

June 14, 1934

My dear President,

I am taking the liberty of concerning myself with the proposed \$300,000 appropriation for the new Securities Exchange Commission, inasmuch as in my judgment such an appropriation seems woefully ministration desired by no group of persons affected by the Securities Exchange Act.

The sum of \$250,000 was initially appropriated to the Federal Trade Commission for the administration of the Securities Act of 1933. That sum proved to be inadequate for that purpose, and a deficiency appropriation of \$500,000 was given to the Commission, most of which was to be devoted to the Securities Administration. The Securities Exchange Act, as distinguished from the Securities Act, involves more detailed and extensive administration, besides calling for the creation of a new Commission with the concomitant expense that that involves. Thus, as an interim appropriation, is insufficient. Allowances must be made for quarters, the building up of a library, and the building up of an administrative staff, which in themselves would absorb the full \$300,000.

I am appending hereto an illustration of appropriations made to various administrative agencies, none of which, except the Interstate Commerce Commission, in my judgment has to administer an act as detailed as the Securities Exchange Act. A perusal of these appropriations would indicate that it would be highly desirable to start off this new Commission with an appropriation in the neighborhood of \$1,500,000 in addition to such funds as will be transferred to it from the Federal Trade Commission.

It should be noted in considering this appropriation that the fees returnable from the Securities Exchange Act have been estimated as being \$900,000, and that the fees from the Securities Act are proving, according to our records, to return about two-thirds of the cost of its administration.

Faithfully yours,

J.M. Landis

The President
The White House
Washington, D.C.

Interstate Commerce Commission.....	\$5,430,970
Bureau of Foreign and Domestic Commerce.....	2,198,838
Food and Drug Administration.....	1,557,713
Bureau of Navigation and Steamboat Inspection....	1,337,752
Bureau of Fisheries.....	1,252,556
Bureau of Mines.....	1,197,926
Federal Trade Commission.....	1,242,730
Federal Radio Commission.....	666,885
Tarriff Commission.....	840,898