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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, D.C. 20510

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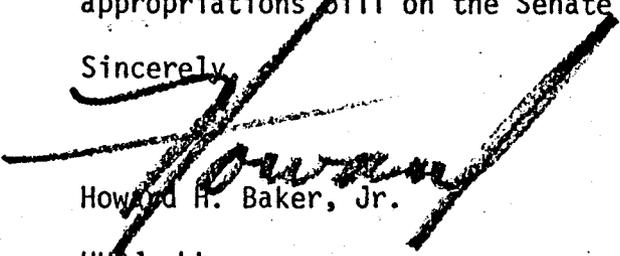
November 5, 1981

Mr. John C. Whitehead
Senior Partner
Goldman, Sachs & Co.
55 Broad Street
New York, New York 10004

Dear John:

While your letter was a bit unusual, I understand your concern for maintaining a strong and effective SEC. As you may already know, the Senate Appropriations Committee has recommended a funding level for FY '82 of \$84 million, which is \$11.1 million over the President's September request and \$2.3 million over the House-approved appropriation. The Senate Committee cited reasons similar to those you raise, namely the need to insure the integrity of the nation's securities markets during this critical period. At this time, I do not expect any serious challenges to the proposed funding level when we consider the relevant appropriations bill on the Senate floor, hopefully later this week.

Sincerely,


Howard H. Baker, Jr.

HHBJr:bk