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THE SECURITIES INDUSTRY AND THE NATIONAL MARKET SYSTEM:
A CURRENT PERSPECTIVE

An Address by

Harold M. Williams, Chairman

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It is a pleasure to be here in Boca Raton for a second time to address the Annual Convention of the Securities Industry Association. Someone pointed out to me recently that, for many of my predecessors, any speech delivered 19 months after taking office was likely to be in the nature of a farewell address. Any who came this morning anticipating something of that sort will be disappointed. On the contrary, I see this year's SIA meeting, which draws together some of the most influential leaders in the securities industry, as an important opportunity to deliver an interim report on industry progress during the past year towards the objectives I laid out in my remarks last November. In addition, one of the commitments I made last year was to endeavor to provide the securities industry with a greater measure of certainty during the necessarily dynamic transition to a national market system. Accordingly, I want also to offer some guidance today concerning the directions the Commission and the industry will need to pursue during the coming year. Based on the developments which have occurred in our markets during the past 12 months, I am confident that, 3 years from now when I address you as Chairman for the last time, it will be to describe capital markets which are stronger, more efficient, more competitive, and more vital than those which existed when I arrived at the Commission.

When I appeared before you a year ago, I noted that some press accounts were predicting that I would use this podium as the opportunity to promulgate a definitive timetable for the implementation of a national market system. I did not, of course, oblige. Pursuit of a national market system is among the most difficult and challenging of the many tasks that Congress has assigned the Commission. It is necessarily a developmental process and one which requires that care and deliberation accompany each step. Stated differently, the restructuring of our Nation's securities markets, which Congress envisioned in the Securities Acts Amendments of 1975, is not a process which lends itself to rigid timetables or to administrative fiats. At the same time, however, it had become painfully obvious last fall that, in order to discharge our mandate to facilitate movement toward a national market system, the Commission would have to assume more of a leadership role in the definition of the structure and the development of the communications, processing and other technological components that will characterize the system. Accordingly, in January of 1978, the Commission issued a policy statement in which it set forth its view of the components of a national market system and a detailed agenda for 1978. Nearly ten months have now passed since the issuance of the January Statement,

and I believe that the best way for me to both measure our progress and predict our future is to devote the bulk of my remarks this morning to tracing each of the major items identified in that statement.

THE ECONOMICS OF THE MARKETPLACE

Because of the emphasis I want to give to important national market system issues, I will touch only briefly on a few of the major nonstructural issues which confront the industry. In doing so, I do not mean to understate the importance of the economic climate in which the securities industry operates. As I have stressed in several previous addresses, I believe that the securities markets are at the heart of our society. They provide the essential mechanism for the capital-raising process by which America's industry can obtain the resources necessary to provide jobs, create goods and services and, ultimately, define our standard of living. Our capital markets are the best in the world. I am committed to assuring the continued vitality and strength of both the markets and the industry which they support.

In my remarks last year, I treated several matters which are necessarily focal points for those who are concerned about the securities industry. Inflation, unemployment, low corporate profitability and retarded

rates of capital formation, the energy crisis, and a general erosion of confidence in institutions are all factors which have affected the securities markets. Indeed, in a society premised on private enterprise, the capital-raising mechanisms are especially sensitive to shifts in the economic or social landscape. And, while several of these shifts were occurring and impacting the profitability and stability of the securities industry, a series of regulatory changes, including the abolition of fixed commission rates, also had to be confronted. In short, the upheavals -- external and internal -- which the industry has endured, and is enduring, are a source of legitimate concern. I understand them well and do not minimize them.

Nonetheless, I am disturbed by the predictions of gloom and doom concerning the future of the securities industry which are now reappearing, as they so frequently accompany a downturn. While there are persistent problems which must be addressed and which I do not minimize, such as the need for additional capital, the cyclical nature of profits, the expansion into other financial service areas and increased concentration, these are problems which a responsible industry with competent leadership can successfully address. I believe that the imagination and initiative which have characterized the securities industry in the past will enable us to ultimately solve these problems -- unless we fall victim to the

self-fulfilling nature of paranoia and dooms-day predictions. The industry remains most viable, vital and resourceful. It must continue to attract capital and talent. To do so it must be profitable and reward risk-taking and service, and I am confident that it will.

