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CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON ENERGY AND COMMERCE

WASHINGTON, D.C. 20515

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May 27, 1982

CHAIRMAN'S OFFICE
RECEIVED

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SEC. & EXCH. COMM.

Honorable John S.R. Shad
Chairman
Securities and Exchange Commission
500 North Capitol Street
Washington, D. C. 20549

Dear Mr. Chairman:

Pursuant to Rules X and XI of the U. S. House of Representatives, the Subcommittee on Oversight and Investigations has been conducting an inquiry into the structure, participation, uses and effects of the trading of financial futures (including futures on stock indices, evidences of indebtedness and foreign currencies) and related instruments, such as options, on the economy, on the markets for the underlying financial instruments and on capital formation. The Futures Trading Act of 1982, H.R. 5447, was recently sequentially referred to the Committee on Energy and Commerce for consideration of such provisions as fall within the jurisdiction of the Committee pursuant to clause 1(h) Rule X of the Rules of the House. The referral specifically limits consideration to Title I and section 237 of the bill as amended. The Subcommittee will hold a hearing jointly with the Subcommittee on Telecommunications, Consumer Protection, and Finance on these issues in Room 2123 of the Rayburn House Office Building in Washington, D.C. on Monday, June 7, 1982 beginning at 10:00 a.m.

As Chairman of the Securities and Exchange Commission, your testimony on the role of the SEC in these new markets is vital to a comprehensive examination of these issues. The Subcommittee would particularly appreciate any testimony which you would care to offer on the regulatory disparities which may adversely impact these markets and the investors/speculators in them, changes in law or administration of the law which might favorably impact on the safety and soundness of these new markets, the operation of, and particularly your performance to date under, the financial futures approval mechanism in Part I, any changes you might recommend in the study in section 237 and your views on the ability and willingness of the exchanges or boards of trade and relevant federal agencies to adequately police and enforce the laws relevant to these expanding markets.

You should be aware that the Subcommittee will employ a panel format for receiving the testimony of SEC witnesses, and the following procedures will apply:

1. Witnesses are requested to provide an opening statement of any length which will be included in its entirety in the published hearing record. You may, if you desire, submit a joint statement.
2. Witnesses are requested to summarize their opening statements in 5 to 10 minutes and will be allowed an additional 5 minutes to respond to the statements of other witnesses on the panel. All participants will then be asked to respond to the questions of Subcommittee Members.
3. Witnesses are requested to provide the Subcommittee with 30 copies of their opening statements no later than two business days in advance of their testimony.
4. Witnesses are requested to provide the Subcommittee with an additional 70 copies of their opening statement in advance of their testimony.

I would like to express the Subcommittee's appreciation for your willingness to appear and provide testimony on these critical issues facing the Nation's financial markets. Should you have any questions regarding this hearing, please contact Consuela Washington of the Committee staff (202-225-2927).

Thank you for your cooperation in this matter. I am truly looking forward to your contributions.

Sincerely,



JOHN D. DINGELL
CHAIRMAN