

BY MESSENGER

Honorable James M. Landis  
Executive Offices  
Bureau of the Budget  
Washington, D. C.

Re: S. 2135, 87th Congress

Dear Dean Landis:

The staff of the Senate Banking and Currency Committee has submitted to us a copy of a further letter from the New York Stock Exchange to Honorable Harrison A. Williams, Jr., Chairman of the Subcommittee on Securities, and has requested our comments thereon.

In keeping with the thought which you expressed when we met with you to discuss the earlier proposal of the New York Stock Exchange, we see no harm in not objecting to the suggested changes in areas in which we would probably not delegate even though we had the authority to do so, just so long as the record is straight that the proposals are not our proposals and that we are simply not objecting to them. We are accordingly inclined to advise the Senate Subcommittee that we have no objection to the Stock Exchange proposal as set forth in its latest letter, except for two or three changes which we believe the Exchange would not oppose and which are in areas in which we do not like to concede a right of appeal as to matters which do not represent final action.

We would like to urge the Subcommittee to change the Stock Exchange proposal as to Section 1(b) to read as follows:

“And provided further, That in the event action at a delegated level (1) denies any request for action pursuant to Section 8(a) or Section 8(c) of the Securities Act of 1933 or the first sentence of Section 12(d) of the Securities Exchange Act of 1934; (2) suspends, denies or revokes a broker-dealer registration pursuant to Section 15(b) of the Securities Exchange Act of 1934; (3) suspends, denies or withdraws any registration or suspends or expels a member of a national securities exchange pursuant to Section 19(a) of the Securities Exchange Act of 1934; or (4) suspends trading on an exchange pursuant to Section 19(a) of the Securities

Exchange Act of 1934, a person or party adversely affected by such action shall be entitled to review by the Commission.”

Subject to the minor changes represented by the foregoing, we would advise the Subcommittee that we do not object to the Stock Exchange proposal.

In the interest of conserving time, may I ask you to call me when you have had an opportunity to read this letter and advise me whether you see any objection to our taking the position outlined above.

I am sending a copy of this letter and of the Stock Exchange letter to Mr. Phillip S. Hughes, Assistant Director for Legislative Reference, Bureau of the Budget, for any comments he might care to make on behalf of the Bureau of the Budget.

I appreciate very much all of the assistance you have given us on this matter and hope that it can now be resolved without having to trouble you further.

Sincerely yours,

William L. Cary  
Chairman

Enclosures

cc: Honorable Phillip S. Hughes  
Bureau of the Budget

WPNorth/kb  
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