

the same function and comparable to the cost of the largest New York wire houses.

Some of the services enumerated above, such as the establishing of transfer offices to avoid the New York transfer tax, accrue directly to the advantage of investors. Others, such as the centralized, automated bookkeeping system, are of immediate benefit to exchange members and only indirectly of benefit to the public. Yet there is reason to believe that, as these innovations prove themselves in practice, their effect may also be to spur the principal exchanges to improve their own methods and mechanisms.

There may be larger considerations of public policy, too, that would suggest fostering a plurality of primary auction markets. As already seen, the NYSE has more and more dominated the market scene in the past 30 years. Although it has exerted leadership in improving standards in many important ways, the question arises whether it could further substantially expand its share of the total market—which may also be expected to expand substantially over the years—without impairing its efficiency of operation as an auction market or as a self-regulatory institution, or without requiring a reevaluation of existing regulatory concepts and controls in the public interest. Increasing the listing and delisting standards of the NYSE, and possibly the Amex, and encouraging the transfer of listings that might find more suitable markets on other exchanges might be important steps toward maintaining a strong system of competing exchange markets and also assuring that no exchange had listings incommensurate with its capacity as an auction market or as a self-regulatory agency. Trends in this direction would necessarily have important bearing on at least certain of the present regional exchanges.

The problem of competition among exchanges is complicated by the interlocking character of memberships of the New York and regional exchanges. As seen, NYSE member firms constitute the majority of the membership, and in terms of income from exchange business are the most important members of several important regional exchanges, and thus have the potential of limiting these exchanges' independence and competitive strength. Moreover, the major regional exchanges seem to depend considerably on the financial strength of their dual members, so that any possibility of limiting interlocking memberships under prevailing conditions seems quite out of the question. Under these circumstances, the Commission as protector of the public interest must, of course, play a particularly vigilant and active role to assure that no exchange, in exercising its authority and responsibility to regulate the conduct of its own members, may govern the conduct of its members in their activities as members of another exchange. Exactly this kind of problem was involved in the *Multiple Trading Case*, where the Commission required modification of an NYSE rule by exercise of its powers under section 19(b), but the problem is broader than the specific issue there considered.²⁷²

²⁷² See also ch. VII.2.a, subsecs., (1) and (2), which describe how the NYSE, to protect its nonmember commission rate, required changes in the rules and practices of various regional exchanges.

A similar point may be made in respect of over-the-counter markets. Since stock exchange members are freely permitted to engage in making primary over-the-counter markets, it would seem to be part of the Commission's responsibility to see that the functioning of over-the-counter markets is not prejudiced or unfairly affected by an exchange's government of its members "in all of their activities."

In the longer run, if the chicken-and-egg cycle that has gradually reduced the role of regionals as primary markets can be halted or even reversed, the strengthening of their "sole" or independent memberships might be both a contributing and a resulting factor in the process. Concurrently with the operation of other factors pointing toward a stronger role for regionals as primary markets—including possible further mergers or mechanical combinations, added listings as a byproduct of chapter IX recommendations, and possible modifications of trading practices away from strict continuous auction concepts, all as discussed above—renewed and more vigorous efforts toward a larger proportion of sole members might realistically be expected. Where extension of membership is not feasible, those regionals which do not presently offer preferred rates to a designated class of nonmember professionals might give consideration to this device for expanding the basis of their activity.

In the light of the history and current status of the regional exchanges, it is undoubtedly unrealistic to suppose that each and all of the remaining ones are capable of regaining their prior status, or gaining new status, as primary markets. But it does not seem unrealistic to think that there is room in the Nation for at least two or three strong exchanges other than the New York and American Stock Exchanges. Granting that it would be futile and pointless to attempt to turn back the tide completely, it would seem well worth the effort to channel it within limits.

The present lack of national prestige of even the strongest of the regional exchanges is undoubtedly a serious impediment to any program for improving their relative position in the securities markets, but it is an effect as well as a cause of the existing pattern. A sound and persistent program of rebuilding their stature as primary markets, although clearly faced with that impediment, might slowly but surely eliminate it by its own success. In the present circumstances, each addition to strength may be an addition to prestige, and each addition to prestige may be an addition to strength, as for example in bringing about more widespread circulation of the "tape" and more widespread newspaper publication of daily quotations. No single one of the measures suggested in the preceding pages is a cure-all, but taken together they may go a considerable way toward strengthening the regional exchanges and improving the pattern of securities market allocation. The hopeful aspect is that there is a considerable interweaving of causes and effects in this area, so that the accomplishment of each step in the direction suggested would tend to facilitate accomplishment of each other step.

6. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

At present there are 14 active regional exchanges, of which 4 are exempt from registration under the Exchange Act and 3 are western mining exchanges; the remaining—the Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh exchanges—are the main subject of this part of the report.

The regional exchanges now in existence are the remainder of what at one time were over 100 regional exchanges. In the last century and the early part of the present century exchanges were organ-

ized wherever there was an active interest in trading securities; before adequate communication facilities were developed, trading could only be accomplished on a face-to-face basis and the exchanges were organized to fill that need.

While the regional exchange picture has always been changing, particularly important changes occurred beginning in the 1930's when functions and practices began to take their present form. Following the 1929 crash, volume on all securities exchanges dwindled and the effect was severely felt by the regional exchanges. The trading of stocks that were listed solely on regional exchanges declined for several additional reasons. The Exchange Act with its requirements as to disclosure, proxies and insider trading tended to discourage new listings by issuers on regional exchanges. The distribution of new issues ceased to be a function of the regional exchanges, partly as the result of the growth in communications which permitted the over-the-counter market to perform this function. At present the stocks traded solely on regional exchanges are relatively few in number and many of them are relatively inactive.

To make up for their loss of solely traded stocks the regionals expanded their trading of stocks also traded on other securities exchanges usually the NYSE. Although Commission approval is required under section 12(f)(2) of the Exchange Act before an exchange can trade on an unlisted basis a security already listed on another exchange, in recent years the expansion of dual or multiple trading on the regional exchanges has been facilitated by the Commission's liberal granting of regional exchange applications under this section.

As a result of the regional exchanges' loss of primary listings and their increasing reliance on dual or multiple trading, the latter has become by far the most important business of the major regional exchanges; in fact 93 percent of the dollar volume of trading on the seven major regional exchanges in 1961 was in securities also traded on a principal exchange (usually the NYSE). These securities are generally the most active NYSE stocks, with the greatest number of shares outstanding and the most shareholders. In the typical situation, the splitting of the market through dual trading does not appear to affect adversely the quality of the New York market; and to the extent that competition is afforded, the regional exchange market may work to improve the primary market. In some situations, however, dual trading may cause impairment of depth in the primary market.

The regional exchange markets in solely traded and dually traded stocks operate in different ways. Round lots in solely traded stocks apparently are traded in much the same way as stocks are on the NYSE and Amex, although the relatively thin markets and limited public participation in these stocks make it more difficult for a continuous auction to take place. Although there is greater need for specialist participation in inactive stocks, specialists are reluctant to take positions or make close markets in these stocks. Odd-lot trading in solely traded stocks uses the same mechanism as on the principal exchanges, with the function of odd-lot dealer and specialist combined, as on the Amex.

Trading in a dual stock is essentially based on the prices and quotations of the primary exchange. The specialist participates in most

transactions and on one or more of the exchanges is required to, or does in practice, quote at least one side of the market as favorable as in New York. A variety of special arrangements have been developed on the regional exchanges by which a customer may be enabled to receive a price substantially equivalent to that in the primary market, but one or two of these arrangements may raise questions of whether customers receive the best available execution. However, by checking both the regional market and the New York market, a broker is in a position to obtain whichever price is the more favorable.

Odd-lot orders in dually traded stocks are mechanically executed based on prices appearing on the NYSE (or Amex) tape, with a time interval designed to provide the same price on the regional exchange as would have been obtained on the principal exchange. However, the degree of surveillance given to such transactions differs from exchange to exchange.

The odd-lot dealer-specialists in the course of trading odd lots and round lots in dual stocks may accumulate positions. They have several methods of liquidating a position; they can make their round-lot quotes better than the primary exchange's quote or they can sell stock off the regional exchange by trading over the counter or on the primary exchange. There is no evidence that such offsetting transactions on the NYSE have had any harmful impact on that market.

Although there are significant numbers of sole members, regional exchange members deriving the greatest portion of the income earned on the regional exchanges are dual members; i.e., members of both regional exchanges and the NYSE, but the regional exchanges do not provide the most important source of income for them. Sole members of regional exchanges, as a group, also do not receive the major portion of their income from the regional exchanges; other activities—over-the-counter activities and mutual fund sales—are larger sources of income. However, there are many sole members who receive a substantial portion of their income from their regional exchange activities.

The commission rate structure of the NYSE (see ch. VI.I) prevents nonmember broker-dealers from directly receiving or sharing in commissions on transactions in NYSE stocks. The dual trading system (together with the over-the-counter market in listed securities) permits such nonmember broker-dealers to deal in a large number of securities trading on the NYSE and retain all or part of the commissions. Dual trading also facilitates the channeling of reciprocal business to sole members who send orders which cannot be executed on the regional exchange to New York for execution. Further, it permits savings for dual members who do not have their own execution and clearance facilities in New York. The dual trading system also permits institutions such as mutual funds to channel business in return for sales of mutual fund shares to broker-dealers who are not members of the New York exchanges and in some cases to broker-dealers who are not even members of regional exchanges.

In certain areas the regional exchanges have provided technological competition with the major exchanges; one current example of this is the automated centralized bookkeeping system in effect on the Midwest Stock Exchange. In a wider sense, too, the public interest is served by maintaining and fostering competitive markets as distin-

gushed from having excessive concentration in a very few markets. From this point of view the role of regional exchanges as primary markets is particularly significant but in practice has been progressively reduced in importance.

In general, the regional exchanges as primary markets have experienced declining importance and declining prestige. Nevertheless, strenuous efforts to secure further listings as the disparities between the disclosure requirements for stocks traded over the counter and on exchanges are removed—coupled with other measures such as modified market mechanisms and possible further mergers, interconnections and/or reciprocal memberships among exchanges—might serve to arrest and even reverse the trend.

The Special Study concludes and recommends:

1. Over recent decades, the character of most regional exchanges has markedly changed to the point where the most of them are far more important as “dual” or “multiple” markets for securities listed on a New York exchange than as primary markets, and their memberships consist predominantly of “dual” members (members of a New York exchange) rather than “sole” members. The Commission’s administration of section 12(f)(2) of the Exchange Act has allowed the regional exchanges substantial freedom in selecting securities in which to establish dual or multiple markets. By helping to promote the multiple trading of the regional exchanges, which has become the mainstay of their existence, this policy has encouraged competition in the securities markets. The evidence points to the conclusion that the benefits of this competition outweigh any possible effects on the depth of the existing markets.

2. Given the present dependence of regional exchanges on multiple trading, for the most part conducted as an adjunct to the New York markets rather than on an independent basis, any program for providing a volume or block discount in commission rate structures or for providing preferential access by nonmember broker-dealers to New York markets (see ch. VI.I) should be planned and carried forward with due regard for the potential impact on regional exchanges.

3. The survival of one or more regional exchanges as *primary* markets, significantly competing for primary listings with the New York exchanges, would appear to be generally in the public interest. These exchanges should be encouraged and assisted in developing and effectuating (a) combinations, interconnections and/or reciprocal membership arrangements with other exchanges, to provide larger combined memberships, broader stock lists, and stronger resources, market facilities and self-regulatory mechanisms; (b) trading rules and practices consistent with their character as centralized markets and with basic protection of investors, but adapted, so far as practicable, to the special needs of listed securities of less than optimum depth on a nationwide basis; (c) programs for wider publication of stock lists and quotations and for general enhancement of prestige and public acceptance.

4. An important byproduct of legislation extending the protections of sections 13, 14, and 16 of the Exchange Act to investors in over-the-counter markets (see ch. IX) would be to remove what is

now an artificial barrier to exchange listing of securities entirely suitable for an auction market. To improve the stature of the regional exchanges as primary markets, to provide a nationwide market pattern of maximum strength, and to avoid excessive concentration in the New York exchanges, there is every reason to promote the attainment by the regionals of a status which invites new listings. As progress is made in enhancing the stature of the regional exchanges and in furtherance of such progress, consideration should be given to further raising the listing and delisting standards of the NYSE, and possibly the Amex, and encouraging the transfer of listings that might find more suitable markets on other exchanges.

