

NATIONAL - STANDARD COMPANY

EXECUTIVE OFFICES

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NILES, MICHIGAN

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January 31, 1938

Honorable William E. Borah
Senate Office Building
Washington, D.C.

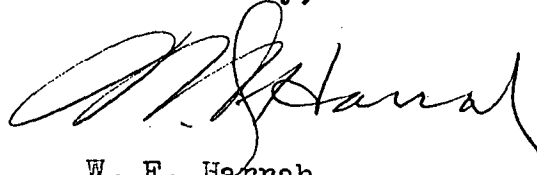
Dear Senator Borah:

In my conversations with business men, large and small, here, in Chicago, and in New York, I have not found a single one who was not very much disturbed over the proposed O'Mahoney-Borah bill S. 3072. It is so full of possible trouble and discouragement to business that if it does become a law, I dread to think what the final results may be as far as our American industrial system is concerned.

I will only take your time to refer to one of the many requirements which seem to me so unnecessarily severe, and that is Section 205, which provides that no director may be even a stockholder of any other corporation engaged in the same business, or a director or employee of any corporation that loans money to the corporation of which he is a director and officer. In hundreds of small towns throughout the country business men are directors of banks that loan money to their company. The bill as it reads certainly would cause most embarrassing situations, and with the restrictions and safeguards that are in existence, it does not seem to me would be of any advantage at all.

In my own case I happen to be an officer and director of an automobile finance company located in Indiana, and also an officer and director of a small local finance company here in Niles which handles the collection of accounts for merchants and other financing, but which is in no way in competition with the company in Indiana. Thus why I should be prohibited from being a director in two corporations which are in no sense competitive just because they happen to be in a similar line of business, does not seem to me to be a reasonable, necessary, or in any way advantageous requirement. Of course if two companies in any line of business are in direct competition, there might be some logical reason for such a provision, otherwise not.

Yours truly,



W. F. Harrah
Chairman of the Board