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CENTRAL SECURITIES CORPORATION

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July 27, 2006

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File Number S7-03-04

Dear Ms. Morris,

I am writing with respect to the two proposed conditions for investment companies relying on the Exemptive Rules contained in the amendments adopted by the Commission on July 27, 2004. I have been the President of Central Securities Corporation, an internally managed, closed-end investment company since 1973. As a result I have had a long experience in managing a small investment company.

I am impelled to write because I believe the requirement that Central's Board of Directors be chaired by an independent (non-interested) director would preclude me from becoming chairman even though my interests are very much aligned with those of shareholders. Such a result could interfere with an orderly transition of management at some point in the future. As a shareholder of Berkshire Hathaway am I concerned because Warren Buffett is chairman and CEO? No. He may not fit the definition of being "independent" but his interests are aligned with mine, and I trust him. In general, I believe a Board of Directors should have the freedom to choose the person that they judge best to lead the Board without having to be concerned with a "definition" which might preclude that candidate from being chosen. From the point of view of stockholders an orderly transition can be extraordinarily important especially in maintaining a company's culture. I believe that I would, in fact, be a very independent chairman with financial interests closely aligned with those of shareholders.

Secondly, the requirement that 75% of our directors be independent would force us to maintain a Board with eight directors if we were to hire a new President and elect him a Director. For the entire period I have been President of Central we have had a Board of

Directors with five or six members. I believe having a small Board with continuity has contributed significantly to Central's success. Our style of investing in smaller companies with a long time horizon requires great fortitude especially when market conditions turn adverse. Finding good, smart, stockowner directors who understand long-term investing is not easy. Furthermore, keeping a larger Board of Directors informed about strategy and business operations would require added time and effort, which would be better directed to the business of investment.

Central is internally managed unlike most of the large mutual fund complexes. We do not have a separate investment adviser.

I believe the proposed conditions are too restrictive and that, in our case, the current rules have been successful and should be maintained. It is not the specific costs related to the Exemptive Rules as much as the alignment of financial interests the Rules might preclude which, I believe, could well have an adverse financial effect on our stockholders.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Kidd", with a long horizontal line extending to the right.

Wilmot H. Kidd, III