027	29	--	955	11,692
Augusta	65,919	3,696	--	3,696	3,696	--	--	--	764	2,930
Columbus	53,280	2,402	57	2,345	2,345	--	5	--	24	2,378
Macon	57,865	787	--	787	787	--	--	--	--	787
Savannah	95,996	5,000	--	5,000	5,000	--	--	--	319	4,681
Illinois										
Counties over 100,000 population	5,354,367	50,517	9,991	37,288	37,288	--	--	3,298	1,560	48,957
Cook	4,063,342	46,885	9,973	33,712	33,712	--	--	3,200	1,530	45,353
DePage	103,480	245	10	235	235	--	--	--	30	215
Kane	130,206	--	--	--	--	--	--	--	--	--
Waukegan	121,094	1,480	--	1,480	1,480	--	--	--	--	1,480
Madison	149,349	46	8	--	--	--	--	38	--	46
Peoria	159,374	--	--	--	--	--	--	--	--	--

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.3)

(Dollar amounts in thousands)

Table with columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (Total, General, Revenue, Special assessment), Non-interest-bearing, Sinking-fund assets, Gross debt less sinking funds. Rows include Illinois, Indiana, Iowa, Kansas, Kentucky.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.4)

(Dollar amounts in thousands)

Table with columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (Total, General, Revenue, Special assessment), Non-interest-bearing, Sinking-fund assets, Gross debt less sinking funds. Rows include Louisiana, Maine, Maryland, Massachusetts, Michigan.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.5)

(Dollar amounts in thousands)

Table with 11 columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (General, Revenue, Special assessment), Non-interest-bearing, Sinking fund assets, Gross debt less sinking funds. Rows include Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, and Ohio.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.6)

(Dollar amounts in thousands)

Table with 11 columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (General, Revenue, Special assessment), Non-interest-bearing, Sinking fund assets, Gross debt less sinking funds. Rows include New Jersey, New York, North Carolina, and Ohio.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.7)

(Dollar amounts in thousands)

Table with 12 columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (General, Revenue, Special Assessment), Non-interest-bearing, Sinking fund assets, Gross debt less sinking funds. Rows include Ohio, Oklahoma, Oregon, Pennsylvania, and Texas.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.8)

(Dollar amounts in thousands)

Table with 12 columns: Governmental Unit, Population 1940, Total, Short-term, Long-term (General, Revenue, Special Assessment), Non-interest-bearing, Sinking fund assets, Gross debt less sinking funds. Rows include Pennsylvania, Rhode Island, South Carolina, Tennessee, and Texas.

Table 20.--DEBT OF INDIVIDUAL COUNTIES OVER 100,000 POPULATION, AND CITIES OVER 50,000 POPULATION, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.9)

(Dollar amounts in thousands)

Governmental Unit	Population 1940	Gross debt							Sinking fund assets	Gross debt less sinking funds
		Total	Interest-bearing				Non-interest-bearing			
			Short-term	Total	General	Revenue		Special assessment		
Utah										
Counties over 100,000 population	211,623	1,100	800	300	300	--	--	--	1,100	
Salt Lake	211,623	1,100	800	300	300	--	--	--	1,100	
Cities over 50,000 population										
Salt Lake City	149,934	7,544	1,250	6,294	6,129	--	165	--	333	7,211
Salt Lake City	149,934	7,544	1,250	6,294	6,129	--	165	--	333	7,211
Virginia										
Cities over 50,000 population	457,406	98,736	2,831	95,905	95,905	--	--	--	31,473	67,263
Norfolk	144,332	38,695	1,000	37,695	37,695	--	--	--	13,542	23,153
*Fortsouth	50,745	8,670	1,132	7,538	7,538	--	--	--	2,646	6,024
Richmond	193,042	39,728	674	39,054	39,054	--	--	--	14,412	23,316
Roanoke	69,287	11,643	25	11,618	11,618	--	--	--	873	10,770
Washington										
Counties over 100,000 population	851,713	11,003	--	11,003	11,003	--	--	--	355	10,648
*King	504,980	9,667	--	9,667	9,667	--	--	--	--	9,667
Pierce	182,081	639	--	639	639	--	--	--	234	405
Spokane	164,652	697	--	697	697	--	--	--	121	576
Cities over 50,000 population										
Seattle	399,711	98,123	3,179	94,944	19,246	58,795	16,903	--	2,355	95,768
Seattle	368,302	84,314	3,018	81,296	15,465	51,299	14,532	--	1,178	83,136
Spokane	122,001	4,072	--	4,072	2,083	333	1,656	--	817	3,255
Tacoma	109,408	9,737	161	9,576	1,698	7,163	715	--	360	9,377
West Virginia										
Counties over 100,000 population	195,619	4,884	--	4,884	4,884	--	--	--	--	4,884
Kanawha	195,619	4,884	--	4,884	4,884	--	--	--	--	4,884
Cities over 50,000 population										
*Charleston	207,849	12,138	--	12,138	7,881	2,870	1,387	--	700	11,438
Huntington	67,914	3,748	--	3,748	3,748	--	--	--	113	3,635
Huntington	78,836	2,640	--	2,640	1,253	--	1,387	--	587	2,053
Wheeling	61,099	5,750	--	5,750	2,880	2,870	--	--	--	5,750
Wisconsin										
Counties over 100,000 population	897,545	32,477	11,300	21,177	21,177	--	--	--	9	32,468
Dane	130,660	630	--	630	630	--	--	--	9	621
Milwaukee	766,885	31,847	11,300	20,547	20,547	--	--	--	--	31,847
Cities over 50,000 population										
Madison	722,114	27,357	--	27,357	23,503	3,688	166	--	9,170	18,187
Madison	67,447	4,972	--	4,972	4,697	140	135	--	--	4,972
Milwaukee	587,472	18,490	--	18,490	15,890	2,600	--	--	9,170	9,320
Racine	67,195	3,895	--	3,895	2,916	948	31	--	--	3,895

