TABLE 3.—*Net flow of investment funds from mutual savings banks, 1946–65*

[In millions of dollars]

Year	Total	Mortgage loans	Securities			Other assets	Cash
			U.S. Government	State and local governments	Corporate and other		
1946	1, 700	249	1, 095	—26	199	—27	209
1947	1, 062	405	239	—1	324	30	66
1948	758	727	—475	16	471	22	—3
1949	1, 021	896	—64	20	165	9	—5
1950	943	1, 560	—567	3	—15	43	—80
1951	1, 058	1, 708	—1, 000	44	230	35	91
1952	1, 797	1, 485	—384	195	435	32	35
1953	1, 898	1, 561	—252	92	386	46	65
1954	2, 151	2, 052	—436	181	237	73	43
1955	1, 996	2, 435	—291	38	—184	59	—60
1956	2, 035	2, 280	—481	30	184	69	—46
1957	1, 835	1, 412	—400	9	796	47	—30
1958	2, 569	2, 067	—313	44	627	112	31
1959	1, 481	1, 870	—337	—7	—83	107	—69
1960	1, 626	1, 933	—628	—49	232	94	44
1961	2, 257	2, 199	—83	5	—37	109	63
1962	3, 292	3, 155	—53	—150	137	183	20
1963	3, 582	3, 951	—244	—87	—103	109	—44
1964	4, 535	4, 322	—72	—49	25	219	91
1965	3, 994	4, 105	—306	—72	72	181	14

NOTE.—Data represent net changes in asset classification shown.

Source: National Association of Mutual Savings Banks.

TYPES OF MUNICIPAL OBLIGATIONS

While data are not available on the composition of savings bank acquisitions according to type of obligation, some observers have suggested that savings banks favored revenue bonds during the early postwar period and were a significant factor in this sector of the municipal bond market.[3] Partial support for this conclusion—at least as far as large institutions are concerned—is provided by inquiries at a number of savings banks whose combined municipal bond portfolios represent a significant share of total industry holdings.

The relative prominence of revenue obligations in the municipal bond holdings of some large savings banks is probably due to the higher yields characteristic of revenue bonds, as compared with general obligations, during much of the postwar period. Furthermore, unlike general obligations, which are supported by the taxing power of the State or local government, revenue bonds depend for their security on the income derived from highways, bridges, or other public facilities operated by the issuing authorities. Appraisal of revenue obligations requires techniques of investment analysis broadly similar to those applicable to corporate obligations. Revenue obligations, therefore, may be particularly suitable for financial institutions having large corporate bond portfolios and full-time security investment specialists.

PATTERN OF MUNICIPAL BOND HOLDINGS

Within their municipal bond portfolios, mutual savings banks have concentrated mainly on long-term issues, in keeping with their overall long-term investment orientation. A major share of their holdings

[3] Roland I. Robinson, "Postwar Market for State and Local Government Securities" (Princeton, N.J.: Princeton University Press, 1960), pp. 93–95, 208 and 209.