

# SEARS, ROEBUCK AND Co.,

## CHICAGO, ILL., U.S.A.

PHILADELPHIA, PA.  
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ATLANTA, GA.

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PLEASE REPLY TO:-

BUSH HOUSE, ALDWYCH,  
LONDON, W.C.2.

24th November,  
1936.

Mr. M. S. Eccles,  
Chairman of the Board of Governors,  
Federal Reserve System,  
Washington, D.C. U.S.A.

My dear Mr. Eccles,

Your letter of the 9th inst., was forwarded to me here. I have been having an interesting time here in London seeing business men, Bankers, and Economists.

I do not think the English manufacturer or merchant is as good a manufacturer or merchant as his American competitor, but they have a wonderfully good long range view which I am interested to get.

They are all exceptionally bullish of the United States. They believe that we have just reached the first stages of our recovery and the next two years are going to be great years for us. They would be bullish of their own and the world situation if it were not for the menace of war. The majority of them still think that war can be averted, but both the German and the Spanish situation get them alarmed. They look in general for a gradual rise in prices of both raw materials and finished products.

I called at the Bank of England yesterday and had an hour's talk with Henry Clay, their Economic Adviser. I also saw the great Montague Norman and had quite a talk with him. However, I must say that I wanted to do the questioning and learn something from him, but he in turn seemed much more interested in what he could get out of me than I could get out of him. He wanted to know what were the relations between the Treasury and the Federal Reserve System. Whether Mr. Morgenthau would remain as Secretary to the Treasury and whether you care to go on as Governor to the Federal Reserve Bank. I, of course, pleaded dense ignorance, which happened to be the truth, except that I did tell him that you had more brains and ability than any of the Eastern Bankers and that if you would continue, you would bring the Federal Reserve into a really uniform system.

Of course over here they would like to see the Pound at about the 4.50 ratio. They understand however, that we would like to

*14 p. has  
any visit  
when he returns  
to consult to  
get his reading  
from his close  
up partner.*

see it at about 5.00 to 5.10 ratio, and I think they are pretty well reconciled to having the Pound set closely at around the old parity. None of them see any return to the old Gold Standard, at least none of them I have seen yet. They state Neville Chamberlain talks about going back to the Gold Standard, but he does not really mean it and is holding it out for the future.

With best regards and hoping to see you in the future,

Sincerely yours,

A handwritten signature in cursive script, appearing to be "R. S. Sargent", written over a horizontal dashed line.

REW/HH.

FEDERAL RESERVE BANK  
OF THE  
DISTRICT OF COLUMBIA  
DEC - 1 1936  
COMMUNICATIONS SECTION