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July 13, 1938

Mr. Murray Hanson
Investment Bankers Conference, Inc.
1010 Vermont Avenue, N. W.
Washington, D. C.
United States

Dear Murray:

I am enclosing a copy of a letter I had from John Starkweather, a copy of my reply, and a copy of a letter to Ben Griswold. I do not know whether Ben will be able to get over to Washington and do any good about this or not.

I want you to feel free, if you get the opportunity and judge that he has the inclination and time to read it, to show this correspondence to either Mr. Douglas or Mr. Mathews. I really mean show it to Mr. Douglas if you have the opportunity when he is free long enough to read it carefully. I mention Douglas especially because I sometimes think that we are all rather scared of him. The truth is, he is a quick, clear thinker. He may be a little to impetuous but I think he really wants to get this thing accomplished. I do not want you to talk this thing out with him if he is running for a train or harassed in getting from one meeting to another. My belief is that in this stage our problem is one of thought rather than action. The only doubt I have about Mr. Douglas is whether he has ever driven mules. If you do not understand this last do not bother about it.

I am going to try to have my recommendations ready for the New York meeting by sometime the middle or end of next week. Either on my way to New York or on my way back, I will stop in Washington then I will repeat all this and a lot more.

Cordially yours,


Jos. C. Hostetler

JCH/DM
Enc.

C O P Y

New York Group
INVESTMENT BANKERS ASSOCIATION OF AMERICA

Office of the Chairman
111 Broadway

New York

Via Air Mail

Mr. Joseph C. Hostetler,
Messrs. Baker, Hostetler & Patterson,
Cleveland, Ohio

Dear Joe:

The I.B.A. Governor's meeting in Chicago yesterday voted unanimously not to register as a national association under the Maloney Bill.

In the course of the discussion as to what vehicle should be used, three of the Western Governors, namely, Sullivan of Denver, Ehrlichman of Seattle, and Witter of San Francisco, made strong and interesting speeches regarding the recent visit of Mr. Douglas to their section, and also regarding his ideas on the subject of regional associations. Sullivan and Ehrlichman were particularly specific in saying that Mr. Douglas had strongly urged on them the advisability of forming an association in their sections, covering a wide enough area, perhaps corresponding to all, or a greater part of a reserve district, which, in his opinion, would qualify as a national association under the Maloney Act.

As a result of this, the Rocky Mountain Group is actively engaged in forming such an association to cover the states of Colorado, Wyoming, New Mexico, and possibly also Utah and Arizona. They believe that the expense of handling such an organization would be less troublesome to them than would be a national association. They also believe that their specific problems would get more sympathetic attention through a local group than through a national group. They also feel that the best dealers in their section would be more interested in working for a local association than they would if their affairs were handled through one representative on the Board of a national association with which they came into but slight contact. They, therefore, are taking the position that it is doubtful whether they would want to join a national association.

The Seattle dealers are acting along similar lines although their plans are not perhaps quite so far along as those in Denver, and the California dealers are apparently giving active consideration to either forming a new association or using the present California Security Dealers Association.

Following these three speeches, there was a very active discussion as a result of which the representative from New England, the South, and various parts of the Middle West,

Mr. Joseph C. Hostetler

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expressed themselves as much interested in this idea, and as believing that it might be preferable to the formation of a large national association with headquarters in Washington, or elsewhere in the East.

As a result of the discussion, there were added to my Committee, Sullivan and Ehrlichman, Jean Witter being already a member, with instructions to us to explore this possibility, both as to what sized organizations could, in our opinion, be registered under this Act, and as to the arguments pro and con for proceeding along this line.

I have not been able to reach Nevil Ford today, although I may do so later in the afternoon, but I wanted to get this information to you as rapidly as possible, and I believe that he would join me in asking that you give this subject your active consideration and advise us as to your views on both of the above points at as early a date as possible.

As Mr. Mathews requested when we were in Washington last week, and as instructed by the Governors yesterday, I communicated to him this morning the results of the meeting, so that he will be familiar with all of the above.

With best regards, I am

Sincerely yours,

(sig) John K. Starkweather

JKS-C