

10/29--no assignment



THE SECRETARY OF THE TREASURY-~~FINANCIAL~~ OFFICE
WASHINGTON

October 26, 1984

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SEC. & EXCH. COMM.

Dear John:

The goals described in your draft speech to the Harvard Business School Club are very constructive. I appreciate very much your asking for my views on other important areas the SEC might address this year. In addition to the goals outlined in your speech, the Commission may want to consider possible changes in Federal margin requirements and margin regulatory authority along the lines you and I have discussed. As I indicated in a letter to you last February, Tom Healey and his staff would be glad to explore the options in this area further with your staff.

Another subject the Commission may want to review is the possibility of giving the Securities Investor Protection Corporation more flexible powers (in addition to increasing the size of the insurance fund, mentioned in your speech).

With best wishes.

Sincerely,

Donald T. Regan

The Honorable
John S.R. Shad
Chairman
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549