

Allstate
Northbrook, Illinois

February 19, 1968

Mr. Orval L. DuBois
Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

Dear Mr. DuBois:

RE: The Commission's Proposed Rule 10b-10

For many years Allstate Insurance Company has supported the idea of volume discounts on commissions in brokerage transactions. On January 26, 1968, the Securities and Exchange Commission published proposed Rule 10b-10 and a New York Stock Exchange proposal dealing with changes in its commission rate structure. The Commission's proposed Rule 10b-10 deals with the matter in a limited manner in that only registered investment companies and affiliated organizations are directly affected. The New York Stock Exchange's proposal to incorporate a volume discount in the minimum commission schedule affects a much broader range of institutional investors and we strongly favor the volume discount principle contained in that proposal.

Unlike investment companies, the nature of our business is such that we make relatively little use of "give ups." However, we are not opposed to "give ups" in concept. We believe that the current procedure whereby an institutional investor

can recoup some brokerage commissions through organization of a brokerage subsidiary for the purpose of receiving "give ups" is extremely cumbersome as opposed to the volume discount and in some cases may create more problems than it solves. Consequently, we urge the speedy adoption of a commission rate structure which includes a volume discount feature.

We request that this letter be accorded confidential treatment.

Very truly yours,

Ronald E. Cramer

Vice President