pledge the full faith and credit of the municipality they have the advantage of being easily marketed. However, most States limit the amount of local bonded debt to the value of local property. Communities are often restricted to small scale financing and one issue may exhaust the possibility of further general obligation financing for many years.

Thirty States have authorized the use of industrial development bonds, although in some States the authorization is not statewide.

The following table lists the States allowing industrial development bonds and the year such enabling legislation was passed.

TABLE 1.—*States allowing industrial development bonds*

Mississippi	1943	Wisconsin	1957	Virginia	1962
Kentucky	1948	Arkansas	1958	Iowa	1963
Alabama	1951	Georgia	1960	Michigan	1963
Illinois	1951	Maryland	1960	Arizona	1963
Tennessee	1951	Missouri	1960	West Virginia	1963
Louisiana	1953	Nebraska	1961	Wyoming	1963
New Mexico	1955	Oklahoma	1961	Hawaii	1964
North Dakota	1955	Kansas	1961	South Dakota	1964
Vermont	1955	Minnesota	1961	Montana	1965
Washington	1955	Maine	1962	Rhode Island	1965

Four States—Arkansas, Mississippi, Alabama, and Kentucky—accounted for 80 percent of total industrial development bond financing accomplished during 1964, and 90 percent of the total in the first half of 1965.

Of the 30 States allowing the use of industrial development bonds, only Louisiana has limited itself to general obligation bonds, although the authority to issue revenue bonds exists. All other States use revenue bonds which are not subject to the restrictions placed on general obligations.

Of all Government sponsored plans to aid industry, industrial development bond financing has become the most popular type of State and local industrial financing. Through the first half of 1965, the Investment Bankers Association estimates $729 million of municipal industrial bonds have been issued. This exceeds the combined total of all other forms of State and local industrial aid financing.

TABLE 2.—*Volume of industrial development bonds* [1]

Year	*Amount*
Before 1951	$5, 715, 000
1951	6, 920, 000
1952	8, 790, 000
1953	9, 300, 000
1954	4, 759, 000
1955	11, 790, 000
1956	6, 421, 000
1957	7, 612, 000
1958	12, 740, 000
1959	22, 946, 000
1960	46, 867, 000
1961	71, 771, 000
1962	89, 342, 000
1963	143, 535, 000
1964	178, 627, 000
1965	211, 531, 000

[1] Investment Bankers Association.