

May 27, 1938

Mr. Julius G. Berens,
Berens Financial News Bureau, Inc.,
39 Broadway,
New York, New York.

Dear Mr. Bernes:

I am glad you called my attention, in your letter of May 14, to the fact that some public utility holding companies are being represented as "ideal to the S.E.C." I do not remember having seen or heard this before. The Commission has never described any particular set-up as "ideal" for holding companies nor any particular holding company as the "ideal" one.

In our relationships with the holding companies subject to our jurisdiction, we deal not with "ideals" but with realities, and each company presents its own set of problems. Our only guide is, of course, the statute. Under the Act, our objective must be to bring the utility industry to the standards established by the Act. This process, obviously, must be an evolutionary one.

Yours faithfully,

William O. Douglas,
Chairman.