

FISCAL SUMMARY OF THE  
NEW ENGLAND STATES

Sponsored by the  
New England Council

Tax Foundation  
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## FOREWORD

This summary of fiscal trends in the New England states is based on data derived from publications of the Federal Government and official reports issued by the six states. While limitations of the data are stated, it should be emphasized that absolute comparability for the several states is not claimed. It is believed, however, that the materials employed are satisfactory for the purpose of indicating the more important trends.

This project was undertaken at the request of the New England Council, with a view to assisting New England in appraising its fiscal position. The cooperation of the Council in the preparation of the summary is gratefully acknowledged.

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## FISCAL SUMMARY NEW ENGLAND STATE AND LOCAL GOVERNMENTS

### I. EXPENDITURES OF THE FEDERAL, STATE AND LOCAL GOVERNMENTS

The expenditures of all units of government in the United States exceeded \$18 billion in 1939.<sup>1</sup> This amount represented per capita expenditures of approximately \$137.59, as compared with \$95.54 in 1929. The significance of this increase is further suggested by a comparison of public expenditures with national income. In recent years expenditures have equalled at least 26% of the national income, nearly double the figure of a decade ago.

The major growth in public expenditures has been at the federal level. In 1929 federal expenditures were \$24.33 per capita and represented only 25.5% of aggregate governmental expenditures, while in 1939 the Federal Government spent \$65 per capita and approximately 47.3% of the total. State and local governments combined expended an estimated \$72.55 per capita in 1939, as compared with \$71.21 in 1929. Together, these two levels of government spend on a per capita basis little more than a decade ago. When they are considered separately, however, noticeable trends appear. Expenditures at the state level have shown an upward trend increasing from \$16 per capita in 1929 to \$22 in 1937, excluding expenditures covered from federal monies. State expenditures have increased at approximately the same rate as aggregate public expenditures and for several years have represented about 17% of the total. On a basis that excludes expenditures covered from grants-in-aid, local expenditures for recent years have been at a lower level than in the period 1927 to 1932. Local expenditures amounted to \$55.22 per capita in 1929 and \$46 in 1937. The proportion of total expenditures accounted for by local governments decreased from 57.8% in 1929 to 35.2% in 1937.

The pronounced increase in federal and state expenditures and the absence of a definite trend in local expenditures financed from local funds are in part a reflection of the tendency toward centralization in the financing of the activities of government. Methods of financing relief and other security programs have contributed to this result. Another element is the spending philosophy of the Federal Government, which has been reflected in increased grants and subsidies to state and local governments. While expenditures for national defense have been a major budget item during the past decade, the

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1. This estimate is exclusive of transfers by the Federal Government to the old-age reserve account and the railroad retirement account and the expenditures by state and local governments for unemployment compensation. Grants-in-aid are counted as an expenditure of the first disbursing government.

relative importance of expenditures for this purpose declined. The growing importance of federal outlays for defense today, however, will have a significant influence not only on the aggregate, but also on the relationship of expenditure trends of the several levels of government in the years immediately ahead.

## II. STATE AND LOCAL EXPENDITURES IN NEW ENGLAND

State and local expenditures for 1937 exceeded those for 1932 in all New England states except Massachusetts. The percentage changes follow:

<u>State</u>	<u>Percentage</u>
Maine	4.6
New Hampshire	12.2
Vermont	0.7
Massachusetts	5.9 <sup>a</sup>
Rhode Island	18.5
Connecticut	2.9

Aggregate state and local expenditures in the six New England states, however, decreased from \$713 million in 1932 to an estimated \$710 million in 1937 on a basis that excludes duplications resulting from state grants-in-aid.<sup>1</sup> This represented a decline of nearly one per cent. The indicated decline in New England is largely a result of a decrease in expenditures for capital outlays by Massachusetts cities and towns. State expenditures of \$218 million for 1937 were 21.9% above the 1932 level, while local expenditures of \$492 million for 1937 were 7.9% below what they were in 1932. State and local expenditures for the United States as a whole increased 4.9% in this five-year period, state expenditures increasing 37.1% and local expenditures declining 7.6%.

Combined state and local per capita expenditures of the New England states were \$82.61 in 1937 or 3.8% below the per capita figure for 1932. For the country as a whole there was an increase of 1.5% in per capita state and local expenditures from 1932 to 1937. The 1937 per capita was \$72.61.

The per capita figures for the six New England states and the increase or decrease from 1932 to 1937 are shown below:

<u>State</u>	<u>1932</u>	<u>1937</u>	<u>Increase or Decrease</u>
Maine	\$71.95	\$71.98	\$ 0.03
New Hampshire	74.39	78.90	4.51
Vermont	61.91	59.91	- 2.00
Massachusetts	95.01	86.78	- 8.23
Rhode Island	75.00	89.43	14.43
Connecticut	82.28	80.65	- 1.63

1. See Table 1.

a. Decrease.

Rhode Island ranked highest in the region in 1937 with a per capita figure of \$89.43 for state and local expenditures, an increase of \$14.43 over the 1932 figure. Extraordinary public works outlays in 1937 accounted for a large part of this increase.

State expenditures alone averaged \$25.34 per capita in 1937, or 17.8% more than in 1932. Per capita state expenditures for the United States as a whole amounted to \$26.58 in 1937, which was an increase of 32.6% over 1932. The individual states showed per capita state expenditures for 1932 and 1937 as follows:

State	1932	1937	Increase
Maine	\$32.70	\$32.73	\$ 0.03
New Hampshire	27.08	33.15	6.07
Vermont	27.88	29.05	1.17
Massachusetts	17.24	21.03	3.79
Rhode Island	19.25	33.48 <sup>a</sup>	14.23 <sup>a</sup>
Connecticut	24.96	26.37	1.41

It will be noted that in each state per capita expenditures increased. Rhode Island especially showed a marked upward trend in state expenditures.<sup>a</sup>

Local expenditures of locally derived funds in New England averaged \$57.27 per capita in 1937, a decline of 11% from 1932. Per capita local expenditures in the United States averaged \$46.03 in 1937, showing a decline of 10.7% from 1932, according to the best available estimates. The per capita local figures for each New England state in 1932 and 1937 were:

State	1932	1937	Increase or Decrease
Maine	\$39.25	\$39.25	\$ -
New Hampshire	47.31	45.75	- 1.56
Vermont	34.03	30.86	- 3.17
Massachusetts	77.76	65.75	- 12.01
Rhode Island	55.75	55.95	0.20
Connecticut	57.32	54.28	- 3.04

Only in Rhode Island was there an increase in per capita local expenditures. The 1937 figure for Massachusetts was considerably under the 1932 per capita expenditure, the principal reason being a reduction in capital outlays.