Before I return to my central theme -- the evolution of the national market system -- I want to touch on a few specific areas which are likely to impact on the industry during the coming year. These issues are important and their resolution can benefit from your constructive and thoughtful attention.

One important area of debate is the continuing expansion of the banking industry into what has historically been the province of the securities industry. For example, as you know, Congress is likely in the near future to consider legislation which would expand the underwriting activities of banks, at least with regard to municipal revenue bonds. Further, the growth of so-called market inventory funds has been a matter of interest to the industry, as well as to the Commission and the Congress. In each of these areas, the economic consequences for the securities industry and investors and the implications for investor protection of a change in the role of the banks is not well understood, and consideration of these developments could benefit

from study directed to that issue. Such study should consider not merely the consequences of bank underwriting of municipal revenue bonds, but also the broader implications of the repeal of the Glass-Steagall Act.

Conversely, however, some may well question the advisability of the brokerage community's expansion into new areas, including the rendering of services traditionally offered by other financial institutions. While there are possible benefits to be achieved by brokerage firms providing overall financial services to their clients, both in terms of customer convenience and to counteract a cyclical revenue base, there are also possible negative results. For example, will diversification dilute the expertise of the industry in providing services for its primary line of business -- the distribution of securities? Such a consequence could have far-reaching ramifications for the way in which American industry raises capital. Moreover, is it clear that securities salesmen can effectively provide advice about all types of financial services? You should also recognize that, as brokerage firms seek to provide some of the services customarily provided by other financial institutions, pressure will build to relieve the regulatory controls currently excluding other financial institutions from the securities industry.

Another area which merits your attention is the need to better understand the impact of government regulation on securities industry capital. The Commission's net capital requirements, for example, are a complex and carefully fashioned framework designed to protect the investing public against the risks of dealing with the thinly capitalized broker-dealers. While I believe that this framework has worked well overall and has accomplished its objectives, I am concerned that, in certain situations, our rule may inadvertently require unreasonable amounts of regulatory capital in relation to the inherent risks. Also, now that we have had several years experience with the "uniform rule" since its adoption in 1975, the time is ripe for a comprehensive review of all aspects of the rule and its impact. While I doubt that the press of other priorities will permit the Commission to undertake a comprehensive review of the impact of net capital requirements during the coming year, it is important that we understand its impact in a changing economic environment. The members of this Association could provide the necessary input to help us begin that process.

I have saved for the last entry in this list of industry economic issues the trend towards consolidation in the securities industry. That phenomenon is one I hardly need describe to this audience. I think, however,

that the SIA could perform a valuable service by sponsoring better understanding of the reasons which have led to the various mergers in the securities industry during the past several years and whether the anticipated benefits from these consolidations were in fact realized. I would suggest that, at least in some instances, and to this time, the perceived benefits of being larger have only led to larger problems. And, upon reflection, it may be that there are greater opportunities by remaining smaller, being better managed, and offering superior services in those areas in which a firm chooses to specialize. It is my sense that any industry fat and overcapacity which may have existed as a logical consequence of a fixed price umbrella have now been wrung out. But some firms have yet to determine their future place in the industry and to manage themselves well. In some instances, mergers may be an appropriate course. The Commission staff is, with your assistance, gathering data on the industry in order that we can better assess individual mergers and enable us to better address such issues as profitability, capital adequacy, and competitive practices. Your continued assistance and SIA study would be most welcome.

PROGRESS TOWARD A NATIONAL MARKET SYSTEM

I want to turn now to the topic which I described at the outset as my central focus -- progress toward a national

national market system. While much remains to be accomplished, very significant progress has been made during the span of 12 months. The quote rule, proposed refinements in transaction reporting, ITS, the Cincinnati experiment, and other initiatives all represent important movement toward the ultimate goal. If comparable developments occur during the next 12 months, we will be far along the road toward the objectives Congress set forth in the 1975 Amendments. In fact, I am confident that the objectives of the national market system will be met during my term as Chairman. In order to meet those objectives, however, progress during the next year must continue and in some respects accelerate.

Before detailing the past year's events, I would like to offer some perspective on our experience. First, progress toward a national market system cannot usefully be measured in numbers of Commission rules proposed and adopted or facilities initially implemented. Meaningful progress can be achieved -- and unintended or harmful consequences avoided -- only through measured implementation and continuing enhancement of facilities and rules designed to implement a national market system. Each new component requires a period of learning and adjustment. Only after this initial phase provides an opportunity for "debugging" through user on-line experience can

the Commission and the industry evaluate whether the component achieves its intended goal, and shape the next system component so that it fits logically within the evolving framework.