*Reported for a date in 1941 other than June 30.

**Reported for a date earlier than 1941.

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Table 21.--DEBT OF INDIVIDUAL SPECIAL DISTRICTS AND AUTHORITIES WITH GROSS DEBT OF \$5 MILLION OR OVER, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941

(Amounts in thousands)

Special district or authority	Gross debt							Sinking fund assets	Gross debt less sinking funds	
	Total	Interest-bearing				Non-interest-bearing				
		Short-term	Long-term		Special assessment					
Total	\$1,740,636	\$225,007	\$1,326,210	\$706,309	\$562,462	\$57,439	\$189,419	\$27,098	\$1,713,538	
Alabama										
Birmingham Housing Authority	9,650	--	9,650	--	9,650	--	--	--	9,650	
Arizona										
Salt River Project Agricultural Improvement and Power District	26,540	--	18,949	18,949	--	--	7,591	--	26,540	
San Carlos Irrigation District	6,113	--	113	--	113	--	6,000	6	6,107	
California										
Coachella Valley Irrigation District	11,000	--	--	--	--	--	11,000	--	11,000	
East Bay Municipal Utility District	55,605	--	55,575	55,575	--	--	30	205	55,400	
Golden Gate Bridge & Highway District	35,000	--	35,000	35,000	--	--	--	176	34,824	
Imperial Irrigation District	45,146	--	18,177	14,971	3,206	--	26,969	888	44,258	
Los Angeles Flood Control District	29,116	--	29,116	29,116	--	--	--	--	29,116	
Merced Irrigation District	7,000	--	7,000	7,000	--	--	--	375	6,625	
Metropolitan Water District of Southern California	187,110	--	187,110	180,634	--	6,476	--	--	187,110	
Nevada Irrigation District	7,297	58	7,215	7,215	--	--	24	100	7,197	
San Francisco Housing Authority	7,318	7,318	--	--	--	--	--	--	7,318	
Colorado										
Morlat Tunnel Improvement District	15,470	--	15,470	--	--	--	15,470	--	15,470	
Northern Colorado Water Conservancy District	25,000	--	--	--	--	--	25,000	--	25,000	
Connecticut										
Bridgeport Housing Authority	7,284	7,284	--	--	--	--	--	--	7,284	
Hartford Housing Authority	7,250	7,250	--	--	--	--	--	--	7,250	
Hartford County Metropolitan District	12,506	193	12,313	12,313	--	--	--	434	12,072	
New Haven Housing Authority	5,000	5,000	--	--	--	--	--	--	5,000	
District of Columbia										
Washington Housing Authority	9,097	9,097	--	--	--	--	--	--	9,097	
Georgia										
Atlanta Housing Authority	15,400	--	15,400	--	15,400	--	--	--	15,400	
Columbus Housing Authority	5,080	1,900	3,180	--	3,180	--	--	--	5,080	
Idaho										
American Falls Reservoir #2	6,333	--	--	--	--	--	6,333	--	6,333	
Black Canyon Irrigation District	7,000	--	--	--	--	--	7,000	--	7,000	
Gen Irrigation District	5,761	--	229	229	--	--	5,532	--	5,761	
Illinois										
Chicago Housing Authority	9,700	9,700	--	--	--	--	--	--	9,700	
Chicago Park District	98,897	10,507	87,903	87,903	--	--	487	8,795	90,102	
Chicago Sanitary District	114,568	4,800	109,315	109,315	--	--	453	4,174	110,394	
Cook County Forest Preserve District	13,353	733	12,563	12,563	--	--	57	814	12,539	
Florida Housing Authority	5,370	5,370	--	--	--	--	--	--	5,370	
Kentucky										
Louisville Housing Authority	9,490	700	8,790	--	8,790	--	--	--	9,490	
Louisiana										
New Orleans Housing Authority	23,069	23,069	--	--	--	--	--	--	23,069	
Orleans Levee District	23,193	--	23,144	18,550	--	4,594	49	--	23,193	
Maine										
Portland Water District	8,048	934	7,114	7,114	--	--	--	190	7,858	
Maryland										
Baltimore Housing Authority	18,135	18,135	--	--	--	--	--	--	18,135	
Washington Suburban Sanitary District	17,007	--	17,007	1,285	--	15,722	--	1,543	15,464	
Massachusetts										
Boston Housing Authority	21,500	21,500	--	--	--	--	--	--	21,500	
Boston Metropolitan District	51,533	--	51,533	51,533	--	--	--	--	51,533	
Michigan										
Detroit Housing Authority	6,864	6,864	--	--	--	--	--	--	6,864	

