

June 2, 1972

Honorable John E. Moss
Chairman, Subcommittee
on Commerce and Finance
House of Representatives
Washington, D. C.

Dear John:

Thank you for sending me a copy of the letter
you wrote to John Tower concerning the legislation currently
pending before the Securities Subcommittee of the Senate
Committee on Banking, Housing and Urban Affairs.

With best wishes, I am

Sincerely,

John Sparkman
Chairman

RWB:mhw

Office of

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Senator John Sparkman



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HOUSE OF REPRESENTATIVES
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INTERSTATE AND FOREIGN COMMERCE COMMITTEE:
CHAIRMAN,
COMMERCE & FINANCE SUBCOMMITTEE

May 31, 1972

Honorable John Tower
United States Senate
Washington, D. C. 20510

Dear Senator Tower:

I have received a copy of your letter to Senator Williams dated May 24, 1972, concerning certain legislation currently pending before the Securities Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs. In your letter you set forth a rather detailed time schedule for both the Senate and the House to enact this proposed legislation.

As I am sure you are aware, the House Subcommittee on Commerce and Finance is conducting an extensive study of the securities industry. The matter of institutional membership on exchanges, dealt with in your letter to Senator Williams, is only one of many important questions which the Subcommittee has been considering in hearings held since the beginning of August of last year. In my opinion it would be ill advised for the Subcommittee to attempt to resolve the matter of institutional membership apart from the other questions which it has been considering, particularly the question of the extent to which commission rates should be negotiated, whether brokerage and money management should be separated and the proper structure for a central market system. The Subcommittee is at the present time receiving recommendations on all of these matters from its staff, and it intends to make a very complete report to the House Committee on Interstate and Foreign Commerce by the end of this summer. Accordingly, as I stated last August when the Study commenced, and as I have reiterated on numerous occasions thereafter, it is not my intention to hold any legislative hearings on those matters under consideration by the Study during

Honorable John Tower

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the 92d Congress. The only exception to this would be legislation arising out of the Securities and Exchange Commission's Report on the Unsafe and Unsound Practices of Brokers and Dealers which the Congress required of the Commission in the SIPC legislation in 1970.

I have every expectation of introducing any legislation which may be needed to implement the conclusions and recommendations of the Subcommittee early in the 93d Congress.

Sincerely,

John E. Moss
Chairman
Subcommittee on
Commerce and Finance

JEM:pf

cc: Members of the Senate Committee
on Banking, Housing and Urban Affairs

Members of the Subcommittee on Commerce
and Finance of the House Committee on
Interstate and Foreign Commerce