These per capita figures indicate that combined state and local expenditures in New England are at a higher level than in the country generally. The trend upward, however, is not as pronounced as elsewhere. Per capita state expenditures are smaller for New England than for the country as a whole, but per capita local expenditures in these states are considerably higher than in other states.

a. Per capita state expenditure in Rhode Island for 1938, a more normal year, were \$25.94, which is an increase of \$6.69 per capita over 1932.



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Local units accounted for the major part of the cost of government in New England. State expenditures including grants-in-aid, however, have increased in relative importance in recent years. In 1932 local units accounted for 75% of combined state and local expenditures, while in 1937 these units represented 69% of the aggregate. Local expenditures for the United States as a whole were 72% of aggregate state and local expenditures in 1932 and 63.4% in 1937. These data indicate the relatively greater importance of local government in New England, as compared with other regions of the United States. There is reflected in these states, however, the same tendency toward centralization in the financing of governmental activities that has been so apparent in other states during recent years.

A more timely and detailed analysis of governmental expenditures than that offered by the Bureau of the Census is provided by the published reports of state fiscal officers. The data presented in these state reports, however, are not usually directly comparable with those published by other states or by the Bureau of the Census. In studying these data it will be noted that in recent years a number of new expenditure items are usually included.<sup>1</sup>

#### STATE EXPENDITURES

The expenditures of the State of Maine, as reported by the State Department of Finance, increased 55.9% from 1935 to 1938,<sup>2</sup> Total expenditures amounted to \$35.6 million for 1938, as compared with \$22.8 million for 1935. Highways, charities, unemployment compensation and development of resources are major functions accounting for increased expenditures in recent years. Since 1936 expenditures for general government have been at a considerably higher level because of the inclusion of the costs of operating the state liquor business. For 1937 and 1938, this item constituted nearly four fifths of state expenditures classified as general government. This suggests that the costs of other general government activities are at about the same level or at an even lower figure than in 1935.

Expenditures of the State of New Hampshire remained at a fairly constant level from 1935 to 1939, according to the reports of the State Comptroller.<sup>3</sup> The total of \$18.7 million for 1939, however, exceeded expenditures of \$11.9 million in 1932 by a considerable margin. This large increase in the early years

1. For example, payments of unemployment compensation, state liquor gross business disbursements and the like.
2. See Table 2.
3. See Table 3.

of the depression was attributable to nearly all functions of government. There was a marked increase in general government expenditures in 1939, because of the inclusion of public works outlays. Unemployment compensation payments included under protection to persons and property accounted for a major increase in that function. Expenditures of the state-controlled liquor business are entered in gross amount as a miscellaneous item.

The State Treasurer in Vermont reported expenditures of \$14.8 million for 1938.<sup>1</sup> This total was approximately \$1.5 million more than the comparable amount for each of the years, 1930, 1935, and 1937. Expenditures in 1930, however, were unusually high because of floods, which required additional outlays on highways. Public welfare and unemployment compensation are chiefly responsible for the increase since 1930.

State expenditures in Massachusetts amounted to \$132 million for 1938, including unemployment compensation payments of \$25 million. This total was 14% greater than aggregate state expenditures for 1930.<sup>2</sup> The cost of practically every major state function increased in this period.

Expenditures of the State of Rhode Island were reported by the General Treasurer as \$24 million, including unemployment compensation payments of \$6 million.<sup>3</sup> This figure was 78.7% larger than that for 1931. Expenditures for unemployment relief and unemployment compensation have been a significant factor explaining the increase. Nearly every major function, however, showed an increase in recent years. Interest payments on state debt required \$1 of each \$15 spent in 1938, a considerably larger ratio than in any other New England state.

Expenditures of the Connecticut state government rose 86.3% between 1930 and 1939. The major increase occurred in the early years of the depression. The State Comptroller reported expenditures as \$65 million in 1939.<sup>4</sup> The largest increases were for protection to persons and property including unemployment compensation payments, highways, charities, hospitals, and corrections and state buildings.

#### LOCAL EXPENDITURES

The latest complete data on New England local expenditures are those compiled by the United States Bureau of the Census showing local expenditures

1. See Table 4.
2. See Table 5.
3. See Table 6.
4. See Table 7.

for 1932.<sup>1</sup> Several of the states in this region gather statistics on local finance. These data together with estimates for the other states comprise the basis for the analysis in this section.

Expenditures of local governments in Maine are estimated at between \$33 million and \$34 million for 1937 exclusive of state aid. This amount represents an increase of nearly \$2 million over expenditures for 1932. That local expenditures in Maine increased somewhat from 1932 to 1937 is indicated in a survey of 46 typical Maine towns by the University of Maine.<sup>2</sup>

Local governments in New Hampshire reported only a nominal increase during the past decade, local expenditures amounting to \$23.3 million in 1937, exclusive of state aid. The State Tax Commission reported a decrease in city and town expenditures from \$14.2 million in 1930 to \$13.6 million in 1938 including expenditures of state-aid monies.<sup>3</sup> School expenditures, including those from state aid, increased from \$7 million in 1930 to \$8 million in 1939, a rise of 13.5%.<sup>4</sup> New Hampshire county expenditures of \$4.7 million in 1938 were 155.4% larger than those for 1930.<sup>5</sup> Expenditures covered from state-aid monies, which were used largely for public welfare, were included in the total used in computing this increase.

Local expenditures in Vermont are estimated at slightly less than \$12 million in 1937 on a basis that excludes state aid. This amount is somewhat less than 1932 expenditures as reported by the United States Bureau of the Census.

Expenditures of all local units of government in Massachusetts were reported at \$384 million in 1937, not including expenditures of state-aid monies. Cities, towns and schools, which are responsible for approximately 95% of total local expenditures, expended \$314 million in 1930 and \$309 million in 1937 including expenditures of state aid.<sup>6</sup> County government is not an important unit of government in Massachusetts, expending \$14.4 million in 1938 including state aid.<sup>7</sup>

Rhode Island local expenditures were at approximately the same level in 1937 as in 1932 when \$38 million were expended, excluding state aid.

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1. See Table 8.
  2. See Table 9.
  3. See Table 10.
  4. See Table 11.
  5. See Table 12.
  6. See Table 13.
  7. See Table 14.



Local expenditures, including all civil divisions, in Connecticut were estimated at \$94 million in 1937, excluding expenditures of state aid. Expenditures including state aid, for cities totaled \$52 million in 1936 as compared with \$55 million in 1928.<sup>1</sup> The functions of highways, sanitation and health, public buildings, and public service industries showed substantial reductions. Town expenditures including schools increased from \$26.6 million in 1928 to \$33.3 million in 1936, a rise largely attributable to the increased burden of charities.<sup>2</sup> County expenditures increased from less than \$2.1 million in 1932 to \$12.1 million in 1936.<sup>3</sup> The increase was almost entirely the result of increased expenditures for highways. Other minor civil divisions expended \$9 million in 1936.

