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Gentlemen:

As background material, I have been a non-member broker for the past forty years, with the exception of three war years. Therefore, I welcome any plan whereby the New York Stock Exchange commissions could be split with non-member brokers.

What does concern me, and I think should be approached very cautiously by you, is the possible elimination of give-up commissions by Mutual Funds to participating dealers. I do not oppose it from the standpoint of its affect upon my personal income, but from the fact that every stock exchange in the country, with the exception of the New York Stock Exchange, would lose, I am sure, at least 75% of its business if the Mutual Funds did not require execution on these other exchanges in order to split the commission.

It would seem to me by adding to the power that the New York Stock Exchange already exercises in the financial world, you may be creating a Goliath that may some day haunt you.

Whether the present system created by a desire to split commissions seems offensive to you, it might be preferable so as to keep the smaller stock exchanges in business against eliminating them to the advantage of the New York Stock Exchange.

It seems to me this is much more important than the correction of any sharing of commissions and is a situation where the cure may be much worse than the disease.

Very truly yours,

Joseph Lincoln Ray