

May 26, 1938

Honorable Henry Morgenthau, Jr.  
Secretary of the Treasury  
Washington, D.C.

My dear Mr. Secretary:

Section 30 of the Public Utility Holding Company Act of 1935 authorizes and directs the Commission to make a study of investment trusts and investment companies and to report the results of its study and recommendations to the Congress.

Pursuant to this authorization and direction, the Securities and Exchange Commission is studying the Eastern Utilities Investing Corporation and the companies in which this corporation was interested.

It is indispensable to an adequate study of these companies and of influence exerted by their officers and directors upon their activities and investment policies that Carlyle Bolton-Smith and Phillip R. Friend be permitted to inspect the income tax returns and general file of the Eastern Utilities Investing Corporation, including all reports and supporting data relating to "Petition for examination of designating persons under Section 21 (a) of the Bankruptcy Act -- IN THE MATTER OF EASTERN UTILITIES INVESTING CORPORATION, debtor -- #1247 in Bankruptcy filed in the United States District Court of Delaware January 1938.

Pursuant to the provisions of Section 55 of the Revenue Act of 1932, Article 421 and Paragraph 13 of the Executive Order of the President dated December 13, 1932, I hereby request that Carlile Bolton-Smith, EsQ., and Phillip R. Friend be permitted to inspect the income tax returns and complete file relating to Eastern Utilities Investing Corporation described above for the period of January 1, 1924 to December 31, 1936, and the Commission be furnished at the offices of the Securities and Exchange Commission, Washington, D.C. with plain photostatic copies of these documents.

Please be assured of my appreciation of your cooperation.

Yours faithfully,

William O. Douglas  
Chairman