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Table 21.--DEBT OF INDIVIDUAL SPECIAL DISTRICTS AND AUTHORITIES WITH GROSS DEBT OF \$5 MILLION OR OVER, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.2)

(Amounts in thousands)

Special district or authority	Gross debt							Sinking-fund assets	Gross debt less sinking funds
	Total	Interest-bearing					Non-interest-bearing		
		Short-term	Long-term						
		Total	General	Revenue	Special assessment				
<u>Missouri</u>									
St. Louis Housing Authority	5,440	5,440	--	--	--	--	--	5,440	
<u>Montana</u>									
Greenfields Irrigation District	9,442	--	--	--	--	9,442	--	9,442	
<u>Nebraska</u>									
Central Nebraska Public Power and Irrigation District	20,343	--	20,343	--	20,343	--	--	20,343	
Loup River Public Power District	10,577	--	9,685	--	9,685	712	--	10,577	
Pathfinder Irrigation District	6,192	--	--	--	--	6,192	--	6,192	
Platte Valley Public Power and Irrigation District	10,007	--	8,776	--	8,776	1,231	--	10,007	
<u>New Jersey</u>									
Newark Housing Authority	11,443	11,443	--	--	--	--	--	11,443	
<u>New Jersey - Pennsylvania</u>									
Delaware River Joint Commission	36,600	--	36,600	--	36,600	--	900	35,700	
<u>New Mexico</u>									
Arch-Hurley Conservancy District	5,655	--	--	--	--	5,655	--	5,655	
Elephant Butte Irrigation District	5,506	--	--	--	--	5,506	--	5,506	
Middle Rio Grande Conservancy District	8,596	246	8,350	8,350	--	--	--	8,596	
<u>New York</u>									
Albany Port District	6,761	40	6,721	6,721	--	--	--	6,761	
Buffalo Housing Authority	8,546	--	8,546	--	8,546	--	--	8,546	
Buffalo Sewer Authority	9,924	--	9,924	--	9,924	--	360	9,564	
Hudson River Regulating District	7,950	--	7,950	--	--	7,950	--	7,950	
Jones Beach State Parkway Authority	5,050	--	5,050	5,050	--	--	--	5,050	
New York City Housing Authority	44,926	1,400	43,526	--	43,526	--	--	44,926	
New York City Tunnel Authority	45,116	--	45,000	--	45,000	116	--	45,116	
Triborough Bridge Authority	98,500	--	98,500	--	98,500	--	--	98,500	
<u>New York - New Jersey</u>									
Port of New York Authority	190,985	--	182,385	--	182,385	8,600	9,805	187,180	
<u>Ohio</u>									
Cincinnati Housing Authority	8,055	8,055	--	--	--	--	--	8,055	
Cleveland Housing Authority	8,721	8,721	--	--	--	--	--	8,721	
Mahoning Valley Sanitary District	5,777	--	5,777	5,777	--	--	685	5,092	
*Miami Conservancy District	14,453	--	14,453	7,226	--	7,227	2,461	11,992	
<u>Oklahoma</u>									
Grand River Dam Authority	13,359	--	12,700	--	12,700	659	11	13,348	
<u>Oregon</u>									
Jefferson Water Conservancy District	8,000	--	--	--	--	8,000	--	8,000	
Owyhee Irrigation District	9,804	--	--	--	--	9,804	--	9,804	
<u>Pennsylvania</u>									
Chester Municipal Authority	5,888	--	5,888	--	5,888	--	--	5,888	
Philadelphia Housing Authority	14,400	14,400	--	--	--	--	--	14,400	
Pittsburgh Housing Authority	17,900	17,900	--	--	--	--	--	17,900	
<u>Tennessee</u>									
Memphis Housing Authority	8,450	--	8,450	--	8,450	--	--	8,450	
<u>Texas</u>									
Dallas County Road District #1	6,267	--	6,267	6,267	--	--	38	6,229	
Dallas Levee Improvement District	6,000	--	6,000	6,000	--	--	30	5,970	
Houston Housing Authority	8,000	8,000	--	--	--	--	--	8,000	
Lower Colorado River Authority	21,950	--	21,950	--	21,950	--	927	21,023	
San Antonio Housing Authority	8,950	8,950	--	--	--	--	--	8,950	
Tarrant County Water Control and Improvement District #1	5,644	--	5,644	5,644	--	--	181	5,463	
<u>Utah</u>									
Salt Lake City Metropolitan Water District	5,550	--	--	--	--	5,550	--	5,550	
<u>Washington</u>									
Kittitas Reclamation District	8,807	--	--	--	--	8,807	--	8,807	