#### Police and Fire Protection

Fire and police protection is a major function of local government and the resulting costs to the citizens are significant. The combined expenditures for fire protection of New England cities with a population over 50,000 were less in 1939 than in 1938.<sup>4</sup> The average per capita costs were \$4.87 in 1938 and \$4.72 in 1939. Data for earlier years are not available. A per capita analysis suggests that costs tend to increase as the size of the city increases. The character and quality of the service provided, however, largely account for this tendency. The per capita cost of fire protection is substantially higher in New England cities than in the United States as a whole where the average per capita expenditure in cities over 100,000 population was \$3.91 in 1939.

Police expenditures of larger New England cities also declined in 1939 as compared with 1938. Per capita police costs averaged \$5.28 in 1938 and \$5.16 in 1939.<sup>5</sup> As in the case of fire protection, per capita costs tend to increase with the size of the city. Also police costs of cities in New England appear substantially higher than those for the country as a whole on a per capita basis.

### III. REASONS FOR INCREASE IN STATE EXPENDITURES IN NEW ENGLAND

The major functions of state government responsible for the increase of 21.9% in expenditures from 1932 to 1937 were: (1) charities, hospitals

1. See Table 15.
2. See Table 16.
3. See Table 17.
4. See Table 18.
5. See Table 19.

and corrections, which accounted for state expenditures of \$29.2 million in 1932 and \$76 million in 1937; and (2) highways, which increased from \$17.7 million in 1932 to \$43.6 million in 1937.<sup>1</sup> The costs of state general government activities increased 21.2% in the same period, a rather sharp rise which, however, follows closely the trend in other states.

Probably no function has grown more in fiscal importance since 1930 than public welfare. In the years 1933-1939, \$1,415 million of federal, state and local funds were used for welfare activities in New England.<sup>2</sup> Of the amount spent in these states for various security programs in this period, 63.6% was provided by the Federal Government. This proportion is smaller than the comparable figure of 70.8% for the United States as a whole.

Although expenditures for highways have been leveling off in recent years, they rank next to education and welfare as an item of state and local expenditure. New England spent \$54 million in 1938 for state administered roads, a smaller total than the expenditures for this function in 1936 and 1937.<sup>3</sup> Over one half of these expenditures were for capital outlays, a proportion slightly less than that for the United States as a whole.

The increase in state and local expenditures for education in New England from \$69 million in 1920 to \$125 million in 1936 suggests a marked upward trend in educational costs.<sup>4</sup> It should be noted, however, that both current expenditures and costs per pupil for this function declined during the 1930's. Increasing enrollment was a major factor accounting for the growth in total expenditures in the period studied. Although expenditures increased 80.9% between 1920 and 1936, the annual cost per pupil increased only 36.9%. The annual per pupil cost of \$92.75 for all New England states in 1936 - although substantially less than the cost in New York and New Jersey, which spent \$134.13 and \$108.33 per pupil, respectively, - was well above the average of \$74.30 for the United States as a whole. Vermont was the only state in this group that showed a decline in annual per pupil costs in 1936 as compared with 1920. All states, however, were spending less per pupil in 1936 than in 1930.

A substantial part of state expenditures took the form of grants-in-aid to local units. Approximately 26.7% of state expenditures in New England in 1937 were represented by grants to local units for the functions of education, highways, development of resources, health and sanitation and charities. The average for the 48 states was 31.3%. In 1932 state grants in New England were only 9.3% of state expenditures.

1. See Table 20.

2. See Table 21.

3. See Table 22.

4. See Table 23.

#### IV. SOURCES OF STATE AND LOCAL REVENUE IN NEW ENGLAND

Increased demands for services together with the condition brought about by the depreciated values of real estate have resulted in some pressure for broadening the tax base. Rates for old taxes have been increased in order to meet the added costs of state government. Decreases in gasoline taxes and the addition of tobacco excise taxes have been among the recent changes in the revenue systems of these states.<sup>1</sup> In Rhode Island a tax on horse racing and in Connecticut a poll tax have increased the revenues of the respective states. Since 1937 unemployment taxes have become significant as a source of special marked funds.

The New England states have shown remarkable ability to resist the trend toward major additions to the tax base. It is true that some new taxes have been added and to that extent the trend is similar to that of other areas. For the most part, however, the basic features of the several revenue systems have not been materially changed.<sup>2</sup> The political limitations on the continued use or more intensive use of traditional taxes have not been felt in New England to the extent they have in other parts of the country.<sup>3</sup>

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1. Gasoline taxes were originally enacted by five of the New England states in the early 1920's. In Massachusetts this form of taxation was not adopted until 1929. With the repeal of the Eighteenth Amendment to the Federal Constitution the liquor business became a major source of revenue. All of the New England states derive revenue from this source either in the form of excise and license taxes or through state control and sale. The most recent additions are the tobacco taxes which are imposed by all the states except Maine.
  2. Table 24 shows the dates of adoption of the major taxes other than the property tax. The agencies administering important state taxes are shown in Table 25. The number of principal agencies vary from one in Rhode Island to four in Maine and New Hampshire.
  3. For example, constitutional and statutory limitations on the use of the property tax, the chief source of combined state and local revenues, are found in only one New England state. Connecticut limits the amount that may be levied for certain functions, such as city libraries, 1.5 mills; town libraries, 3 mills; and the like.

Borrowed funds have not been used to any great extent for current expenditures by New England communities. Increased welfare costs and increased costs of old age pensions have been met for the most part from current taxes. This is especially creditable since two major catastrophes occurred during the period covered by this survey. Both the hurricane and the flood required huge outlays for rehabilitation and reconstruction. Funds were borrowed to meet these emergencies, but there was only a nominal increase of the total indebtedness over that for 1932.

The property tax in New England constitutes the major source of state and local revenue. This tax is administered by the cities and towns. Although property valuations declined 12.5% in these states between 1932 and 1937, the decline was not as marked as in many other areas and in the United States generally, which showed a decline of 14.5% in the same period.<sup>1</sup> The property tax has declined in relative importance as a source of state revenue in the New England states. The same trend has been in evidence in the United States as a whole.

In recent years the New England states have tended to earmark a larger portion of state revenues for certain specified purposes. For example, several of the states in this region have limited, either by constitutional provision or by statute, the use of gasoline tax and motor vehicle license tax receipts to highway purposes. Other functions for which revenues are earmarked include debt service, old-age assistance and public schools. State and federal grants-in-aid, of course, are allocated for specific purposes.

