

TABLE 3.—*Percent distribution of capital outlay of State and local governments, by function; selected years, 1952 to 1964-65*

Function	1952	1957	1962	1964-65
Total.....	100.0	100.0	100.0	100.0
Highways.....	36.3	41.3	41.7	40.1
Regular State highways.....	21.5	25.1	31.3	31.2
State toll facilities.....	3.6	6.6	.9	1.1
Local government streets and highways.....	11.2	9.6	9.5	7.8
Education.....	23.0	25.8	23.9	24.4
Local schools.....	19.1	21.5	18.0	17.0
Institutions of higher education.....	3.6	4.1	5.7	7.0
Other.....	.3	.2	.2	.4
Sewerage.....	5.9	5.1	5.3	5.3
Water supply.....	5.5	5.9	5.4	5.5
Housing and urban renewal.....	8.5	2.2	4.7	3.8
Electric utilities.....	2.6	3.4	2.7	3.7
Natural resources.....	2.5	1.7	2.0	2.4
Health and hospitals.....	5.2	2.8	2.4	2.4
Airports.....	.7	1.3	1.5	1.3
Local parks and recreation.....	.8	1.2	1.6	1.7
Local transit utilities.....	.9	1.0	.5	1.2
Water transportation and terminals.....	1.0	.8	1.1	.8
Other and unallocable (including multipurpose general public buildings).....	7.1	7.4	7.3	7.5

Although all functions have shared in the upward trend in capital outlay, they have differed considerably in rates of change. For example, highway outlay grew considerably faster than other capital expenditure from 1952 to 1958, and has since then generally paralleled the overall trend. Capital outlay for local schools has increased less rapidly than other State-local outlays, so that the fraction of the total applied to schools dropped from about one-fifth in the early 1950's to about one-sixth in 1964-65. However, with the stronger-than-average rise in capital outlay for institutions of higher education, the fraction of all capital expenditure of State and local governments going into education as a whole has been relatively unchanged. Rates of growth in capital outlay for sewerage and water supply facilities have generally paralleled the trend in total State-local outlays.

The most striking departure from the usual pattern involves capital outlay for health and hospitals. Such spending went up only 19 percent between 1953 and 1958, while aggregate annual capital outlay of State and local governments was increasing 77 percent; and since 1958 health and hospital outlays of these governments have been relatively stable, even though their total capital spending was continuing to rise about 5 percent a year. If this functional class had kept pace with the prevailing trend, there would have been nearly \$10 billion of State-local capital outlay for health and hospitals during the period 1952 to 1965, instead of the \$5.6 billion that was actually so applied.

The functional class "housing and urban renewal" also reflects an unusual historical pattern. Capital outlay of State and local governments for this purpose dropped steadily between 1952 and 1956, and did not regain its 1952 level until after 1961. Since then it has continued upward, but only to a 1964-65 level about one-fourth above the 1952 level, while total capital outlay of State and local governments nearly tripled during this 13-year interval.