5. Multiple exchange memberships, at least when so extensive that the membership of any one exchange may become the most important membership of others (as is now true of the NYSE in respect of most regional exchanges), tend to limit the independence of such other exchanges and their ability to compete. If and to the extent that it is realistic to contemplate some of the regional exchanges' becoming important, competitive primary markets (see 3 and 4 above), regulation of multiple membership may be an appropriate long-range goal of public policy, although not a realistic possibility under present circumstances. In light of the present importance of multiple memberships, the Commission's continuous surveillance of rules and practices must be designed to assure the freedom of the regional exchanges from the possibility of control by the NYSE or its members in areas of potential competition.

F. GENERAL CONSIDERATIONS

Although some of the questions posed and discussed in the above parts A to E are of fundamental importance, there seems to have been only limited awareness of their significance, or in some instances even their existence, and limited attention to their resolution. This report hopefully will serve to call wider attention to them and make some contribution toward analyzing and resolving them.

1. CURRENTS OF CHANGE IN THE TRADING MARKETS

It is quite apparent that the components, uses, and needs of the trading markets have not been static in the past 30 years, nor are they static today. Beneath the surface of day-to-day business and existing rules and practices run deeper currents of development, which in turn, slowly but surely, bring about changes in the nature and composition of the markets' day-to-day business and thus call for periodic reappraisal of rules and practices. From another point of view, there arises the question whether any existing rules and practices may operate to impede changes in broad market patterns that might otherwise occur and might be in the interest of the public.

These developments and changes have been discussed in detail in the prior parts of this chapter and in chapters V through VII. A catalog of some of the more important of them may help to show more clearly the breadth and strength of the currents which have been operating in the past quarter century and could operate with equal or

greater force in the future, and the importance of the questions posed. It has been seen that:

1. Since the 1930's the over-the-counter markets have greatly increased in size and importance, both absolutely and relatively. The body of corporate securities traded solely over the counter has likewise expanded greatly in size and importance. There is an overlapping area where characteristics of securities over-the-counter markets are indistinguishable from those of many issues in the exchange markets, yet existing regulatory concepts and measures are quite different in kind and degree in the two sectors.

2. Institutions have become greater participants in trading markets, particularly in respect of NYSE-listed securities, and the relatively large size of their transactions has tended to aggravate the problem of temporary disparities in supply and demand in a continuous auction market. For this reason and because of generally "thinner" markets, demands on the specialist system have become greater than in prior times, and greater for some securities than others.

3. There have been increasing (but for most securities still quite moderate) inroads on NYSE markets in the form of over-the-counter trading in exchange-listed securities. More and more nonmember broker-dealers have been "making" such markets or using such markets for an expanding list of securities, and institutional use of such markets is apparently growing.

4. The major regional exchanges do the great majority of their total business in multiple traded securities, particularly NYSE-listed securities. As primary markets they have been increasingly squeezed between the major New York exchanges and the expanding over-the-counter markets. Among other factors leading to this result, regulatory distinctions, both in respect of trading practices and in respect of the requirements imposed on issuers (see ch. IX), have favored over-the-counter markets at the expense of regional exchanges.

5. The minimum commission rate structure of the NYSE, in not providing a block or volume discount or a preferential rate for nonmember professionals, has helped to foster development of multiple markets, both over-the-counter and regional exchanges. It has also been an important factor in shaping market practices and relationships in other ways. Although the basic commission rate structure has not undergone change in recent years, it has been operative in a changing context and may itself have contributed to that context in important ways.

6. NYSE members have attained a position of major importance in other markets, as members of other exchanges and as participants in over-the-counter markets (other than over-the-counter markets in NYSE-listed securities). The functioning of such members in the other markets and the functioning of the markets themselves may in some respects be importantly affected by the NYSE's regulation of its own members, for example, in the treatment of over-the-counter securities in inventory for net capital purposes or in the regulation of members' relationships with nonmember broker-dealers.

7. NYSE members are strictly regulated and limited by the Exchange in the use of any marketplace other than their own for transactions in NYSE-listed securities (other than these on the Exchange's "exempt" list). Non-NYSE members, on the other hand, may be

motivated to sell their customers other than NYSE-listed securities, or to execute orders for NYSE-listed securities elsewhere than on the Exchange, by reason of the impact of the NYSE commission rate structure.

8. The ways of doing business in securities markets have been profoundly affected over the years by technological developments such as the telegraph, telephone and teletype, and more recently, electronic data processing. Among many other effects, it is possible, to a greater extent than ever before, to channel inquiries and orders from any location to any market with great speed and low cost and thus readily to obtain executions in the best market among competing markets. Moreover, future applications of technology will not necessarily be limited to developing new methods of operating old mechanisms but may in some degree affect the nature of the mechanisms themselves, as they have in the past.

Each of these matters is separately important but they also have important interactions, sometimes circular ones. For example, non-member over-the-counter dealers are able to do substantial business in NYSE-listed securities, in competition with the NYSE itself, because the market mechanisms of the latter leave room for successful competition, but the loss of business to the competitive markets may in turn produce additional demands and burdens on those very mechanisms. Again, the prestige and strength of the major New York exchanges have drawn primary listings from the regional exchanges, whose prestige and capacity as primary markets have been correspondingly weakened at the same time that they have established themselves as dual markets for securities listed on the major exchanges.

It should also be mentioned that, while all the phenomena listed above are not necessarily of recent origin, some are quite new in kind or degree; and in any event the balance created by the interaction among them is new and cannot be assumed to be permanent. The changed and changing patterns necessarily pose new questions from time to time for the industry itself and its regulatory agencies.

2. COMPETITIVE MARKETS FOR NYSE-LISTED SECURITIES

The combined impact of two of the items mentioned above—regional exchange “multiple” trading and over-the-counter trading in listed securities, which are separately discussed in parts D and E—may be seen in table VIII-80. This table lists the 50 NYSE securities which were most actively traded in over-the-counter markets in 1961, and adds data as to multiple trading on regional exchanges so as to show the combined effect.²⁷³ In referring to this table it should be noted that the volume figures in the various columns are not strictly comparable, first, because NYSE volumes exclude odd lots, whereas odd lots are included for most of the regional exchanges and the over-the-counter market, and second, because over-the-counter data are not necessarily complete, as pointed out in part D.

It will be seen that the list of 50 NYSE securities most actively traded in over-the-counter markets includes 21 that are among the 50

²⁷³ The Special Study did not undertake a similar study starting with stocks most actively traded on a “multiple” basis on the regional exchanges in 1961. There is reason to believe, however, that such a list would not differ very significantly from the list shown in the table. See table VIII-79.

stocks most actively traded on the NYSE itself. Out of the 29 stocks that were not among those actively traded on the NYSE, 17 were utilities.²⁷⁴ Over-the-counter trading in these listed utility stocks, in turn, constituted a far higher percentage of volume of trading on the NYSE than in the case of the nonutility issues. For example, 12 of the 15 stocks which had the greatest over-the-counter volume relative to that on the NYSE were utilities. On the other hand, with respect to the regional exchanges, trading in nonutility issues for the same group of 50 stocks constituted a higher percentage of the NYSE volume than in the case of utilities. Thus, of the 15 securities, among these 50, with the greatest volume on the regional exchanges relative to that on the NYSE, only 4 were utilities. But again, 6 of these latter 15 securities were also among the 50 most active securities on the NYSE, as opposed to only 1 of the 15 NYSE issues with the greatest relative over-the-counter volume. The differing types of NYSE-listed securities showing the highest volume in the over-the-counter market and in the regional exchanges respectively suggest that varying influences are at work to attract trading to the different markets.

Perhaps the most important point to be noted, however, is that—despite the difference mentioned in the preceding paragraph in the relative volumes for various securities in the two types of competing markets—the total trading away from the NYSE is in some instances quite high compared to that done on the exchange. Thus in 16 of the 50 stocks the combined volume of trading away from the NYSE was at least 30 percent of that on the exchange. Of these 16, only 4 were among the 50 most active on the exchange itself, with 1961 total reported round-lot volumes ranging from 3.5 to 9.1 million shares; of the remaining 12 stocks, 8 had 1961 total reported round-lot volumes between 1.0 and 2.8 million shares, and 4 between 460,000 and 765,000 shares.

That the NYSE is vitally concerned with the development of both regional and over-the-counter trading in its listed securities is clear from a communication to the study from G. Keith Funston, president, under date of November 16, 1962:

The success of the Exchange's auction market depends to a large degree upon the presence of enough buyers' and sellers' orders on the floor so that the prices reflect the composite opinions of the greatest number of investors. However we are informed that over the past few years our listed issues and shares are being traded in increasing numbers on the Nation's regional exchanges and the over-the-counter market. We believe this erosion of the primary market is not in the public interest. It tends to undermine the purpose and usefulness of publicizing transactions in the primary market and may impair the liquidity which all investors rightly expect when investing in securities listed on this exchange.

* * * * *

Numerous problems have emerged from this development of regional secondary markets in national issues. For example, regional exchanges are at times unable to service orders involving stocks listed on the New York Stock Exchange. These orders must eventually be executed on the New York Stock Exchange, possibly at a less favorable price than would have been available if the order had been sent directly to the primary market * * *.

Similar problems arise when transactions in listed securities are executed on the over-the-counter market. Here, too, there is no assurance of obtaining the

²⁷⁴ For this purpose telephone companies are not included in the category of utilities.

best price available in the primary market at the time the order was executed * * *.

* * * * *

These diversions may bring about insufficient supply and demand on the primary market necessary to appropriately reflect the public's evaluation of the prices of these securities. This might result in the Exchange becoming merely a quotation board furnishing prices for the bulk of the transactions in listed securities being made off the Exchange floor.

Consequently, we would urge a careful examination of alternative means for preventing this erosion of the primary market * * *.

* * * * *

It is to be noted that Funston emphasizes primarily the "erosion of the primary market" resulting from diversion of orders that would otherwise contribute to the market's liquidity and to its accurate reflection of public supply and demand, and emphasizes secondarily a lack of assurance of obtaining in the secondary market the best price available in the primary market; i.e., the NYSE. The letter thus brings into sharp focus two of the crucial issues that must arise in a study of the interrelationships among markets.

3. DEPTH OF AUCTION MARKETS AND COMPETITION AMONG MARKETS

The concept of "depth" has been discussed in chapter V and again referred to in part D of chapter VI and parts B, D, and E of the present chapter. It is clear that the fair and orderly character of today's continuous auction markets depends partly on specialist participation, the degree and form of which, in turn, may depend on the depth of public activity reflected in the marketplace. It is clear, in other words, that the success and quality of an auction market depend on a concentration of public buying and selling orders in the market, so that, solely from this point of view, any diversion to another market would have to be counted inimical to the public interest.

What must also be taken into the balance, however, is the factor of competition that may be provided by multiple markets. At least as early as 1936 the importance of this factor was proclaimed by the Senate Committee on Banking and Currency when the subject of unlisted trading was under consideration. In its report ²⁷⁵ the basic policy of Government was said to be to—

endeavor to create a fair field of competition among exchanges and between exchanges as a group and the over the counter and to allow each type of market to develop in accordance with its natural genius consistently with the public interest.

It is unnecessary to discuss at length the general public benefits of competition in securities markets, which—looked at apart from the factor of depth referred to just above—are not unlike the benefits of competition in other types of markets. Where there are multiple marketplaces for particular securities, they may be responsive to differing or changing needs and their very existence may add to total market depth and may provide incentives toward better executions in each marketplace. The following expression from an important institutional investor in response to the Special Study's Questionnaire IN-4 may speak for the interest of investors generally:

We would deplore any official encouragement of a single national exchange, which by its nature would be monopolistic. Regional exchanges provide compe-

²⁷⁵ S. Rept. No. 1739, 74th Cong., 2d sess., p. 3 (1936).

tion to the major New York exchanges and encourage the listing of local issues. Because of the time difference around the country, they also provide facilities for trading after the New York exchanges are closed. Bearing in mind that the New York Stock Exchange is a privately owned association, we feel that any limitation of a healthy, competitive atmosphere would be a disservice to both institutional and individual investors.

While the emphasis is put on regionals in this instance, the actual practices of many institutions suggest that an even greater emphasis might be put on over-the-counter competition.

