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APPENDIX C

DATA ON GOVERNMENT CAPITAL GOODS

Sources of Information

The sources underlying the estimates of government capital goods were described in "Government-Owned Nonmilitary Capital Assets since 1900", *Studies in Income and Wealth, Volume Twelve* (National Bureau of Economic Research, 1950). Here we supplement that description to indicate changes and additions.

First, we divided the assets of federal government corporations and credit agencies into two groups: the assets of defense agencies and all other (Table C1). Exclusion of the former from our total of federal nonmilitary assets yields an estimate of nonmilitary assets substantially lower than the total including them in 1919-22 and 1942-46.

Second, we prepared rough annual estimates of total nonmilitary capital assets excluding roads and streets, in 1929 prices, for use in Chart 3 (Table C2).

Third, we added a few tables providing functional distributions of capital assets. Sources, largely compilations by the Bureau of the Census, are mentioned in notes to Tables C3-7.

Comparisons with Other Estimates

Studies in Income and Wealth, Volume Twelve included an important set of estimates of government assets for 1939 and 1946 prepared by J. E. Reeve and his associates at the Bureau of the Budget. We compared these estimates with ours in the paper cited above. Since publication of these two sets of estimates, Raymond W. Goldsmith has prepared a third, covering 1896-1949.¹

With one major exception, our estimates are largely based on balance sheet data, while those of Reeve and Goldsmith are based on

¹ These are as yet unpublished. We are greatly obliged to Mr. Goldsmith for permission to examine his preliminary estimates and for answering questions concerning them.

cumulated net capital formation, with depreciation charges estimated by them. (The exception is roads and streets, all estimates of which are derived by the cumulated net capital formation method.) Our estimates may therefore be considered largely independent of the other two. It appears that all agree, broadly, in respect of changes. If the other estimates are accepted as the standard, our estimates for the federal government are somewhat low; for state and local governments, they are rather high. On net balance our estimates seem to overstate levels.

Table C1
ASSETS OF FEDERAL GOVERNMENT CORPORATIONS AND CREDIT AGENCIES, 1917-1946
(Unit: \$1 million)

YEAR	TOTAL			DEFENSE			OTHER		
	Capital Assets	Property Held for Sale	Capital Assets and Inventories	Capital Assets	Property Held for Sale	Capital Assets and Inventories	Capital Assets	Property Held for Sale	Capital Assets and Inventories
1917	53	...	53	...	...	...	...	...	...
1918	743	...	743	...	...	...	...	...	...
1919	2,237	...	2,237	...	...	...	...	...	...
1920	2,743	...	2,743	...	...	...	...	...	...
1921	2,122	...	2,122	...	...	...	...	...	...
1922	2,371	7	2,370	1	7	...	1	...	...
1923	236	3	234	2	3	...	2	...	...
1924	236	4	225	11	1	...	11	3	...
1925	202	12	190	12	1	...	12	11	...
1926	166	16	150	16	...	...	16	16	...
1927	156	21	138	18	...	...	18	21	...
1928	147	22	128	19	...	...	19	22	...
1929	112	23	91	21	...	...	21	23	...

1930	111	28	89	...	22	28
1931	106	43	79	...	27	43
1932	93	71	69	...	24	71
1933	81	86	51	...	30	86
1934	72	81	n.a.	n.a.	n.a.	n.a.
1935	125	105	48	1	77	104
1936	151	192	31	1	120	191
1937	224	500	31	1	193	499
1938	395	804	38	70	357	734
1939	439	865	37	157	402	708
1940	517	1,175	30	108	487	1,067
1941	588	1,802	37	565	551	1,237
1942	798	5,581	107	4,126	691	1,455
1943	1,600	11,039	745	9,712	855	1,327
1944	1,614	17,314	685	16,337	929	977
1945		22,619			20,262	2,357
1946		16,968			15,233	1,735

n.a.: not available.

Data are as of June 30.

For sources, see notes to columns 7-9, Table 2, pp. 540-1 of *Studies in Income and Wealth, Volume Twelve*. Defense agencies are those designated by the Treasury Department as "defense" or "World War II" agencies (see, e.g., *Annual Report of the Secretary of the Treasury*, 1944, p. 767), plus the U. S. Maritime Commission, War Shipping Administration, and predecessor agencies.

