

July 14, 1933.

Hon. Daniel C. Roper,  
Secretary of Interior,  
Washington, D. C.

My dear Mr. Secretary:

A matter has been taken up with me which I think might properly be taken up by your Department should you see fit.

Prior to election, the President advocated the regulation of the New York Stock Exchange and likewise publicity of corporate accounts. These two suggestions are manifestly allied.

Later, and during the special session some thought was given to such legislation. The possibility of a draft was taken up with Mr. Samuel Untermyer. Nothing came of this: Mr. Untermyer's plans took him abroad and press of other matters became very great. I have no reason to believe the abandonment was more than temporary.

On Wednesday, Mr. Frank Altschul of the Accounting Committee of the New York Stock Exchange, who is favorably known to the President, came in. It seems that group in the Stock Exchange, of which he is one, would be prepared to support a measure requiring periodic publicity of corporate accounts of large corporations, perhaps under standard rules to be devised by some appropriate government agency. Presumably, this agency would be your Department. Further, they would support regulation of the Stock Exchange, possibly along the line of forbidding brokerage houses to advise on the purchase or sale of stocks and (most drastic of all) forbidding brokerage houses to take or give options on stock – this last being the usual prelude of a manipulative movement.

Leaving aside the specific merit of these suggestions, it seems that this offers a measure of business support for legislation such as the President had in mind. In this sort of legislation, your Department might logically take the lead. It occurred to me to wonder whether you might not care to consider appointing an informal drafting committee, preferably with the President's approval, analogous to the committee you recently appointed in connection with the Transportation Act.

With kind regards, I am,

Very truly yours,