

July 5, 1935

Dear Pres:

I have just come from another long meeting of the Q. C. Committee. A copy of the business transacted therein, I am enclosing for your consideration under separate cover. You will be interested to see that I have been placed on the sub committee for investment counsel, which is rather surprising in view of the fight which I made on Mr. MacLay and the fact that I felt Mr. Taylor was none too pleased with that stand. Hence, I feel quite confident that I have come out of the first fray satisfactorily.

Thank you very much for your letters giving me the record of Bond Sales and Reggie tells me he has mailed you a list of the trades which he feels he has originated in New York and should receive more than a one dollar out thereon. I sent him down to Baltimore and also to Philadelphia to attend the Traders Meeting as it seems to me highly desirable that the firm should be represented at all of these affairs if we are to build up that end of the business. The results of our first mailing have been very satisfactory and the amount of mail which we received, is steadily mounting and along with it, comes a little bit of business now and then, so that there is some reason to feel that we are growing. It was very nice of you to write Reggie as he liked it very much and makes him feel more in touch with the home office. Business has been rotten the last few days, but the number of inquiries definitely indicates that we can expect some pick up in the near future.

So far as my other two committees are concerned, there has been very little doing. Mr. Sidenberg is a very pitiful old gentleman, who drinks constantly and is in such a state of jitters, half the time that he cannot possibly accomplish anything. The Committee of which he is chairman is a useless appendage under the present set-up and will doubtless be eliminated before long. The poor old fellow knows absolutely nothing about what is going on and is definitely slated to be pushed out when his term expires. We have only had three meetings and it is exceedingly difficult to get a quorum inasmuch as Mr. Williams is almost as bad as the Chairman and only Mr. Rossiter and myself can be counted on to remember that the meeting is to take place. I would make a suggestion that the committee be eliminated and have already hinted so to Mr. Gay, but feel that it would be injudicious to make an issue out of such an unimportant matter at this time.

Mr. Reessler does make considerable difference and I see more and more that the fight which has started on him downstairs is certain to be successful in the end and has definite merit, altho he is only 58, he is almost senile and apparently has no power of concentration whatever. Several cases for arbitration involving rather large amounts came before that committee recently and I was definitely ashamed that the litigant lawyers should have to put up with such an incompetent chairman. However, he means well and I suppose it will only be a matter of time until he is taken care of. In the meantime I am just smiling and keeping my eyes and ears open.

The Washington situation continues very mixed and is exceedingly difficult to definitely and properly appraise Mr. Roosevelt's recent outburst. Everyone who should be well informed seems to have some axe to grind so that it is very difficult to get a balanced perspective. That he is a very tired, almost sick man, becomes more and more apparent but as soon as Congress adjourns, he can be counted upon to come back with his usual vigor. How much damage may be accomplished if he succeeds in keeping Congress in session all summer is hard to estimate. It is certain that very few Congressmen, let alone Senators, will even read any new bill and from what I hear via the old Brain Trust, they will simply sit back and vote yes or no, to whatever proposals may be set before them, which is the usual discouraging but none the less accurate picture of our law makers. The Utility Bill was a perfectly assinine failure and it is a definite indication of how tired and irritable Mr. Roosevelt is, that he should have made an issue out of the Death Clause when of actually it is of very little importance to the main context of the bill.

The Banking bill came out of the sub-committee of the Senate with all the changes that had been anticipated. Mr. Glass is particularly pleased with the section eliminating the Secretary of the Treasury and the Controller of the Currency from the Federal Reserve Board in the ex-officio capacity in which they formerly served. He has been working steadily to achieve this result for the past ten years and is as pleased as a little boy over its accomplishment. The provisions permitting the banks to continue in the underwriting business on a modest scale is a distinct set-back to the new deal economists. The salaries of the members of the Federal Reserve Board are to be increased from \$12,000 per year to \$15,000 and appointments will be for fourteen years. The President will have the authority to set up an entirely new board and in this way there is a strong possibility that Mr. Hamlin, Mr. James and Mr. Miller will be eliminated, - the first two, almost certain.

The revised bill will meet steady opposition in conference and it is possible Mr. Stegall will be successful in at least modifying the less important portions of the above. He will concentrate his attack on the provisions permitting the banks to engage in underwriting. I am inclined to believe he will be successful so far as this provision is concerned and think that he may have enough influence of the usual popular hokum type to insist on maintaining the salaries of reserve board members at the old \$12,000 level, as the latter is of no importance, it is possible that if he gets into a jam he will compromise by insisting on the salary retention as a salve to the Share the Wealth Congressman. The bill will come up before the sub-committee of both the House and the Senate about 10 o'clock Monday morning. The conference meeting now to expedite it's signing by the President in the event that it can be steam rolled through the House. The House is mad enough at the President for his insistence on keeping them in session that they might easily accede to the bill as is without permitting Mr. Stegall to get very far with his attacks. My guess is that only about one out of every ten congressmen has even read the bill or is in any way seriously interested in it.