The general public interest is also involved, perhaps even more importantly, in the sense suggested by the last sentence of the quotation. The extent of needed regulation of markets in the public interest surely depends, at least in part, on the effectiveness of competition among markets—not merely competition for the handling of transactions in multiple traded securities but competition to become the primary market for particular securities—in maintaining high standards of performance. Indeed, in the absence of effective competition among markets in both senses, the sheer size and power of any one or two markets might enlarge the scope and degree of needed governmental intervention to the point where the adequacy of present regulatory concepts would be open to question. Considerations of this kind appear to have entered into the Commission's expressions of policy on unlisted trading privileges in 1936 and multiple trading in 1940. (See pt. E.) Although the context may have changed somewhat, these considerations have at least equal pertinence today.

The factor of depth in the primary market thus must be looked at, not in isolation, but in relation to the factor of competition. Both with respect to over-the-counter markets in listed securities (in pt. D) and regional exchange multiple trading (in pt. E), the Special Study has considered in some detail the separate factors and their interplay. For reasons set forth in the respective parts it has been concluded, not that impairment of depth in the primary market is irrelevant or inconsequential in either case, but that, under the facts and circumstances disclosed and analyzed, the public benefits of competitive markets (including added depth in the total market which they may provide) by and large outweigh any detriment in the form of impairment of depth in the primary market. This conclusion does not preclude the possibility that the balance would be otherwise in particular instances. But, based on the study's analysis, the basic policy would still be "to create a fair field of competition" among markets and generally to foster free and open competition rather than restrict competition.

In its specific application this policy potentially touches many places in the interrelated markets. It encompasses the prevention of unfair competition as well as the fostering of free and open competition and, as indicated, in limited areas may involve protection from forms of competition that would interfere with efficient operation of essential market mechanisms. Moreover, the fluid character of the total market pattern, as discussed above, means that the contexts in which questions of competition arise, and the nature and importance of specific questions, may undergo change from time to time. A most important aspect of the Commission's continuous role as regulator and overseer of self-regulators, therefore, is to keep informed of developments affecting or potentially affecting the balance of competitive factors in the markets.

4. THE PROBLEMS OF BEST EXECUTION AND MARKET ACCESS

Where there are competitive markets for the same security, presumably there are possibilities for different results in the execution of any transaction in one or another of the competing markets. As noted above, one of the concerns expressed in NYSE President Funston's letter is that in another market a customer might not achieve the best price available in the primary market; i.e., the NYSE. The problem of best execution is, however, a wider one.

Within the confines of a single exchange, the centralized character of the auction market and its established procedures and mechanisms (see ch. VI and particularly pt. B) are such as to obviate any problem of best execution in the ordinary transaction in the regular auction. The problem is a more serious and difficult one in the over-the-counter markets, because of their more diffuse character and their more limited development of mechanisms and standards for assuring best executions—problems which are discussed and are the subject of recommendations in chapter VII.

Still other questions arise when multiple markets for the same security are considered in relation to each other. One kind of question, as suggested in Funston's letter, is whether the mechanisms and regulations of regional exchanges are always such as to assure as good a result in the regional market as in the primary market. But there are also other kinds of questions, such as whether the commission rate structure of the various exchanges may itself sometimes motivate other than best executions from the customer's viewpoint, or whether restrictions on members' doing business away from the primary market may have a similar result. Presumably there are situations, for example, where a better execution might result if all or part of a transaction in an NYSE-listed security were handled over the counter,²⁷⁶ but where an exchange member firm would be precluded from handling the transaction away from the exchange.²⁷⁷

A related type of question may arise in respect of what might loosely be called access to particular markets on the part of public investors. The point is not, of course, that the public is ever affirmatively excluded from access to any market; what may be involved, however, is the more intangible matter of public securities business being channeled toward or away from a particular market, and hence toward or

²⁷⁶ As discussed in pt. D, institutions responding to Questionnaire IN-4 cited "price and cost" as the major reason for effecting certain of their transactions in listed securities over the counter.

²⁷⁷ The pertinent NYSE rule does allow off-board transactions with specific permission, but where permission is sought and given under this rule it is apparently always in terms of capacity of the auction market to handle the particular business, not in terms of best executions as such.

It may be noted here that prior to March 1963, when it adopted a rule generally corresponding to the NYSE rule, the Amex had a rule requiring execution of any order on the floor "unless, after [a] reasonable time, the member firm or member corporation is satisfied, upon the exercise of due diligence, that the order may be executed at a better price elsewhere" but also providing that the general requirement for execution on the floor "shall not apply to orders which the customer has specifically directed should be executed off the Exchange" (former Amex rule 5; Amex Guide, par. No. 9225).

The following statement in a Commission opinion of 1936 on an application for extension of unlisted trading privileges is also of interest in this connection:

"The second [point in answer to an issuer's contention in opposition to unlisted trading in its bonds] is that a well-governed exchange recognizes limits to its operation as an automatic auction market. *Not only should it recognize and enforce the duty of a broker to get the best price for his client, even though that price is only obtainable off the floor of the exchange, but its appropriate committees should be alive to any disruption in prices of the type envisaged and thus for the moment bring to an end the automatic operation of the auction prices.*" [Emphasis supplied.] *Edison Electric Illuminating Company of Boston*, 1 S.E.C. 909, 913 (1936).

away from the securities traded in such market, by reason of a broker-dealer's freedom of access or limitation of access to such market and his resulting pecuniary motivations.

In this connection it is pointed out in chapter III that patterns of compensation for salesmen, as related to particular types of securities, may enter into their advisory and selling activities. Similarly, at the level of the broker-dealer firm, the fact of membership or nonmembership on a particular exchange must be assumed to have bearing on the securities normally handled for customers and the advice given to customers by such firm. While reciprocal arrangements, as pointed out at various places in the report, have served to temper the effect of the membership concept and the commission rate structure in this regard, any rule that tends to motivate a broker-dealer to transact as much as possible of his business in one market rather than another, and hence in the securities traded in the former rather than the latter, must still be assumed to be reflected in the types of recommendation and advice available to his customers.

The Special Study has not been able to explore the questions discussed in this section in all their ramifications. In any event, even if it had been possible to arrive at some specific conclusions and recommendations in light of existing circumstances, the kind of questions here discussed may recurrently need attention as changes occur in the total market pattern. That a particular rule or practice is consistent with the public interest under any given set of conditions of course does not make it so under changed conditions, and thus timely awareness of changing circumstances and vigilance to changing needs and emerging problems are essential.

5. THE COMMISSION'S ROLE IN MARKET ALLOCATION AND THE NEED FOR CONTINUING STUDY

As noted above, in 1936 a basic policy of government was said to be to "create a fair field of competition" and to allow each type of market to develop "in accordance with its natural genius consistently with the public interest." But since the management of an issuer and an exchange might disagree concerning the "proper marketplace for any security," there was need for—

some authority other than management or the exchange [which] must exercise a check upon the right of either management or the exchange to grant trading privileges to a security upon an exchange.²⁷⁸

In the same way—

this question of whether or not a secondary [exchange] market ought to be created in a listed security elsewhere is really a question that is to be determined in the light of the entire public interest and by an independent authority, such as the Commission * * *.²⁷⁹

As described in part E, above, the more important aspect of the Commission's role in market allocation has been to attempt to create a fair field of competition among the securities markets. It has not been called upon, in any significant way, to determine disputes, either between management and exchange, or between primary and secondary exchange. Presumably it is inherent in a competitive, free enter-

²⁷⁸ SEC, "Report on Trading in Unlisted Securities Upon Exchanges," p. 10 (1936).

²⁷⁹ Testimony of James M. Landis, Chairman of the Commission, hearing on S. 4023 before the Committee on Interstate and Foreign Commerce, 74th Cong., 2d sess., p. 8 (1936).

prise system that market allocations should be determined primarily by the interplay of private; i.e., nongovernmental, interests and forces in most circumstances, but that governmental authority may and should intervene where issues are affected with a public interest which may not otherwise be adequately represented. The fundamentally important point is that, in performing either role—creating and fostering a fair field of competition or directly intervening in furtherance of the public interest—or indeed, in determining what role is the appropriate one under existing or changing circumstances of the total market pattern,²⁸⁰ the Commission must be equipped with data and facilities adequate for the exercise of its responsibilities.

As one example, it was pointed out in part D of this chapter that until the advent of the Special Study there was an almost total lack of organized information about over-the-counter trading in listed securities—to the point where it was a significant problem even to determine where or how to obtain information for a study. Yet this “third” market is regarded by the president of the NYSE as so grave a threat to that exchange’s operation as an auction market that he feels that consideration should be given to eliminating it. Quite apart from the merit or lack of merit of this position, it is an inescapable conclusion that a market of such importance should not exist and expand in complete obscurity.

Broad and important developments of this kind should be kept under observation by the Commission as the official guardian of the public interest in the area of securities markets. As with other subjects discussed in this part F and elsewhere in the report, the first need is for the availability of such data as will shed needed light without imposing an incommensurate burden. As a corollary, data processing equipment adequate for this and other needs discussed in the report seems absolutely essential. Finally, a unit of the Commission’s staff—and a sufficient portion of the Commission’s own attention—should be divorced from normal tasks of administration and devoted to examination of emerging phenomena or problems, reexamination of pertinent rules and practices in light of new data, and formulation of plans and policies relevant to the Commission’s statutory responsibilities where the need is indicated.

6. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The market scene is kaleidoscopic rather than static, with various currents of change operating beneath the surface of daily business. Rules and practices of the marketplace must be periodically reappraised both to determine whether they themselves are accountable for possibly unintended changes in market patterns and also to consider whether trading or regulatory mechanisms need to be adapted to new conditions.

The currents of change are sometimes in the same direction, sometimes in opposite directions, and often circular in their interaction. Though they may operate slowly and imperceptibly, they may lead to results of basic importance. Among the most significant phenomena

²⁸⁰ Thus, the Commission’s recent recommendation of amendments to sec. 12(f) of the Exchange Act would affect the context within which market allocation may be determined by private competitive forces. See S. 1642 and H.R. 6789, 88th Cong., 1st sess., both introduced June 4, 1963.

examined in this chapter and chapters V to VII are the importance of the NYSE and its membership in other markets and the participation of other markets and nonmember broker-dealers in the trading of NYSE-listed securities. These particular phenomena and others discussed in these chapters raise fundamental issues as to, among other matters, the appropriate extent and limits of competition in the securities markets, as well as rights and obligations in respect of access to particular markets and assurances of best executions.

Broad questions of this kind should receive more positive and continuous attention in the performance of the Commission's total role and responsibility to protect the public interest and the interest of investors. Since market patterns in which these questions arise are constantly subject to change, the Commission should be equipped, in facilities, personnel, and programs to be the repository of essential information and the wellspring of public policy in these areas.