Table C2

GOVERNMENT NONMILITARY CAPITAL ASSETS, EXCLUDING ROADS
AND STREETS, ANNUAL ESTIMATES

(Unit: \$1 billion, 1929 prices)

YEAR	TOTAL		YEAR	TOTAL	
	<i>Including Defense Corps.</i>	<i>Excluding Defense Corps.</i>		<i>Including Defense Corps.</i>	<i>Excluding Defense Corps.</i>
1902	8.4	8.4	1932	28.9	28.8
1912	14.3	14.3	1933	29.4	29.4
1920	16.5	13.3	1934	29.2	29.2
1921	17.6	15.0	1935	29.9	29.9
1922	18.9	15.9	1936	30.9	30.9
1923	16.5	16.2	1937	31.7	31.6
1924	17.4	17.2	1938	32.8	32.6
1925	18.9	18.6	1939	33.8	33.6
1926	19.9	19.8	1940	35.5	35.3
1927	21.4	21.2	1941	36.3	35.6
1928	22.5	22.4	1942	40.5	36.1
1929	23.3	23.2	1943	46.5	35.9
1930	25.4	25.4	1944	52.3	35.1
1931	27.1	27.1	1945	56.4	36.1
			1946	50.9	35.8

Book-value totals given in Table C1 above and Table 1, p. 539, *Studies in Income and Wealth, Volume Twelve* (the latter slightly revised to take account of new 1946 data on education assets) were interpolated by data for the major types of government unit from Tables 2 to 5 of the *Studies* paper, with straight-line interpolations to fill the few remaining gaps. The totals thus obtained were deflated by the following price indexes: for years through 1939, an average of the price indexes underlying the second and third lines of the text table on page 534 of the *Studies*; for 1946, the price index underlying the third line; with rough interpolations for missing years derived from the indexes given in Solomon Fabricant, *Capital Consumption and Adjustment* (National Bureau of Economic Research, 1938), pp. 183, 186.

Table C3

FUNCTIONAL CLASSIFICATION OF GOVERNMENT CAPITAL ASSETS
BY TYPE OF GOVERNMENT UNIT, 1939

	FEDERAL	STATE	CITY	OTHER LOCAL	TOTAL
<i>Percentage Distribution</i>					
General control, including misc. & unallocable	22	6	5	7	11
National defense	27	....	....	....	8
Public safety, other	....	1	2	....	1
Highways & waterways	18	67	26	29	32
Health & hospitals	....	8	2	4	3
Sanitation & waste removal	....	....	13	5	5
Public welfare	....	1	1	....	0.5
Correction	....	3	1	2	1
Natural resources	27	1	....	....	8
Recreation & parks	....	1	12	....	5
Schools	....	8	10	53	14
Public enterprises	5*	3	28	1	12*
Total	100	100	100	100	100
<i>Billions of Dollars</i>					
Total	19	13	22	10	63

* Does not cover the Post Office, which is included in general control.

Blank spaces indicate either zero or usually (but not always) small amounts not shown separately but included most frequently in the first category. Capital assets include land, subsoil assets, construction, and equipment. The federal government figures are depreciated values in 1939 prices; the other figures are rough estimates based on classifications available for a year closest to 1939, and are usually depreciated book values, sometimes undepreciated book values. Federal data are from J. E. Reeve and associates, "Government Component in the National Wealth", *Studies in Income and Wealth, Volume Twelve*. The state and local totals, excluding highways, sewage systems, and schools, and the separate data on these three items are from "Government-Owned Nonmilitary Capital Assets since 1900" from the same volume. The state total was distributed among the several functions by the 1931 proportions (Table C5); the city total, by the 1936 proportions for large cities (Table C7); and the total for other local, on the basis of very rough estimates derived mainly from outlay data. The distribution of highways, sewage systems (included in sanitation) and schools among the three types of nonfederal government shown is exceedingly crude but sufficient to show rough relative proportions; and the estimate of the total value of sewage systems also is very crude.

Table C4

CLASSIFICATION OF FEDERAL NONMILITARY PROPERTY, BY MAIN
CATEGORY, 1902-1946

	1902	1912	1922	1929	1939	1946
EXCLUDING DEFENSE AGENCIES						
<i>Percentage Distribution</i>						
Public buildings outside D. C.	20	24	22	18	16	15
Property in D. C. ^b	36	27	22	17	7	6
River, harbor & other waterway improvements	42	41	46	48	36	34
Reclamation projects	0	7	10	9	9	11
Other real property outside D. C., excl. property of corporations	1	1	1	6	13	12
Govt. corp. & credit agencies: nondefense agencies						
Capital assets	0	0	^a	1	7	} 22
Held for sale	0	0	0	1	12	
Total, excl. defense agencies	100	100	100	100	100	100
<i>Millions of Dollars</i>						
Total	615	982	1,398	1,954	5,718	7,985
INCLUDING DEFENSE AGENCIES						
<i>Percentage Distribution</i>						
Public buildings outside D. C.	20	24	8	17	15	5
Property in D. C. ^b	36	27	8	16	7	2
River, harbor & other waterway improvements	42	41	17	46	35	12
Reclamation projects	0	7	4	8	8	4
Other real property outside D. C., excl. property of corporations	1	1	^a	6	12	4
Govt. corp. & credit agencies: nondefense agencies						
Capital assets	0	0	^a	1	7	} 7
Held for sale	0	0	0	1	12	
Total, excl. defense agencies	100	100	37	96	97	34
Govt. corp.: defense agencies	0	0	63	4	3	66
Total, incl. defense agencies	100	100	100	100	100	100
<i>Millions of Dollars</i>						
Total	615	982	3,775	2,045	5,912	23,218

^a Less than one-half percent.