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Table 21.--DEBT OF INDIVIDUAL SPECIAL DISTRICTS AND AUTHORITIES WITH GROSS DEBT OF \$5 MILLION OR OVER, BY TYPE OF LIABILITY IN DETAIL: JUNE 30, 1941 (p.3)

(Amounts in thousands)

Special district or authority	Gross debt							Sinking-fund assets	Gross debt less sinking funds
	Total	Interest-bearing					Non-interest-bearing		
		Short-term	Long-term						
		Total	General	Revenue	Special assessment				
<u>Washington (cont'd.)</u>									
Port of Seattle	6,009	--	6,009	6,009	--	--	--	6,009	
Rosa Irrigation District	17,500	--	--	--	--	--	17,500	17,500	
Washington Toll Bridge Authority	9,650	--	9,650	--	9,650	--	--	9,650	
<u>Wyoming</u>									
Midvale Irrigation District	5,120	--	--	--	--	--	5,120	5,120	

*Reported for a date in 1941 other than June 30.

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APPENDIX

STATEMENT OF PROCEDURE

This survey of State and local government debt as of June 30, 1941 is based primarily on data supplied by State and local officials in response to a mail canvass. Two distinct but complementary methods were utilized in collecting the statistics: (1) direct inquiries addressed to officials of 2,000 selected public units, and (2) special inquiries directed to the various official State sources of local financial statistics. Copies of forms used in the mail survey are reproduced on pages 48-52. Supplementary information was obtained from a variety of sources, including published and unpublished materials assembled by the Municipal Reference Service of the Bureau of the Census, and records of indebtedness of special classes of local public units made available by several Federal departments and agencies.

For purposes of collection and utilization of the primary data, the State and local units were grouped in three categories: (1) major debt-incurring units, completely covered by questionnaire; (2) small local units, partially covered by questionnaire on a random sample basis, and (3) special classes of local units, covered principally by centrally-collected statistics.

Census of Large Units. Since a large portion of the public debt is concentrated in a relatively small number of units, it was possible to conduct a mail census covering completely the major classes of public borrowers. Reports were assembled for all State governments, all cities of 30,000 population or over, and all counties of 100,000 population or over. The 525 units in these classes in 1932 accounted for 62 percent of the total volume of State and local public debt reported in Financial Statistics of State and Local Governments, 1932, the latest decennial census on the subject.

Similarly, data were obtained by direct inquiry for all other local units that reported indebtedness of \$5 million or over, either in 1932 or in the annual debt survey conducted in 1940, with the exception of certain units for which centrally-collected data were readily accessible.

In the case of a small number of units of these groups for which no returns--or incomplete returns--were received, the necessary data were derived for each individual unit from the most recent available published reports or unpublished official records.

1/ For a bibliography and summary analysis of present published State periodical reports on local governments, see Bureau of the Census, State Periodical Publications on Financial Statistics of Local Governments, Washington: February 19, 1942.

Sample Survey of Small Units. Approximately 1,400 schedules were addressed to selected small units. On the basis of sampling theory and experience in connection with the 1940 debt survey, the coverage was arranged to provide a satisfactory basis for estimation of classified debt statistics in the manner outlined below.

Approximately 1,200 usable returns were received from the smaller individual units--municipalities (cities, towns, villages, and boroughs) of less than 30,000 population, counties of less than 100,000 population, townships, and special districts. The two latter classes are exclusive of major debt-incurring units, covered in the mail census. Two of the classes, municipalities and counties, were subdivided into six groups on the basis of population size classes as reported in the 1932 decennial census.

Random stratified samples were constructed for municipalities of 8,000 to 30,000 population, and 2,500 to 8,000 population, and for counties divided into the three population classes--50,000-100,000, 25,000-50,000 and below 25,000. In selecting the sample units the 1932 census report was used as a control. In the case of cities having a population of 8,000 to 30,000, every fourth city listed in the report was included in the sample. Coverage of the four other sample classes ranged from 10 percent for cities of 2,500-8,000 population to more than 80 percent for counties of 50,000-100,000 population.

The sample data of 1941 debt reported by the sample units were paired with corresponding 1932 census debt statistics of the identical units. Estimates of total gross debt of each sample class were computed on the basis of the 1932-1941 debt trend revealed by the sample units.

The 1932 census report does not list individually the municipalities having a population of less than 2,500. Moreover, the total debt reported for these units in 1932 was relatively small (\$424 million), while the number of units in the class was very large (13,262). For these reasons, the estimates for this group were computed on the basis of trends revealed by cities having a population of 2,500 to 8,000 population. Adjustments were made in these estimates on the basis of current data and trend data derived from State reports.

