

"The Willows"
Palm Springs, Calif.,
February 24, 1934.

Professor William O. Douglas,
School of Law,
Yale University,
New Haven, Conn.

My dear Dr. Douglas:

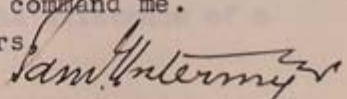
Your letter of the 19th inst., addressed to me at my office in New York, asking for a copy of my bill for regulating the stock exchange, has just been forwarded here. I wish it were possible for me to furnish you a copy of the bill, but I am laboring under two handicaps. (1) I have no copy with me and (2) I regard the bill that was drawn by me over a year ago at the request of the President and delivered in person to him as of a confidential nature, and do not feel at liberty to disclose its contents without his consent. Professor Moley acted at certain stages of the negotiation as the representative of the President in making the request, and I am informed he has a copy of the bill, of which he may be willing to let you have a copy if you communicate with him and say that he has my consent if he feels that he has that of the President. Some of the features of that bill were outlined (without referring to the bill) in an article that I hurriedly wrote for Professor Moley's magazine "Today" before leaving New York and that was subsequently published in that magazine.

The Bill that I prepared for the Pujo Committee 23 years ago and was attached to its report, has many, but not all, of the features of the Bill that was prepared for the President.

I am interested and pleased to know that you are writing on this subject, for notwithstanding my continued championship of Federal regulation of stock exchanges extending over a quarter of a century, I feel that the Fletcher Bill is so unnecessarily drastic and unjust in many of its features that I have been impelled to oppose those features, although fully agreeing, of course, with the principle of Federal regulation. I made a speech on Wednesday last, February 21st, at Los Angeles before the Breakfast Club, outlining some of my objections, but have no copy of that available at the moment. I will endeavor, however, to get a copy and send it to you. There was not time before that Address was delivered to thoroughly analyze the Bill, but it outlines my main objections. In my judgment the enactment of that law in its present form would be disastrous, but there is no reason why it cannot and should not be so modified as to answer every purpose of reasonable regulation without virtually destroying the liquidity of securities.

If there is anything further I can do to assist you in your public-spirited work, pray do not hesitate to command me.

Very truly yours,



P.S. I have written to my Secretary in New York to forward you a copy of my speech of the 21st, and am herewith enclosing copy of an Address I am to deliver on Monday at Pasadena which, while dealing only in a minor way with stock exchange bill, may be of some use to you.