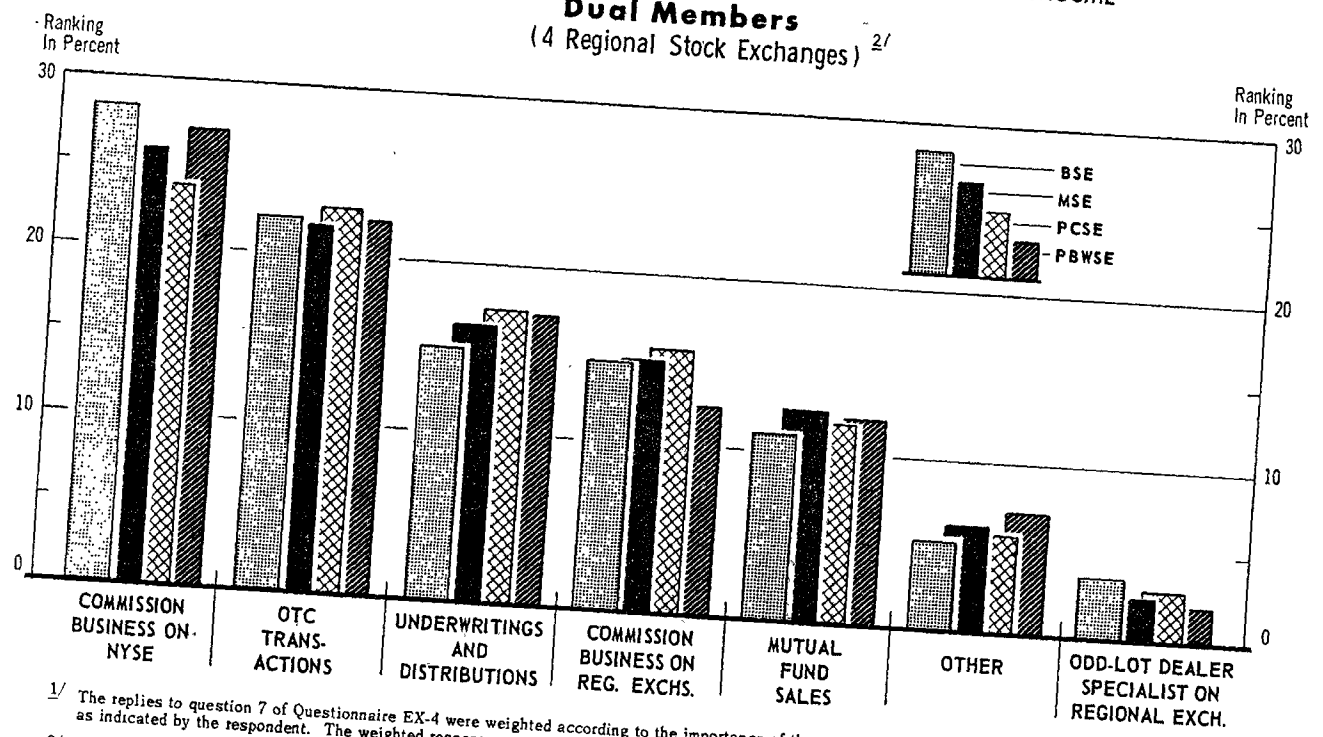
The Special Study concludes and recommends:

1. It is essential for the Commission to improve its facilities and programs for continuous accumulation of data with respect to fundamental, but often obscure, changes in the components, uses and needs of the total pattern of trading markets; i.e., the separate markets when considered in relation to each other. This need, together with others discussed in chapters VI, VII, and VIII, calls for both a reappraisal of present reporting systems, with full regard to the burden of supplying particular information in relation to its utility in the public interest, and a considerably wider perspective as to potential uses of data processing equipment in discharging the Commission's regulatory responsibilities.

2. The Commission should establish a separate, permanent policy and planning unit within its staff, having the responsibility of accumulating and analyzing pertinent data bearing on market patterns and practices generally, making special studies as the need may be indicated, and reviewing policies and regulations in light of changing circumstances.

3. Among the subjects that appear to need further and continuing attention of such a staff group and of the Commission are (a) types and forms of competition and of limitations on competition actually or potentially existing within and among markets, and their impact on the free, fair, and orderly functioning of the various markets; and (b) factors contributing to or detracting from the public's ready access to all markets and its assurance of obtaining the best execution of any particular transaction.

Chart VIII - 1
 DISTRIBUTION OF RELATIVE RANKINGS OF DIFFERENT SOURCES OF INCOME ^{1/}
Dual Members
 (4 Regional Stock Exchanges) ^{2/}



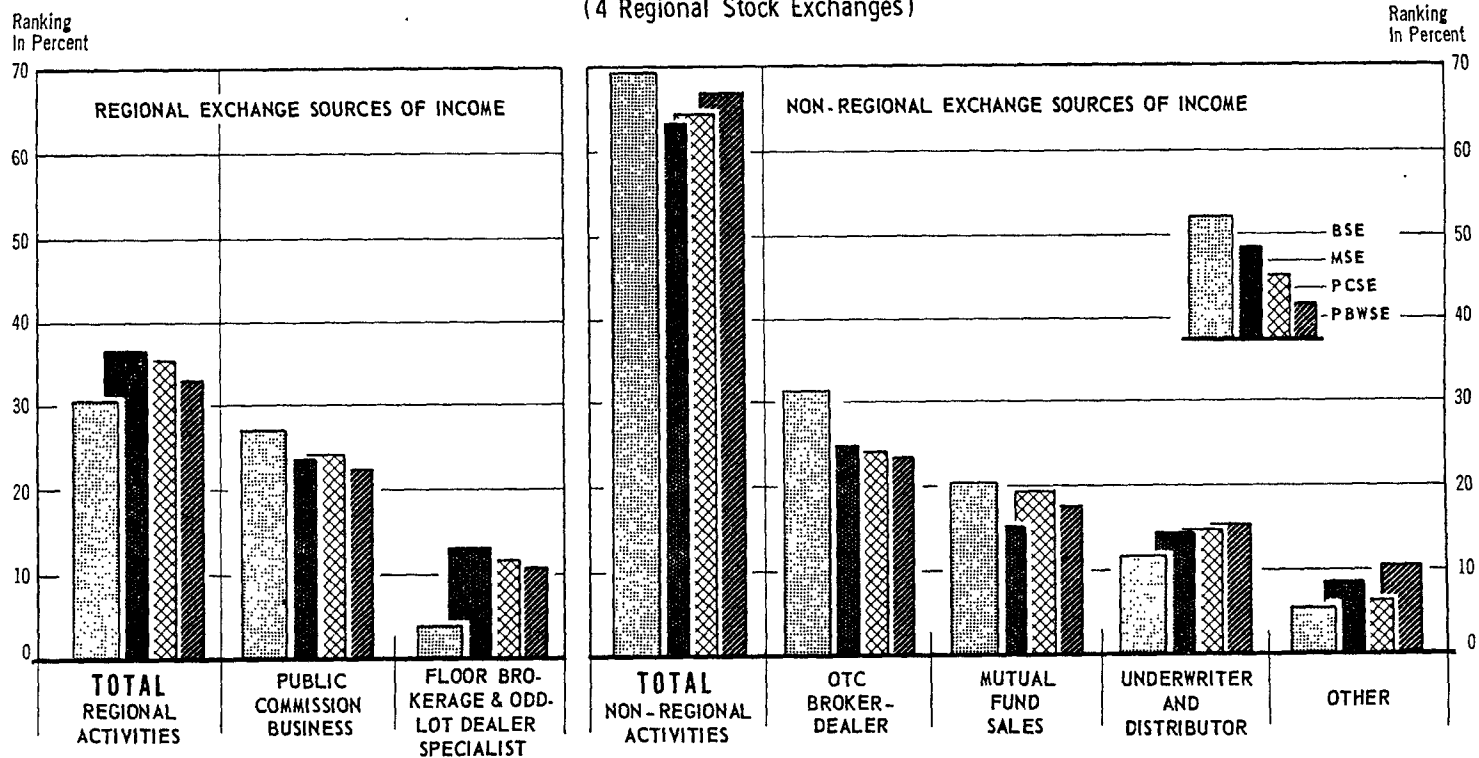
^{1/} The replies to question 7 of Questionnaire EX-4 were weighted according to the importance of the source of income as indicated by the respondent. The weighted responses were then summarized and converted to percentages.

^{2/} Boston, Midwest, Pacific Coast, and Philadelphia-Baltimore-Washington Stock Exchanges.

Chart VIII - 2

DISTRIBUTION OF RELATIVE RANKINGS OF DIFFERENT SOURCES OF INCOME ^{1/}

Sole Members
(4 Regional Stock Exchanges) ^{2/}



^{1/} The replies to question 5 of Questionnaire EX-4 were weighted according to the importance of the source of income as indicated by the respondent. The weighted responses were then summarized and converted to percentages.

^{2/} Boston, Midwest, Pacific Coast, and Philadelphia-Baltimore-Washington Stock Exchanges.

TABLES

TABLE VIII-1.—Distribution of stocks in each exchange or over-the-counter category by number of shareholders (end of 1961) ¹

[Percent of all stocks in category]

Shareholders	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the- counter active ³	Over-the- counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under 200.....	.1	.6	4.9	2.6	42.4
200 to 399.....	.3	.6	16.7	8.5	20.0
400 to 599.....	.4	4.7	12.6	10.6	12.0
600 to 799.....	1.0	8.3	8.4	10.9	6.8
800 to 999.....	.7	9.3	8.4	9.4	4.4
1,000 to 1,499.....	1.8	18.7	13.3	14.4	5.7
1,500 to 1,999.....	2.5	12.3	7.0	7.2	2.2
2,000 to 2,999.....	7.7	15.7	11.2	14.0	3.1
3,000 to 4,999.....	17.0	12.3	10.5	11.5	1.9
5,000 to 9,999.....	24.1	12.1	3.5	7.9	1.2
10,000 to 24,999.....	25.3	5.0	2.1	2.6	.1
25,000 and over.....	19.1	1.0	1.4	.4	.2

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks solely listed on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-2.—Distribution of stocks in each exchange or over-the-counter category by number of shares outstanding (end of 1961) ¹

[Percent of all stocks in category]

Shares outstanding (thousands)	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the- counter active ³	Over-the- counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under 25.....	.4	.3	2.8	.6	32.7
25 to 99.....	.5	1.7	13.9	1.9	21.6
100 to 199.....	1.0	10.8	13.2	8.1	14.7
200 to 349.....	2.7	11.4	20.1	17.0	11.7
350 to 499.....	4.9	17.0	13.2	17.0	5.6
500 to 699.....	7.0	16.2	11.1	15.6	4.4
700 to 999.....	13.9	13.4	8.3	11.1	2.4
1,000 to 1,499.....	18.8	11.4	6.2	13.9	2.5
1,500 to 2,499.....	21.6	11.3	4.9	7.5	1.7
2,500 to 4,999.....	13.9	4.9	3.5	4.9	1.8
5,000 to 9,999.....	15.3	1.6	2.1	2.0	.7
10,000 and over.....	.7	.4	.7	.4	.2

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-3.—*Distribution of stocks in each exchange or over-the-counter category by market value of shares outstanding (end of 1961)*¹

[Percent of all stocks in category]

Market value (thousand dollars)	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the- counter active ³	Over-the- counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under 500.....	.1	.8	7.7	8.3	35.3
500 to 999.....	.1	.8	6.9	10.8	16.8
1,000 to 1,999.....	.2	3.8	11.2	12.3	14.5
2,000 to 2,999.....	.6	10.2	9.8	7.9	7.2
3,000 to 4,999.....	.7	15.1	14.0	11.5	7.3
5,000 to 9,999.....	4.9	28.4	20.3	13.2	8.3
10,000 to 14,999.....	3.8	12.5	9.1	7.2	3.7
15,000 to 24,999.....	8.8	11.8	11.2	9.5	2.8
25,000 to 49,999.....	17.0	9.5	3.5	10.2	1.5
50,000 to 99,999.....	17.1	4.9	2.1	4.0	1.6
100,000 to 499,999.....	31.3	1.7	4.2	4.5	.8
500,000 and over.....	15.4	.5	-----	.6	.2

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most stockholders.

