MSSY: SEC

Middle drawer of my desk at office.

F.D.R. [signature]

"Well merited"
My dear Mr. President:

I have been giving serious thought to your memorandum requesting my confidential advice in regard to the reappointment of Commissioner Healy whose term expires this year.

I believe that the question can best be presented to you if I detail briefly Commissioner Healy's qualifications for the position, and comment also upon those aspects in which I believe that he falls somewhat short.

Commissioner Healy, as you know, became General Counsel of the Federal Trade Commission mainly upon the suggestion of his fellow Vermonter, John Garibaldi Sargent, who was then Attorney General. As General Counsel of the Trade Commission he conducted the investigation into public utilities. That investigation earned for him a reputation both of ability and of liberalism. His reappointment thus would be acceptable and applauded by many liberals. Furthermore, Commissioner Healy, as I have observed him over the past two years, is a man of great rectitude and conscientious to the extreme. He not only works hard but he worries hard. I do not feel that in his decisions he is swayed by any considerations that ought not to play a part.

Perhaps the chief criticism that could be made of Commissioner Healy arises from two qualities. First, he is primarily a common law lawyer and, as such, inclined not only to view things from a technical standpoint to too great a degree but also to hesitate to delegate responsibility - something that is essential for this task. Considerable drag upon the efficiency with which it becomes possible to dispatch business naturally results from such a tendency. It implies too frequently a meticulous concern over form rather than intense curiosity about substance. The second factor which militates against him springs from his unbending qualities. Where the other Com-
missioners (who all have their own individual viewpoints on the problems that are presented) differ with each other and have noted their dissent from the Commission policy in a half a dozen instances, Commissioner Healy carries his individual viewpoint to the extreme, so that I should gather that our records would disclose in the neighborhood of fifty to seventy dissents by him alone. Most of these, of course, do not matter. Yet, as I look back over the records of the last two years, I feel that if his viewpoint had carried in several significant instances the work of administration would have been seriously clogged due to his failure adequately to appreciate the exigency for practical and workable methods of control. Part of that attitude springs, I think, from an unwillingness to sacrifice certain ideal qualities and take the chance of making things work. Consequently it often seems more important to him to keep his record straight than to make administration effective and workable.

You will thus see that Commissioner Healy is a problem from the standpoint of administration, and I think that I have given a fair picture of that problem. It has, on occasion, involved some irritation but, from my personal viewpoint and from the viewpoint of other members of the Commission, I think I can safely say that we have no hesitation about living with that problem. In other words, on net balance they, as well as I, regard Commissioner Healy as an asset and would wish to see him reappointed. I might add, if I do not trespass upon your jurisdiction in making this comment, that the same would seem to be true from a broad statesman-like viewpoint of the situation. He has been a faithful servant of the public interest and, although like all of us he has received much from this period of governmental service, he has also given a great deal to it.

Yours faithfully,

James M. Landis,
Chairman.

The President,
The White House.
My dear Mr. President—

I want to tell you how deeply Mother and I appreciate the sympathy and thoughts of Mr. Roosevelt—and yourself. It has been a great help to us to know the friendship and admiration which lie between you—and Father.

It was so kind of you to have sent—the roses to Mother at home—and to have been represented at the funeral by Captain Callahan. We shall always be grateful for your remembrance—not only because of the friendship from which they sprung—but also because they represent to us so full a measure of recognition for the unswerving service which
Father gave to his country in war and in peace.

Respectfully yours,
Francis Greene

The President
The White House
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON

April 20, 1939.

Mr. Stephen Early
The White House
Washington, D.C.

Dear Mr. Early:

Will you please be kind enough to see that the enclosed message gets into the hands of the President promptly?

Very truly yours,

Robt. E. Healy.
April 20, 1939.

My dear Mr. President:

I cannot cast my vote for Mr. Frank for Chairman of this Commission. This is a matter of judgment and not the result of mere stubbornness or personal ill-will. If you care to hear them I could undertake to state my reasons in detail.

Faithfully and cordially yours,

Robt. E. Healy.

The President
The White House
February 7, 1941.

Dear Healy:

I was told this morning that you were out of town when I called the unofficial little conference about the general matter of Giannini's affairs. That was why I asked Brother Pike in your place.

My apologies!

Always sincerely,

Honorable Robert E. Healy,
3031 Edgwick Street,
Washington, D. C.
February 8, 1941

My dear Mr. President:

Thank you for the note. A son of Vermont should not be expected to have too much respect for any native of Maine but I have to admit that the Great Northern Pike can fill my place anytime and have something left over. Of course, I did have a visitation of newspaper men, but as the Good Book advises, I am learning to suffer reporters gladly - or at least blandly - so everything's fine, and with best wishes I continue

Faithfully yours,

[Signature]

The President
The White House
Memorandum to the President:

Re: Gianinni

Pursuant to your request, this is a cursory summary of the Gianinni situation at the present time.

The Gianinnis control (1) a banking chain, the Bank of America; (2) a holding company, Transamerica, which holds stock of the Bank of America in important amounts varying from time to time.

The Gianinnis got into controversy with the Government on both the Bank and the holding company:

(1) On the Bank, through the Treasury's conviction that the dividend policy of the Bank was determined by the needs of promoting the sale of stock of Transamerica to the public, keeping up the market price, etc. at the risk of the soundness of the Bank.

(2) On the SEC, through the Commission's conviction that the financial statements to the Commission made by the holding company, Transamerica, were false and misleading because financial statements of the Bank filed as part of the holding company's statement had been "made to reflect an incorrect value in the Bank's assets and reserves so its footings are unreal and untrue."

Both controversies began in the fall of 1938 - the Treasury controversy in September; the SEC controversy in November.

The Treasury controversy is alleged to have progressed down to the point where all that is left is a difference of opinion of $54,000 on the value of physical banking properties. That difference is now in process of an attempt at compromise.

The SEC controversy, started in November, 1938, reached a crescendo of publicity of public hearings during January, 1939, and has been temporarily quiet up to this time, during a long examination by the Commission on the West Coast of the books and records of the holding company, Transamerica.

The matter is, however, about to take another publicity turn. Hearings were ordered resumed in San Francisco in December, but all witnesses declined to answer questions or produce books and records. The next step of the Commission is to make application to a court to compel obedience to its subpoenas.

Before the matter breaks open publicly again, the younger Gianinnis, responsible for the future of the Bank, have expressed the hope that with the Treasury controversy settled, a formula can be found through which they can submit to the SEC "with honor" and end the controversy.

If they are sincere in that attitude this would be an opportune moment to end the controversy and free the Bank from the operating difficulties unjustifiably or unjustifiably created by the SEC's action. It must be remembered, however, in seeking a formula, that the respect for, and therefore the effectiveness of, the SEC on the West Coast and elsewhere is involved and is the most precious consideration in the situation.