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ASA Washington Office

CAPITOL GALLERY BLDG.
600 MARYLAND AVE., S.W.
SUITE 510
WASHINGTON, D.C. 20024
PHONE (202) 554-7804

May 4, 1983

The Honorable George Bush
Vice President of the United States
The White House
Washington, D.C. 20500

Dear Mr. Vice President:

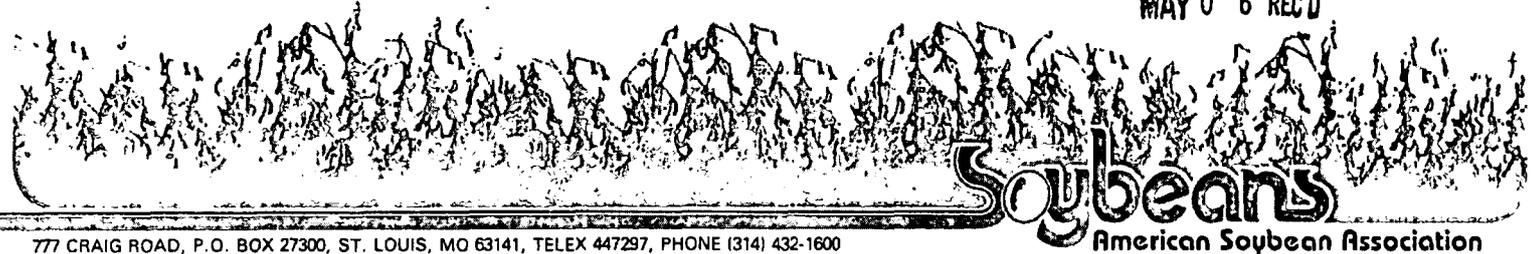
On April 8, 1983 Commissioner Bevis Longstreth of the Securities and Exchange Commission (SEC) spoke in New York where he called for the consolidation of the SEC with the Commodity Futures Trading Commission (CFTC). His speech was entitled "Open Letter to Bush Task Force on Regulation of Financial Services and Wirth Commission on Capital Markets." The undersigned organizations take this opportunity to oppose the consolidation of the SEC and CFTC.

On December 7, 1981 the CFTC and SEC signed a joint jurisdictional accord defining the respective jurisdictional authorities of the two agencies. Under the agreement the CFTC has the authority to regulate all futures contracts, "broadly based" stock or bond index futures, options on futures contracts (including financial futures), and options on foreign currencies traded on commodity markets. The SEC has the authority to regulate all options on securities (such as corporate stocks and bonds, Treasury bills and bonds) as well as on bank CD's or corporate stock indexes; and options on foreign currencies trading on stock exchanges.

Based on Commissioner Longstreth's speech it now appears the SEC wants to repudiate the 1981 accord and swallow up the CFTC under the SEC's domain. We are disturbed the SEC would attempt to break their word so soon after signing the accord with the CFTC. The accord represents a sound division of jurisdictional authority and should be maintained.

There are distinct differences between the nature of commodity futures and the trading of securities. We doubt whether one super agency and one five-member commission can ever develop the expertise necessary to effectively regulate everything from trading of stocks and bonds to futures markets on livestock and grains. Yet this is exactly what Mr. Longstreth proposes. American agriculture shudders at the possibility of the same agency which requires 50% margins on SEC-regulated markets being in a position to require similar margins for agricultural commodity futures. The liquidity of our markets would virtually collapse under such margins.

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We urge you and your Task Force on Regulation of Financial Services to reject any proposal to consolidate the SEC and CFTC. The CFTC and its predecessor at the Department of Agriculture have 60 years experience regulating futures markets, and the CFTC has proven to be both effective and responsible. Our futures markets today are a strong reason for the efficiency of America's agricultural marketing system and should not be changed, or have their regulation shifted to an agency inexperienced in their regulation.

Sincerely,

The American Soybean Association
National Association of Wheat Growers
National Cattlemen's Association
National Cotton Council of America
National Pork Producers Council