

August 20, 1968

The Honorable Manuel F. Cohen, Chairman  
Securities and Exchange Commission  
500 North Capitol Street, N. W.  
Washington, D.C. 20549

Dear Mr. Chairman:

The undersigned partners of the New York Stock, Member firm of Goldman & Co., firmly believe that departure from the long standing system of minimum commission rates would quickly result in the failure of small firms such as ours to exist. Our firm was established in 1947 and it has been our experience that net profits from commissions business have been small in view of the required capital investment; without consideration of 75 years of experience in the securities business represented by the undersigned.

The elimination of the hundreds of smaller firms such as ours would tend to concentrate the securities business in the hands of the few larger firms economically able to exist under the to be expected increased cost of services, which are already at a historically high level at this time. Surely the concentration of the securities industries in fewer but larger organizations would be a departure from the concept of free opportunity for all implied in the protection to the small businessman implicit in the anti-trust laws.

Regardless of the result to businessmen such as ourselves the effect on the investing public could only be extremely harmful if not disastrous. Certainly one visible result of the expansion of the securities industry has been the improvement in the market for securities industry in our country. Any diminution of this market would have dire results. Certainly the spread between quotations is inversely related to the number of firms engaged in the market for securities. Decreasing the number of participants could only result in wider quotations and perhaps the disappearance of the auction market as it is now known.

Sincerely yours,

LOUIS H. GOLDMAN  
Partner

WILLIAM SIEGEL  
Partner