State and local tax collections for 1937 exceeded those for 1932 in all New England states. Vermont was the only state showing a decrease in a basis that excludes unemployment compensation taxes. The percentage changes follow:

State	Percentage Income	
	Including unemployment compensation taxes	Excluding unemployment compensation taxes
Maine	10.8	6.4
New Hampshire	10.7	3.1
Vermont	2.0	1.8 <sup>a</sup>
Massachusetts	15.3	5.2
Rhode Island	21.2	8.7
Connecticut	16.2	7.3

1. See Table 26.

a. Decrease



Total state and local tax collections in New England amounted to almost \$624 million in 1937.<sup>1</sup> This figure represented an increase of 14.8% over 1932. State and local tax collections in the United States increased 17.1% in this period. If unemployment compensation tax revenues are excluded, the increase in New England is only 5.6% as compared with 11.6% for the United States.

An analysis of tax collections for the period 1929-1937 indicates that state tax collections in New England did not increase as rapidly as in other states. On the other hand, local tax collections appear to be above the 1929 and 1932 levels in New England, but lower for the country as a whole.

Per capita state and local tax collections in New England have exceeded those for the United States as a whole. In Massachusetts the level of collections has been particularly high on a relative basis. The per capita figures for the six New England states and the United States are as follows:

State	1929	1932	1937	1937 <sup>a</sup>
United States	\$52.92	\$50.87	\$57.57	\$54.89
New England	63.78	65.38	72.53	66.70
Maine	49.59	51.96	55.10	52.91
New Hampshire	56.81	62.80	65.68	61.20
Vermont	49.30	51.25	50.24	48.37
Massachusetts	69.91	71.81	80.34	73.28
Rhode Island	56.42	53.85	65.66	58.85
Connecticut	63.08	64.01	70.85	65.45

State tax collections in New England on a per capita basis exceeded the United States average in most of the years studied. In 1939, however, state tax collections in New England were under the national figures as shown below:

State	1929	1932	1937	1937 <sup>a</sup>	1939 <sup>b</sup>	1939 <sup>ab</sup>
United States	\$13.26	\$13.14	\$23.78	\$21.10	\$29.64	\$23.46
New England	15.36	15.82	24.56	18.73	28.89	20.82
Maine	19.30	21.26	24.75	22.57	27.07	22.48
New Hampshire	16.88	18.38	26.53	22.05	25.83	20.46
Vermont	20.09	23.85	23.95	22.09	29.15	25.23
Massachusetts	11.90	13.10	23.76	16.70	28.14	19.60
Rhode Island	20.55	15.07	24.16	17.36	32.41	21.12
Connecticut	18.83	17.98	26.25	20.85	31.12	22.14

Per capita local tax collections in New England were considerably above the United States average in the years studied. Massachusetts local tax collections were noticeably high. Only Maine and Vermont had per capita figures

1. See Table 27.

a. Excluding unemployment compensation tax collections.

b. Based on 1937 estimated population.



lower than the national average as is shown below:

<u>State</u>	<u>1929</u>	<u>1932</u>	<u>1937</u>
United States	\$39.65	\$37.74	\$33.79
New England	48.43	49.56	47.97
Maine	30.30	30.70	30.34
New Hampshire	39.94	44.42	39.15
Vermont	29.21	27.40	26.28
Massachusetts	58.01	58.71	56.59
Rhode Island	35.87	38.78	41.50
Connecticut	44.25	46.03	44.60

#### STATE REVENUE

In Maine the sale of liquor by the state monopoly has resulted in substantial increases in state revenue. Grants-in-aid and unemployment compensation tax receipts have also contributed to the higher level of state income. These items accounted for most of the reported increase of 65.1% in tax and other revenue receipts in the period 1930-1938.<sup>1</sup> The revenue receipts of the State of Maine in 1938 were \$41.5 million.

New Hampshire state revenue increased 77.7% from 1932 to 1939, amounting to \$19.4 million in the latter years.<sup>2</sup> This increase is explained by the inclusion of gross liquor sales and by the increase in business license taxes, together with federal grants and unemployment compensation taxes.

In the State of Vermont revenue receipts of \$15.6 million in 1938 had increased 35.3% from 1930.<sup>3</sup> Increased revenue from the gasoline tax, liquor taxes and sales, federal aid and motor vehicle licenses were important reasons for this increase.

Massachusetts state revenues were \$133 million in 1938. This total was 107.5% larger than that for 1930. Included in the 1938 total are \$27 million in unemployment compensation taxes.<sup>4</sup> Motor vehicle fees, gasoline taxes and federal grants have been responsible for much of the increase. The state tax on cities and towns and the emergency surtaxes on corporations, inheritances and income taxes based on taxes payable, prior to the change in rates, have helped to augment the revenues of the state.

State revenues in Rhode Island of \$23.5 million in 1938 showed an increase of 83.3% from 1931, on a basis that included unemployment compensation

1. See table 29.

2. See Table 30.

3. See table 31.

4. See table 32.

tax revenues.<sup>1</sup> The gasoline tax, liquor fees and taxes, federal grants and inheritance taxes were largely responsible for this increase. Horse racing taxes and fees have produced substantial revenue in Rhode Island in recent years, amounting to over \$1.2 million in 1936 and 1937. Revenues from this source were greatly curtailed in 1938 because of temporary administrative difficulties.

Connecticut's state revenues of \$70 million in 1939 represented an increase of 98% over the 1930 total.<sup>2</sup> Business and gasoline tax revenues doubled in the period 1930-1939. The poll tax has been a significant source of state revenue since 1936. Grants and donations also have become increasingly important, as have unemployment compensation taxes.

#### LOCAL REVENUES

While local tax collections declined 7.4% in the country as a whole from 1932 to 1937, in New England local tax collections increased 0.2% in this period.<sup>3</sup> The 1937 local tax collections in New England amounted to 83.8% of local expenditures, excluding expenditures of state-aid monies. As local governments derive substantial revenues from non-tax sources, it should not be assumed that expenditures in excess of tax collections were covered by borrowing.

State grants-in-aid have become a more important source of local revenue. Local government in New England received \$58 million in grants in 1937, as compared with \$16.6 million for 1932.<sup>4</sup> New England local governments received one dollar in grants for every seven dollars in taxes. All local governments in the United States received a relatively larger amount from this source, the ratio being one dollar in grants to four dollars in taxes.

Three of the six New England states - New Hampshire, Massachusetts and Connecticut - compile data for local governments which are published by state agencies.

