

INVESTMENT BANKERS CONFERENCE COMMITTEE

WASHINGTON, D. C., June 29, 1936.

HON. JAMES M. LANDIS, *Chairman*,
Securities and Exchange Commission,
Washington, D. C.

DEAR MR. LANDIS:

We have read with interest and care the statement which you made to the members of our Permanent Plan Committee at their last meeting with you in Washington, and we want to express our appreciation not only of the spirit in which this statement was made but of your and the Commission's continued courtesy and helpfulness in all of these matters.

At the very outset, we want to assure you that we entirely concur in your judgment that the cooperative efforts of the Committee and the Commission during the past eight months have been productive of results of great benefit to the public and to the investment bankers and dealers of the country, and that we, too, strongly desire to continue and to strengthen this cooperative endeavor.

With regard to the permanent plan of organization for the Conference, we think you have rightly and wisely drawn a distinction between the ideal concept of such an organization and its practical possibilities during the period of its organization and development. We, of course, believe that such an organization as is proposed should from the very outset have all the characteristics which you enumerate and we think they are all adequately provided for under the present plan. It is true also that the proposed organization could embark almost at once upon many of the constructive activities which you suggest, all of which would be of substantial present value to the members of the Conference and to the public. That there will be many difficulties and obstacles to overcome, however, before such an organization shall have reached maturity and shall have accomplished everything that both you and we expect of it is obvious. One of its ultimate objectives, of course, is effective self-regulation in the interest of both the public and the industry. We believe that, in the words of former Chairman Mr. Joseph P. Kennedy, "It is, of course, to the interest of everyone concerned that as much of the necessary discipline that is to be imposed should be self-imposed." Our plan is accordingly addressed to that end. We believe, however, that experience may very well demonstrate that completely effective self-regulation will not be possible without the inauguration of a registration system similar to that in use under the Code, as to which there are obvious legal and practical difficulties. However, that may be, we feel with you that those problems can be met when they arise and perhaps can best be met in the light of experience gained in the interim. Even though completely effective self-regulation may not be one of the practical possibilities of the Conference during its formative period, we are convinced that much can be done at once, and we are prepared to go forward and test the practical aspects of such an organization under existing conditions, and shall hope to be able to consult freely with the Commission as we progress.

Very truly yours,

INVESTMENT BANKERS CONFERENCE COMMITTEE
B. HOWELL GRISWOLD, JR.,
Chairman.