Special Debt Classes. The statistics for school districts were derived from centrally-collected data supplied by State Departments of Education and other State reporting agencies. These data were supplemented with unpublished statistics obtained through the cooperation of the United States Office of Education. Two principal types of adjustments were made in preparing the final estimates. In the case of state-wide reports which were as of an earlier date than June 30, 1941, the data were projected to the latter date on the basis of trends derived from historical data.

In the case of a few State reports, the statistics of school debt included debt incurred for school purposes by cities or counties, as well as by school districts. To meet this known reporting problem, the questionnaire survey provided for collection of statistics of municipal and county school debt. Recourse was also made to available reports of debt of cities and counties, classified by purpose, to supplement the question-

naire data. On the basis of these data, estimates were prepared relating to the total volume of municipal and county school debt included in the State reports, and the indicated deductions were made in order to avoid overreporting of school district debt.

Two examples of special treatment of selected categories of debt further illustrate the cooperation extended by various Federal agencies. Complete statistics of the indebtedness of local housing authorities were supplied by the United States Housing Authority. Through similar cooperation information pertaining to Federal loans to irrigation and reclamation districts was obtained from the Bureau of Reclamation.

A brief reference was made above to special districts and townships in connection with the explanation of sampling procedure utilized in estimating the indebtedness of small units. For these two classes of units, that method of estimation was limited to a relatively small portion of their total volume of debt outstanding. State-wide reports of special district debt were obtained from 17 States covering \$811 million, or 32 percent, of the total estimated debt of all special districts. Moreover, the required statistics of debt of major debt-incurring districts and of specified classes of districts were obtained by complete survey coverage or from official sources, as indicated above. In addition, indebtedness of all special districts created since 1932, not included in any of the categories referred to above, was determined on the basis of data obtained from published and unpublished sources. In consequence, sampling procedure was resorted to only with respect to those districts which were in existence prior to 1932 and which were not covered by any of the named methods of procedure other than the sampling technique. This group of "stump" districts is estimated to account for slightly in excess of \$300 million, or approximately 11 percent of the total 1941 special district debt.

Statistics of township debt for 14 of the 18 States with debt-incurring townships^{2/} were derived from State reports, with adjustments for debt changes from the date of available reports to June 30, 1941 on the basis of historical data. In the case of townships of two States reporting approximately \$5 million township debt in 1932, for which recent reports could not be obtained, estimates were made by application of statistics of 1932-1941 debt trends revealed by townships in selected States which were believed to have similar debt characteristics. Township debt for the two remaining States, Connecticut and Pennsylvania, was estimated by the random sampling procedure.

Distribution of Gross Debt and Related Items, in Detail. In the case of units not completely covered by questionnaire or centrally-collected data, and for the units included in the latter category for which complete

2/ The classification of units as townships was determined in accordance with the plan of classification used in the 1932 decennial census. It is to be noted that Massachusetts and Rhode Island towns are classified as municipalities; towns of other New England States are classified as townships.

data were not available with respect to distribution of gross debt by specified types of debt—i.e. long- and short-term debt, interest-bearing debt, revenue bonds, etc.—estimates with respect to the outstanding volume of various types of debt were computed on the basis of the relation of each specified type of debt to total gross debt revealed by appropriate random sampling procedure. Similar procedures were followed in preparing estimates of sinking-fund assets and interest payments.

Verification of Statistics. In connection with editing the questionnaire returns and preparation of the estimates for items not fully reported, recourse was made to available published and unpublished materials. The survey returns were compared with corresponding schedules received in the 1940 survey and with all readily accessible data. State reports were utilized to supplement the survey sample and to make minor adjustments in the estimates computed by sampling methods.

Summary of Survey Coverage. A condensed statistical summary of the coverage of the 1941 debt survey, exclusive of State reports for local units other than school districts, is presented in table 22.

The following points may be of interest in connection with an appraisal of the estimates. In the aggregate, \$17,481 million, or 86 percent, of the estimated 1941 total State and local government gross debt of \$20,226 million (including \$43 million of State loans to local units) were derived from reports of State and local government officials, including State reporting agencies, and from official Federal sources. The governmental units responsible for this debt accounted for 83 percent of the gross indebtedness of State and local governments reported in the 1932 census. On the other hand, estimation of the 1941 debt not derived from survey reports or official records was limited to \$2,945 million, representing less than 14 percent of the estimated 1941 total debt.

EXPLANATION OF TERMS

Terms used in this report and classification of the data conform, as far as possible, with the definitions and practices used in the Bureau of the Census annual reports of the finances and selected activities of the State governments—Financial Statistics of States—and of the cities with population of 100,000 or over—Financial Statistics of Cities. Certain differences between these reporting practices and those used in reports of some governmental units and of other publications may be of value to users of these statistics.