County revenue receipts in New Hampshire of \$4.4 million in 1938 were 172.7% greater than in 1930.<sup>5</sup> Tax collections more than doubled in this period and grants-in-aid became increasingly significant. New Hampshire city and town revenues increased from \$23.5 million in 1930 to \$24.9 million in 1938.<sup>6</sup> Property tax collections accounted for most of the increase. School district

1. See Table 33.
2. See Table 34.
3. See Table 35.
4. See Table 36.
5. See Table 37.
6. See Table 38.

combined revenue in New Hampshire, amounting to \$8.2 million in 1939, was nearly \$1 million larger than in 1930.<sup>1</sup> Property taxes and state aid were the major sources of income.

County governments in Massachusetts receive revenue from a variety of fees, charges and taxes. The property tax, however, is the chief source of income. Revenue receipts have been increasing during the last several years, amounting to \$14.7 million in 1938.<sup>2</sup> Revenues of Massachusetts cities and towns, including schools, amounted to \$311 million in 1937 and were 5.5% greater than in 1930.<sup>3</sup> Tax collections decreased during this period, but grants-in-aid, licenses and permits and departmental earnings increased considerably.

Aggregate local revenues in Connecticut exceeded \$101 million in 1936, after increasing by \$10 million from 1928 to 1932 and by a like amount from 1932 to 1936.<sup>4</sup> Tax collections have increased substantially, as have revenues classified as charities which include certain grants-in-aid.

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1. See Table 39.

2. See Table 40.

3. See Table 41.

4. See Table 42.

## V. STATE AND LOCAL INDEBTEDNESS IN NEW ENGLAND

The trend of state and local indebtedness in New England has been upward.<sup>1</sup> As compared with other sections of the United States, however, the New England states have been conservative in the use of their credit. State and local net bonded indebtedness of the New England states in 1937 was estimated at \$687 million, representing an average per capita figure of \$79.89 as compared with comparable figures of \$112.96 for the United States as a whole.<sup>2</sup> The following tabulation indicates that only Rhode Island was above the United States average.

<u>State</u>	<u>Total</u>	<u>State</u>	<u>Local</u>
Maine	\$59.11	\$31.66	\$27.45
New Hampshire	52.49	19.76	32.73
Vermont	51.54	20.48	31.06
Massachusetts	79.07	6.53	72.54
Rhode Island	151.18	41.05	110.13
Connecticut	78.59	"	78.59

Per capita state bonded debt averaged \$11.85 in New England, as compared with \$19.57 for the United States as a whole. Only Connecticut with no state bonded debt in 1937 and Massachusetts with a per capita figure of \$6.53 were below the national figure. Local net debt in New England averaged \$68.04 per capita in 1937, as compared with \$93.39 for the country as a whole. Rhode Island was the only state in this region above the national figure.

### STATE INDEBTEDNESS

Net debt of the New England states combined increased from \$96 million in 1912 to \$110 million in 1922 and to \$123 million in 1932.<sup>3</sup> State indebtedness in these states more than doubled between 1930 and 1939.<sup>4</sup> In contrast, there was no material increase in the previous decade.

Since 1922 the per capita net state debt of Maine has been considerably above the average for the New England states and the United States. Between 1920 and 1930, the bonded debt of Maine increased 136.9%. From 1930 to 1939, the increase was 36.6%. Indebtedness reached a peak in 1933. The net debt of \$28 million in 1939 consisted largely of highway bonds.

In 1912, 1922 and 1932, the per capita indebtedness of New Hampshire was under the New England average. Since 1937, however, per capita debt in

1. See Table 43.
2. See Table 44.
3. See Table 45.
4. See Table 46.

New Hampshire has been above the New England and United States averages. In 1939, the state net indebtedness amounted to nearly \$12 million, an increase of 242.7% since 1930.

The per capita net state indebtedness of Vermont was under \$6 in 1922. By 1932 the figure had reached \$26.51, greatly exceeding the New England and the United States averages. In 1937 Vermont's per capita bonded debt was calculated to be slightly above the average for the United States. The net debt of Vermont increased 541.9% in 1930 as compared with 1920. Following 1930 there was a slight increase until a peak of \$9.8 million was reached in 1934. Since that time there has been a decrease. The net debt amounting to \$6.5 million in 1939 was largely attributable to reconstruction activities resulting from flood damage.

Massachusetts is the only state in New England that had a larger net debt in 1920 than in 1939. Following 1920 the net debt of \$35 million was reduced rapidly and by 1930 had decreased to \$9.8 million. Since 1930 the net debt increased 219.7%, amounting in 1939 to over \$31 million. Of this total, one half was issued to repair hurricane and flood damages. The per capita bonded debt of \$6.53 in 1937 was considerably under the New England average.

One of the chief characteristics of the debt picture in Massachusetts is that the contingent debt has exceeded \$50 million since 1920, totaling \$63 million in 1939. This contingent debt, however, has no important bearing on the indebtedness of the state, since funds to service the outstanding bonds are collected from the cities and towns which comprise the metropolitan district.<sup>1</sup>

In 1912, 1922 and 1932 the per capita net debt of Rhode Island was above the United States average. Net bonded debt in 1937 amounted to \$41.05 per capita or more than double the United States average. State net indebtedness increased steadily from \$9.2 million in 1920 to \$27.6 million in 1939. Bonds have been issued for a wide variety of purposes.

Connecticut has been more conservative in resorting to the use of state credit than any of the New England states. In 1922 the per capita net debt was \$4.24. By 1932 this figure had decreased to \$0.07. From 1932 through 1937 the only outstanding indebtedness consisted of temporary loans. These amounted to \$4.5 million in 1937. An issue of \$25 million of funding and building loans was floated in 1938.

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1. The contingent debt was incurred for the benefit of 43 cities and towns in the vicinity of and including Boston for the construction of water, sewerage and park systems as well as other improvements.



### LOCAL INDEBTEDNESS

The net debt of local governments in New England amounted to \$708 million in 1932, as compared with \$440 million in 1922 and \$295 million in 1912.<sup>1</sup> The per capita debt of New England local governments exceeded that of the United States in 1912. During the past 25 years, however, local governments in New England have been much more conservative in resorting to credit than have local governments in the United States as a whole. The per capita net debt of the local governments of the United States in 1922 was \$71.26, as compared with \$57.92 for New England. The relative position of New England was even more favorable in 1932 when the per capita local debt was \$85.86, or considerably less than the average of \$122.10 for the United States. It appears from the available statistics that local indebtedness has remained at approximately the same level in New England since 1932. Of the six New England states, Maine, New Hampshire and Vermont have been more conservative in borrowing than the other three states. These states have maintained a per capita debt which is well under the New England average.

The amount of indebtedness of local governments in Maine at the end of the fiscal year 1938-39 was reported by the Maine Department of Audit to be \$23.2 million for the cities and towns and \$2.3 million for the counties.