This preference for evolutionary progress should not be confused with a lack of commitment or resolve. While some who do not share the responsibility Congress has imposed on the Commission may demand a more precipitous appearance of progress, in my view, the Commission would be irresponsible were it to impose structural changes on the securities markets without care and confidence as to the actual consequences. The Commission remains committed, however, to the meaningful and measured progress we have striven for during the past year. While I have emphasized on a number of occasions that development of a national market system should ideally be an industry undertaking, the Commission will persist in its role of identifying objectives, stimulating initiatives, assessing progress, and filling voids.

As I mentioned earlier, the January Statement was, in part, the Commission's response to the industry's lack of direction. Since issuance of that statement, the quality of the industry's participation has been generally good; while self-interest and self-protection are, to

a degree, unavoidable in a process with obvious economic ramifications, industry comments on the several initiatives on which the Commission has solicited comments, and industry participation in the mechanisms now in place, have, on balance, been positive. I will touch later on areas where industry participation needs to improve.

With these background comments in mind, I will proceed with my report on progress toward a national market system during the past year.

Consolidated Quotation System

Simultaneously with the issuance of the January Statement, the Commission adopted its quote rule, thereby concluding almost six years of rulemaking designed to facilitate implementation of a consolidated quotation system -- long deemed to be an essential disclosure mechanism in a national market system. In its release adopting the Rule, the Commission urged the various self-regulatory organizations to consider joint implementation of the system so that quotation data from all reporting market members could be made available to vendors in a single data stream. By the middle of this summer, a joint implementation plan was submitted to the Commission, and, on August 1, the consolidated quotation system became a reality. Today,

all reporting self-regulatory organizations, other than the NASD and the Cincinnati Stock Exchange, report quotations through this single data stream, and I understand, after a short test period, third market quotations will soon be included within this data stream.

I view the implementation of the consolidated quotation system as a concrete example of the rapid progress which can result from the joint efforts of various self-regulatory organizations. The negotiation of the CQ Plan and implementation of the single quote data stream were achieved in seven months while it had taken over three years for the same self-regulatory organizations to implement the consolidated tape.

There are, however, several problems which must be addressed in order to improve the usefulness of the quote system to brokers, dealers and investors. Foremost is the timely display of quotations. Although we understand that quotations are usually reported promptly to vendors by the exchanges and the processor of the quote data stream, there are often delays -- sometimes as long as 15 to 20 minutes -- before these quotations are displayed on vendor recall devices. Such delays are unacceptable and undermine the usefulness of the

system. If the vendors fail to correct this situation in the very near future, the Commission will be compelled to consider regulatory action to achieve this result.

Similarly, we understand that, in periods of high activity, primary market quotations are not always updated in a timely fashion. Whether reported delays result from a specialist's failure to communicate updated quotes or from operational problems in collecting and disseminating quotes, we expect the exchanges to take prompt action to correct the situation.

A significant limitation on the usefulness of quote information is the extent to which quotation size is disseminated through the system. The Commission's quote rule does not require brokers and dealers to disseminate quotation sizes to vendors for display on their recall devices. The rule requires only that brokers be firm for a minimum unit of trading, or if they choose to disseminate size greater than the minimum, for an amount up to that size. We understand that under this voluntary procedure there is often a disparity between the quotation size displayed on a recall device and the size available upon inquiry on the floor. If a broker or dealer is willing to disclose size in response to an inquiry on the floor, should he not be willing

to make that same information available through interrogation devices? As quotation information becomes more timely and reliable, I would expect that there will be greater economic incentives for the dissemination of size. We will continue to assess whether this aspect of the Commission's rule should be changed to assure greater consonance between quotation size generally available on the floor and quotation size disseminated to vendors.

Consolidated Transaction Reporting
System and Vendor Display Rules

The second principal market information facility now in place is the consolidated transaction reporting system which has been fully operational since 1976. In the January Statement, the Commission indicated that it would reexamine the operation of that system, and approximately six weeks ago, the Commission issued two releases commencing rulemaking proceedings which are designed to assure that consolidated market information -- both last sale prices and quotes -- are readily available to brokers and investors in a convenient and nondiscriminatory format.

