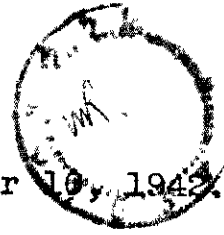


NEW YORK STOCK EXCHANGE

ELEVEN WALL STREET

EMIL SCHRAM
PRESIDENT

October 10, 1942



C.T./L

Dear Mr. Purcell:

The proposed revision of the proxy rules has caused me a great deal of concern and I am writing to you personally as I believe we are striving toward a common goal of better informing the investor. The Exchange has constantly striven toward and has had the active and sympathetic cooperation of many companies in this direction. This is evidenced by the fact that more than 90% of companies listed on the New York Stock Exchange publish reports more frequently than annually and that the printed annual reports to stockholders have generally become readable and informative documents. A comparison of the annual reports to stockholders presently published by listed corporations with those of a number of years ago reflects the strides which have taken place in attempting to present to the investor information in a form and order which he desires. I feel sure that if a comparison were made between the reports of listed corporations and unlisted corporations, we would find that the listed corporations were far ahead of the field in stockholder relations and informative documents.

When I contemplate this difference and think in terms of expanding the number of companies which are listed on exchanges I realize that the advantages of a listed market may some day be outweighed by voluminous regulations. I fear that the door will become closed to new listings and the application of the strides which have already taken place looking toward better corporate practice will become limited. The unlisted field is large. The number of issuers having securities registered according to the last annual report of the Commission, numbered 2,350; as compared to this, Moody's Manual of Investments includes 6,210 companies which, assuming that all registered companies are included therein, leaves 3,860 companies in this category not subject to regulation. It has been estimated that there are 30,000 issues traded in the over-the-counter market. Surely in this great field there are a number where an exchange market would be the appropriate place for dealing in the security. I sincerely hope that this door will be left open.