State Debt. State debt includes the indebtedness of State departments and independent establishments, State institutions, and State instrumentalities. For example, the reported debt of Pennsylvania includes the indebtedness of the General State Authority and the Turnpike Commission. These agencies are similar in some respects to independent authorities, such as the Port of New York Authority, which are classified as independent governmental units by the Bureau of the Census. Moreover, the obligations of the Turnpike Commission are revenue bonds, payable exclusively from earnings of the toll road and other revenues of the Turnpike Commission. In certain

Table 22.--SURVEY SAMPLE AND TOTAL GROSS DEBT, BY TYPE OF GOVERNMENT: 1941 AND 1932

(Amounts in thousands)

Type of government	Gross debt by classes, 1941			Gross debt by classes, 1932		
	Sample	Total	Percent sample of total	Sample	Total	Percent sample of total
States	\$3,413,215	\$3,413,215	100.0	\$2,895,845	\$2,895,845	100.0
Cities	8,534,771	9,916,943	86.1	8,281,129	9,988,710	82.9
Over 100,000	7,282,000	7,282,000	100.0	6,868,485	6,868,485	100.0
Under 100,000	1,252,771	2,634,943	47.5	1,412,644	3,120,225	45.3
Counties	1,342,582	2,045,957	65.6	1,608,051	2,531,456	63.5
Over 100,000	1,067,159	1,067,159	100.0	1,213,845	1,213,845	100.0
Under 100,000	275,423	978,798	28.1	394,206	1,317,611	29.9
Townships	105,421	292,413	36.1	136,752	353,018	38.7
Special districts	878,840	1,350,858	65.1	987,816	1,484,454	66.5
<u>Sub-total used for estimation</u>	14,274,829	17,019,386	83.9	13,909,593	17,253,483	80.6
Post-1932 special districts ^{1/}	629,955	629,955	100.0	—	—	—
<u>Sub-total of replies used</u>	14,904,784	17,649,341	84.4	13,909,593	17,253,483	80.6
Aggregate special reports	2,576,570	2,576,570	100.0	2,322,929	2,322,929	100.0
School districts	1,787,241	1,787,241	100.0	2,176,313	2,176,313	100.0
Federal Reclamation loans	255,267	255,267	100.0	146,616	146,616	100.0
U.S.H.A. report of local housing authority debt	534,062	534,062	100.0	—	—	—
<u>Grand total</u>	17,481,354	20,225,911	86.4	16,232,522	19,576,412	82.9

^{1/} Special districts created since 1932 that furnished debt statistics, exclusive of school districts, Federally-aided reclamation districts, and local housing authorities.

respects, however, these two agencies are performing services comparable to those provided by State departments and agencies, and they appear to have the characteristics of quasi-independent instrumentalities or commissions. Other examples of inclusion of obligations of State instrumentalities as part of State debt, in order to make the statistics comparable with those of other States, include the following: Michigan State Bridge Commission and various educational institutions, Ohio State Bridge Commission, and the Armory Board and the University Foundation of the State of Illinois.

Municipal Debt. Municipal debt includes indebtedness of all departments, agencies, and instrumentalities of municipal corporations (cities, towns, villages, and boroughs), including those independently administered. Indebtedness of overlapping governmental units is excluded. The debt of New York City and of Detroit, for example, includes obligations incurred by those cities for school purposes. In the case of Chicago, or Philadelphia, where the schools are operated by independent school districts, school debt is classified as school district debt.^{2/}

Gross Debt. Gross debt is the aggregate of all outstanding debt, including all forms of short- and long-term debt.

Gross Debt Less Sinking Funds. The gross debt of a public unit, less the value of all assets held by all sinking funds of the unit, represents the gross debt less sinking funds of that unit. In reporting aggregate gross debt less sinking funds for a group of units, sinking-fund assets in excess of gross debt reported by an individual public unit are excluded from the reported statistics.

This term is not to be confused with "net debt," which is defined by the Bureau of the Census to represent the total of general obligation bonds and revenue bonds, less sinking funds accumulated for their amortization. Thus, all short-term debt, long-term special assessment debt, long-term contingent debt, and sinking funds held as an offset to all such debt are excluded. Reporting requirements preclude the use of the "net debt" concept in the annual debt survey.

^{2/} In order to provide comparable statistics for cities considered as geographic and economic units, rather than mere political and legal units, the financial transactions of cities of 100,000 population or over are reported in accordance with the geographic and economic concept in the Bureau of the Census annual series Financial Statistics of Cities. The data are classified, however, to permit utilization of selected statistics in accordance with the corporate concept. It is also to be noted that the Financial Statistics of Cities series segregates the data relating to public-service enterprises from the financial transaction of the general government of the cities and overlapping units, and reports them separately. This report does not distinguish between general-government debt and public-service enterprise debt.

Revenue Bonds. Revenue bonds consist of obligations issued in connection with the financing of a revenue-producing enterprise and are payable solely from earnings of the enterprise. This category includes only the bonds that do not carry a pledge of guarantee in case of insufficient earnings of the enterprise to meet the established debt service requirements, and which provide no other recourse to the general funds or any tax revenues for payment.

