

THE UNIVERSITY OF  
MICHIGAN

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Mr. Karl R. Bendetsen  
Chairman of the Executive Committee  
Champion International  
2918 Garfield Terrace, N. W.  
Washington, D. C. 20008

Dear Mr. Bendetsen:

I very much appreciate your thoughtful note and the chance that we had to discuss matters concerning the New York Stock Exchange with you.

That there is insufficient empirical evidence for present deliberations concerning our central market systems is as apparent to me as it is to Professor Mueller. The fault, of course, lies as much with the Commission as it does with the industry. I quite agree that good managers are needed because we never have sufficient evidence to make major decisions. The point, of my discussion with you was my personal opinion that there is still yet more evidence that could be produced and that both the Exchange and the Commission bear a heavy responsibility to secure it.

No doubt there will be considerable room for good decision makers even after all the available evidence is in.

Unfortunately, different people whether in government or in business have a different perspective on what is to be done when evidence is insufficient to compel a conclusion. Some may feel more evidence is needed before changes are made while others including some in Congress, in the antitrust division and even some in private industry feel that far more evidence is needed to justify the further maintenance of the status quo.



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The present problem for the SEC is even more pointed. We are presently charged with the responsibility by Congress to determine whether there is sufficient evidence to justify the continuation of the existing "off board trading rules" by the New York and other stock exchanges.

We are equally charged with the responsibility of creating a central market system and it is to that end that my remarks were directed during our discussion: i.e., we very much need the best efforts of the New York Stock Exchange in creating a model for such a system.

I am very much encouraged to know that people of your talent, of your background and dedication are involved in the present debate. It reassures my optimism that the results will be salutary both to the public and the industry. Thank you for your time.

With best personal regards.

Sincerely,

Roderick M. Hills

RMH:sm  
11-19-75

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