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7-7-53

MOODY'S INVESTORS SERVICE
65 Broadway
New York 6, New York

*This saved
the City of Portland
close to \$50,000.00 and*

C O P Y

*will, in my opinion save
the City hundreds of thousands
of dollars, on the year ahead.*

July 3, 1953

*I have spent many months
in achieving this better rating.
Bill Gibson.*

Mr. Will Gibson, City Auditor
City Hall
Portland, Oregon

Dear Mr. Gibson:

We have finally been able to assemble the specific and corroboratory information we needed to arrive at a decision with regard to your requests for an increased rating on Portland bonds. We have talked to several people directly and indirectly connected with commercial and industrial lines represented in your City.

Summarizing our findings we have come to the conclusion that Portland's economy is considerably more stable now than a decade or two ago. Whereas the cessation of hostilities at the end of World War II caused a slump in the shipbuilding business, this vacuum was filled to a great extent by other endeavors aimed primarily for civilian consumption.

We have learned, independently, that the future capital requirements of the school system, City and County do not loom large in comparison to the resources of the area or the present overall debt levels.

As a result of our analysis of these considerations which find little reflection, if any at all, in your financial statements, as well as in acknowledgement of the sound financial condition your community achieved and maintained in recent years, our Rating Committee has decided to raise the rating of the general obligation bonds of your City from A to Aa. We do not wish to make any distinction at this level of bond quality between the water bonds and other general obligations; we trust our reasoning in this latter regard has been clarified in previous correspondence.

We hope this information is satisfactory. We want to thank you for your correspondence and enthusiasm on this subject and for supplying us with continuing, excellently informative reports concerning the finances of the City.

Very truly yours,

/S/ D. M. Ellinwood

D. M. Ellinwood
Manager-Municipal Department

DME:jd