

PULLMAN INCORPORATED

OFFICE OF SECRETARY AND TREASURER

CHICAGO

PERSONAL

September 14, 1942

Mr. Milton V. Freeman
Assistant to General Counsel
Securities and Exchange Commission
Philadelphia, Pennsylvania

IN RE: Proposed Draft of Amendments to SEC Proxy Rules

Dear Sir:

Receipt is acknowledged of your letter 26th ultimo enclosing a proposed draft of amendments to the Commission's Proxy Rules for consideration and submission to you before September 15, 1942 of any comments and suggestions that we may have upon said draft.

The brief period allotted for the purpose does not afford the necessary opportunity for the Management of Pullman Incorporated to give adequate consideration at this time to the effect on our operations of the proposed changes in the existing proxy regulations and suggestion is respectfully offered that the Commission defer any action on the matter until a thorough study of the entire situation can be made by all listed companies and an opportunity afforded them at a public hearing before the full Commission to ventilate their ideas and submit constructive suggestions for the Commission's consideration.

This suggestion is motivated by a hasty review of the proposed draft of amendments to the Commission's proxy rules from which the conclusion is inescapable that the proposed changes are so drastic that their adoption will impose a considerable burden of work on such registrants as Pullman Incorporated which at the present time are predominantly engaged in the war effort and should not be compelled in this period of grave emergency to divert their time and attention to matters which are not impressed with urgency and can be held in abeyance for the duration without injury to the rights of stockholders which are adequately protected by the existing proxy regulations as originally drawn by the Commission and amended in 1940 and 1941.

Deferment of this whole matter for the duration would accord with the Government's announced policy in continuing anti-trust suits until the close of the war, and with the policy of the War and Navy Departments in prohibiting disclosure by corporations engaged in the war effort of all facts - financial or otherwise - touching upon or appertaining to operations, production, changes in the character of business, etc., for the good and cogent reason that such disclosures would reveal valuable information to our enemies. The amendments to the proxy rules as now proposed by the Commission's staff contemplate an action that directly conflicts with the constructive war-time policy of the Government in general and of the War and Navy Departments in particular, and we perceive no reason why the Commission should not proceed upon this uniform policy and postpone for the duration administrative reforms in matters not directly connected with the war effort.

These suggestions are submitted in the same friendly spirit of cooperation that has characterized all our past dealings with the Commission and its staff, and it is hoped they will be accepted in that spirit.

Yours very truly,


Secretary & Treasurer

JFL:HH