

NEW YORK STOCK EXCHANGE, INC.

ELEVEN WALL STREET

NEW YORK, N. Y. 10005

TO: Members and Allied Members

August 5, 1971

SUBJECT: Report by William McChesney Martin, Jr.

Ralph D. DeNunzio, Chairman, and Robert W. Haack, President, made the following joint statement today on the report presented by William McChesney Martin, Jr. to the Exchange's Board of Governors:

"The New York Stock Exchange is deeply grateful to William McChesney Martin, Jr. for giving the Exchange the benefit of his unique experience in the report he has submitted today to the Board of Governors. While there has not been time as yet for the study in depth that the report will require, Mr. Martin has rendered a great service not only to the Exchange but also to the entire securities industry and to the American public by devoting so generously of his time, energy and talents to this report.

"In the course of making his study Mr. Martin has spoken with a broad cross-section of members of this industry as well as with government officials, representatives of listed companies and the investing public. He has spent five months of concentrated effort on the task he accepted from the Board of Governors which was to undertake a thorough study of the Constitution, Rules and Procedures of the Exchange to determine how the Exchange can best serve the public, the financial community and the national economy. During the course of his study the Board referred a number of specific current policy matters to Mr. Martin for his appraisal. Mr. Martin's thoughtful report represents his views on this very broad range of matters.

"While making the study Mr. Martin had the benefit of an advisory committee of seven leaders of the industry, but as Mr. Martin has made clear, the final conclusions are his own.

"The task for the Exchange now is to move ahead immediately with a detailed study of the findings and proposals in Mr. Martin's report. The first step will be a discussion of the report by the Board of Governors at a policy meeting later this month. At the same time, certain specific recommendations in the Martin report will be considered by the Exchange's Committee on Membership Qualifications. Because many of Mr. Martin's proposals relate to structural changes that would affect the entire securities industry, the Exchange also intends to secure the views of other leading industry organizations. To this end we plan to invite the heads of other major stock exchanges and the NASD to meet with us for a comprehensive review of the Martin proposals. On the basis of these and other discussions that are being planned, our Board will then be in a position to reach decisions on Mr. Martin's recommendations."

Ralph D. DeNunzio

Ralph D. DeNunzio
Chairman

Robert W. Haack

Robert W. Haack
President