

JUN 30 1947

Mr. Herbert F. Boynton
Chairman, Board of Governors
National Association of Securities
Dealers, Inc.
2 Wall Street
New York, New York

Dear Mr. Boynton:

With reference to your telegram of June 24 regarding the International Bank for Reconstruction and Development, let me assure you that the Commission did not misconstrue the position of the NASD with regard to the Bank's request for exemption from Sections 15(a) and 15A of the Securities Exchange Act of 1934. Mr. Fulton made it clear to us on June 24 that, although the NASD opposed the request for exemption, its opposition would be confined to the Commission's meeting room and it would accept in good grace whatever determination the Commission might make in the public interest. At our direction later in the afternoon of June 24, Mr. Loss, Chief Counsel to our Trading and Exchange Division, telephoned Mr. O'Connell, General Counsel to the Treasury, and Mr. McClain, General Counsel to the Bank, to tell them that the NASD had opposed the Bank's request for exemption. He stated specifically, however, that the Association's opposition was being confined to the Commission's meeting room. At our direction he added that the Commission would be inclined to grant the exemptions if they were supported by the National Advisory Council on International Monetary and Financial Problems, but he suggested that in view of the Association's opposition both the Bank and the Council might wish to consider whether they still wished to press their requests. The next day Mr. McClain, I am informed, advised Mr. Loss that the Bank on further consideration did desire to confirm its earlier requests. Consequently, when the requests were duly supported by the Council, we acted in the manner described in the enclosed release which we adopted on June 25.

Mr. Loss tells me further that Mr. Fulton informed him by telephone late in the afternoon of June 25 that he understood that Mr. O'Connell presented the NASD's position most fairly at the meeting of the Council which had been held earlier that day to determine whether to support the Bank's request. I am sure, therefore, that any

Mr. Herbert F. Boynton, Chairman

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misunderstandings which may have arisen in various quarters as a result of misinformation or rumor had no justification and should now be dissipated.

Sincerely yours,

Robert K. McConnaughey
Acting Chairman

Enclosures