The 102 corporations reporting holdings of municipal securities were generally larger companies with a greater volume of liquid assets than the 101 companies holding no municipals. The median asset size of the 102 "municipal investors" was $650 million—based on total assets at the end of 1965—compared with a median of $465 million for the companies not holding municipal obligations. The aggregate liquid assets of the corporations investing in municipal securities were almost double those of the other group.

The comparison of liquid assets for the two groups of corporations, shown in table V, also reveals basic differences in the composition of their liquid assets. The firms not holding State and local government securities place a substantially higher proportion of their liquid assets in cash and deposits and U.S. Government obligations and a lower proportion in miscellaneous current assets. This suggests that the firms which purchase municipal securities also are more likely to be investors in commercial and finance company paper, types of assets which are included in the category, "miscellaneous current assets." It should also be noted that the 102 corporations holding municipal securities not only increased the absolute amount of such investments but significantly increased the proportion of their municipals to their total liquid assets—from 6.3 percent in 1961 to 11.4 percent in 1965.

TABLE V.—*Liquid assets held by selected large manufacturing corporations,*[1] *by type of asset (1961–65)*

[Dollar amounts in millions]

Year	Total		Cash and deposits		U.S. Government securities		Miscellaneous current assets other than State and local government securities		State and local government securities	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	A. CORPORATIONS INVESTING IN STATE AND LOCAL GOVERNMENT SECURITIES									
1961	$11,786	100.0	$4,084	34.7	$4,955	42.0	$2,000	17.0	$747	6.3
1962	12,773	100.0	4,642	36.3	4,874	38.2	2,677	21.0	581	4.5
1963	14,419	100.0	5,415	37.6	4,946	34.3	2,957	20.5	1,101	7.6
1964	13,800	100.0	5,293	38.4	4,554	33.0	2,588	18.8	1,366	9.9
1965	15,555	100.0	5,629	36.2	3,925	25.2	4,220	27.1	1,780	11.4
	B. CORPORATIONS WITHOUT INVESTMENTS IN STATE AND LOCAL GOVERNMENT SECURITIES									
1961	6,480	100.0	2,811	43.4	2,997	46.2	671	10.4		
1962	7,472	100.0	3,242	43.4	3,584	48.0	646	8.6		
1963	8,275	100.0	3,880	46.9	3,800	45.9	595	7.2		
1964	7,651	100.0	3,841	50.2	2,982	39.0	828	10.8		
1965	8,700	100.0	4,527	52.0	2,746	31.6	1,426	16.4		
	C. ALL SELECTED CORPORATIONS									
1961	18,265	100.0	6,895	37.7	7,952	43.5	2,671	14.6	747	4.1
1962	20,245	100.0	7,884	38.9	8,458	41.8	3,323	16.4	581	2.9
1963	22,694	100.0	9,295	41.0	8,746	38.5	3,552	15.7	1,101	4.9
1964	21,452	100.0	8,634	40.2	8,036	37.5	3,416	15.9	1,366	6.4
1965	24,254	100.0	10,157	41.9	6,671	27.5	5,647	23.3	1,780	7.3

[1] Data are for 203 companies reporting to the Securities and Exchange Commission on investments in State and local government securities at the end of each year shown above. Each of the selected companies had total assets of $250,000,000 or more at the end of 1965. Of the companies reporting in the survey, 102 reported investments in State and local government securities at 1 or more of the yearend dates. Data for these 102 companies are shown in part A above. Figures for the remaining companies are shown in part B.