

For IMMEDIATE Release Tuesday, October 22, 1940

**SECURITIES AND EXCHANGE COMMISSION  
Washington**

Chairman Jerome N. Frank today issued the following statement:

I am informed that a statement made by me in my recent remarks before the American Institute of Accountants in Memphis has been misinterpreted as indicating that I believe that the Investment Bankers Association is engaged in a concerted effort to "gut" the Securities Act. I do not believe that and I have never said that I believed it.

On the contrary, I am informed that conferences dealing with amendments to the statutes between representatives of the securities business (including of course those of the IBA) and the representatives of the SEC have been proceeding with the greatest good nature and earnestness. I am further informed both by our staff and by representatives of the industry that distinct progress has been made.

I am heartily in favor of this shirt-sleeve approach to the problem. The various groups in the industry have appointed men of high intelligence and serious purpose to work with our staff and they have told me that they have been well pleased with the progress of the negotiations. I understand that the representatives of the industry are now reviewing with their principals the ground which was covered last week and that the meetings are to be resumed within a few days. It seems likely that they will continue to be held at frequent intervals between now and January.

At the time we agreed to discuss these matters around the table, Mr. Connely made it clear that he was to remain free to carry on the IBA's program of public information. He has now made it clear that he feels that our agreement to discuss these matters does not restrain him from a public discussion of various related issues. He obviously does not regard his frequent recent utterances or those of individual investment bankers criticizing the SEC and the SEC laws as violations of that agreement. I am sure he would not impose upon anyone restraint he does not impose upon himself and his individual members.

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