

February 7, 1975

MEMORANDUM FOR:

PHIL BUCHEN

SUBJECT:

Securities Exchange Act Amendments

Ray Garrett, Chairman of the Securities and Exchange Commission, wrote you on January 14 to ask that President Ford include Rep. John Moss's proposals to amend the Securities Exchange Act as a part of the President's State of the Union message (Tab A).

H.R. 5050 (the Moss bill at Tab B) has now been reintroduced as H.R. 10 in the 94th Congress. Treasury has only minor problems with the proposed legislation; Justice has more serious problems but feels on balance the bill is better than nothing; and CMB favors the bill except for the litigating authority and legislative and budget bypass provisions (Section 4(d) at page 3 of the bill attached at Tab B).

Since the Administration wants the room to negotiate various compromises with Moss (and since it is not an Administration-submitted bill), it will not be included in a list of "must have" legislation should the President prepare one.

Rather than sending a letter back to Garrett laying out the Administration strategy, Wally Scott and I suggest that you call Garrett and indicate that Treasury and Justice will be testifying on the bill and stating the Administration's position in hearings, but that because of our current reservations (especially the legislative and budget bypass provisions) the President will not call for passage of this bill as currently introduced.

Please let me know if I can be of further help.

GEOFF SHEPARD

Attachments

GCS:vs

cc: Scott

B. Rott