

COPY

DEPARTMENT OF STATE
Washington

April 7, 1938.

My dear Mr. Chairman:

I have your letter of April 2 stating that the Commission is desirous of sending a representative abroad to work primarily in England on the problem of the protection of American securities markets against certain types of trading practices for foreign account. It is noted that you would like to send Mr. Lunsford P. Yandell on behalf of the Commission for this purpose to London in the latter part of this month and that before completing any such arrangement you desire to know whether it would be agreeable to this Department.

I have been glad to give careful consideration to your letter and Assistant Secretary Messersmith tells me that he has been in touch with you concerning certain aspects of this assignment. As Mr. Messersmith indicated to you, it has been lately the very definite policy of the Government to send as few persons on special and permanent missions abroad as the public interest may permit. It is the definite policy of our Government, and one in which I believe the President and the Congress are much interested,

to

The Honorable
William O. Douglas,
Chairman of the Securities
and Exchange Commission

to simplify so far as possible our representation and activities abroad rather than to complicate them. In line with this policy, it is the constant effort of our Government to have work, which may be necessary abroad for any department or agency, carried through by already legally established and existing offices and agents of our Government.

It has occurred to me, therefore, that you may in due course find that the Foreign Service officers of our Government now stationed in London may be able to give you the information and cooperation which you desire. We have, for example, in the Embassy Mr. Butterworth, a high ranking Foreign Service officer, who has special qualifications in the economic and financial field and who is doing highly confidential, technical and important work on behalf of the Treasury at the express desire of Secretary Morgenthau. We have further in the Consulate General Mr. Alan Steyne, a Foreign Service officer, who has exceptional qualifications along these lines and, I believe, for the special type of work you are thinking of. On the research side we have Mrs. Edgerton, who is prepared to make basic studies along any lines I believe in which you would be interested. On a permanent basis, therefore, I believe that you would find that the existing staff of Foreign Service [_____] of this Department in our Embassy and Consulate General in [_____] prepared to give you all the information and assistance [_____] need.

[_____] tells me that you have informed him that the
assignment
assignment which you are contemplating for Mr. Yandell is not on a permanent basis and that what you have in mind is sending him there for a period of perhaps three and not to exceed six months in order to make these exploratory studies and to get certain special information you desire. I can see where, from the point of view of your Commission and notwithstanding the personnel which we have there which could carry on this work in the future in a manner I am sure satisfactory to you and without causing any additional expenditure to our Government, the temporary assignment of Mr. Yandell may serve a useful purpose.

It gives me pleasure to tell you therefore that the Department will be glad to facilitate the work of Mr. Yandell during his temporary assignment to our establishment in London and, on receipt of definite information from you as to the probable date of his arrival in London, I shall instruct our Embassy in the premises. In view of the fact that I understand Mr. Yandell's assignment is of a temporary nature and that he will be working directly under the guidance of the Ambassador, it will not be necessary to consider any question of status.

Sincerely yours,

(Signed) Cordell Hull