



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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The Securities and Exchange Commission announced today that, as part of its continuing program of monitoring experiments with stock exchange commission rates, its staff would interview selected brokers and institutional managers to assess their experiences. The inquiry would also focus upon restraints on institutions' ability to select brokers based on factors other than commission charges, such as the range of services provided by the brokers.

In September, 1973, in connection with its consideration of commission rates, the Commission announced it would not object to an increase in such rates if the exchanges adopted rules eliminating the prohibition on member firms charging their customers commission rates

exceeding the NYSE's commission rate schedule. In addition, the Commission announced it would act to terminate the fixing of commission rates by stock exchanges after April 30, 1975, if the stock exchanges do not adopt rule changes achieving that result.

Responding to the flexibility afforded by programs of limited price competition under revised exchange rules, member firms recently implemented diverse commission rate schedules which in certain instances have resulted in increased rates. Citing resistance to these limited price increases because of problems of institutional managers respecting fiduciary standards, as well as other factors, some member firms and securities industry organizations have reported roll-backs in these price increases.

The Commission staff conducted similar interviews early in 1972 respecting experience under stock exchange rules which then permitted commission rates to be competitively determined on the portion of orders over \$500,000. The information obtained then proved useful

to the Commission in the exercise of its regulatory functions. The Commission expects this inquiry to be similarly useful in light of the advent of fully competitive rates after April 30, 1975.

Members of the interested public are invited to submit to the Commission, in writing, any information on this subject which they feel will assist the Commission in the exercise of its regulatory responsibilities. Such submissions should be addressed to Mr. Lee Pickard, Director, Division of Market Regulation, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549, and refer to: In re Survey on Experience With Rate Increases.