² Includes stocks solely listed on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-4.—*Distribution of stocks in each exchange or over-the-counter category by assets of issuer (end of 1961)*¹

[Percent of all stocks in category]

Assets (thousand dollars)	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the- counter active ³	Over-the- counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under 1,000.....	.1	.3	10.4	22.6	23.8
1,000 to 2,499.....	-----	10.4	11.8	16.0	16.7
2,500 to 4,999.....	.1	20.1	14.6	11.9	14.4
5,000 to 9,999.....	1.8	25.9	20.8	15.5	15.1
10,000 to 19,999.....	8.6	21.6	14.6	8.7	10.8
20,000 to 29,999.....	9.1	8.0	10.4	6.4	5.7
30,000 to 49,999.....	12.3	6.9	6.9	5.3	4.0
50,000 to 99,999.....	19.0	4.5	4.2	6.0	4.3
100,000 to 499,999.....	34.0	2.0	4.9	5.5	4.7
500,000 to 999,999.....	8.5	.3	.7	1.1	.4
1,000,000 to 4,999,999.....	5.9	-----	.7	.8	.1
5,000,000 and over.....	.6	-----	-----	.2	-----

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks solely listed on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-5.—Range of shareholders, shares, market value and issuer's assets of central $\frac{2}{3}$ of stocks in each exchange or over-the-counter category (end of 1961) ¹

	NYSE minimum listing requirement	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the-counter active ³	Over-the-counter inactive ³
Ranges						
Number of shareholders.....	1,500	3,310-28,605	840-5,200	333-3,082	498-3,961	62-885
Shares outstanding (thousands).....	500	1,000-9,101	403-2,587	100-1,000	275-1,397	7-405
Market value (thousand dollars).....	10,000	22,120-460,156	3,185-24,830	1,152-16,592	900-29,592	175-6,293
Assets of issuer (thousand dollars).....	10,000	26,000-440,000	3,100-24,600	1,980-30,100	643-36,155	612-24,039
Ratios of ranges to NYSE minimum listing requirement						
Number of shareholders.....		2.21-19.20	0.56-3.46	0.22-2.06	0.33-2.64	0.04-0.59
Shares outstanding.....		2.00-18.20	0.81-5.14	0.20-2.00	0.55-2.79	0.01-0.81
Market value.....		2.21-46.00	0.32-2.48	0.11-1.66	0.09-2.96	0.02-0.63
Assets of issuer.....		2.60-44.00	0.31-2.46	0.20-3.01	0.06-3.62	0.06-2.40

¹ "Central $\frac{2}{3}$ " excludes $\frac{1}{6}$ of the stocks on each extreme. For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-6.—Percent of stocks in each exchange or over-the-counter category substantially meeting NYSE quantitative listing requirements (end of 1961) ¹

	NYSE minimum listing requirement	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the-counter active ³	Over-the-counter inactive ³
All requirements ²		89.9	23.1	15.0	22.2	1.8
Number of shareholders.....	1,500	95.7	53.4	35.7	43.6	8.8
Shares outstanding.....	500,000	95.4	75.8	36.8	55.6	13.6
Market value.....	\$10,000,000	93.4	40.9	30.1	35.9	10.7
Assets.....	\$10,000,000	98.0	43.3	42.4	34.0	30.0

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² NYSE requirements refer to shares outstanding exclusive of concentrated or family holdings rather than the total used here; to shareholders of over 100 shares rather than all shareholders as used here; and to net tangible assets rather than the total assets figures used here. Also, the NYSE "yardstick" requirements include an earnings test with which comparisons could not be made from the Special Study's available data. Nor could analysis be made of "the degree of national interest in the company, its standing in its particular field, the character of the market for its products and whether it is engaged in an expanding industry with prospects of maintaining or improving its relative position."

³ Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

⁴ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-7.—Percent of stocks in each exchange or over-the-counter category substantially meeting twice NYSE quantitative listing requirements (end of 1961) ¹

	Twice NYSE requirement	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the-counter active ⁴	Over-the-counter inactive ⁴
All requirements ²		73.7	7.7	5.7	9.5	.5
Number of shareholders.....	3,000	85.5	30.4	17.5	22.4	3.4
Shares outstanding.....	1,000,000	83.5	42.6	17.4	28.8	6.8
Market value.....	\$20,000,000	80.4	16.3	9.1	23.6	5.8
Assets.....	\$20,000,000	89.4	21.7	27.8	25.3	19.2

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² NYSE requirements refer to shares outstanding exclusive of concentrated or family holdings rather than the total used here; to shareholders of over 100 shares rather than all shareholders as used here; and to net tangible assets rather than the total assets figures used here. Also, the NYSE "yardstick" requirements include an earnings test with which comparisons could not be made from the Special Study's available data. Nor could analysis be made of "the degree of national interest in the company, its standing in its particular field, the character of the market for its products and whether it is engaged in an expanding industry with prospects of maintaining or improving its relative position."

³ Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

⁴ Over-the-counter categories are based on the questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-8.—Distribution of stocks in each exchange or over-the-counter category by number of shares traded or transferred annually (end of 1961) ¹

[Percent of all stocks in category]

Shares traded or transferred (thousands)	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the-counter active ³	Over-the-counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under 10.....	.8	1.2	23.2	1.6	40.1
10 to 50.....	2.1	7.8	34.3	6.5	31.9
51 to 99.....	6.1	14.6	21.2	10.7	9.3
100 to 174.....	9.1	14.9	5.1	16.0	7.1
175 to 274.....	14.0	12.9	7.1	17.6	5.1
275 to 399.....	11.5	11.6	1.0	16.0	2.4
400 to 599.....	15.0	11.5	2.0	12.6	1.8
600 to 999.....	17.2	11.4	1.0	7.7	1.3
1,000 to 1,999.....	14.8	8.7		8.9	.8
2,000 and over.....	9.4	5.4	5.1	2.4	.2
Limits of central $\frac{2}{3}$ of stocks (in shares)...	161,000-1,309,000	70,000-883,000	3,000-136,000	89,000-713,000	2,000-116,000

¹ For exchanges, data are for shares reported traded on that exchange; for over-the-counter categories, data are for shares transferred, as shown on Questionnaire OTC-4. For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-9.—Distribution of stocks in each exchange or over-the-counter category by price (end of 1961)¹

[Percent of all stocks in category]

Price	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over-the-counter active ³	Over-the-counter inactive ³
Total.....	100.0	100.0	100.0	100.0	100.0
Under \$1.00.....		2.5	6.3	6.4	7.1
\$1.00 to \$2.49.....	.5	7.8	7.0	9.3	6.2
\$2.50 to \$4.99.....	.9	13.5	4.9	16.0	7.0
\$5.00 to \$9.99.....	4.4	28.0	13.3	19.4	9.7
\$10.00 to \$14.99.....	6.5	16.2	12.6	10.9	6.3
\$15.00 to \$24.99.....	19.5	17.0	15.3	13.6	11.2
\$25.00 to \$34.99.....	18.0	8.9	13.3	8.1	9.0
\$35.00 to \$49.99.....	22.2	3.6	10.5	8.3	12.6
\$50.00 to \$74.99.....	18.4	1.9	9.8	4.2	10.4
\$75.00 to \$99.99.....	6.4	.3	2.8	1.9	6.6
\$100.00 to \$199.99.....	2.8	.3	3.5	1.3	8.3
\$200.00 and over.....	.4		.7	.6	5.6

¹ For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Over-the-counter categories are based on the Questionnaire OTC-4 sample. The "Over-the-counter active" category includes stocks with 4 or more dealers entering a "bid" and "offer" in the National Quotation Bureau's Monthly Stock Summary of January 1962. The "Over-the-counter inactive" category includes stocks with fewer than 4 such quotations.

TABLE VIII-10.—Distribution of trading or transfer volume among stocks in each exchange or over-the-counter category (end of 1961)¹

[Percent of total shares traded or transferred]

	New York Stock Exchange	American Stock Exchange	Major regional exchanges ²	Over the counter ³
Percent of stock cumulated from lowest—				
5.....	.2	.1	.01	.02
10.....	.7	.5	.03	.05
15.....	1.5	1.0	.06	.1
20.....	2.5	1.7	.1	.2
25.....	3.7	2.6	.2	.4
30.....	5.1	3.7	.4	.6
35.....	6.8	4.9	.6	1.0
40.....	8.7	6.5	.8	1.6
45.....	11.0	8.4	1.1	2.5
50.....	13.6	10.7	1.4	3.8
55.....	16.5	13.4	1.8	5.6
60.....	20.0	16.5	2.2	8.0
65.....	23.9	20.2	2.7	11.1
70.....	28.5	24.4	3.5	15.1
75.....	33.8	29.7	4.5	20.0
80.....	40.1	36.0	5.8	26.2
85.....	47.6	44.0	7.8	34.0
90.....	57.6	54.8	11.0	44.0
95.....	71.4	69.9	22.8	60.4
100.....	100.0	100.0	100.0	100.0

¹ For exchanges, data are for shares reported traded on that exchange; for over-the-counter categories, data are for shares transferred, as shown on Questionnaire OTC-4. For exchanges, data are for common stocks only; for over the counter, data are for issuer's class of stock with most shareholders.

² Includes stocks listed solely on any of the following regional exchanges: Boston, Cincinnati, Detroit, Midwest, Pacific Coast, Philadelphia-Baltimore-Washington, and Pittsburgh.

³ Based on the Questionnaire OTC-4 sample.

970 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

TABLE VIII-11.—Estimated ownership of U.S. corporate and foreign securities by class of investor (1954 and 1961)

[In billions of dollars]

	Common and preferred stock		Bonds and notes	
	1954	1961	1954	1961
Total outstanding.....	256.4	546.2	73.0	107.0
Institutional investors.....	47.3	120.8	55.3	87.3
Life insurance companies.....	3.3	6.3	35.3	50.6
Nonlife insurance companies.....	¹ 4.6	19.3	1.2	1.6
Noninsured private pension funds.....	4.1	21.0	7.1	15.0
Open-end investment companies.....	5.4	21.9	.4	1.5
Other investment companies ²	3.2	7.3	.1	.2
State and local trust funds.....	.2	.7	2.2	9.0
Commercial banks.....	.1	.2	2.0	.8
Mutual savings banks.....	.6	.9	2.9	3.7
Fraternal orders.....	.1	.1	1.2	1.5
Common trust funds.....	.9	2.2	.3	.8
Other personal trust funds.....	24.8	50.9	2.6	2.6
Other investors.....	209.3	425.4	17.8	19.9
Foreigners.....	5.3	11.9	.2	.6
Domestic individuals ³	⁴ 204.0	⁴ 413.5	17.6	19.3

¹ Excludes holdings of stock in affiliated companies.

² Including closed-end and face-amount certificate companies.

³ Includes nonprofit organizations such as educational endowment funds and religious and charitable institutions.

⁴ Including investment company shares of approximately \$9,000,000,000 in 1954 and \$29,900,000,000 in 1961.

NOTE.—Estimated market values at end of year. Includes foreign issues outstanding in the United States. Intercompany holdings of nonfinancial corporations are excluded. Figures may not add to totals because of rounding.

TABLE VIII-12.—Net purchases of U.S. corporate and foreign securities by class of investor (1951-61)

[In billions of dollars]

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Bonds and notes											
Total net additions to issues outstanding.....	3.9	5.1	4.8	3.8	4.0	5.1	7.8	6.9	4.6	6.3	5.6
Net purchases by institutions and foreigners.....	4.1	4.7	4.6	3.9	3.0	4.7	6.4	5.6	4.4	4.8	4.7
Life insurance companies.....	2.8	3.0	2.7	2.1	1.7	2.2	2.6	2.6	2.2	1.7	2.5
Nonlife insurance companies.....	.1	.1	.1	.1	(1)	(1)	.2	.1	.1	.1	-.1
Noninsured pension funds ¹.....	.8	1.0	1.1	1.2	.9	1.5	1.8	1.4	1.1	1.4	1.1
Investment companies.....	(1)	(1)	(1)	(1)	.1	.2	.1	.2	1.0	1.3	1.4
State and local trust funds.....	(1)	.2	.3	.6	.7	.7	.9	.7	1.0	1.3	1.4
Commercial banks.....	(1)	-.2	(1)	-.3	-.2	-.1	.2	-.1	-.1	-.2	-.2
Mutual savings banks.....	(1)	.4	.3	.1	-.3	-.1	.6	-.6	-.1	.2	-.1
Foreigners.....	.1	(1)	(1)	(1)	(1)	.1	.1	.1	(1)	.1	(1)
Other.....	-.2	.4	.2	-.1	1.0	.4	1.3	1.3	.1	1.5	.9
Net purchases by domestic individuals ²											
Common and preferred stock											
Total net additions to stock outstanding ⁴	2.8	3.1	2.4	2.6	3.0	3.6	3.8	4.1	4.3	3.2	5.2
Net purchases by institutions and foreigners.....	1.0	1.4	1.4	1.8	1.8	2.0	2.4	2.7	3.5	3.6	4.5
Life insurance companies.....	.2	.1	.2	.3	.1	-.1	(1)	.1	.2	.3	.4
Nonlife insurance companies.....	.1	.3	.2	.2	.2	.3	.2	.1	.3	.3	.2
Noninsured pension funds ².....	.3	.5	.5	.7	.7	.9	1.1	1.3	1.6	1.8	2.0
Investment companies.....	.2	.5	.3	.4	.5	.6	.8	1.1	1.0	1.0	1.3
State and local trust funds.....	(1)	(1)	(1)	(1)	(1)	(1)	.1	.1	(1)	(1)	.1
Mutual savings banks.....	.1	.1	.1	.1	.1	.1	.1	.1	(1)	(1)	.1
Foreigners.....	.1	(1)	(1)	(1)	(1)	(1)	(1)	-.1	(1)	(1)	.3
Other.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Net purchases by domestic individuals ³	1.8	1.7	1.0	.8	1.2	1.6	1.4	1.3	.8	-.4	.7
Investment company shares.....	.4	.6	.5	.5	.8	1.0	1.1	1.6	1.7	1.5	2.7
Other stock issues.....	1.4	1.1	.5	.3	.4	.6	.4	-.3	-.9	-1.9	-2.0

NOTE.—Includes foreign government and corporate issues. Net purchases shown in this table are not equivalent to the changes from 1954 to 1961 in holdings shown in table VIII-11 because the latter also reflects changes in market values. Negative numbers indicate an excess of sales over purchases. Figures may not add to totals because of rounding.

