Municipal Bond Selector, published bimonthly. Gives essential data and statistics on outstanding municipal issues. Provides data on States, counties, and municipalities—population, debt, etc. In addition, historical and economic data are given. Such data provides for appraising bonds and comparing issues in various States or with similar characteristics.

Bond Outlook, published weekly. Covers only stocks and corporate bonds in subjective manner as well as market analyses and trends.

Moody's employs 13 people in its municipal bond department; Standard and Poor's employs 12.

Moody's charges subscribers $150 per year for the Blue Book of Ratings (manual) and the Bi-Weekly Letter. The Bond Survey and Bond Record can be had for an additional $150 per year.

Standard and Poor's charges $240 per year for the Bond Outlook, the Weekly Bond Outlook, and the Municipal Bond Selector.

5. Relative Importance of Bond Ratings

Almost despite the rating agencies, rulings from the Office of the Comptroller of the Currency, and their subsequent administration by bank examiners, have caused an overreliance to be placed upon rating agencies. Commercial banks are among the largest purchasers of municipal bonds and have increasingly bought according to ratings, spending less time evaluating issues themselves. This has caused some embarrassment to the rating agencies for, unwittingly, they have come to be looked upon by banks as well as by the public at large as "official agencies" serving a public rather than private purpose. But they are, of course, not official agencies. They receive no compensation from the U.S. Government nor from any of the communities rated. The cost of ratings is mainly covered through subscriptions and fees paid by customers for other services provided by the agencies. It is, therefore, natural that first responsibility be to these clients and not to the investing public. A high official at Standard & Poor's has said that, "since the amount which can be charged against any single rating is distinctly limited, we can only apply ourselves to those issues which are of interest to a number of clients or subscribers."

Moody's does not rate bonds outstanding in amounts less than $600,000 nor bonds payable solely from special benefit assessments, bonds payable from the earnings of a hospital, university or other public, nonprofit institution which does not have an historical earnings record, or bonds in which there is a minimum of public interest. Moreover, bonds are not rated if sufficient information is not available. This includes bonds of municipalities which have failed to provide current information as well as bonds which are payable from the earnings of a project which has no earnings record. This last group includes all new construction projects, for engineers' estimates are not considered sufficient information.

Moody's and Standard & Poor's have, of necessity, limited their efforts to issuers with substantial bonded debt—a minimum of $600,000, in the case of Moody's and $1 million in the case of Standard & Poor's. It becomes apparent that as useful and important as these services are, a significant segment of the market is excluded by definition. There are over 92,000 issuers of municipal bonds. Moody's,