In recent years, many types of quasi-revenue bonds have been issued. Examples are bonds payable from special tax sources, such as obligations to finance highway construction made payable solely from gasoline tax revenues. Another example is found in bonds of State institutions for which trust fund revenues or receipts of special student fees are pledged. Obligations of this character are excluded from the revenue bond category under the classification of the Census Bureau, and for lack of a specific category in which to segregate such obligations they are treated in this report as general obligations, although they are payable only from earmarked funds. Consideration is now being given to the development in future reports of one or more added debt terms to describe and clarify more precisely special debt obligations of this character. A similar problem of classification is presented by general obligation bonds actually paid from earnings, particularly those which provide a specific pledge of earnings for debt service but which also carry a general guarantee of the full faith and credit of the borrower.

Special Assessment Obligations. Special assessment obligations consist of those obligations which are issued to finance local improvements and are serviced, either solely or primarily, from assessments imposed on benefited property. Thus, special assessments consist of two distinct types of obligations—special-specials, payable exclusively from assessments, and special-general obligations, i.e., guaranteed or contingent special assessment obligations.

General Obligations. General obligations normally consist of bonds payable from general or other funds of the borrower—obligations for which the full faith and credit of the issuing unit is pledged. In the case of certain types of quasi-revenue bonds, however, certain obligations which are payable exclusively from special funds, and do not carry a general guarantee of the unit, are included in this broad class. Moreover, certain types of long-term debt—such as judgments payable over a period of years—which are not in the form of bonds are also included in this category.

Because of differences in terminology and reporting practices among various geographic units and groups, collection and estimation of statistics of revenue bonds and special assessment obligations present special problems, particularly on the basis of a mail canvass. There is a tendency for special-special assessment debt to be underreported. In many cities debt of this type is issued by local improvement districts, which are completely or largely independent of the city corporation. Frequently, this debt is not recorded in the official city records.

Two contrary tendencies are operative in the case of revenue bonds. Since the obligations are in many instances issued by semi-independent de-

partments or agencies, and in any event do not constitute a liability of the general fund of the central government—generally States or cities—the debt is in a number of instances not considered by the State or city to be State debt or city debt, and may not be reported. On the other hand, quasi-revenue bonds, or occasionally general obligation bonds actually being paid from earnings are reported as revenue bonds. As far as possible, the procedure of this study has been planned and carried out to meet known special problems of this character.

FORM USED FOR STATE GOVERNMENTS

STATEMENT OF DEBT ON JUNE 30, 1941

Or on _____, 19__ if data are not available as at June 30, 1941

(If amount is zero, enter "none.")

TOTAL GROSS DEBT OUTSTANDING

- 1. Short-term interest-bearing obligations . . . \$ _____
- 2. Long-term interest-bearing obligations:
 - (a) Revenue bonds. _____
 - (b) Contingent debt on which debt service is paid by local governments . . . _____
 - (c) General obligations. _____
- 3. Noninterest-bearing obligations _____
- 4. Total gross debt outstanding. _____

SINKING-FUND ASSETS

- 5. Total sinking-fund assets (par value) _____

TOTAL INTEREST PAID DURING LAST FISCAL YEAR

- 6. Interest paid on State short-term obligations _____
- 7. Interest paid on State long-term obligations _____

EXHIBIT OF SPECIFIED ITEMS

- 8. Debt service paid by local governments to State during last fiscal year _____
- 9. Total local government debt on which debt service is paid by the State. _____
- 10. Debt service paid by State to or for local governments during last fiscal year _____

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EXPLANATION OF INDIVIDUAL ITEMS

Please report all indebtedness incurred in the name of your State, the assets of all State sinking funds, and interest payments, including statistics for the State highway department, the State university, and all other State departments and institutions.

- 1. Interest-bearing obligations issued in the name of your State that mature not later than one year after issue, or that have no fixed maturity date and are payable from taxes levied in the year the obligations are incurred.
- 2. Interest-bearing obligations with a redemption date later than one year after their issue.
 - (a) Revenue bonds are payable from revenues of income-producing enterprises, without recourse to any tax revenues for their payment, and are not general debts of the State. Obligations payable from special tax revenues, such as highway bonds to be retired from gasoline tax revenues, should be classified as general obligations rather than as revenue bonds.
 - (b) Contingent debt consists of obligations incurred or assumed by the State in the interest of local governments from which the State collects payment for debt service. Include State loans to local governments from moneys borrowed by the State for reloan.
 - (c) Report as general obligations all long-term interest-bearing debt other than revenue bonds and contingent debt as defined above.
- 3. Past-due bonds or notes not presented for payment, non-interest bearing warrants in excess of cash available to pay such obligations, and other noninterest-bearing obligations.
- 4. Total gross debt outstanding in the name of your State government (sum of items 1, 2, and 3).
- 5. Total assets of all State government sinking funds; report securities at par value.
- 6. Total amount of interest, paid during the fiscal year last closed, on short-term obligations as defined by item 1. Include discounts allowed.
- 7. Total amount of interest, paid during the fiscal year last closed, on long-term obligations as defined by item 2. Include discounts allowed.
- 8. Payments, during the fiscal year last closed, of principal and/or interest by local governments on State contingent obligations as defined above by item 2 (b).
- 9. Debts outstanding in the names of local governments on which debt service is paid by the State. Include local debts serviced by State grants, State gas taxes, or other State-collected taxes.
- 10. Payments, during the fiscal year last closed, of principal and/or interest by the State to or for local governments for locally-incurred debt.

