



The Breakers  
PALM BEACH  
FLORIDA

1/29. 35.

Dear Mr. Clayton:

Your letter addressed  
to me at St. I spoke to me here  
today and of course received  
the letter you addressed me  
here some days ago.

Needless to say I appreciate  
your favoring me with your comments  
re Mr. Coelius' legal opinion.

May I be permitted to say, Mr.  
Clayton, that Congress, in my  
opinion, never contemplated that  
the Fed Reserve Board should have  
the right to refuse a holding  
company a voting permit when  
a Board's next work was considering  
in excess of its reported or published  
statements of its total Capital  
Investment - as for instance in the  
case of the First National Bank  
of Portland which has one item



The Breakers  
PALM BEACH  
FLORIDA

alone on its books worth  
in excess of half million  
dollars and earned at one  
dollar - (the first Securities Co)  
and yet the Fed Reserve  
Reserve insisted on a \$4000 -  
charge off or no permit.

Perhaps my experience  
with the Lee Neegeman - Meyer,  
Eugene Meyer - Lazarus Heres  
group - has made overly suspicious -  
You know, of course, that Mr.  
Moorily - the FR Board's  
Secretary is a Eugene Meyer  
appointee - and Eugene Meyer,  
let me say, was very active in belief  
of the bankruptcy Lee Neegeman Co which  
has placed in absolute control of  
Mansueta - & now no doubt  
to help LHC - resuing Meyer, Joel - as  
well as others by cashing in on all transactions  
and thereby save in addition



The Breakers  
PALM BEACH  
FLORIDA

to Messrs. Bell - the National  
City - Mitchell mess - Hushack  
and Morgan's 1,200,000 loan  
to Charles Mitchell & against  
City Bank stock - and handling  
saw it self from stockholders  
liability. It may interest  
you to know that \$2,200,000  
of the New Bank of America's capital  
of 7,000,000 went into the  
National City Co. to give it  
this much capital its own  
capital, at the time, having  
been ~~entirely~~ wiped out. The  
remainder of the BofA's capital  
went towards cleaning up  
Mitchell's mess in the City Bank  
and by the way I am informed that  
Sir Robert Kindersley's son is now an  
Associate Director of the  
reorganization plan. And Mr. Mounie



The Breakers  
PALM BEACH  
FLORIDA

When we looked out your  
picture has also been  
at work on Kruger's Deal  
for Sir Robert Kindersley from  
Lazard Freres - (I wish Eugene  
Meyers' father was or is a partner)  
and Sir Robert Kindersley  
by the way, is a Governor of the  
Bank of England - and at  
one time substituted for Mr  
Montague Norman - who he  
was on vacation - and  
negotiated when occupying  
this position a loan for  
England from France of  
several hundred millions.

Sorry you are not free  
to get away from this cold  
weather of Washington - Come  
down and stay with us here and  
I will be delighted to have you and your  
family. Sincerely  
Ed. G. [unclear]