¹ Less than \$50,000,000.
² Includes multiemployer and other private plans as well as corporate pension funds.
³ Includes personal trust funds and nonprofit organizations.
⁴ Includes investment company shares and conversions of debt issues into stock issues.

TABLE VIII-13.—Purchases, sales, and net purchases of stocks by selected institutions in March 1961 (by type of stock and type of institution)

Type of stock	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Number of shares										
Purchases.....	5,549,423	962,723	379,435	446,066	2,589,996	200,950	569,575	203,752	142,500	54,426
Preferred stock.....	95,244	-----	51,150	26,375	3,500	-----	-----	4,629	-----	9,590
Public utility common stock.....	457,206	113,239	46,050	36,250	137,440	13,800	39,600	39,965	16,600	14,262
Other common stock.....	4,996,973	849,484	282,235	383,441	2,449,056	187,150	529,975	159,158	125,900	30,574
Sales.....	3,620,410	346,949	249,808	220,390	1,701,074	186,749	392,035	396,918	86,071	40,416
Preferred stock.....	116,054	28,460	4,500	65,145	10,350	-----	-----	7,299	-----	300
Public utility common stock.....	466,691	20,200	19,600	37,334	262,880	11,400	6,500	91,237	4,800	12,740
Other common stock.....	3,037,665	298,289	225,708	117,911	1,427,844	175,349	385,535	298,382	81,271	27,376
Net purchases.....	1,929,013	615,774	129,627	225,676	888,922	14,201	177,540	-193,166	56,429	14,010
Preferred stock.....	-20,810	-28,460	46,650	-38,770	-6,850	-----	-----	-2,670	-----	9,290
Public utility common stock.....	-9,485	93,039	26,450	-1,084	-125,440	2,400	33,100	-51,272	11,800	1,522
Other common stock.....	1,959,308	551,195	56,527	265,530	1,021,212	11,801	144,440	-139,224	44,629	3,198
B. Dollar amount (thousands)										
Purchases.....	283,482	56,326	20,154	20,517	133,490	10,039	22,091	9,203	8,697	2,965
Preferred stock.....	6,289	-----	4,133	905	308	-----	-----	56	-----	887
Public utility common stock.....	22,608	4,785	2,180	1,886	7,259	850	2,220	1,585	1,141	701
Other common stock.....	254,586	51,541	13,841	17,726	125,922	9,189	19,871	7,563	7,556	1,377
Sales.....	178,413	16,689	11,844	11,560	78,709	11,050	20,151	21,940	4,246	2,224
Preferred stock.....	9,169	1,572	462	5,314	878	-----	-----	913	-----	30
Public utility common stock.....	19,160	1,162	1,219	1,895	9,845	467	272	3,246	217	838
Other common stock.....	150,085	13,955	10,163	4,351	67,986	10,583	19,880	17,782	4,029	1,356
Net purchases.....	105,069	39,637	8,310	8,956	54,781	-1,011	1,940	-12,737	4,451	740
Preferred stock.....	-2,880	-1,572	3,671	-4,409	-570	-----	-----	-857	-----	587
Public utility common stock.....	3,449	3,624	961	-9	-2,585	383	1,949	-1,661	924	-137
Other common stock.....	104,501	37,586	3,678	13,375	57,936	-1,394	-9	-10,219	3,527	21

NOTE.—Negative numbers indicate an excess of sales over purchases. Figures may not add to totals because of rounding.

TABLE VIII-14.—Purchases, sales, and net purchases of stocks by selected institutions in April 1962 (by type of stock and type of institution)

Type of stock	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Number of shares										
Purchases.....	4,494,929	791,022	295,717	382,331	1,986,381	209,836	323,250	191,847	255,580	58,965
Preferred stock.....	136,203	100	30,381	16,000	11,670	-----	1,500	64,853	10,000	1,700
Public utility common stock.....	398,174	62,195	11,350	42,675	210,524	6,000	10,700	16,700	36,500	1,530
Other common stock.....	3,960,552	728,727	253,987	323,656	1,764,187	203,836	311,050	110,294	209,080	55,735
Sales.....	3,090,890	212,646	207,253	222,654	1,576,086	101,615	514,037	92,777	82,200	81,622
Preferred stock.....	187,971	3,500	8,950	9,351	149,840	-----	800	13,010	-----	2,520
Public utility common stock.....	418,149	60,000	16,500	14,800	286,203	13,600	7,500	8,346	-----	11,200
Other common stock.....	2,484,770	149,146	181,803	198,503	1,140,046	88,015	505,737	71,421	82,200	67,902
Net purchases.....	1,404,039	578,376	88,464	159,677	410,295	108,221	-190,787	99,070	173,380	-22,657
Preferred stock.....	-51,768	-3,400	21,430	6,649	-138,170	-----	700	51,843	10,000	-820
Public utility common stock.....	-19,975	2,195	-5,150	27,875	-75,679	-7,600	3,200	8,354	36,500	-9,670
Other common stock.....	1,475,782	579,581	72,184	125,153	624,144	115,821	-194,687	38,873	126,880	-12,167
B. Dollar amount (thousands)										
Purchases.....	246,702	48,932	17,043	17,828	108,884	12,050	13,266	11,240	14,087	3,372
Preferred stock.....	10,818	11	2,346	1,346	1,386	-----	161	4,308	1,099	162
Public utility common stock.....	19,159	3,215	679	2,370	9,621	286	394	496	2,033	65
Other common stock.....	216,726	45,706	14,019	14,112	97,877	11,764	12,711	6,437	10,955	3,145
Sales.....	132,522	8,780	9,798	10,183	73,055	5,303	13,498	5,516	2,980	3,409
Preferred stock.....	4,411	381	1,626	350	828	-----	29	1,045	-----	152
Public utility common stock.....	16,924	2,612	797	963	10,647	590	480	274	-----	561
Other common stock.....	111,187	5,787	7,375	8,870	61,580	4,713	12,989	4,197	2,980	2,696
Net purchases.....	114,180	40,152	7,245	7,645	35,828	6,747	-232	5,724	11,107	-37
Preferred stock.....	6,407	-370	720	996	558	-----	132	3,263	1,099	10
Public utility common stock.....	2,234	603	-118	1,407	-1,027	-304	-86	222	2,033	-496
Other common stock.....	105,539	39,919	6,644	5,242	36,297	7,051	-278	2,240	7,975	449

NOTE.—Negative numbers indicate an excess of sales over purchases. Figures may not add to totals because of rounding.

TABLE VIII-15.—Relative importance of purchases and sales of stocks by selected institutions in March 1961 (by type of stock and type of institution)

Type of stock	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Percentages based on number of shares										
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	60.5	73.5	60.3	66.9	60.4	51.8	59.2	33.9	62.3	57.4
Sales.....	39.5	26.5	39.7	33.1	39.6	48.2	40.8	66.1	37.7	42.6
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	-----	-----	100.0	-----	100.0
Purchases.....	45.1	-----	91.9	28.8	25.3	-----	-----	38.8	-----	97.0
Sales.....	54.9	100.0	8.1	71.2	74.7	-----	-----	61.2	-----	3.0
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	49.5	84.9	70.1	49.3	34.3	54.8	85.9	30.5	77.6	52.8
Sales.....	50.5	15.1	29.9	50.7	65.7	45.2	14.1	69.5	22.4	47.2
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	62.2	74.0	55.6	76.5	63.2	51.6	57.9	34.8	60.8	52.8
Sales.....	37.8	26.0	44.4	23.5	36.8	48.4	42.1	65.2	39.2	47.2

B. Percentages based on dollar amount

All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	61.4	77.1	59.2	63.9	62.9	47.6	52.3	29.6	67.2	57.1
Sales.....	38.6	22.9	40.8	36.1	37.1	52.4	47.7	70.4	32.8	42.9
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	-----	-----	100.0	-----	100.0
Purchases.....	40.7	-----	71.9	14.6	26.0	-----	-----	5.8	-----	96.7
Sales.....	59.3	100.0	28.1	85.4	74.0	-----	-----	94.2	-----	3.3
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	54.1	80.5	64.1	49.9	42.4	64.5	89.1	32.8	84.0	45.5
Sales.....	45.9	19.5	35.9	50.1	57.6	35.5	10.9	67.2	16.0	54.5
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	62.9	78.7	57.7	80.3	64.9	46.5	50.0	29.8	65.2	50.4
Sales.....	37.1	21.3	42.3	19.7	35.1	53.5	50.0	70.2	34.8	49.6

NOTE.—Percentages are calculated from figures for stock purchases and sales in table VIII-13.

TABLE VIII-16.—Relative importance of purchases and sales of stocks by selected institutions in April 1962 (by type of stock and type of institution)

Type of stock	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Percentages based on number of shares										
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	59.3	78.8	58.8	63.4	55.8	67.4	38.6	67.4	75.7	41.6
Sales.....	40.7	21.2	41.2	36.6	44.2	32.6	61.4	32.6	24.3	58.4
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	-----	100.0	100.0	100.0	100.0
Purchases.....	42.0	2.8	77.2	59.2	7.2	-----	65.2	83.3	100.0	40.3
Sales.....	58.0	97.2	22.8	40.8	92.8	-----	34.8	16.7	-----	59.7
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	48.8	50.9	40.8	74.2	42.4	30.6	58.8	66.7	100.0	12.0
Sales.....	51.2	49.1	59.2	25.8	57.6	69.4	41.2	33.3	-----	88.0
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	61.4	83.0	58.3	62.0	60.7	69.8	38.1	60.7	71.8	45.1
Sales.....	38.6	17.0	41.7	38.0	39.3	30.2	61.9	39.3	28.2	54.9

B. Percentages based on dollar amount

All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	65.1	84.8	63.5	63.6	59.8	69.4	49.6	67.1	82.5	49.7
Sales.....	34.9	15.2	36.5	36.4	40.2	30.6	50.4	32.9	17.5	50.3
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	-----	100.0	100.0	100.0	100.0
Purchases.....	71.0	2.6	59.1	79.4	62.6	-----	84.7	80.5	100.0	51.6
Sales.....	29.0	97.4	40.9	20.6	37.4	-----	15.3	19.5	-----	48.4
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	53.1	55.2	46.0	71.1	47.5	32.6	45.1	64.4	100.0	10.4
Sales.....	46.9	44.8	54.0	28.9	52.5	67.4	54.9	35.6	-----	89.6
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Purchases.....	66.1	88.8	65.5	61.4	61.4	71.4	49.5	60.5	78.6	53.8
Sales.....	33.9	11.2	34.5	38.6	38.6	28.6	50.5	39.5	21.4	46.2

NOTE.—Percentages are calculated from figures for stock purchases and sales in table VIII-14.

TABLE VIII-17.—Relative importance of each type of stock in purchases and sales by selected institutions in March 1961 (by type of stock and type of institution)

	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Percentages based on number of shares										
Purchases.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	1.7		13.5	5.9	.1			2.3		17.6
Public utility common stock.....	8.2	11.8	12.1	8.1	5.3	6.9	7.0	19.6	11.6	28.2
Other common stock.....	90.1	88.2	74.4	86.0	94.6	93.1	93.0	78.1	88.4	56.2
Sales.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	3.2	8.2	1.8	29.6	.6			1.8		.7
Public utility common stock.....	12.9	5.8	7.8	16.9	15.5	6.1	1.7	23.0	5.6	31.5
Other common stock.....	83.9	86.0	90.4	53.5	83.9	93.9	98.3	75.2	94.4	67.8
B. Percentages based on dollar amount										
Purchases.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	2.2		20.5	4.4	.2			.6		29.9
Public utility common stock.....	8.0	8.5	10.8	9.2	5.5	8.5	10.0	17.2	13.1	23.7
Other common stock.....	89.8	91.5	68.7	86.4	94.3	91.5	90.0	82.2	86.9	46.4
Sales.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	5.1	9.4	3.9	46.0	1.1			4.2		1.3
Public utility common stock.....	10.8	7.0	10.3	16.4	12.5	4.2	1.3	14.8	5.1	37.7
Other common stock.....	84.1	83.6	85.8	37.6	86.4	95.8	98.7	81.0	94.9	61.0

NOTE.—Percentages are calculated from figures shown in table VIII-13.