The local net debt in New Hampshire has changed very little since 1930. It amounted to \$17.5 million at the end of the fiscal year 1938-39.<sup>2</sup> The indebtedness of cities and towns and school districts has decreased slightly while the debt of the counties has increased.

The local governments of Vermont in common with those of Maine and New Hampshire have a relatively low net debt. Estimated local bonded debt in Vermont for 1937 was \$11.9 million. It appears probable that the net debt has remained approximately the same since 1932. At that time, the per capita debt of \$48.99 was considerably under the New England average.

The net general debt of Massachusetts municipalities decreased \$15 million between 1930 and 1938, amounting to \$202 million in the latter year.<sup>3</sup> The enterprise debt of \$92 million in 1938 increased approximately \$6.7 million during the 1930's. The funded debt of Massachusetts counties was \$3.1 million at the beginning of 1939. Counties had an additional contingent debt of \$3.4 million.

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1. See Table 47.

2. See Table 48.

3. See Table 49.

The net debt of local units in Rhode Island amounted to \$94 million in 1932, as compared with \$40 million in 1922 and \$26 million in 1912. The net local debt increased 134.4% between 1922 and 1932. While the per capita local debt was only slightly above the New England average in 1912 and 1922, it showed a marked increase from 1922 to 1932 when it reached \$134.40, an amount well above the New England and United States averages. Net local bonded debt was estimated at \$110.13 per capita for 1937. According to a report issued by the Providence Governmental Research Bureau, the net debt of cities and towns in Rhode Island totaled \$84 million in 1938-39.

Connecticut has maintained a per capita local government debt which, except for Rhode Island, has been well above the other New England states. The per capita figure for 1932 was \$98.52 and in 1937 the bonded debt was estimated at \$78.59 per capita. The net debt of all local units in 1936 amounted to \$163.3 million. The comparable figure for 1932 was \$152 million and for 1928, \$125 million.

New England has established an enviable position in the matter of municipal debt defaults. In 1938, 1939 and 1940, Maine was the only New England state that had defaults. There were 1922 municipal defaults in the United States in the years prior to 1938.<sup>1</sup> Only eight states had no defaults and, of these, five were in New England. Maine had one default. Later data published in 1938 and 1939 showed that Maine had three defaults in each of these years while the other five New England states continued their previous excellent record.

#### CREDIT OF NEW ENGLAND GOVERNMENTS

New England state and local bonds have been issued at lower rates of interest than the securities of state and local governments in the United States generally. In 1939 the average rate of interest payable on new issues in New England was 2.12%, as compared with 2.84% for the country as a whole.<sup>2</sup> Insofar as interest rates reflect debt paying ability, it appears that the New England states maintain a relatively high credit position. The large number of cities of substantial size in New England which borrow in amounts large enough to justify offerings in the central securities markets and the proximity of this area to these markets are other important factors accounting for the relatively low coupon rates on the issues of New England state and local government.

1. The Municipal Year Book, 1938, 1939 and 1940. As of February 1, 1940.

2. See Table 50.

## VI. THE ABILITY OF NEW ENGLAND TO SUPPORT STATE AND LOCAL GOVERNMENT

The ability of the people of a state or community to spend an increasing proportion of their income collectively through government should be continuously evaluated. As an aid in evaluating the tax load in relation to taxable capacity, comparisons of taxes paid and realized income are widely used. In 1922 and in the years 1929-1938 per capita income in New England was substantially higher than in the rest of the country.<sup>1</sup> This suggests relatively greater taxpaying ability. There are differences, however, in per capita income realized by the six New England states. Maine, New Hampshire and Vermont were consistently lower than the other New England states.<sup>2</sup>

The ratio of state and local taxes to realized income for the New England states is slightly higher than that for all states combined. The ratios for a number of years follow:<sup>3</sup>

State	P e r C e n t					
	1929	1934	1935	1936	1937	1937 <sup>a</sup>
United States	8.1	11.4	11.0	10.1	10.7	10.2
New England	8.2	11.7	11.2	10.7	11.4	10.5
Maine	8.4	12.4	11.3	10.9	11.5	11.0
New Hampshire	9.6	11.5	12.4	12.0	14.0	13.1
Vermont	8.5	13.0	12.0	11.3	11.7	11.3
Massachusetts	8.6	12.5	12.0	11.6	12.4	11.3
Rhode Island	7.3	10.4	9.8	9.0	9.9	8.9
Connecticut	7.0	10.0	9.5	9.0	9.2	8.5

The relative taxpaying ability of the New England states combined, as computed by various individuals, is very favorable. While Maine, New Hampshire and Vermont are about average as compared with other states. Massachusetts, Rhode Island and Connecticut rank high in ability to pay.<sup>4</sup>

For many years state and local governments in New England have supported a high level of public services. The cost of government is high, especially at the local level. The burden of supporting government increased appreciably with the declining incomes in the 1930's, but with few exceptions the state and local governments in these states succeeded in averting defaults. In general, public finance in New England is on a reasonably sound basis.

1. See Table 51.

2. See Table 52.

3. United States Bureau of the Census, estimates by the National Industrial Conference Board and computations by Tax Foundation.

4. See Table 53.

a. Excluding unemployment compensation taxes.

PART II

STATISTICAL TABLES

TABLE 1: STATE AND LOCAL EXPENDITURES IN NEW ENGLAND<sup>1</sup>  
FISCAL YEARS 1932-1937

Source: United States Bureau of the Census and Estimates by the Tax Foundation.

State	Thousands of Dollars					
	1932			1937		
	Total	State	Local	Total	State	Local
United States	8,944,028	2,505,835	6,438,193	9,385,790	3,435,790	5,950,000
New England	713,491	178,747	534,744	710,220	217,857	492,363
Maine	58,928	26,785	32,143	61,617	28,017	33,600
New Hampshire	35,856	13,054	22,802	40,241	16,909	23,332
Vermont	22,784	10,260	12,524	22,947	11,127	11,820
Massachusetts	408,052	74,058	333,994	384,100	93,084	291,016
Rhode Island	51,375	13,189	38,186	60,902	22,802	38,100
Connecticut	136,496	41,401	95,095	140,413	45,918	94,495

1. Federal grants are included as state expenditures. Local expenditures exclude state aid.

TABLE 2: EXPENDITURES OF THE STATE OF MAINE  
FISCAL YEARS 1930 AND 1935-1938<sup>a</sup>

Source: Biennial Reports of the Department of Finance

Function	In Dollars				
	1930 <sup>b</sup>	1935	1936	1937	1938
General government		2,648,321	5,057,197	5,775,114	5,535,971
Protection to persons and property		1,006,144	1,292,473	1,160,952	1,191,168
Highways		9,108,639	9,386,121	9,583,206	12,277,007
Conservation of health and sanitation		680,447	712,792	683,008	737,247
Charities, hospitals and corrections		3,872,809	5,468,631	7,328,590	6,420,320
Development of resources		686,558	854,338	863,469	1,105,287
Education		3,063,691	3,254,169	3,391,419	3,641,202
Non-governmental		559,347	450,784	512,749	500,965
Interest		1,215,823	1,193,988	1,143,738	1,117,080
Unemployment compensation		-	-	1,975,332	3,086,220
Total	24,880,245	22,841,777	27,670,492	32,437,577	35,612,465

a. Fiscal year ending June 30.

b. Comparable breakdown of expenditures for 1930 not available. Total derived from the State Audit Department Reports, 1930.



