By purpose for which the bonds were originally issued the leading instance is toll road or toll bridge facilities. Classified by purpose or type of issue the defaulting situations were as follows:

Toll facilities (revenue)	7	Industrial aid (revenue)	2
Irrigation districts	6	Natural gas systems (revenue)	2
Cities or counties	4	Fire district	1
Marina facilities (revenue)	3	College dormitory (revenue)	1
Water systems (revenue)	3	Aerial tramway (revenue)	1

The two major defaults in terms of dollar volume are the West Virginia Turnpike Commission, which issued a total of $133 million revenue bonds, and the Chicago Skyway, which issued $101 million. All of the other issues in difficulty were much smaller in size, all excepting a marina facility in California, the aerial tramway, and a toll bridge facility in West Virginia being under $5 million in total amount of bonds issued. By far the type of security experiencing the most difficulty was the revenue bond, one supported solely by the revenues of a public or quasi-public service enterprise.

As to the seriousness of the defaults, 14 of the 30 cases cited resulted in the issuer filing for debt composition in the courts and loss to the bondholder on principal. All of the others, including so far the West Virginia Turnpike and the Chicago Skyway, represent failure to pay interest or principal when due. Some of these defaults in the latter category were only temporary in nature and have since been cured by resolution of the problem creating revenue insufficiencies. Others, including the West Virginia Turnpike and the Chicago Skyway, are situations in which some bondholders continue to nourish hope for an eventual cure. In these cases to date the bondholder has suffered little dollar loss, unless he was forced to liquidate his holdings at depressed market prices. Most of the temporarily defaulted issues pay interest on interest past due when paid.

MAJOR DEFAULTS

The major defaults in municipal securities in the postwar period have been associated with vehicular toll facilities and with revenue bond financing. Most conspicuous have been the West Virginia Turnpike, involving a dollar magnitude exceeded only by previous Russian and German Government bond defaults, and the Chicago Skyway. In both cases, high costs, limited liability financing, and low usage levels have combined to create the existing difficulty.

The West Virginia Turnpike is an 88-mile toll road extending from Charleston, W. Va., to Princeton, near the Virginia border. Financed by $133 million revenue bonds payable solely from net revenues of the toll road, it was opened in 1954. By 1958, revenue deficiencies and complete absorption of financial reserves led to the postponement of the payment of the interest coupon due June 1, 1958, to October 1 of that year. Subsequent coupon maturities were also delayed, and now earning about 0.74 time interest requirements, the turnpike is behind on its last seven interest payments. Planned as a part of long distance route from the Great Lakes industrial area to the south, the turnpike serves its function only in small part. The hope is that eventual connection with Federal Interstate System will cure the basic difficulties of the turnpike.