

November 10, 1989

Representative Mickey Edwards  
U.S. House of Representatives  
Washington, D.C.

Ref: Regulations governing excessive volatility in the trading of securities on the New York Stock Market.

Dear Sir;

As a small-time, 30 year veteran of the stock market, it seems to me that volatility caused by program trading, index arbitrage, and buy-outs with junk, has caused the market to be more a crap-shoot-gamble than a rational market where one can invest in corp. America. Such wide swings in the market does nothing for the U.S. economy, and while it is argued that overall it does not change the price of a security, it has driven thousands of small investors like myself from the market and will continue to do so until the market becomes a level playing field.

I would appreciate if you would, as my Representative, address these concerns to Rep. Edward Markley, Chairman of the House Subcommittee on Telecommunications and Finance, in the hope that He may influence meaningful changes to restrict a practice that causes such volatility.

Mr. David Router of the SEC states that he has no regulatory authority to stop such practices but only can suggest that the Major Brokerage Houses limit such activities. He may as well save his breath.

I see no good reason, from the investor's standpoint, why a Brokerage house should be permitted to trade for their own account. If they choose to invest for their own account then they should not act as brokers, but play by the same rules as the rest of us. Most program trading is done by brokerage houses that pay themselves brokerage fees, such trading would be unprofitable otherwise.

If credibility is to be maintained in the Financial markets, Investment Junk should be limited to no more than 50%, with a 50% cash requirement much of the wild take-over activity would cease.

Sincerely,

W.D. Esler  
1510 SW 77<sup>th</sup> terrace  
Oklahoma City, Okla.  
73159