

I MISS HARVEY

*Arthur Levitt, Jr.**

I miss Harvey.

Of course, I had heard about him long before coming to the Securities and Exchange Commission (SEC). He was quoted frequently, and his students appeared in many different parts of my life. I encountered them throughout America, both during the days I spent in the cattle business and the brokerage industry and during my years as head of the American Stock Exchange.

A professor of law, I believed, must be austere, measured, bookish, and generally unapproachable. Reflecting on our relationship, I have discarded all of those notions.

I first met Harvey shortly after being nominated Chairman of the SEC. He called me and then visited to generously offer his assistance and counsel. By then, the late Arthur Liman of Paul, Weiss, Rifkind, Wharton & Garrison LLP had told me that Harvey was probably the best resource in America to prepare me for the awesome responsibilities that lay ahead.

Columbia always had special resonance with my family and me. My father was a graduate of the College and Law School and a recipient of an honorary degree. My wife graduated from the School of Social Work and served on the Board of Trustees for ten years. That Harvey was a Professor of Law at Columbia University had very special meaning for me.

Shortly after being contacted by White House Personnel, I reached out to Harvey and confessed that I felt barely qualified for the political maelstrom I was heading into. Being one of a very few Chairs without law degrees made this a difficult undertaking.

Harvey was reassuring and warm during our initial meeting. He smiled a lot and laughed easily. Even at that first meeting he talked about Mary and his boys. Although I had personally known Bill Casey, Harold Williams, John Shad, David Ruder, and Richard Breeden,¹ I knew very little about how much time I would spend with the Congress, the Federal Reserve, the Office of the Comptroller, the Chairman of the Federal Reserve, the accounting profession, and the media.

Harvey sensed my uneasiness and patiently talked to me about the issues he felt needed particular attention. He was greatly concerned about the ethics of U.S. markets and was committed to the process of establishing appropriate accounting standards. Pay to play, he felt, was a

* Former Chairman, Securities and Exchange Commission.

1. These men had preceded me as SEC Chair.

scourge, and he was impatient with the Bar Association for its failure, until then, to vote for a ban on that outrageous practice.

Harvey knew many of the key staff members I would inherit and urged me to retain nearly all of them. He felt the office must be absolutely free of partisan concerns and the support of the staff was essential to getting things done. He advised me to counsel the White House to appoint Commissioners who knew U.S. securities laws and were free of partisan ideologies. He spoke in great detail about various staff members, and I recall that he never said a negative word about any of them. He urged me to spend as much time with the staff as possible, as they would determine my success more than any other factor. As I reflected on my years with Harvey, I came to know that he never said a negative thing about anyone and always urged me to reconsider negative feelings I experienced.

From those first conversations I immediately appreciated that Harvey was to be my ethical and intellectual compass. Note that I do not credit him with shrewd political instincts. In this one area, Harvey fell short.

Harvey was simply incapable of thinking badly of anyone. We faced many venal characters subsequent to his arrival at the Commission—politicians who were duplicitous and downright evil. Harvey simply could not accept malevolence. His patience, humor, dignity, and intellect got me through some really difficult experiences.

Congress was particularly hard to deal with. I spent an inordinate amount of time meeting with and testifying before members of Congress and their staffs. Not once could I get Harvey to agree with me that a particular member or staffer was mean spirited. Harvey would accompany me to most meetings I had on the Hill. Many of these during the Republican takeover of Congress were tough and adversarial. How often I remember leaving Phil Gramm's office after a bitterly contentious two-hour meeting when Harvey would turn to me and say, "Arthur—pretty good meeting, wasn't it?" When Alan Greenspan tried to persuade me to support the Fed on some initiative, Harvey was charmed but urged me to be careful. Nevertheless, no meeting during Harvey's Washington years was anything less than "a pretty good meeting." He never played political games and was warmly embraced by congressional opponents and their staffs.

As General Counsel, and later Commissioner, Harvey hired many really highly qualified lawyers. If I didn't share his enthusiasm for a particular person he would smile, go back to his office, and then reappear to quietly give me additional perspective. I never once rejected his advice, and as a consequence, Harvey and his people made me look so much better than I really was.

Some of the best work to come from the Commission during the 1990s was a result of Harvey's insights and perseverance. Accounting

standards, pay to play, Regulation FD,² municipal disclosure, and international accounting standards were all tough issues on which Harvey led the Commission in the right direction.

Harvey Goldschmid deserved to be SEC Chairman. He would have been the best in history. He lacked the skills of flattery, media seduction, and self-promotion that seem to be part of every agency head and officeholder in modern history. His decency, warmth, patience, intelligence, and empathy assured his success throughout his life and long beyond, but they rarely lead to political attainment. I still reach for my phone to ask for his advice. I think of him often and will be forever grateful for the honor of having known and worked with him.

2. 17 C.F.R. §§ 243.100–.103 (2015).