

OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS
AND CANADIAN LABOUR CONGRESS

HOWARD COUGHLIN
PRESIDENT

WILLIAM A. LOWE
SECRETARY-TREASURER

September 13, 1977

Mr. George Meany, President
AFL – CIO
815 Sixteenth Street, N.W.
Washington, D.C. 20006

Dear President Meany:

The Securities and Exchange Commission is proposing to repeal Rule 390 which, in effect, mandates trading in listed stocks through the various Exchanges throughout the country, including the New York Stock Exchange.

The Office & Professional Employees International Union is interested in and opposed to the elimination of Rule '390 for numerous reasons, including the following:

1. We represent 1,800 employees of the New York Stock Exchange whose jobs will be eliminated in the event the SEC's proposed action is carried out.
2. Member firms in New York City, in the event the New York Stock Exchange is eliminated, will have no reason whatsoever to remain in New York and, as a consequence, tens of thousands of additional jobs will be lost to other states. There would be no reason today, with the elimination of the New York Stock Exchange and the use of computers, to prevent these firms from moving to right-to-work states, preferably the Sun Belt.
3. The replacement of public auction of listed stocks by dealers interested only in trading stocks for greater potential profit without the public spotlight will result in increased costs to individual investors, large funds and, more particularly, union management pension funds.
4. At the present time, dealers do trade in stocks of smaller companies over the counter. If an investor contemplates purchasing one of these stocks, he may through calling each of the dealers specializing in these stocks find point spreads of \$1.00 or more in the prices of

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these securities. If SEC plans are carried out and this method of doing business is given to security dealers for listed stocks, there will be an erosion of public confidence to the extent that capital formation in our country for purposes of investment in sound equities will be imperiled. Without such needed capital, our major companies will find it difficult to attract capital and will be forced to curtail activities, including projected expansion.

It can be pretty well assumed that the Securities and Exchange Commission intends to repeal Rule 390 effective January 1st despite the fact that the overwhelming majority of witnesses at a public hearing which closed August 3rd presented sound constructive reasons why Rule 390 is in the public interest.

Naturally our Union, which has for many years represented the employees of the New York Stock Exchange, feels strongly about this matter. I would, therefore, appreciate your assistance in helping to change the plans of the SEC. While the SEC is composed of appointed bureaucrats, it is sensitive to various Committees, a list of which I am attaching to this letter. Incidentally, John Moss, Democrat of California, who is Chairman of the Subcommittee on Oversight and Investigation, is the principal proponent of this change. He, for personal reasons, is anti-Public Exchanges.

With all kindest regards, I am,

Fraternally,

Howard Coughlin
President

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P.S. Enclosed find a copy of a letter which I have forwarded to all Members of Committees of the House of Representatives and the Senate charged with overseeing the work of the Securities and Exchange Commission.