

NYSE - Commission Rate Structure
(x - Regional Offices)



OFFICE OF
THE CHAIRMAN

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON 25, D. C.

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Mr. Ralph S. Saul, President
American Stock Exchange
86 Trinity Place
New York, New York 10006

Mr. Frederick Moss, President
Boston Stock Exchange
53 State Street
Boston, Massachusetts 02109

Mr. Charles H. Steffens, President
Cincinnati Stock Exchange
209 Dixie Terminal Building
Cincinnati, Ohio 45202

Mr. Charles A. Parcels, Jr., President
Detroit Stock Exchange
2314 Penobscot Building
Detroit, Michigan 48226

Mr. James E. Day, President
Midwest Stock Exchange
120 South LaSalle Street
Chicago, Illinois 60603

Mr. Edward T. McCormick, President
National Stock Exchange
91 Hudson Street
New York, New York 10013

Mr. G. Keith Funston, President
New York Stock Exchange
11 Wall Street
New York, New York 10005

Mr. Thomas P. Phelan, President
Pacific Coast Stock Exchange
301 Pine Street
San Francisco, California 95104

Mr. Elkins Wetherill, President
Philadelphia-Baltimore-Washington Stock Exchange
17th Street and Stock Exchange Place
Philadelphia, Pennsylvania 19103

Mr. Ralph S. Richards, Jr., President
Pittsburgh Stock Exchange
333 Fourth Avenue
Pittsburgh, Pennsylvania 15222

Mr. George J. Potter, President
Salt Lake Stock Exchange
39 Exchange Place
Salt Lake City, Utah 84011

Mr. G. C. George, President
Spokane Stock Exchange
206 Radio Central Building
Spokane, Washington 99204

Mr. Wendel E. Lowry, President
Colorado Springs Stock Exchange
418 Mining Exchange Building
Colorado Springs, Colorado 80901

Mr. Robert W. Haack, President
National Association of Securities Dealers
888 Seventeenth Street, N.W.
Washington, D.C. 20006

Gentlemen:

This letter relates to our concern as to the progress of the exchanges in dealing with the problem of give-ups, volume discounts and related commission rate structure problems. This subject has been the basis of much discussion between representatives of the Commission and the securities industry. The Commission's Report on Public Policy Implications of Investment Company Growth points out that the Commission has asked the national securities exchanges to consider changes in their commission rate schedules. The report also states that if changes recommended by the exchanges do not substantially reduce the adverse effects of give-up and reciprocal practices, the Commission will consider additional steps to deal with these problems.

The Commission has received inquiries from many interested parties inquiring as to the status of your consideration of these matters. During the period since these questions were originally raised, exchanges have made and are contemplating changes in their rules and practices which could result in complicating further a satisfactory resolution of these problems.

Therefore, it is urgent that these questions be considered on a priority basis and that the Commission receive the views of your Exchange as soon as possible.

Sincerely,

Manuel F. Cohen
Chairman