

tions, the participation, the effect on markets, and so forth, which I would be happy to leave with you, and I also have a copy of our study of institutional activity for the week of October 24 to 28 last year on this exchange, which I think breaks down some of these things very interestingly and may help you, Mr. Keith, to address yourself and focus on this very problem.

Mr. KEITH. I hope it will. We will do the best that we can.

Mr. HAACK. So far as the wish for a study is concerned, I would say again that we always welcome information. I don't think that we would be in the vanguard of any group to push for it. We would not resist it.

Mr. KEITH. These volume transactions by institutions, there must be a narrowing of the market activity between fewer and fewer firms and fewer and fewer broker-dealers. Some of them must be getting much more successful than others, relatively speaking. When 35 percent of the transactions are involving amounts in excess of 10,000 shares, that means that there is an awful lot of commissions being paid to particular houses that do this business.

Mr. LEVY. It is only 6.7 percent.

Mr. HAACK. I think you misinterpreted my statement. The total institutional activity on the New York Stock Exchange is approximately 32 to 35 percent. In the third quarter of this year there were 1,735 trades, which were not the total institutional orders, which exceeded 10,000 shares.

To answer your question directly, I would say that many firms have focused on the more profitable end of the business. One of the unhappy facts of life is that it costs just as much to process a transaction involving 10 shares as it does 10,000, and some firms are more efficient, some firms are better managed, some firms have better control of costs, and you are absolutely right. Many firms are more successful than their counterparts. This, however, is true of every business.

Mr. KEITH. What does it do to the regional exchanges? Does it encourage them to be more or less active?

Mr. HAACK. I have enough problems speaking for my own members, Mr. Keith, to let alone speak for my friends at regional stock exchanges. The growth of regional stock exchanges has been impressive. They are doing more and more business, just as we are doing more and more business.

There are a number of factors that work to this. They, in some cases, have a different membership. In some cases there is the possible avoidance of a New York transfer tax which we are presently addressing ourselves to in another form.

Mr. KEITH. I believe Massachusetts has a transfer tax, doesn't it?

Mr. HAACK. No.

Mr. CALVIN. It has been repealed.

Mr. KEITH. I am glad I brought the question up.

Mr. HAACK. As a matter of fact the Boston Stock Exchange inserts ads in the Sunday newspapers as to the desirability of doing business in Boston and saving the tax.

Mr. KEITH. What other cost variances are there? Is the commission, generally speaking, about the same?