

Dear Dad:-

June 25, 1935

Thank you very much for your letter commenting on my letter to Mr. Francis. I think the suggestion which you make is a very good one and had I not dictated the letter, would unquestionably have avoided using the phrase that you suggested eliminating. Hereafter I shall attempt to avoid this. After careful thought, I decided not to write letters to the various St. Louis brokers because I felt that it might have a connotation of an undesirable political nature.

My present position has been a very difficult one and has challenged all my political ingenuity as well as what little common sense I may possess. In order to learn both the functions and personnel of my Committee, it was necessary for me to go down town about 7.30 and stay till after 6 o'clock, going through the mail from the time it arrived in the morning, until the time it was checked out in the evening. On the average over 100 letters go through that department per day so that you can see my task was no easy one. I found the Committee well organized, divided into four main sub-divisions, wires, questionnaire, ticker and branch offices. The total personnel of the department numbered 26. They have no girls in their employ which I think is wise. Soon after I had mastered the general technique and perceived where many cogs could be oiled, it became necessary from the outset, in order to put in operation the reform program, to change the executive division.

The backing which I had expected from above has been at all times forthcoming, but it has taken more initiative and drive on my part than I had anticipated in order to get it to function. Mr. Gay has been placed in a very difficult position and of course as you doubtless recognized when you spoke to him in St. Louis, he has been more or less cornered on the harmony issue. Like so many people he is crying peace when there is no peace and has been getting himself into an increasingly difficult position because of his desire to temporize and avoid using the knife. Naturally my chief concern is with the Quotations and Commissions committee and from the outset I was convinced that Mr. Maslay, the acting head, should go. Because of the election of Mr. Taylor who retained his chairmanship of the Committee and of the intense feeling on the floor, it placed me in an awkward position to have to urge his elimination when for political reasons, it would have been much easier to have fallen in with the opposition's suggestion that he be retained another year before going on a pension. As it is, he can accept the lump sum of \$25,000. or a yearly annuity of \$4,890. for the balance of his life, so that I cannot feel that he is being cast out penniless and of course cannot sympathize with the usual sentimental blabber about his having given the best years of his life to our interests. I had a long talk with him day before yesterday and found him thoroughly amenable to reason, desirous of being helpful and frankly admitting that at 63 years of age, he doesn't possess the pep which such a job requires. When the Committee met to discuss his re-appointment, there were seven votes to retain him and one against, I being the one to cast the lone negative vote. Inasmuch as there was no way of this failing to come out in the wash, and as he is the chief executive officer of the department in question, it placed me in an extremely disagreeable position because he was bound to feel that I was actuated by personal motives and that I was the newest member of the Committee, and some 27 years the junior member, I was butting into something, the true

significance of which I did not comprehend. After sticking to my guns and having the distinct feeling that I was not completely alone, despite the vote, I waited in fear and trembling for 1st Thursday's meeting. In the meantime, I had a long talk with Mr. Gay and through several members of the old nominating committee, was able to exert a certain amount of indirect pressure in getting across my viewpoint because without exception, they were 100% behind me. Hence it was a great relief, when at the close of Thursday's meeting, Taylor very graciously turned to me and stated that it was the desire of the chief executive that Mr. MacLay go and that unless there was some very deep rooted reason for opposing this move, he would ask that the Committee join with the negative voter in making their action unanimous.

In the first three weeks, Wellington was acting chairman of the Committee and I got along very well with him, following the old rule that where you are considerably younger than the other members, it is wiser to say nothing until asked to speak. However, I had prepared carefully all my ideas, had in many instances typed them out, thought them through, slept over them and acquired considerable outside background, so that when my opinion was asked, as it inevitably would be, I was prepared to jump into the breach with both feet. So far, I am keeping my fingers crossed, but think that I have about one half of the members of the Committee, more or less on my side of the fence which if true, is certainly a long step forward. There is a great deal of bitterness in the entire situation and I cannot help but note a tendency to push me forward and place me in the position where I'm damned if I do, and I'm damned if I don't. Several of the older members, being definitely resentful of what they consider my youth and radical ideas. I am trying to be as courteous and deferential as possible to the older men, because I realize as you have so often pointed out to me, that I will stand or fall, on my ability to work with people, rather than to make an issue out of relatively unimportant matters such as my own personal feelings. I say in all sincerity that I would not under any circumstances have solicited this position and will not under any circumstances, attempt to be re-elected, but that having been elected more or less by accident, I am determined to give every ounce of my energy, pushing through certain reforms which I feel are highly desirable.