Since the rule proposals are somewhat technical, I will not dwell on their specific provisions. They do illustrate an important point, however, that deserves

comment. The Commission on several occasions had informally requested that vendors alter their method of displaying consolidated market information. However, after almost a year, it became apparent that voluntary change was not to be achieved. The principal vendors had met on several occasions with the Commission's staff and had indicated that they would not commit the capital necessary to alter their systems unless the Commission were committed to a particular set of display criteria. Thus, when informal means failed, we were prepared to proceed with formal Commission action.

Market Linkage Experiments

I would now like to turn to the two experimental market linkage systems currently being implemented on a pilot basis, the Intermarket Trading System and the Cincinnati Experiment.

The Commission has indicated that the ITS appears to provide the basis for the intermarket order routing system called for in the January Statement. Notwithstanding the positive elements of the ITS, however, further enhancement of the system is essential. We have recently requested the ITS Operating Committee to provide the Commission with data to enable our staff

to evaluate user criticism of the ITS and to assess how the system is being used and how effective it is as an intermarket linkage facility. One area to be addressed by the exchanges -- and the Commission -- is the extent to which brokers executing transactions on one linked exchange ignore better published quotations from other markets. We have been informed that this is not an infrequent occurrence. We must determine why and to what extent it occurs as well as what steps, if any, should be taken to remedy this situation.

The slowness and uncertainty of trading through ITS, particularly during periods of volume stress, appears to discourage use of the system. Recent discussions considering an extension of the commitment-response time to three minutes would seem to exacerbate this problem. The industry should promptly explore whether changes in the ITS system or the rules governing its use would help alleviate the slow response time problem. If ITS is to become a permanent component of a national market system, it must satisfy the demands of its users for fast and efficient executions and be supported by trading rules encouraging its use. Certainly, if the ITS, as some have suggested, were to be an integral part of the mechanisms that provide nationwide protection

for limit orders, it must evolve in a manner that will assure that it is effective and efficient for that purpose.

In addition, the ITS participants have committed themselves to expanding the pre-opening application of the system and perfecting a block application. We expect that the participants can make meaningful progress in these areas in the coming months.

Finally, the NASD and the ITS participants should conclude their negotiations contemplating the linkage of the third market to the ITS. Although we understand that there are certain policy questions which have been raised by the NASD and the exchanges, I urge their prompt resolution.

I would like now to turn to the other experimental market linkage system now in operation -- the Cincinnati automated multiple dealer system. In April, the Commission authorized a nine-month experimental program in which an electronic trading facility has been used to permit approved dealers of the Cincinnati Stock Exchange and specialists on other exchanges to enter principal and agency orders in the system for automated execution in accordance with strict time and price priority. To

date, the extent of participation by other exchanges and broker-dealers has been extremely limited. Although there are CSE terminals on the floors of the Boston, Midwest and Pacific Stock Exchanges, virtually no agency orders have been entered into the system through these terminals except pursuant to an arrangement between one retail firm and a regional exchange specialist. The only other significant agency order flow has been entered by a retail firm engaged in market making through the system. Thus, although the CSE system provides a unique opportunity to observe the ability of an electronic system to integrate trading by various types of brokers and market makers in separate physical locations, the use of the system has thus far been too limited to gather meaningful data from the experiment.

The reasons for this limited participation are important for the Commission to fully understand. We must know to what extent it reflects an informed business decision, or whether other factors have led to this result. Certainly one consequence has been that, without widespread use of the system, it is all but inevitable that a predominant user will internalize a significant portion of its order flow.

In the next few weeks, the Commission will address the question of whether to extend approval of the system and, if so, upon what terms. Your comments on what consideration you have given to utilization of Cincinnati, and your conclusions, would be helpful. If the Commission were to extend the pilot, it would do so with the expectation of exploring the prospects and effects of broader participation by the industry, including linkage with ITS or, perhaps, the installation of Cincinnati terminals on the floors of those exchanges which currently are not participating in the Cincinnati experiment. It may be that the installation of ITS and Cincinnati terminals side-by-side on the floor of the exchanges would provide valuable experience and improved trading opportunities to brokers and dealers seeking to execute orders and would also lead to a more informed evaluation of the relative merits of (and insights as to ways of improving) both systems.

