

January 3, 1939.

Francis White, President,
Foreign Bondholders Protective Council, Inc.,
Ninety Broad Street,
New York, New York.

Dear Mr. White:

I have your letter of December 27, 1938, together with a copy of your letter of the same date to Senator Logan.

So that there may not be any possible misunderstanding, I think I should state the following facts which I believe have already been covered in our several conversations.

In the first place, what arrangements, if any, the Foreign Bondholders Protective Council, Inc. works out for cooperation with any protective committee is not within the province of this Commission. Our views on that are, as you know, set forth in our foreign bond report to the Congress. But we have no power or disposition to pass on such arrangements officially or otherwise.

In the second place, my reference of Senator Logan to the Council was merely a matter of courtesy, without any approval or disapproval of any plan for cooperation which he might suggest.

In the third place, at the time of that reference, namely December 8, 1938, I had quite a different understanding of the proposal for cooperation than that described in your letter of December 27, as coming from Senator Logan.

In the fourth place, I did express to Senator Logan, as I believe I expressed to you in our telephone conversation of December 8, 1938, the philosophy amplified in our foreign bond report that from the viewpoint of American bondholders, a united front among their representatives is usually preferable to disunity and contention. That was a personal rather than an official statement and was not to be taken either expressly or impliedly as meaning that any specific proposal submitted by the Logan Committee should be adopted by the Council.

I thank you for advising me so fully of the developments in this matter.

With warm regards and best wishes, I am

Yours faithfully,

William O. Douglas,
Chairman.

Douglas ew