July 22, 1935

My dear Mr. Farquhar:

I have been out of town or you would have had an earlier answer to your letter of June twenty second.

You are quite right in thinking that I "retain an undiminished opinion of Mr. Young" in spite of the fact that the Board of the General Electric, of which he was the Chairman, loaning two million dollars to Samuel Insull just before his debâcle. This loan was made, you must remember, not by Mr. Young alone or on his advice alone; it was made with the approval of Mr. Swope, of so high-minded a banker as Melvin Traylor, and other concerns. It was not for anybody's private interest but in the supposed interest of the General Electric of which these gentlemen were the fudiciary.

I think it is quite clear that Mr. Young, Mr. Swope and the bankers concerned all hoped by their loans to stave off the Insull collapse, a collapse which meant a tremendous loss to a great number of people. Shaky as the situation was those who were in it as responsible agents must save it if they could, cost what it would.

In the earlier days of the orgy of speculation Mr. Young had warned the public of its dangers you must remember; it came to a point where a warning was in itself a danger. There was nothing to do for those in responsible places but to see it through, save the situation if they could. As I understand it that was what the General Electric was trying to do; it was a victim of its own efforts.

I suppose you are willing to agree, dear Mr. Farquhar, that Mr. Young is not infallible or omniscient, that he like the rest of us does the best he can in the situation in which he finds himself. I believe that in this Insull matter he and his colleagues simply did the best they could

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to save a situation for which they were not responsible but which concerned investments for which they were responsible. If in 1931, as so many believed, the bottom of the market had been reached and there had been an upturn the Insull group could have been saved and reorganized.

This probably does not answer your question. It only assures you that I still hold my opinion of Mr. Young is "undiminished." That I suppose is because I do not demand as much of a man as you do.

Yours very truly

Mr. John W. Farquhar
312 March Street
Easton, Pa.

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