

THE WHITE HOUSE

WASHINGTON

March 11, 1975

Dear Mr. Chairman:

In your letter of February 19, you inquired concerning the Administration's views of the securities legislation pending before your Committee. As you know, since the date of your letter, the Departments of Treasury and Justice have testified in support of the proposed securities legislation in the Senate.

I wish to assure you that the Administration continues to support early passage of securities reform legislation this session. We believe that H.R. 4111 is a sound proposal for reforming our securities markets and we support its basic provisions. Enactment of this legislation would bolster confidence in the fairness of our capital markets, enhance their efficiency, and strengthen the securities industry.

We are pleased that you have decided to treat Title I of H.R. 10, the former bill, separately. We also enthusiastically support your decision to adopt the recent amendment to the Senate legislation which is designed to clarify the legal authority of money managers to continue to pay for research with commission dollars under competitive rates.

While we support the fundamental provisions of the House bill, there are some that we would like to see modified. We hope to have the opportunity to discuss these provisions with the Committee during its consideration of this legislation in the coming weeks.

We intend to work closely with the Congress in seeking prompt action on this important legislation.

Sincerely yours,

Philip W. Buchen
Counsel to the President

The Honorable Lionel Van Deerlin
House of Representatives
Washington, D.C. 20515