TABLE VIII-18.—Relative importance of each type of stock in purchases and sales by selected institutions in April 1962 (by type of stock and type of institution)

Type of stock	Total	Pension funds	Life insurance companies	Nonlife insurance companies	Open-end investment companies		Closed-end investment companies	College endowment funds	Foundations	Common trust funds
					Load	No load				
A. Percentages based on number of shares										
Purchases	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	3.0	(1)	10.3	4.2	.6	-----	.5	33.8	3.9	2.9
Public utility common stock.....	8.9	7.9	3.8	11.2	10.6	2.9	3.3	8.7	14.3	2.6
Other common stock.....	88.1	92.1	85.9	84.6	88.8	97.1	96.2	57.5	81.8	94.5
Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	6.1	1.6	4.3	4.2	9.5	-----	.2	14.0	-----	3.1
Public utility common stock.....	13.5	28.2	8.0	6.6	18.2	13.4	1.5	9.0	-----	13.7
Other common stock.....	80.4	70.2	87.7	89.2	72.3	86.6	98.3	77.0	100.0	83.2
B. Percentages based on dollar amount										
Purchases	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	4.4	(1)	13.8	7.5	1.3	-----	1.2	38.3	7.8	4.8
Public utility common stock.....	7.8	6.6	4.0	13.3	8.8	2.4	3.0	4.4	14.4	1.9
Other common stock.....	87.8	93.4	82.2	79.2	89.9	97.6	95.8	57.3	77.8	93.3
Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Preferred stock.....	3.3	4.3	16.6	3.4	1.1	-----	.2	18.9	-----	4.5
Public utility common stock.....	12.8	29.8	8.1	9.5	14.6	11.1	3.6	5.0	-----	16.4
Other common stock.....	83.9	65.9	75.3	87.1	84.3	88.9	96.2	76.1	100.0	79.1

¹ Indicates less than 0.05 percent.

NOTE.—Percentages are calculated from figures shown in table VIII-14.

TABLE VIII-19.—Purchases and sales of stocks by selected institutions in March 1961 (by market and type of stock)
ALL TYPES OF INSTITUTIONS¹

Type of stock and market channel	All stock			Stock listed on New York Stock Exchange			Other stock		
	Purchases	Sales	Total	Purchases	Sales	Total	Purchases	Sales	Total
	A. Dollar amount (thousands)								
All types of stock.....	277,728	178,153	455,882	227,319	156,486	383,805	50,406	21,670	72,076
New York Stock Exchange.....	180,684	126,330	307,014	180,684	126,330	307,014	5,862	1,611	7,373
American Stock Exchange.....	5,862	1,611	7,373	15,926	4,454	20,380	1,728	84	1,812
Regional exchanges.....	17,655	4,638	22,192	25,013	14,302	39,315	36,838	20,076	56,914
Over the counter.....	61,864	24,377	86,229	5,419	11,400	16,819	3,309	.....	3,309
Secondaries and underwritings.....	8,728	11,400	20,128	277	.....	277	2,670	.....	2,670
Purchases from issuer.....	2,947	.....	2,947	.....	.....	.....	.....	.....	.....
Preferred stock.....	6,289	9,169	15,457	1,380	6,583	7,962	4,909	2,588	7,496
New York Stock Exchange.....	9	2,261	2,270	9	2,261	2,270	.....	.....	.....
American Stock Exchange.....	6	146	151	.....	.....	.....	6	146	151
Regional exchanges.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Over the counter.....	2,594	6,763	9,356	1,371	4,322	5,692	1,223	2,442	3,665
Secondaries and underwritings.....	3,130	.....	3,130	.....	.....	.....	3,130	.....	3,130
Purchases from issuer.....	3,550	.....	3,550	.....	.....	.....	550	.....	550
Public utility common stock.....	22,608	19,160	41,768	20,848	18,559	39,407	1,760	601	2,361
New York Stock Exchange.....	15,952	15,080	31,032	15,952	15,080	31,032	.....	.....	.....
American Stock Exchange.....	399	243	641	.....	.....	.....	399	243	641
Regional exchanges.....	554	912	1,465	489	912	1,401	65	.....	65
Over the counter.....	5,431	2,926	8,357	4,213	2,567	6,780	1,218	359	1,577
Secondaries and underwritings.....	78	.....	78	.....	.....	.....	78	.....	78
Purchases from issuer.....	194	.....	194	194	.....	194	.....	.....	.....
Other common stock.....	248,831	149,825	398,656	205,092	131,344	336,437	43,739	18,481	62,220
New York Stock Exchange.....	164,722	108,989	273,711	164,722	108,989	273,711	.....	.....	.....
American Stock Exchange.....	5,457	1,123	6,580	.....	.....	.....	5,457	1,123	6,580
Regional exchanges.....	17,101	3,626	20,727	15,437	3,542	18,979	1,664	84	1,747
Over the counter.....	53,828	24,688	78,516	19,431	7,413	26,844	34,397	17,275	51,672
Secondaries and underwritings.....	5,520	11,400	16,920	5,419	11,400	16,819	34,397	17,275	51,672
Purchases from issuer.....	2,203	.....	2,203	83	.....	83	2,120	.....	2,120

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	65.1	70.9	67.3	79.5	80.7	80.0			
American Stock Exchange.....	2.1	.9	1.6				11.6	7.0	10.2
Regional exchanges.....	6.3	2.5	4.9	7.0	2.9	5.3	3.4	.4	2.5
Over the counter.....	22.3	19.3	21.1	11.0	9.1	10.2	73.1	92.6	79.0
Secondaries and underwritings.....	3.1	6.4	4.4	2.4	7.3	4.4	6.6		4.6
Purchases from issuer.....	1.1		.7	.1		.1	5.3		3.7
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	.1	24.7	14.7	.7	34.3	28.5			
American Stock Exchange.....	.1	1.6	1.0				.1	5.6	2.0
Regional exchanges.....									
Over the counter.....	41.2	73.7	60.5	99.3	65.7	71.5	24.9	94.4	48.9
Secondaries and underwritings.....	49.8		20.2				63.8		41.8
Purchases from issuer.....	8.8		3.6				11.2		7.3
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	70.6	78.6	74.3	76.6	81.3	78.7			
American Stock Exchange.....	1.8	1.3	1.5				22.7	40.3	27.2
Regional exchanges.....	2.4	4.8	3.5	2.3	4.9	3.6	3.7		2.7
Over the counter.....	24.0	15.3	20.0	20.2	13.8	17.2	69.2	59.7	66.8
Secondaries and underwritings.....	.3		.2				4.4		3.3
Purchases from issuer.....	.9		.5	.9		.5			
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	66.2	72.8	68.7	80.3	83.0	81.4			
American Stock Exchange.....	2.2	.7	1.6				12.5	6.1	10.6
Regional exchanges.....	6.9	2.4	5.2	7.5	2.7	5.6	3.8	.4	2.8
Over the counter.....	21.6	16.5	19.7	9.5	5.6	8.0	78.7	93.5	83.0
Secondaries and underwritings.....	2.2	7.6	4.2	2.6	8.7	5.0	.2		.2
Purchases from issuer.....	.9		.6	.1		(3)	4.8		3.4

¹ See tables VIII-19a through VIII-19i for data for each type of institution.
² Includes 2 transactions involving exchange distribution plans, a purchase amounting to \$1,411,000 and a sale of \$2,196,000.

³ Indicates amounts less than \$500 and percentages less than 0.05.

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	63.6	71.8	65.5	74.1	89.9	77.5			
American Stock Exchange.....	1.8	.7	1.6				13.0	3.4	10.2
Regional exchanges.....	3.3	.7	2.7	3.7	.8	3.1	.8		.6
Over the counter.....	30.6	26.8	29.7	21.4	9.3	18.7	86.2	96.6	89.2
Secondaries and underwritings.....	.7		.5	.8		.7			
Purchases from issuer.....									
Preferred stock.....		100.0	100.0		100.0	100.0		100.0	100.0
New York Stock Exchange.....									
American Stock Exchange.....		23.6	23.6		47.3	47.3			
Regional exchanges.....									
Over the counter.....		76.4	76.4		52.7	52.7		100.0	100.0
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	63.9	80.0	67.0	68.2	90.9	72.4			
American Stock Exchange.....									
Regional exchanges.....	1.6		1.3	.2		.2	21.6		14.8
Over the counter.....	34.5	20.0	31.7	31.6	9.1	27.4	78.4	100.0	85.2
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	63.5	76.6	66.3	74.7	92.6	78.5			
American Stock Exchange.....	2.0	.8	1.8				13.5	4.7	11.4
Regional exchanges.....	3.5	.8	2.9	4.1	1.0	3.4			
Over the counter.....	30.2	21.8	28.4	20.3	6.4	17.4	86.5	95.3	88.6
Secondaries and underwritings.....	.8		.6	.9		.7			
Purchases from issuer.....									

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

B. Percentage for each market

All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	67.2	92.4	76.4	85.3	93.4	88.7			
American Stock Exchange.....	1.2		.8				5.8		5.6
Regional exchanges.....									
Over the counter.....	14.5	7.6	12.0	13.5	6.6	10.6	18.3	100.0	20.6
Secondaries and underwritings.....	13.7		8.6				64.2		62.5
Purchases from issuer.....	3.4		2.2	1.2		.7	11.7		11.3
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
New York Stock Exchange.....		100.0	10.1		100.0	71.8			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	21.2		19.1	100.0		28.2	17.6		17.6
Secondaries and underwritings.....	66.7		59.9				69.7		69.7
Purchases from issuer.....	12.1		10.9				12.7		12.7
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
New York Stock Exchange.....	65.6	36.3	55.1	71.1	36.3	58.0			
American Stock Exchange.....	3.7		2.4				47.8		47.8
Regional exchanges.....									
Over the counter.....	21.8	63.7	36.8	19.3	63.7	36.0	52.2		52.2
Secondaries and underwritings.....									
Purchases from issuer.....	8.9		5.7	9.6		6.0			
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	87.5	98.8	92.2	88.5		93.3			
American Stock Exchange.....	1.2		.7				100.0		57.4
Regional exchanges.....									
Over the counter.....	11.3	1.2	7.1	11.5	100.0	6.7		100.0	42.6
Secondaries and underwritings.....									
Purchases from issuer.....									

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

TABLE VIII-19c.—Purchases and sales of stocks by selected institutions in March 1961 (by market and type of stock)

NONLIFE INSURANCE COMPANIES

Type of stock and market channel	All stock			Stock listed on New York Stock Exchange			Other stock		
	Purchases	Sales	Total	Purchases	Sales	Total	Purchases	Sales	Total
A. Dollar amount (thousands)									
All types of stock.....	20,517	11,560	32,077	15,005	10,134	25,139	5,512	1,427	6,939
New York Stock Exchange.....	12,255	4,217	16,472	12,255	4,217	16,472			
American Stock Exchange.....	515	146	661				515	146	661
Regional exchanges.....	183	111	294	183	111	294	(1)		(1)
Over the counter.....	6,694	7,087	13,871	2,147	5,806	7,953	4,547	1,281	5,828
Secondaries and underwritings.....	786		786	336		336	450		450
Purchases from issuer.....	83		83	83		83	(1)		(1)
Preferred stock.....	905	5,314	6,219	387	4,031	4,417	518	1,284	1,802
New York Stock Exchange.....		266	266		266	266			
American Stock Exchange.....		146	146					146	146
Regional exchanges.....									
Over the counter.....	530	4,903	5,432	387	3,765	4,151	143	1,138	1,281
Secondaries and underwritings.....	375		375				375		375
Purchases from issuer.....									
Public utility common stock.....	1,886	1,895	3,781	1,764	1,839	3,603	122	56	178
New York Stock Exchange.....	1,437	1,312	2,749	1,437	1,312	2,749			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	449	583	1,032	327	527	854	122	56	178
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	17,726	4,351	22,078	12,855	4,264	17,119	4,872	87	4,959
New York Stock Exchange.....	10,819	2,639	13,458	10,819	2,639	13,458			
American Stock Exchange.....	515		515				515		515
Regional exchanges.....	183	111	294	183	111	294	(1)		(1)
Over the counter.....	5,715	1,602	7,317	1,434	1,514	2,948	4,282	87	4,369
Secondaries and underwritings.....	411		411	336		336	75		75
Purchases from issuer.....	83		83	83		83	(1)		(1)

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	59.7	36.5	51.3	81.7	41.6	65.6			
American Stock Exchange.....	2.5	1.3	2.1				9.3	10.2	9.5
Regional exchanges.....	.9	.9	.9	1.2	1.1	1.2	(1)		(1)
Over the counter.....	32.7	61.3	42.9	14.3	57.3	31.6	82.5	89.8	84.0
Secondaries and underwritings.....	3.8		2.5	2.2		1.3	8.2		6.5
Purchases from issuer.....	.4		.3	.6		.3	(1)		(1)
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....		5.0	4.3		6.6	6.0			
American Stock Exchange.....		2.7	2.3					11.4	8.1
Regional exchanges.....									
Over the counter.....	58.6	92.3	87.4	100.0	93.4	94.0	27.6	88.6	71.1
Secondaries and underwritings.....	41.4		6.0				72.4		20.8
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	76.2	69.2	72.7	81.5	71.3	76.3			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	23.8	30.8	27.3	18.5	28.7	23.7	100.0	100.0	100.0
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	61.1	60.7	61.0	84.2	61.9	78.6			
American Stock Exchange.....	2.9		2.3				10.6		10.4
Regional exchanges.....	1.0	2.5	1.3	1.4	2.6	1.7	(1)		(1)
Over the counter.....	32.2	36.8	33.1	11.2	35.5	17.2	87.9	100.0	88.1
Secondaries and underwritings.....	2.3		1.9	2.6		2.0	1.5		1.5
Purchases from issuer.....	.5		.4	.6		.5	(1)		(1)

¹ Indicates amounts less than \$500 and percentages less than 0.05.