Note: Please explain on page 4 any items requiring clarification.

3-32443

FORM USED FOR LOCAL GOVERNMENTS

STATEMENT OF DEBT ON JUNE 30, 1941

Or on _____, 19__, if data are not available as at June 30, 1941

(If amount is zero, enter "none.")

1. Short-term interest bearing obligations:

(a) School obligations (if incurred by your governmental unit) \$ _____

(b) All other short-term obligations _____

2. Long-term interest-bearing obligations:

(a) School obligations (if incurred by your governmental unit) _____

(b) All other long-term obligations:

(1) Revenue bonds _____

(2) Special assessment obligations _____

(3) General obligations _____

3. Noninterest-bearing obligations _____

4. Total gross debt outstanding _____

5. Total sinking-fund assets (par value) _____

5A. Memo only: Total sinking-fund assets for school obligations incurred by your governmental unit _____

Last completed fiscal year

6. Total payments for interest on debt:

(a) on short-term obligations _____

(b) on long-term obligations _____

EXPLANATION OF INDIVIDUAL ITEMS

Please report all debt, sinking-fund assets, and interest payments for all departments and agencies of your governmental unit, including those independently administered, such as water systems, libraries, etc.

Exclude overlapping independent governmental units (examples: city reports should exclude the county, independent school districts, etc.; county reports should exclude cities, independent school districts, drainage districts, etc.).

1. Obligations that mature not later than one year after date of issue, or that have no fixed maturity date and are payable from taxes levied in the year the obligations are incurred.
 - (a) Interest-bearing school obligations issued in the name of your governmental unit. (Do not include independent school obligations).
 - (b) All other short-term interest-bearing obligations of general, special, and other funds incurred in the name of your governmental unit.
2. Obligations with a redemption date later than one year after their issue.
 - (a) Interest-bearing school obligations issued in the name of your governmental unit. (Do not include obligations of independent school districts).
 - (b) All other long-term interest-bearing obligations incurred for general and special funds.
 - (1) Revenue bonds are payable exclusively from revenues of income-producing enterprises, without recourse to any tax revenues for their payment, and are not general debts of the governmental unit. If public-service enterprise bonds are payable from tax or other general revenues, either directly or contingently, they should be classified as general obligations rather than as revenue bonds.
 - (2) Report all special assessment debt: Include both obligations guaranteed by your governmental unit and nonguaranteed obligations payable only from assessments levied against benefited property.
 - (3) Report as general obligations all long-term interest-bearing debt other than revenue bonds and special assessment debt as defined above.
3. Include past-due bonds or notes not presented for payment, noninterest-bearing warrants in excess of cash available to pay such obligations, and other noninterest-bearing obligations.
4. Total gross debt outstanding in the name of your governmental unit (sum of items 1, 2, and 3).
5. Total assets of all sinking funds of your governmental unit: Report securities at par value.
- 5A. As an exhibit only, if the school function is a part of your governmental unit, report here the amount of sinking-fund assets for obligations incurred for school purposes. This amount is to be included in the total sinking-fund assets, reported on line 5 above, as well as shown separately here. If records do not separately show school bond assets, enter "not reported" on line 5A.
6. Total amount paid for interest charges on the indebtedness of your governmental unit during the fiscal year last closed, including discounts allowed.
 - (a) Interest paid on short-term obligations, as defined by item 1.
 - (b) Interest paid on long-term obligations, as defined by item 2.

Note: Please report on page 4 any items or comments on items which may be of value in clarifying your report.

FORM USED FOR STATE AGENCIES COLLECTING
LOCAL FINANCIAL STATISTICS

DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
WASHINGTON

Form 43 1941
State and Local Government
Debt Study

State _____
Date for which information
is reported _____

STATEMENT OF LOCAL GOVERNMENT DEBT

Note: Please report information as of the latest date or dates for which statistics are available. If data are not readily available for sub-classes of municipalities (item 2) and other units (item 5), please report totals for these two items.

Unit of government	Gross debt outstanding			Sinking-fund assets
	Total	Short-term/	Long-term/	
1. COUNTIES: TOTAL				
2. MUNICIPALITIES: TOTAL				
(a) Cities				
(b) Towns				
(c) Villages				
(d) Other				
3. TOWNSHIPS: TOTAL				
4. SCHOOL DISTRICTS: TOTAL				
5. OTHER UNITS: TOTAL (Specify)				
a.				
b.				
c.				
d.				
e.				
f.				
g.				
h.				
i.				
j.				

1/ Obligations that mature not later than one year after issue or that have no fixed maturity date and are payable from taxes levied in the year the obligations are incurred.

2/ Obligations with a redemption date later than one year after issue.