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# Institutional Investors and Corporate Stock—A Background Study

RAYMOND W. GOLDSMITH, *Editor*

YALE UNIVERSITY



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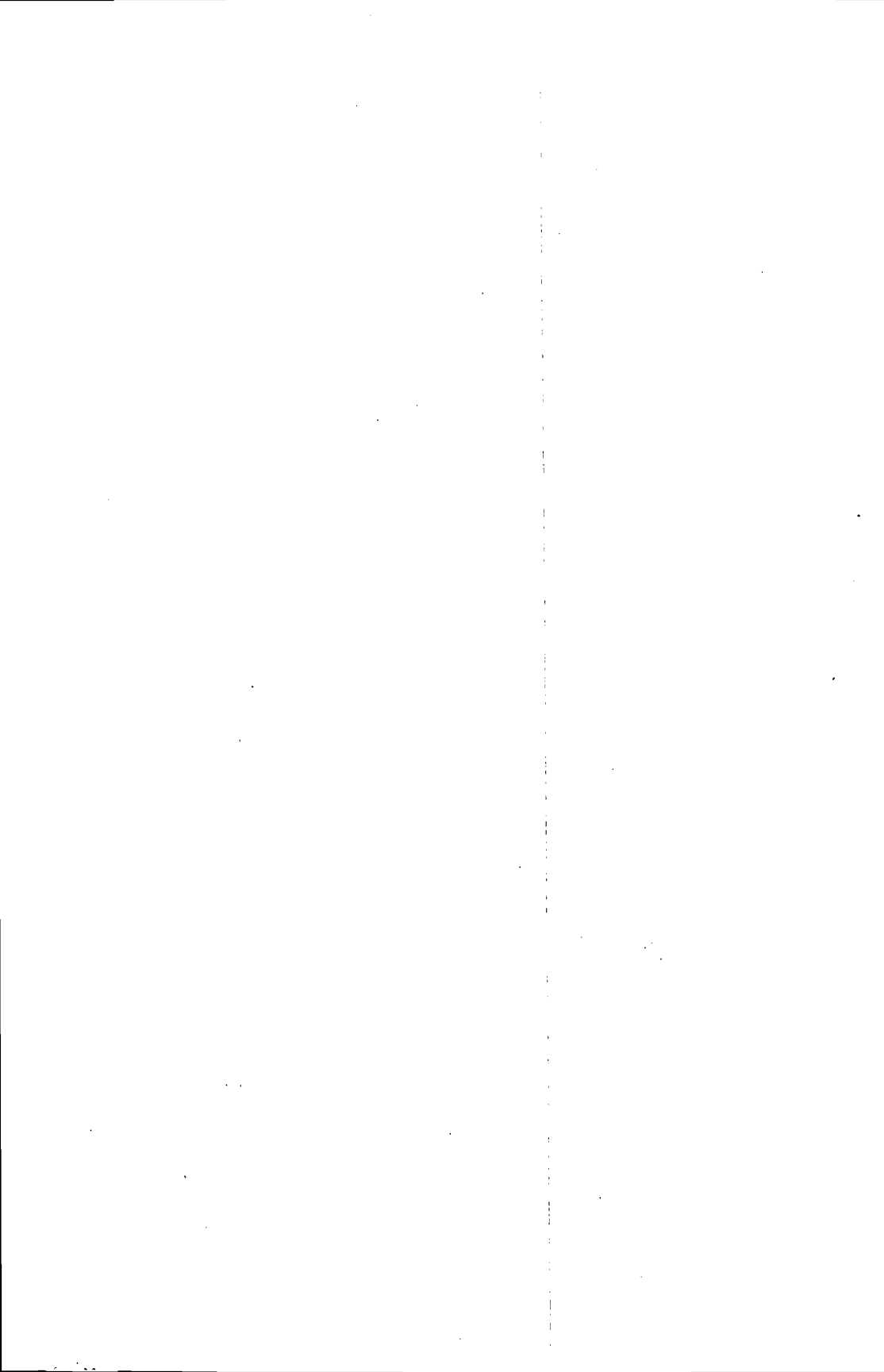
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STOCK—A BACKGROUND STUDY**

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*(Resolution adopted October 25, 1926, and revised February 8, 1933,  
February 24, 1941, and April 20, 1968)*

## LETTER OF TRANSMITTAL

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

NEW YORK, N.Y., December 30, 1970

HON. HAMER BUDGE,  
*Chairman, U.S. Securities and Exchange Commission,  
Washington, D.C.*

DEAR JUDGE BUDGE: I am herewith submitting the National Bureau's report on *Institutional Investors and Corporate Stock* in accordance with our contract of June, 1969. A preliminary version of this report was sent to you in June of this year; the present report differs from that preliminary report mainly in details, not in substance. The enclosed report has been reviewed by a committee of our board and has been accepted as an official National Bureau report.

Nevertheless, this report should still be regarded as preliminary in some senses. The work undertaken by the National Bureau in the preparation of the report had limited objectives. We have assembled and updated statistical materials which provide background and underlying information which could be utilized by the Commission in its comprehensive study of the impact of the activities of institutional investors upon the national economy. We have revised and extended earlier National Bureau work on the national balance sheet for the United States and also made some additions to the Federal Reserve Board's flow-of-funds statistics.

We understand that the Commission wishes to publish the report prepared by the National Bureau without significant modification and we are pleased to have this done with the recognition that the report is designed to serve the limited objectives of providing the underlying data requested by the Commission.

As a result of the conflict between the immovable deadline for the submission of your Commission's report to the Congress and the unexpected difficulties and delays which almost unavoidably arise in extensive statistical projects of the type represented by this report, I regret that we have not been able as of this date to edit the text of the report as thoroughly or to check the data as carefully as we would have liked to do and as we do in projects where we can continue to work until we are entirely satisfied with the results. We have, however, checked and re-checked the figures to the extent that time has permitted and have completed at least a preliminary editing of the contents.

We have not had, moreover, the time required to complete all of the analyses that the data, or the complex problems of the financial industry,

*Letter of Transmittal*

would suggest. I am sure that in this regard we share a common experience with your staff that has been in charge of the institutional investors study. I would add that as part of the Bureau's long-term and ongoing commitment to financial research we hope to involve ourselves in some of these analyses in the future as time and resources permit.

Meanwhile, we believe that no errors remain in the present version that would substantially affect the facts and figures or the conclusions that can be drawn from them.

Very sincerely yours,

JOHN R. MEYER,

*President.*

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STOCK—A BACKGROUND STUDY**