Broker Order Routing Facilities

In addition to market linkage systems, the January Statement also called for, and solicited comment on, development of a "neutral" order routing facility which would permit any broker-dealer to route orders

for qualified securities from its offices directly to any market center. In June, after receiving comments on the basic idea of, and need for, such a facility, the Commission requested further comment on whether order-by-order routing to the best market in size should be a characteristic of a national market system. In response, the Commission received a number of letters reflecting widespread opposition to a Commission requirement compelling individualized routing of retail orders in today's markets on the basis of machine-displayed quotations.

While the Commission has not formally acted, I think it would be unlikely for the Commission to require order-by-order routing decisions by retail firms given the existing structure of the markets. Absent quotations which are firm under all conditions, given limitations on access and differences in clearing costs, and, most importantly, absent the means of accessing those quotations in a timely manner, such a requirement would not appear feasible at this time.

Whether order-by-order routing to the best market in size will eventually be a characteristic of a national market system should be left for future consideration in light of subsequent developments in the structure of the

markets. However, improvements in order routing facilities can, and should, be achieved. We are aware that various brokerage service firms offer order routing facilities permitting brokers to route orders to any market center. However, as a practical matter, many of those brokers currently linked to the New York-AMEX switch, which provides access only to those exchanges, have no ready means of routing orders to other markets. Therefore, I urge the New York and the AMEX to promptly pursue the commitment they made in their responses to the January Statement to provide other market centers with access to their common switching facilities.

The Central File

The last facility proposed by the Commission in its January Statement was a central limit order file which the Commission described as a mechanism into which public limit orders from anywhere in the country could be entered and executed in accordance with auction principles of time and price priority. Among the January Statement proposals, this has been the most controversial and has drawn the most negative comment. In the view of many commentators, a centralized mechanism with both time and price priority would inevitably lead to a fully automated trading system. I wish to emphasize

that, as the Commission stated in the January Statement, "if a [market structure] change of this magnitude is to be made, it probably should occur as a result of evolutionary forces in the markets rather than by Commission mandate."

In response to the proposal for a central limit order file in the January Statement, alternative approaches to providing nationwide limit order protection were suggested. For example, in place of a single file, the New York and Midwest Stock Exchanges suggested that each exchange maintain its own separate electronic file of limit orders and that orders in each of these files would have the same priority in that market as manually entered limit orders do today. In order to provide limit order protection among markets, both the New York and the Midwest suggest that the ITS, enhanced to provide more rapid execution, be employed. The New York and Midwest submissions differ slightly in that New York would continue to provide intermarket limit order protection on a voluntary basis, whereas Midwest would have the Commission adopt a rule requiring a broker or dealer to satisfy limit orders at a better price residing in other markets prior to the execution of a trade in its own market.

The various proposals, despite their differences, have several essential elements in common. They all recognize the efficiencies and cost savings which may be derived by automating the limit order book. New York, in its proposal, estimated that automation of the book -- that is permitting brokers to enter, cancel and status limit orders directly from upstairs -- would save the industry between 10 to 15 million dollars annually. Similarly, all of the proposals recognize the necessity of providing some form of intermarket limit order price protection.

During the coming year, the Commission's number one priority must be directed towards assuring limit order protection among markets. While the Commission is not committed to any one method of achieving such protection, mere encouragement of and increased opportunity for such protection are not enough. The most important issues to resolve at this point are the nature of the protection to be provided to limit orders -- should it be both time and price priority or should it be only protection against inferior executions -- and whether rulemaking is necessary to expedite development. The Commission recognizes the need for it to provide further guidance on this subject if prompt progress is to be made.

National System Of Clearance and Settlement

One area related to our efforts to achieve a national market system deserves mention -- the efforts to establish a national system of clearance and settlement.

In May, interfaces for processing over-the-counter transactions were established between the National Securities Clearing Corporation and Stock Clearing Corporation of Philadelphia and between NSCC and the Midwest Clearing Corporation. As a result, broker-dealers dealing with either of those entities or with the Pacific Clearing Corporation now have available most of the benefits of one-account processing; that is, the ability to clear and settle all transactions through a single clearing agency regardless of the market of execution or the identity of the other party to the trade.

In addition, the U.S. Court of Appeals for the District of Columbia Circuit upheld the Commission's order granting NSCC registration as a clearing agency. This decision eliminated protracted litigation which had seriously impeded progress in this important area. While the court remanded two issues for further consideration, the decision ensures continued progress toward an efficient national clearing system and makes achievable substantial savings estimated by the industry to approach \$25 million annually.