^b Not including municipal government property.

From Table C1 and *Studies in Income and Wealth, Volume Twelve*, pp. 540-1.

Table C5

FUNCTIONAL CLASSIFICATION OF STATE GOVERNMENT CAPITAL ASSETS, EXCLUDING SCHOOLS AND HIGHWAYS, 1915 AND 1931

	1915	1931
	<i>Percentage Distribution</i>	
General control	23.	17.
Protection to persons & property ^a	3.5	3.7
Conservation of health & sanitation ^b	0.8	2.3
Hospitals	27.	31.
Charities ^c	9.4	4.1
Correctional institutions	17.	13.
Libraries	1.2	1.4
Recreation & parks	2.0	5.1
Development & conservation of natural resources	5.9	5.4
Miscellaneous general govt. ^d	0.9	5.1
Public service enterprises	9.8	12.
Total, excl. funds	100	100
	<i>Millions of Dollars</i>	
Total, excl. funds	679	1,841
Capital assets held in investment funds	21	57
Capital assets held in trust funds	477	571
Total, incl. funds	1,177	2,470

^a Mostly armories, which might be classified as national defense.

^b Mostly tuberculosis hospitals in 1931.

^c Includes soldiers' and sailors' homes.

^d Includes in 1931 highway department equipment (\$76 million), not shown separately in 1915.

Data are from the Census Bureau's *Financial Statistics of States, 1915 and 1931*, and relate usually to the year ending June 30. Real estate assets of trust funds in 1915 are estimated from miscellaneous assets by the 1917 ratio. The totals differ from those in the *Studies* paper, because the latter were put on a December 31 basis.

Table C6

FUNCTIONAL CLASSIFICATION OF COUNTY GOVERNMENT CAPITAL
ASSETS, EXCLUDING SCHOOLS AND ROADS, 1912

	<i>Percentage Distribution</i>
Courthouses	61
Charities & hospitals	19
Jails	12
All other general functions	7
Public service enterprises	0.4
Total	100
	<i>Millions of Dollars</i>
Total	480

From the Census Bureau's *Wealth, Debt, and Taxation, 1913*, Vol. II, p. 343.

Table C7

FUNCTIONAL CLASSIFICATION OF MUNICIPAL GOVERNMENT CAPITAL
ASSETS, EXCLUDING SCHOOLS, STREETS AND
SEWAGE SYSTEMS, 1902-1936

	CITIES OVER 25,000		CITIES OVER 30,000		CITIES OVER 100,000 ^a	
	1902	1912	1930	1930	1936	
	<i>Percentage Distribution</i>					
General control	7.1	6.2	5.9	6.6	6.2	
Police	1.4	1.1	1.0	1.3	1.3	
Fire	3.7	3.6	2.9	3.3	2.5	
Other protection	*	.7	.7	.6	.5	
Health	*	*	.9	1.3	1.3	
Sanitation ^b	*	*	3.8	5.7	6.0	
Charities	1.9 ^c	4.2	4.2	5.0	1.3	
Hospitals	.8					
Correction	1.4					
Recreation (incl. parks)	38.7	33.7	31.7	23.4	21.6	
Highways ^b	*	*	1.3	1.6	1.1	
Misc. general govt.	3.6	5.3	4.7	5.6	5.5	
Water supply systems	26.9	33.8	29.8	33.2	33.5	
Electric-light and power systems	.6	.9	2.7	3.8	4.3	
Other public service enterprises ^d	14.0	10.4	10.5	8.7	11.1	
Total, excl. investment funds	100.0	100.0	100.0	100.0	100.0	
	<i>Millions of Dollars</i>					
Total, excl. investment funds	1,397	2,730	8,219	4,646	5,247	

^a Not including New York, Dayton, and Fort Wayne.

^b Includes only equipment and buildings of sanitation or highway departments. Sewage systems and streets are not included.

^c Asylums and almshouses.

^d Excludes transit systems owned but not operated by cities.

^e Not available separately; presumably included in the miscellaneous group.

Data for 1902 are from *Census Bulletin 20*; 1912 data, from *Wealth, Debt, and Taxation* and the *Financial Statistics of Cities*; figures for other years, from various issues of *Financial Statistics of Cities*. Because the 1936 asset totals did not include New York, Dayton, and Fort Wayne, we excluded these cities from the corresponding totals for 1930 also. Real property classified as "assets of investment funds and miscellaneous investments", including certain transit systems and other public service enterprises owned but not operated by cities, is omitted. The most important of these is the New York City Transit System.