The other evening I was an honor guest at the Institute Dinner a copy of whose program I mailed you some days ago. Your friend Landis whom you met in St. Louis made a very poor talk I thought but Dr. Gaines, President of Washington & Lee University, you will be delighted to hear, was the great hit of the evening and made more friends for dear old Washington & Lee than all the ballyhoo about the South and their marvelous institutions and customs could possibly have done. I liked him very much and thought he was a considerably higher type of individual on the whole than our good friend Dr. Hutchins. I congratulate Washington & Lee. I was asked to make a brief talk between Mr. Landis and Dr. Gaines on the program and was very much flattered that this proposal should have come directly from the Institute, but felt that it would be very unwise to accept, as I had been in the limelight a whole lot more than was good for me and so only responded to the toastmaster's salutation, with a one sentence greeting. Incidentally,

I sat next to our good friend H. Parker Willis who seemed to enjoy the proceedings very much. On the whole, it was a very enjoyable evening.

My office here in New York has been doing considerably better. The month of May showed a net profit of more than \$400. and if present indications are sustained, I shall show in the neighborhood of \$1200. profit for the current month. This after paying the salaries of both Knapp and Stott. They are each getting \$225. per month. Naturally my own trouble is that I cannot do everything at once. I have been getting downtown around 7 o'clock and have seldom been finishing up before around 10.30 in the evening. Saturday I worked all day and most of the evening and today I am taking this afternoon off in order to catch up on a few odds and ends which have been piling up. I cannot expect to go on like this indefinitely without getting myself into another physical jam so that I am going to try and be very careful to delegate as much responsibility as possible to others. I have a fine office as is evidenced by how well it functions without me. Naturally I would not do this if I were not so very much interested in the work. I find it very fascinating and cannot help but think that providence was very kind to me in letting me miss out on the job last year, which at the time seemed so desirable, but in the light of subsequent events, would have proved thoroughly unattractive in comparison with what I am now doing.

I would appreciate very much, your sending me the report which you have received from Columbia University on my work as they did not send any to me. I see Prof. Berle quite frequently, as he and I are now fellow Board Members and so far he doesn't seem to be particularly offended about the book review which I wrote on his recent opus. He is really a pretty good fellow and speaks in very high terms of you. Dr. Willis told me that he would be glad to write a foreword to my book on the New Canadian Central Bank and that if it turns out as well as he anticipates, feels confident that they will give me my Ph.D. without completing the two credits I now lack, the what good it will do me, is completely beyond me. Dr. Willis told me that I would be very foolish indeed to do any further work at the present time when I am already so overburdened, as I can do this any time in the next ten years, just as well.

Hitt and Gregory have not so far put in an appearance but I will take care of them when they do. I have read reports of the A.I.B. meetings at Rutgers in the paper and understand that they will conclude this Saturday evening, so that they will probably show up some time around the 4th of July. I have heard some favorable comment about the meetings.

I have had one rather embarrassing situation as regards the Admissions Committee of which Mr. Roesler is the Chairman. He is rather old and showing definite signs of senility so that he was very much hurt when he was omitted from the Quotations and Commissions Committee and I was placed thereon in his stead. He came to me and told me that he could not see why one so young as I, should have been placed on such an important committee whereas he who had served so long

and faithfully and was the head of one of the large houses, had been omitted. I handled this situation by telling him that if it was agreeable with him, I would take the liberty of using him as my Technical Adviser and have since made frequent calls at his office whenever any matters to be voted on, have come up, no matter how small or unimportant the issue. I have also soft-soaped him a bit by telling him that at his age, he must be relieved not to have to bother with troublesome detail and that I can use his advice, while at the same time relieving him of the necessity of reviewing many relatively unimportant matters. This, I think, has pleased him and at the present time, he seems to be thoroughly reconciled to the present position and has even spoken in a complimentary manner about myself, on one or two occasions.

I have worked very hard, learning the Constitution and Rules, but have a lot further to go yet as the history and background involved in the Revisions thereof, up to the last text of 1925, are considerable and necessitate a great deal of Academic Research work which takes an interminable amount of time to accomplish. This gives you a general picture of the situation to date.