Other NMS Issues

Aside from these facilities efforts, there are other significant national market system issues which the Commission is now or will in the near future be addressing.

1. Off-Board Trading. Chief among these issues remains the Commission's continuing consideration of off-board trading rules. In its January Statement, the Commission announced that it was deferring its decision on the removal of remaining off-board trading restrictions in order to evaluate the industry's responses to that statement and the relationship of the restrictions to progress in the development of the national market system. Although public discussion regarding this issue largely subsided during this past summer, concern has been intensified in the context of the Commission's consideration of the AMEX's revised listing standards. Some commentators have expressed the view that, regardless of the Commission's determination to defer final consideration of proposed Rule 19c-2 for a limited period, there is no basis for permitting off-board trading rules to apply to securities not now subject to those restrictions --

for example, upon listing of an over-the-counter security or admission of such a security to unlisted trading privileges. A divided Commission did not believe that either our pending proceeding concerning off-board trading rules or our continuing belief that those rules should ultimately be eliminated dictated disapproval of the AMEX's revised listing standards. However, the general question presented by these commentators is one of great concern to the Commission -- namely, whether the continued application of off-board trading restrictions should be permitted to eliminate the existing over-the-counter markets for a security when that security is listed on an exchange for the first time.

2. Qualified Securities. Qualified securities are another nonfacilities effort which the Commission is in the process of addressing. We expect to commence a rulemaking proceeding to designate the types of securities which will be "qualified" for trading in the national market system. The Commission has already received comment on this issue from the NASD and the National Securities Traders Association and will be considering their recommendations in the context of making its proposal.

basic questions which must be addressed in determining what constitutes a qualified security. The first relates to what standards to apply in making the determination. The second, and more difficult, relates to what happens once a security has been designated as qualified. While it continues to be clear that the "qualified" category will include some stocks currently traded exclusively in the over-the-counter market, we are sensitive to the concern raised by some commentators that premature inclusion of qualified securities from the over-the-counter markets would harm those markets unless the facilities of a national market system are in place.

3. Options Market Structure. One final issue I wish to briefly touch upon is the market structure environment for exchange traded options. Although the Commission expects to be issuing the report of its Special Study in the near future, I believe that -- particularly in the context of market structure issues -- this report will not be conclusive. In our release on the market structure issues raised by the moratorium, we solicited comments on a series of concerns directly raised by the pending rule filings. However, after the conclusion of this initial Study, I am certain that there

will be additional areas of exploration. In particular, the staff will be giving high priority to addressing some of the problems arising from the trading of options on two or more exchanges, including the substantial pricing disparities which, on occasion, have occurred in certain options series and classes. The problems of dual or multiple options trading are, in many respects, similar to the types of problems which have led to the need for a national market system. The Commission's staff will follow up on the work of the Option Study with a view toward resolution of those problems in 1979.

One other by-product of the Option Study deserves mention. Responsive to Commission request, the various self-regulatory organizations have joined together to develop a system for coordination and exchange of surveillance and compliance information. Through this cooperative effort, I am confident that the ability of those markets to meet their regulatory responsibilities will be significantly enhanced. I expect this is but the first step in an essential process designed to enhance the ability of all self-regulatory bodies to adequately monitor their increasingly complex markets in a way which fosters confidence in the trading process and in the ability of those who operate these markets. For our part, we

have recently retained a consulting firm to help us assess the adequacy of market surveillance on the part of both the SROs and the Commission. We will be pursuing with each of the SROs our concerns for the adequacy of its surveillance and compliance capabilities.

Conclusion

Our capital markets are today the finest in the world. Nothing in the restructuring which those markets are concurrently undergoing is inconsistent with maintaining and enhancing that pre-eminence -- indeed, the development of the national market system will, in my judgment, contribute significantly to the continued strength of, and public confidence in, our markets and the private enterprise system they support. Similarly, nothing in that restructuring is inconsistent with a financially-sound securities industry which affords significant profit opportunities for a mix of large and small firms. Our obligation -- both the industry's and the Commission's -- is to put aside the natural tendency to fear the unknown and to get on with the task of building a future for our securities markets which will insure that the strength, vitality, and integrity which make them the envy of the world will endure.