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

TABLE VIII-19d.—Purchases and sales of stocks by selected institutions in March 1961 (by market and type of stock)

OPEN-END INVESTMENT COMPANIES (LOAD)

Type of stock and market channel	All stock			Stock listed on New York Stock Exchange			Other stock		
	Purchases	Sales	Total	Purchases	Sales	Total	Purchases	Sales	Total
A. Dollar amount (thousands)									
All types of stock.....	128,723	78,668	207,391	107,452	65,303	172,755	21,271	13,365	34,636
New York Stock Exchange.....	81,681	58,612	140,294	81,681	58,612	140,294			
American Stock Exchange.....	3,356	670	4,025				3,356	670	4,025
Regional exchanges.....	15,573	4,194	19,767	13,913	4,194	18,107	1,660		1,660
Over the counter.....	23,592	15,192	38,783	7,896	2,496	10,392	15,696	12,695	28,391
Secondaries and underwritings.....	3,962		3,962	3,962		3,962			
Purchases from issuer.....	560		560				560		560
Preferred stock.....	308	878	1,186	146	433	579	162	445	607
New York Stock Exchange.....		433	433		433	433			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	308	445	753	146		146	162	445	607
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	7,259	9,845	17,104	6,718	9,845	16,562	542		542
New York Stock Exchange.....	4,814	7,902	12,716	4,814	7,902	12,716			
American Stock Exchange.....	221		221				221		221
Regional exchanges.....	478	903	1,381	478	903	1,381			
Over the counter.....	1,746	1,039	2,785	1,425	1,039	2,464	321		321
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	121,156	67,945	189,101	100,589	55,026	155,615	20,567	12,920	33,487
New York Stock Exchange.....	76,867	50,278	127,144	76,867	50,278	127,144			
American Stock Exchange.....	3,134	670	3,804				3,134	670	3,804
Regional exchanges.....	15,095	3,291	18,386	13,435	3,291	16,726	1,660		1,660
Over the counter.....	21,538	13,707	35,245	6,325	1,457	7,782	15,212	12,250	27,462
Secondaries and underwritings.....	3,962		3,962	3,962		3,962			
Purchases from issuer.....	560		560				560		560

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	63.5	74.5	67.7	76.0	89.8	81.2			
American Stock Exchange.....	2.6	.9	1.9				15.8	5.0	11.6
Regional exchanges.....	12.1	5.3	9.5	13.0	6.4	10.5	7.8		4.8
Over the counter.....	18.3	19.3	18.7	7.3	3.8	6.0	73.8	95.0	82.0
Secondaries and underwritings.....	3.1		1.9	3.7		2.3			
Purchases from issuer.....	.4		.3				2.6		1.6
Preferred stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....		49.3	36.5		100.0	74.8			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	100.0	50.7	63.5	100.0		25.2	100.0	100.0	100.0
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
New York Stock Exchange.....	66.3	80.2	74.3	71.7	80.2	76.8			
American Stock Exchange.....	3.0		1.3				40.8		40.8
Regional exchanges.....	6.6	9.2	8.1	7.1	9.2	8.3			
Over the counter.....	24.1	10.6	16.3	21.2	10.6	14.9	59.2		59.2
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	63.4	74.0	67.3	76.4	91.4	81.7			
American Stock Exchange.....	2.6	1.0	2.0				15.2	5.2	11.3
Regional exchanges.....	12.5	4.8	9.7	13.4	6.0	10.7	8.1		5.0
Over the counter.....	17.7	20.2	18.6	6.3	2.6	5.0	74.0	94.8	82.0
Secondaries and underwritings.....	3.3		2.1	3.9		2.6			
Purchases from issuer.....	.5		.3				2.7		1.7

¹ Includes 2 transactions involving Exchange distribution plans, a purchase amounting to \$1,411,000 and a sale of \$2,196,000.

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	87.8	96.9	92.7	98.1	98.6	98.4			
American Stock Exchange.....	.4		.2				3.7		3.1
Regional exchanges.....									
Over the counter.....	11.5	3.1	7.0	1.9	1.4	1.6	93.7	100.0	94.7
Secondaries and underwritings.....	.3		.1				2.6		2.2
Purchases from issuer.....									
Preferred stock.....									
New York Stock Exchange.....									
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....									
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	85.6	59.5	76.3	89.4	71.7	83.7			
American Stock Exchange.....	4.3		2.8				100.0		31.6
Regional exchanges.....									
Over the counter.....	10.1	40.5	20.9	10.6	28.3	16.3		100.0	68.4
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	88.0	98.6	93.8	99.0	99.6	99.4			
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....	11.7	1.4	6.1	1.0	.4	.6	97.3	100.0	97.6
Secondaries and underwritings.....	.3		.1				2.7		2.4
Purchases from issuer.....									

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

TABLE VIII-19f.—Purchases and sales of stocks by selected institutions in March 1961 (by market and type of stock)
CLOSED-END INVESTMENT COMPANIES

Type of stock and market channel	All stock			Stock listed on New York Stock Exchange			Other stock		
	Purchases	Sales	Total	Purchases	Sales	Total	Purchases	Sales	Total
A. Dollar amount (thousands)									
All types of stock.....	21,896	19,934	41,830	16,496	18,168	34,664	5,400	1,767	7,166
New York Stock Exchange.....	16,231	14,917	31,148	16,231	14,917	31,148			
American Stock Exchange.....	458	522	980				458	522	980
Regional exchanges.....									
Over the counter.....	3,647	4,495	8,142	265	3,251	3,515	3,382	1,245	4,627
Secondaries and underwritings.....									
Purchases from issuer.....	1,560		1,560				1,560		1,560
Preferred stock.....									
New York Stock Exchange.....									
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....									
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	2,220	272	2,492	1,767	29	1,796	453	243	696
New York Stock Exchange.....	1,502	29	1,532	1,502	29	1,532			
American Stock Exchange.....		243	243					243	243
Regional exchanges.....									
Over the counter.....	718		718	265		265	453		453
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	19,675	19,663	39,338	14,729	18,138	32,867	4,947	1,524	6,471
New York Stock Exchange.....	14,729	14,888	29,617	14,729	14,888	29,617			
American Stock Exchange.....	458	280	737				458	280	737
Regional exchanges.....									
Over the counter.....	2,929	4,495	7,424		3,251	3,251	2,929	1,245	4,173
Secondaries and underwritings.....									
Purchases from issuer.....	1,560		1,560				1,560		1,560

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	74.1	74.8	74.5	98.4	82.1	89.9			
American Stock Exchange.....	2.1	2.6	2.3				8.5	29.6	13.7
Regional exchanges.....									
Over the counter.....	16.7	22.6	19.5	1.6	17.9	10.1	62.6	70.4	64.6
Secondaries and underwritings.....									
Purchases from issuer.....	7.1		3.7				28.9		21.7
Preferred stock.....									
New York Stock Exchange.....									
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....									
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	67.7	10.7	61.5	85.0	100.0	85.3			
American Stock Exchange.....		89.3	9.7					100.0	34.9
Regional exchanges.....									
Over the counter.....	32.3		28.8	15.0		14.7	100.0		65.1
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	74.9	75.7	75.3	100.0	82.1	90.1			
American Stock Exchange.....	2.3	1.4	1.9				9.3	18.3	11.4
Regional exchanges.....									
Over the counter.....	14.9	22.9	18.8		17.9	9.9	59.2	81.7	64.5
Secondaries and underwritings.....									
Purchases from issuer.....	7.9		4.0				31.5		24.1

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	77.4	43.5	53.5	87.2	45.0	56.8			
American Stock Exchange.....	.1	.3	.2				1.6	7.8	4.2
Regional exchanges.....	(1)	.5	.4		.2	.1	.4	10.8	4.8
Over the counter.....	19.6	3.8	8.4	11.0	.9	3.7	85.7	81.4	83.9
Secondaries and underwritings.....	2.4	51.9	37.3	1.8	53.9	39.4	7.5		4.3
Purchases from issuer.....	.5		.2				4.8		2.8
Preferred stock	100.0	100.0	100.0		100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....		76.7	72.2		82.8	82.8			
American Stock Exchange.....	10.3		.6				10.3		4.7
Regional exchanges.....									
Over the counter.....		23.3	22.0		17.2	17.2		100.0	54.8
Secondaries and underwritings.....									
Purchases from issuer.....	89.7		5.2				89.7		40.5
Public utility common stock	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	78.4	97.1	91.0	82.4	99.7	94.2			
American Stock Exchange.....									
Regional exchanges.....		.3	.2		.3	.2			
Over the counter.....	16.7	2.6	7.2	17.6		5.6		100.0	52.1
Secondaries and underwritings.....	4.9		1.6				100.0		47.9
Purchases from issuer.....									
Other common stock	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	77.7	32.0	45.5	88.3	33.1	48.5			
American Stock Exchange.....	.1	.3	.3				1.2	9.6	4.6
Regional exchanges.....	(1)	.6	.5		.2	.1	.4	13.4	5.7
Over the counter.....	20.3	3.0	8.1	9.5	.3	2.9	98.4	77.0	89.7
Secondaries and underwritings.....	1.9	64.1	45.6	2.2	66.4	48.5			
Purchases from issuer.....									

¹ Indicates amounts less than \$500 and percentages less than 0.05.

NOTE.—Transactions executed abroad are excluded. Figures may not add to totals because of rounding.

B. Percentage for each market

	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
All types of stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	47.4	86.9	60.4	78.6	97.3	86.5			
American Stock Exchange.....	.8		.5				2.0		1.8
Regional exchanges.....									
Over the counter.....	45.2	13.1	34.7	10.5	2.7	7.2	98.0	100.0	98.2
Secondaries and underwritings.....	6.6		4.4	10.9		6.3			
Purchases from issuer.....									
Preferred stock.....									
New York Stock Exchange.....									
American Stock Exchange.....									
Regional exchanges.....									
Over the counter.....									
Secondaries and underwritings.....									
Purchases from issuer.....									
Public utility common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0
New York Stock Exchange.....	93.8	90.0	93.2	99.1	90.0	97.5			
American Stock Exchange.....	5.3		4.5				100.0		100.0
Regional exchanges.....									
Over the counter.....	.9	10.0	2.3	.9	10.0	2.5			
Secondaries and underwritings.....									
Purchases from issuer.....									
Other common stock.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock Exchange.....	40.4	86.7	56.5	73.3	97.8	84.6			
American Stock Exchange.....	.1		.1				.3		.2
Regional exchanges.....									
Over the counter.....	52.0	13.3	38.5	13.0	2.2	8.0	99.7	100.0	99.8
Secondaries and underwritings.....	7.5		4.9	13.7		7.4			
Purchases from issuer.....									

NOTE: Transactions executed abroad are excluded. Figures may not add to totals because of rounding.