TABLE 3: EXPENDITURES OF THE STATE OF NEW HAMPSHIRE  
FISCAL YEARS 1932 AND 1935-1939<sup>a</sup>

Source: Annual Reports of the Comptroller

In Dollars						
Function	1932	1935	1936	1937	1938	1939
General government	639,987	946,892	710,465	927,590	722,459	1,376,089
Protection to persons and property <sup>1</sup>	366,516	567,890	645,717	773,740	1,185,989	1,435,423
Conservation of health and sanitation	238,797	253,975	278,797	381,188	379,165	364,541
Development of resources	761,925	363,973	495,789	509,740	577,527	642,188
Highways	6,391,943	7,375,054	6,138,506	5,952,285	6,890,647	5,671,747
Charities, hospitals and corrections	1,180,996	4,834,415	3,063,476	3,356,350	3,014,052	1,965,633
Education	1,338,320	1,446,468	1,556,039	1,632,440	1,729,228	1,735,316
Recreation	7,210	149,101	27,697	123,905	292,941	256,313
Miscellaneous <sup>2</sup>	133,537	1,859,224	2,930,716	5,149,324	3,832,726	4,671,945
Public service enterprises	-	763,181	120,924	31,139	29,853	156,859
Interest	357,126	490,854	516,233	492,589	451,545	385,889
Supply accounts	-	-	-	2,891	2,105	2,120
Total	11,916,357	19,051,028	16,534,359	19,333,180	19,108,238	18,664,063

1. Includes unemployment compensation payments.

2. Includes expenditures of state-controlled liquor business during recent years.

a. Fiscal year ending June 30.

TABLE 4: EXPENDITURES OF THE STATE OF VERMONT  
FISCAL YEARS 1930 AND 1935-1938<sup>a</sup>

Source: Biennial Reports of the Treasurer

Function	In Dollars				
	1930	1935	1936	1937	1938
Administration of justice	463,831	395,344	451,904	421,059	442,000
Education <sup>1</sup>	712,055	574,436	912,362	916,760	934,000
Public health	77,358	54,238	58,590	117,282	180,000
Highways	8,624,768	5,843,791	5,089,833	5,641,133	6,777,000
Public welfare	956,583	943,440	1,494,995	1,722,767	2,160,000
All other	2,367,669	5,592,823	3,905,435	4,203,970 <sup>b</sup>	4,330,000
Total	13,202,264	13,404,072	11,913,119	13,022,971	14,827,000

1. Increase in 1936 and thereafter due principally to state aid to local units.
- a. Fiscal year ending June 30.
- b. Includes unemployment compensation payments.

TABLE 5: EXPENDITURES OF THE STATE OF MASSACHUSETTS<sup>1</sup>  
FISCAL YEARS 1930 AND 1935-1938<sup>a</sup>

Source: Annual Reports of the Commission on Administration and Finance

Function	1930	1935	1936	1937	1938
Executive and administrative	1,747,043	2,280,065	2,620,708	2,293,121	2,820,000
Legislature	934,950	967,631	907,635	973,033	1,020,000
Judicial	1,403,046	1,409,368	1,438,537	1,612,630	2,110,000
Education	8,446,022	8,407,268	8,623,075	8,809,981	9,430,000
Public welfare and hospitals	22,869,232	31,930,556	38,030,269	45,465,176	50,640,000
Public works	18,103,416	25,040,698	26,717,271	22,931,948	27,970,000
Agriculture and conservation	1,735,393	1,620,205	1,686,112	1,451,610	1,560,000
Labor and industry	1,949,045	2,317,283	2,341,152	2,997,339	6,250,000
Corporations, banking, taxation, insurance, and public utilities	1,939,452	2,241,389	2,411,323	2,576,351	2,630,000
Military affairs	1,534,159	2,109,133	1,816,207	1,709,164	1,830,000
All other	517,199	380,991	712,879	435,052	510,000
Interest on debt	893,398	817,294	937,175	873,102	730,000
Total	62,077,356	79,521,882	88,242,344	92,128,507	107,560,000

1. Does not include unemployment compensation payments. In 1938 such payments amounted to \$25,318,525.
- a. Fiscal year ending November 30.

TABLE 6: EXPENDITURES OF THE STATE OF RHODE ISLAND<sup>1</sup>  
FISCAL YEARS 1931 and 1935-1938<sup>a</sup>

Source: Annual Reports of the General Treasurer

In Dollars					
Department	1931 <sup>b</sup>	1935	1936	1937	1938
Executive		565,802	605,746	627,893	656,296
State department		106,711	158,099	188,166	169,467
Justice - attorney general		60,856	74,756	69,490	69,367
Treasury		31,341	717,467 <sup>c</sup>	38,857	31,848
Public welfare		2,557,974	2,735,458	3,526,121	4,468,390
Public works		4,039,365	3,043,032	4,230,867	4,021,359
Taxation and regulation		900,239	706,956	1,473,370	1,538,485
Education		1,320,134	1,642,252	1,993,142	2,032,355
Labor department		48,711	113,742	116,406	159,741
Agriculture and conser- vation		380,310	385,719	375,709	350,853
Public health		182,462	197,073	307,219	331,132
Legislature		126,934	115,892	105,984	110,516
Judiciary		715,861	783,461	833,994	823,419
Special accounts		-	61,844	49,177	-
Contributions		-	43,788	46,100	-
Unemployment relief load		5,852	1,933,897	1,800,314	1,653,630
Interest		974,093	1,033,378	1,093,476	1,159,155
Emergency public works		-	2,636,348	5,234,596	-
All other		311,632	144,421	701,444	89,538
Total	13,487,225	12,328,277	17,133,328	22,862,326	17,665,551

1. Excludes unemployment compensation payments. In 1938 such payments amounted to \$6,440,554.

a. Fiscal year ending June 30. Fiscal year changed in 1930; hence 1931 was employed.

b. Comparable breakdown not available.

c. Made up largely of pari-mutuel betting tax receipts which were redistributed by the Treasurer.

