

The compilation of holdings of State and local government obligations by the 102 "municipal investors" suggests some degree of concentration in these investments by a limited group of companies; further examination reveals that this concentration is even more pronounced than is indicated by the foregoing tables. The 13 companies which reported holdings of municipals equal to 25 percent or more of total liquid assets in 1965 actually held nearly \$1.2 billion of municipals—almost two-thirds of the total reported by the companies surveyed. However, these 13 corporations were not necessarily the largest investors in dollar amounts of holdings. The 10 corporations having the largest amounts of State and local government obligations in 1965 reported a total of \$1.25 billion of such investments.

Data from "Statistics of Income," published by the Internal Revenue Service, provide some indication of the holdings of State and local government obligations by various industry groups. The latest data available are for 1961.⁴ These figures somewhat understate the actual amount of investments in municipal securities, since balance sheets submitted with tax forms filed by corporations do not always contain a distinction between Federal Government issues and State and local government obligations. The investments which cannot be allocated to a specific category are included in the "Statistics of Income" publications in the category described as "Government obligations, not stated."

The data from "Statistics of Income" for various industry groupings of nonfinancial corporations are shown in table VI for the years 1958 through 1961. Among nonfinancial corporations, manufacturing firms are clearly the dominant group of investors in State and local government obligations, generally holding more than half of the total. Real estate and holding companies constitute the other principal types of corporations holding substantial amounts of such investments.

⁴ These compilations are based on data representing fiscal periods ending between July of one year and June of the following year, with figures weighted most heavily by companies having fiscal periods ending in December.