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Office of the President OFFICE OF THE COMMISSIONER

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MIDWEST STOCK EXCHANGE, INCORPORATED

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Telephone: (312) 368-2000

April 14, 1978

Chairman Harold M. Williams
Securities and Exchange Commission
500 North Capitol Street, N. W.
Washington, D. C. 20549

Re: File No. S7-735

Dear Chairman Williams:

In Release No. 34-14416 regarding development of a national market system, the Commission requested that every self-regulatory organization inform the Commission of their willingness to develop and implement an intermarket order routing system and to commit to a universally available message switch. This message switch would permit any broker-dealer to route orders for the purchase or sale of qualified securities from its offices to any qualified market trading in that security.

With respect to an order routing system, on April 14th, the Midwest Stock Exchange decided to join the Intermarket Trading System ("ITS"). Orders for necessary equipment and lines are being entered and we hope to be fully participating in the system within two months. We made the decision to join ITS based on our understanding of new commitments the New York Stock Exchange has made to further development of a national market system and their commitment to work diligently on perfecting the ITS as a market linkage. Those commitments include an apparent willingness to offer dual member firms the ability to switch orders directly from their offices to the Midwest Stock Exchange through the use of what is now known as the Central Message Switch ("CMS").

The Midwest Stock Exchange has always viewed the ITS and CMS in the broader context of a national market system and the Securities and Exchange Commission national market system policy statement of January, 1978 has provided a workable blueprint for the industry to build the first key elements of such a system.

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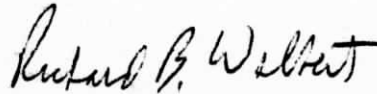
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While much remains to be done, if the industry and the SEC adhere to this blueprint and the industry reconciles its differences in accordance with the public policy objectives of the national market system statement, as now appears likely, much progress will be made towards an effective national market system.

Although more details regarding neutralization of the CMS are not yet available, we expect to be meeting very shortly with the NYSE, AMEX and SIAC to discuss implementation of necessary changes to the present system.

Please feel free to call should you have any questions.

Sincerely,



Richard B. Walbert
President

RBW/pmw

CC: Commissioner Philip A. Loomis
Commissioner Irving M. Pollack
Commissioner John R. Evans
Commissioner Roberta Karmel
Mr. Andrew Klein