

C
O
P
Y

New York
April 21, 1939

Mr. B. Howell Griswold, Jr.,
Alexander Brown & Sons,
Baltimore, Md.

Dear Ben:

Thanks for yours of April 20th. From your letter it is evident that I have clearly misunderstood you as after my talk with you last week on the telephone as to whether or not the Drafting Committee was to continue or consider itself discharged, I was clearly under the impression that it was your decision that the Drafting Committee pick up its discussions with the Commission at the point they were dropped, go over the replies received from dealers, make such changes in the documents as seemed wise in the light of the comments received, secure in so far as possible the agreement of the Commission on all points, and then present the result to you and the I.B.C. governors. It was with the understanding in my mind that this was what you desired that I wrote Egly in order to get started. The reason I did not send the letter to you before dispatching it to Egly was that I thought the program had been determined and writing to Egly was merely a detail. Quite evidently I was wrong.

I wish I could be as hopeful as you are that a brief conference with the Commission will settle everything, but I am afraid this will not be so. I do not mean to imply I believe the Commission is going to raise further objections or necessarily stand by the position they have taken on the two moot points, but though I have not of course read the replies, I understand in many of them there are serious objections raised to many of the proposed rules, and I believe a good deal of serious consideration must be given to rewording a number of them. As you remember, neither the Commission nor the Drafting Committee were particularly happy over the rules, and it was clearly understood between us that we would want to have further discussions before they were considered in any way final.

The Lord knows the entire Drafting Committee would like to be relieved, but I am quite certain in my own mind of three things. One, it would be a mistake to bring in new faces in the sense of substituting the Executive Committee for the Drafting Committee in the negotiations at this time. After all, the Drafting Committee men have been at this job for many, many months, have the details of the papers in mind, and from the contacts they have established around the country with many people that have talked to them since the papers have been out, know what is running in people's minds. Purely on the grounds of efficiency I think it would be a mistake to replace these veterans with green troops at this juncture. Two, from the point of view of strategy, would it not be better to have the Drafting Committee go as far as it can, and let us hope the whole way through, and then report to the Board, rather than having the Executive Committee embroiled in the negotiations. What I have in mind is keeping a little insulation between the Commission and the Conference, so that if we run into another jam we can again call in General Griswold or the Executive Committee who can approach the matter fresh without any entanglements from having

4/21/39.

participated in the negotiations. Three, please bear in mind too, Ben, that amongst the members of the Drafting Committee are some quite independent thinkers whom I believe would be rather inclined to feel they were being superseded if the Executive Committee now steps in. I am sure you will agree this would be unfortunate as these fellows have worked hard, are quite prepared to see the job through, and beyond that carry a good deal of weight in the various districts where they reside.

It is not going to be an easy job to get the association off to a good start in any event, and frankly I am afraid of repercussions should the feelings of any of the Drafting Committee be hurt in the slightest degree. You know how sensitive people in the investment banking business are, and we have been singularly fortunate so far in keeping bruises to a minimum, so let us not run the risk of any abrasions at this late stage in the game.

I wish you would think all of this over and let me have your reactions. I am being perfectly frank with you, as always, and you know that what I am giving you is my honest opinion as to the best method of getting things forward, and is entirely uninfluenced by any personal feelings one way or the other.

My best to you,

Sincerely yours,

NEVIL