

2. *Outline of Study*

The study is divided into four parts, each containing a number of chapters dealing with designated subjects. Part 1 (containing four chapters) provides an overview of the trends in public facility financing. Part 2 (containing 12 chapters) is concerned with the emerging patterns, organizational structure, and certain problem areas of the municipal securities market. Part 3 presents four chapters dealing with municipal bond interest rates and the tax exemption accorded to municipal securities.

Part 4 consists of 10 chapters, each covering a designated investor group in terms of its interest in (a) municipal securities and (b) obligations issued by private, nonprofit organizations. Past trends are reviewed and prospective investments are projected or otherwise explored. In addition, the chapters contain a summary of views regarding portfolio considerations in making municipal security purchases and investor reaction to possible Federal guarantees of municipal securities.

3. *Procedure*

As indicated above, the chapters contained in this volume fall under two general classifications—those dealing with technical or specialized subjects, which appear in parts 1–3, and those dealing with specific financial industry or investor groups, which appear in part 4. To prepare the chapters on the technical or specialized subjects, arrangements were made with various individuals or groups, who were believed to be best qualified, to write authoritatively on the designated subject. In most instances those selected have established reputations or are acknowledged experts in their respective fields.

With respect to the chapters on specific investor groups, efforts were made to have the chapters prepared by the major trade association (or associations) serving the particular industry, since they are in the best position to elicit frank views from their memberships on questions posed by the committee questionnaire. In addition, they usually could provide from their cumulative knowledge, records, and available statistics a comprehensive picture of the industry's postwar growth developments, investment activity, and assess its potential participation in the expected credit expansion. Where there was no such trade association, arrangements were made with a Federal agency having comparable expertise to prepare the requisite chapter, i.e., Securities and Exchange Commission, in the case of "nonfinancial corporations," and Board of Governors of the Federal Reserve System, in the case of "individual investors." In several instances, multiple authorship became the more feasible arrangement. Thus, the chapter on commercial banks was prepared jointly by the Federal Deposit Insurance Corporation (industry description and historical trends) and by the American Bankers Association (surveys and projections). The chapter on life insurance companies was prepared by the Life Insurance Association of America on the basis of a survey conducted by committee staff. The chapter on fire and casualty insurance companies was prepared by committee staff on the basis of surveys conducted by the American Insurance Association, American Mutual Insurance Alliance, and the National Association of Independent Insurers of their respective memberships, plus other available data.

Selection of the subjects or institutional groups to be covered by