

York

Stock

Exchange

Annual

Report

1983

Growth

and

Change

in

the

IBG 1077
IBG v. TT
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	1983	1982	1975
Reported Share Volume	21,589,576,997	16,458,036,768	4,693,426,508
Daily Average Share Volume	85,334,296	65,051,529	18,551,093
NYSE Composite Index (12/31)	95.18	81.03	47.64
Bond Volume (Par Value)	\$ 7,572,315,000	\$ 7,155,443,000	\$ 5,178,337,500
Revenues from Operations and Investments	\$ 216,804,000	\$ 168,984,000	\$ 72,800,000
Expenses	\$ 179,251,000	\$ 153,063,000	\$ 64,000,000
Income Before Taxes	\$ 37,553,000	\$ 15,921,000	\$ 8,800,000
Provision for Income Taxes	\$ 20,260,000	\$ 7,168,000	\$ 4,200,000
Net Income	\$ 17,293,000	\$ 8,753,000	\$ 4,600,000
Members' Equity (12/31)	\$ 134,878,000	\$ 117,585,000	\$ 67,400,000
As of 12/31:			
Member Organizations	639	617	494
Specialist Units	59	63	67
Individual Specialists	407	405	386
Total Listed Companies	1,550	1,526	1,557
Listed Common Stocks	1,518	1,499	1,531
As of 12/31:			
Total Shares Listed	45,117,958,326	39,515,860,580	22,478,032,975
Aggregate Market Value of Shares Listed	\$1,584,155,248,408	\$1,305,355,306,562	\$685,109,576,609
Total Number of Individual U.S. Shareowners (mid-year)	42,360,000	32,260,000*	25,270,000

*Mid-year 1981

Over the past eight years, it has been our good fortune to work together toward the goal of making the New York Stock Exchange the highest-quality, most cost-effective marketplace in the securities industry. Now, as we prepare for an orderly transfer of leadership, it seems appropriate to examine how this institution has changed since 1975—the gloomiest of watershed years for the Exchange and the industry. Fundamental changes in the governing structure of the Exchange were adopted in 1972. But the Exchange, in 1975, was still widely viewed as a relic of an earlier era, concerned primarily with the economic interests of its members. Its prestige among corporate and government leaders, investors and academic economists had seriously eroded. Years of sparring with government regulators had sapped much of the institution's strength and vitality. Inevitably, nearly a decade of destructive criticism had weakened the Exchange's confidence in its own economic relevance. Public ownership of corporate equities had declined precipitously, reversing a generation of accelerating public participation in the market. Although the Consolidated Tape began operating in

part of our national economy a new small-order delivery system (DOT) were nearing implementation, critics complained about the Exchange's perceived reluctance to adapt technology to the needs of a modern securities marketplace. Ill-wishers predicted that the abolition of fixed public commission rates—which also took effect in 1975—would create a competitive environment in which the Exchange would be unable to survive. And even if it did manage to adjust to the anticipated economic upheaval, they said, the Congressional call for a National Market System would soon make it obsolete anyway. An air of doom and gloom pervaded the Exchange Community. Fear of unknown and unpredictable economic and technological challenges gripped much of the membership. The task of reaffirming the pre-eminence of the New York Stock Exchange among the world's securities markets posed a three-fold challenge to the Board of Directors and senior management: First, to change the perceptions and regain the confidence of customers and constituents whose faith in

part of our national economy had diminished. Second, to strengthen the Exchange's role as a quasi-public, self-regulatory institution committed to serving and protecting the legitimate interests of all users of its marketplace. And third, to maximize, through modern technology and even-handed application of fair and effective rules, policies and procedures, the efficient, cost-effective operation of the marketplace itself. For us, it has been a privilege to work toward those goals with the Exchange's deeply committed, hard-working Board of Directors, with an increasingly dedicated Exchange membership, with scores of other concerned and knowledgeable constituents, and with a loyal, professional staff of officers and employees. We have come a long way since 1975. The Exchange faces the future with confidence in its ability to meet whatever challenges may lie ahead. Others will be the best judges of whether vigorous teamwork has reaffirmed the dynamic relevance of one of America's great financial institutions. With the transfer of leadership just a few months away, we extend our sincere gratitude to everyone who has helped, over the past eight years, to revitalize the New York Stock Exchange and to assure that it continues to be the world's pre-


John J. Phelan, Jr.
President and
Chief Operating Officer


W. M. Batten
Chairman and
Chief Executive Officer



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