period, few in number, scattered geographically, and usually traceable to a fairly obvious flaw in legislation or planning.

Difficulties with marginal projects financed through limited liability obligations very likely will continue and may worsen. Though not in default now and still possessing some financial reserves, three projects each with substantial debt are now considered by some to have a dubious financial future. Again these are net toll revenue bonds and include facilities in Massachusetts, Virginia, and New Jersey. Continued financing of high cost marginal facilities by use of limited liabilities and without adequate safeguards is certain to create additional burdens.

Continued experimentation with new types of financing could possibly add a new dimension of defaults at some future date. Industrial aid financing by local governments has increased markedly in the last few years. And a real danger could arise with a future extension of this device, particularly with the use of revenue bonds. The practice has become an increasingly competitive one, and when revenue bonds are employed, the municipal security essentially is only as sound as the company for which the plant is built. Borderline companies, then, could pose real future difficulty for a local government eager to expand its economic future and unable to assess properly the company's future.