The foregoing may give the impression that I am trying to play a more important part than my actual position suggests I should but if you understood fully the background and key position which I occupy on the so-called New Deal platform, you will realize that I am caught between the devil and the deep blue sea so far as keeping from being a rubber stamp on the one hand and a busy-body on the other. It is quite a problem to please everyone and I find myself being the center of all complaints which anyone no matter how insignificant, feels that they have against the existing Exchange management. One of the reasons for this, is that I have doubtless been too friendly so that everyone feels free to talk to me, where they often would avoid bringing the matter up with one of the higher-ups. Hence it is going to be increasingly difficult during the summer months, to steer the fine course between Scylla and Charybdis, so that any suggestions which you may have will be gladly welcome. You will have to read a good deal between the lines in this letter and you can rest assured that I am avoiding as far as possible, overplaying my hand, particularly where important financial interests are represented. So much for the Exchange.

The fight over the banking bill has grown astonishingly severe in the last few weeks. Dr. Willis being the leader. Poor Dr. Willis, as he grows older, he seems to be developing a bad case of paranoia in that he succeeds in acquiring a large number of hallucinations about invisible lobbies working in Washington and in the New York Federal Reserve Bank, to the detriment of sound banking. He assured me that at the Banker's Convention at Lake George, there were no less than 15 paid publicity men, several of whom, he insists, were paid directly by the New York Federal Reserve Bank to thwart his efforts to make a clear presentation of the implications of title II. Mr. Mokey and several of his ilk who have been close to the President, including Prof. Frankfurter, still seem to be confident that the bill with very slight modifications will be passed around the week-end of the 4th of July. You unquestionably know more about this than I do and I only

mention it as a matter of general interest.

That Mr. Roosevelt has been steadily losing ground during the last few weeks, is now admitted even by Mr. Moley. It also seems to be generally conceded that he acted rashly in his horse and buggy speech immediately following the N.R.A. court decision. The Republicans, who in my estimation, still have practically no chance of putting an effective program in the field prior to 1940, are centering on the Constitution as an issue and it is interesting to me that the old issue between the Federal Government and the States as to the jurisdiction of each, will now doubtless become the paramount issue of the next generation and personally, I think it is just a matter of time until the Federal Government wins out. However, at the present time, it looks very much as tho the Constitution would prove a rock on which Mr. Roosevelt and his New Deal Economists would founder.

It is very difficult to get an intelligent view in Wall Street because with the recent tax move, the battle is becoming distinctly a class struggle between the rich and the poor. As an evidence of this I have only to sight that the great hit of the Yale Reunion this year was a large banner which they paraded through the streets of New Haven with the blazing letters "Roosevelt went to Harvard". Altho I cannot agree to any of his monetary program, never had any use for the N.R.A. and have had a hard time swallowing a lot of the so-called economics of the New Deal, I still think that Mr. Roosevelt is making a real effort to work toward the greatest good for the greatest number. As you and I and Hal so often argued, he is doubtless making his great mistake in his failure to recognize that by and large, the poor are just as selfish, sloppy and uninformed in their viewpoints as any one could possibly be and that a lot of talk about the forgotten man is just a lot of sentimental nonsense. However there is such a thing as noblesse oblige and as Westbrook Pegler pointed out in his column the other evening, economics be damned, the American public are sick and tired of Barbara Hutton, the Vanderbilts, the Whitneys and all their race horses and where emotions form the basic part of mass consciousness, it seems to me inevitable that the Huey Long, Father Coughlin and now Roosevelt Program should evolve.

The outlook for security prices becomes definitely brighter day by day altho business is likely to recede well into July and prospects for August are not overly bright, the general outlook for the Fall continues even more promising and the early forecasts in the Department of Commerce. Mr. Gay feels very definitely that the chief problem of his year's administration will be the curbing of speculation and that before the year is out, the combination of easy money and rising earning power will produce a minor boom which if it gets out of hand will indubitably reflect on him and cause further embarrassment for the Exchange. Mr. Hidden spent the night with me on his way to his 35th reunion at Yale and I never felt so sorry for anyone in my life. He showed me where he had \$745,000. worth of U.S. Government Bonds and he was worried to death about inflation, whether he ought to go to England to live and what he'd do in case his bonds went down. For about two hours, I patted the poor old fellow on the back and told him I thought he would still be able to buy his breakfast in the morning. It is a sad thing

to see a man of Mr. Hidden's age, with nothing to show for his life except that he was a Yale man. In times like these, it must also be rather terrifying.

*your loving son,
Bill*