

Henry Ansbacher Long

~~Investment Counsel~~

~~79 West 16th Street~~ ~~NEW YORK, N.Y. 10011~~

General Delivery
Ocean Beach, New York 11770

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Matthew P. Fink, Esq.
Investment Company Institute
1600 M Street, NW
Washington, 20036

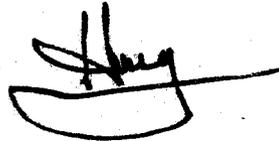
Re: Fiftieth Anniversary

Dear Mat:

Enclosed my contribution of recollections of the enactment of the 1940 Act, as well as the personal observations related to the industry in the late 1930's; also cut of my personal photograph.

Excuse the rough draft as we are out in Fire Island and wished to get this to you as soon as possible. I shall send the quote from my Barron's article in a few days on one of our infrequent visits to the City.

Thanks for counting me in,



Encls:

Cut of personal photograph

with

Personal observations - "My Love Affair ~~of~~ Mutual Funds"

My Love Affair With Mutual Funds

- Henry Ansbacher Long

This occasion represents a seventieth anniversary for me here at the Corcoran as well as the fiftieth for all of us of the Institute. In 1920 my portrait, painted by my aunt, Jessie Ansbacher, was on exhibit here at the Gallery. And who was painted with me? - That same Wizard of Oz (only in story book) that Tom Powers mentioned in his opening remarks at the last general membership meeting. (The book was included to keep me quiet while posing).

~~My first introduction to investment companies was a case study of the Goldman, Sachs Trading Corp. in 1933 at the HBS. As some of you may recall, its stellar performance was a factor that led to the suicide of Captain James Bellamy. Then, in 1936 I did a stint with Harry Simonson's Independence Fund of North America and proved myself a lousy salesman. But I was ~~convinced~~ ^{CONVINCED} that the investment company was the ideal vehicle for the man of moderate means. (Since then I've changed my universe to include a wider horizon.)~~

If you can't sell, write! So I went over to England, armed with introductions from such diverse characters as Wilfred May and Joe Kennedy, to find out how the Brits did it. I discovered that the established trust managers were not that smart over there and looked down their noses at the nascent unit investment trust, and especially their chief promoter, Denys Lawson who later became a Lord Mayor of London. ~~On my return to the states, I wrote a manuscript on ~~investments~~ "Comparative British and American Investment Practice", which was never published.~~

The better part of the spring and early summer of 1940 ~~were~~ ^{was} spent in Washington covering the Senate committee hearings on what was to become the Investment Company Act of 1940. In my opinion the one personality who stood out in those proceedings was the fiesty counsel for the SEC, David Shenker.

Two occasions in particular during the hearings readily come to mind. One was subsequently referred to as "Sprague's Sommersault!." During the SEC's preliminary study of the industry for Congress, Professor Oliver Sprague of the Harvard Finance faculty had suggested to the Commission that 150 million dollars might be a suitable limitation for size of an investment company. The professor was on the Board of Trustees of Massachusetts Investment Trust which by the time of the subsequent Congressional hearings was not too far away from this size. Now appearing before the Senate panel, he acknowledged his former suggestion, but on thinking it over subsequently, he ~~SAID~~ ^{HE HAD} changed his mind.

The other occasion that readily comes to mind was an exchange between senators Robert Wagner and Robert Taft, chairman and ranking minority member of the committee, respectively. After a particularly forceful and somewhat eloquent statement by Taft, Wagner chided him for using the hearings as a means to advance his anticipated presidential candidacy. Taft responded that his colleague would be doing the same if he were not of German ancestry. M

~~My first article on funds in the Metropolitan or National~~
 press was published in the "New York World-Telegram" in late June. I was very proud of that article because I had polled the members of the ^{SENATE} committee and predicted that the bill would be passed. That same morning the "New York Times" had predicted its demise. I subsequently wrote two articles for "Barron's" on the Act, one describing its contents and considerations in its passage, the other analyzing how it had fared during its first year of operation. In concluding the first article, I wrote "

." - And I was right!

A BIG BOOST FOR THE FUNDS