each participant is assessed in proportion to his participation for such loss.)

THE STRUCTURE OF THE INVESTMENT BANKING INDUSTRY FOR MUNICIPAL BONDS

The municipal underwriting industry consists, for the most part, of elements of municipal bond departments (the departments performing other related functions) which are themselves part of an organization which operates in other securities or money markets. Because of the interrelation of these areas, single operations (such as municipal bond underwriting) are rarely considered alone. It is necessary, therefore, to consider entire securities firms which coincide more realistically with the actual operations. Thus, this section describes the industry in terms of: (1) the number of municipal bond dealers, (2) personnel within the securities industry, (3) the membership in the Investment Bankers Association, and (4) the managing underwriters of new municipal issues.

MUNICIPAL BOND DEALERS

The "Directory of Municipal Bond Dealers of the United States" [4] provides a good measure of the number of firms that actively participate in the underwriting and distribution of new and outstanding municipal bonds. A compilation of the number of main and branch offices has been made from the 1965 midyear edition of this directory, and the results are presented in table 1. Few branch offices of commercial banks are listed, and this understates the municipal bond activity conducted by such branches.

[4] Published 3 times a year by the Bond Buyer, New York City.