TABLE 7: EXPENDITURES OF THE STATE OF CONNECTICUT  
FISCAL YEARS 1930 AND 1935-1938<sup>a</sup>

Source: Annual Reports of the Comptroller

In Dollars						
Function	1930	1935	1936	1937	1938	1939
General government	2,455,108	2,643,782	2,431,946	3,215,761	3,062,299	3,616,820
Protection to persons and property	2,909,616	2,609,562	3,199,219	3,765,676	12,369,326 <sup>b</sup>	12,577,750 <sup>b</sup>
Development of resources	1,203,146	732,887	808,759	812,586	763,884	874,357
Conservation of health and sanitation	642,807	675,718	688,477	758,458	792,657	760,622
Highways	13,807,225	16,286,605	17,465,799	19,217,598	19,258,925	17,964,358
Charities, hospitals and corrections	8,559,485	23,127,956	17,518,014	15,063,577	16,285,888	16,918,912
Education	4,346,351	4,655,109	4,275,930	4,577,544	4,902,812	4,865,129
Public service enterprises	26,155	11,702	44,132	80,348	34,803	10,214
Parks and historical sites	333,091	216,210	274,030	291,781	509,473	341,734
Other	73,670	147,918	161,057	167,041	190,380	182,032
Interest	656,865	618,646	566,874	14,517	-	195,313
State Building Fund (capital outlay)	-	-	-	-	496,611	6,933,081
Total	35,018,517	51,726,096	47,434,237	47,984,887	58,667,059	65,240,320

a. Fiscal year ending June 30.

b. Includes unemployment compensation payments.

TABLE 8: EXPENDITURES OF LOCAL GOVERNMENTS IN THE  
NEW ENGLAND STATES, FISCAL YEAR 1932

Source: United States Bureau of the Census, Financial  
Statistics of State and Local Governments

Thousands of Dollars							
Division of Government	Total New England States	Maine	New Hampshire	Vermont	Massa- chusetts	Rhode Island	Connecticut
Counties	17,826	2,066	2,265	112	11,655	-	1,728
Cities, towns, villages and boroughs	452,980	13,041	10,280	4,938	326,830	38,418	59,473
School districts	3,191	-	-	539	-	-	2,652
Townships	73,257	20,529	12,325	8,623	-	-	51,780
Other civil divisions	<u>4,122</u>	<u>1,308</u>	<u>-</u>	<u>53</u>	<u>610</u>	<u>299</u>	<u>1,852</u>
Total all local levels	551,376	36,944	24,870	14,265	339,095	38,717	97,485
Total local expenditures excluding grants-in-aid	534,744	32,143	22,802	12,524	333,994	38,186	95,095



TABLE 9: PER CAPITA EXPENDITURES IN 46 TYPICAL  
MAINE TOWNS, FISCAL YEARS 1932-1937

Source: Extension Service, University of Maine,  
Tax Trends in Maine Towns, Bulletin 265

In Dollars				
Year	Total	Schools	Roads and Bridges	Charities and Corrections
10 Towns, Population Less than 500				
1932	59.70	13.14	21.78	4.13
1933	50.29	11.61	16.90	4.07
1934	62.93	11.54	25.73	4.03
1935	64.76	11.97	21.62	5.54
1936	66.02	12.28	20.25	5.50
1937	65.53	12.77	21.61	5.33
15 Towns, Population 501-1,000				
1932	54.04	12.19	17.47	2.56
1933	40.31	10.53	11.34	2.93
1934	52.65	10.69	18.14	2.75
1935	49.48	10.77	15.21	3.70
1936	51.04	11.26	15.10	3.60
1937	52.46	12.00	13.52	4.04
8 Towns, Population 1,001-1,500				
1932	50.71	12.77	12.06	3.82
1933	44.49	11.04	9.96	4.46
1934	51.42	11.40	14.49	4.25
1935	52.79	11.62	11.64	4.67
1936	52.31	11.41	13.40	4.64
1937	53.92	12.33	12.49	4.85
13 Towns, Population Over 1,500				
1932	50.22	12.63	7.22	6.24
1933	44.07	10.90	5.44	8.26
1934	48.48	11.81	9.03	6.61
1935	50.77	12.10	8.02	6.42
1936	55.45	12.46	9.19	7.96
1937	54.41	12.98	8.69	7.39

TABLE 10: EXPENDITURES OF NEW HAMPSHIRE CITIES AND TOWNS  
FISCAL YEARS 1930 and 1935-1938<sup>a</sup>

Source: Annual Reports of the Tax Commission

Function	In Dollars				
	1930	1935	1936	1937	1938
General government	1,191,125	1,070,042	1,138,740	1,111,675	1,222,645
Protection to persons and property	1,646,068	1,547,245	1,547,934	1,604,577	1,679,790
Health	446,863	510,748	478,868	601,182	633,974
Highways	5,059,271	3,329,382	3,521,274	3,273,662	3,448,562
Libraries	236,555	236,518	228,943	237,851	245,274
Charities	514,436	2,261,345	2,014,987	1,902,465	1,865,548
Patriotic purposes	44,369	106,269	82,244	92,301	99,082
Recreation	200,334	148,455	170,415	185,109	183,508
Public service enter- prises	864,562	716,778	683,681	647,403	698,242
Unclassified	368,399	1,006,127	1,041,071	983,401	1,122,612
Interest	814,800	506,476	536,863	479,019	480,451
Capital outlays	<u>2,827,000</u>	<u>1,813,188</u>	<u>1,917,734</u>	<u>2,149,937</u>	<u>1,902,661</u>
Total expenditures	14,213,781	13,243,072	13,362,753	13,268,584	13,582,348

a. Fiscal year ending January 31 of succeeding year.

TABLE 11: EXPENDITURES OF NEW HAMPSHIRE SCHOOL DISTRICTS  
FISCAL YEARS 1930 and 1935-1939<sup>a</sup>

Source: Annual Reports of the Tax Commission

Function	In Dollars					
	1930	1935	1936	1937	1938	1939
Administration	243,264	220,317	224,636	227,687	232,886	232,279
Instruction	4,145,282	3,859,499	3,907,150	3,919,749	4,008,087	4,018,827
Operation and maintenance	794,194	752,287	747,959	774,590	798,888	788,987
Auxiliary agencies	895,135	946,164	984,193	1,018,707	1,087,174	1,113,464
Fixed charges	209,277	217,818	232,825	229,049	221,470	218,977
Capital outlays	548,535	269,512	751,730	1,153,891	594,963	1,473,197
Interest	<u>225,455</u>	<u>234,065</u>	<u>205,678</u>	<u>195,605</u>	<u>177,377</u>	<u>166,234</u>
Total expendi- tures	7,061,143	6,499,662	7,054,172	7,519,278	7,120,845	8,011,964

a. Fiscal year ending June 30.