With respect to the outlook for financing of municipal gas utilities, a study by the Council of State Governments indicates that about half of their projected construction expenditures will be financed with bond issues. The balance will presumably come from internally generated funds. Some municipal systems serving small communities will be eligible for loans from the Department of Housing and Urban Development as they have been in the past. However, such loans will provide only a small proportion of the municipals' needs.

All available studies on the gas industry point to continued financial strength. Both the investor-owned companies and the municipals should be able to finance their expansion as they have done in the past.