

municipal bond investment funds, (*k*) nonfinancial corporations, and (*l*) individuals. Since the distributions estimated by the Treasury or FRB are not sufficiently broken down to fit the foregoing 12 categories, it became difficult to appraise the data presented in the chapters of the study dealing with sources of loan funds. Accordingly, a tabulation was made of municipal security holdings of identifiable institutional groups that fit the categories used in the study, Federal credit agencies, and other identifiable groups.⁴ This tabulation is presented in table C4.

One objective of table 4 is to relate, as much as possible, to published reported data. Inasmuch as the balance sheet data for most private financial institution groups relate to the end of the calendar year, table 4 has been prepared on a calendar-year basis. For the public agencies that hold municipal securities (State and local public retirement funds, State and local governments and Federal credit agencies), their fiscal year data has been converted into December 31 figures on the basis of reported statistics or by straight-line interpolation. Where the year-end figures represent reported information, they are stated to the nearest \$1 million. Where the year-end figures represent interpolations or estimates based on samples, they are stated to the nearest \$10 million (except "other corporations" where the figures are estimated to the nearest \$100 million).

Table C4 comprises three elements: (*a*) total year-end holdings of State and local government obligations, as estimated in the FRB "Flow of Funds Accounts,"⁵ (*b*) year-end holdings for significant identifiable financial institution or public agency groups, the sum of which when subtracted from the year-end total results in (*c*) a residual grouping termed "individuals and others." Although it is believed that "individuals" account for most of the residual category, it should be recognized that the category also includes investor groups for which there is presently inadequate definite information such as college endowment funds, noninsured pension funds, savings bank life insurance companies, and others.⁶

Because of their different fund resources, treatment under the Federal income tax law, and consequent portfolio policies, life insurance companies and fire and casualty insurance companies are shown separately. Similarly, municipal bond investment funds (where investment decisions are made by the fund managers) and personal trust funds (where the investment decisions are largely made by the trust departments of commercial banks) are shown separately, as compared to "individuals" (many of whom invest on their own account).

As explained in the source note, the holdings of Federal credit agencies are based on reports of the respective credit agencies, including the Departments of Housing and Urban Development, Interior,

⁴ Nine of these institutional groups appear in the Bankers Trust Co. Investment Outlook annual tabulation of municipal security net flows. Many of them also are used in the sources and uses of funds tabulations prepared by Salomon Bros. & Hutzler and by the Life Insurance Association of America.

⁵ The only publicly available estimate of total calendar year-end holdings of State and local government obligations, including non-interest-bearing obligations, as collected by the Census Bureau.

⁶ According to a June 30, 1963, survey conducted by the Office of Education, Department of Health, Education, and Welfare, college endowment funds held \$257.8 million of securities issued by State and local governments, Federal agencies and foreign borrowers. According to Goldsmith, Lipsey, and Mendelson "Studies in the National Balance Sheet of the United States" (vol. II), noninsured pension funds, savings bank life insurance companies and group health insurance companies held minor amounts of municipal securities during the middle 1950's.