



SEC + CFTC

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

May 18, 1983

Mr. John Baize  
American Soybean Association  
Washington Office  
Capitol Gallery Building  
600 Maryland Avenue, S.W.  
Suite 510  
Washington, D.C. 20024

Dear Mr. Baize:

The Vice President has asked me to respond to your recent letter concerning proposals to merge the SEC and CFTC in connection with the work of the Task Group on Regulation of Financial Services, of which I am staff director. Your letter makes particular reference to a speech recently given by Commissioner Longstreth of the SEC, which was styled as an "Open Letter to Bush Task Force on Regulation of Financial Services and Wirth Commission on Capital Markets" (sic).

Unfortunately, I am unable to comment directly on Commissioner Longstreth's proposals, as the "Open Letter" to which you refer has never been submitted to the Task Group for its consideration. However, I can tell you that a complete merger of the CFTC and SEC has not been proposed by any member of the Task Group, presumably in recognition of the great disparities between the securities and physical commodities markets.

Although consolidation of the two agencies may not be either likely to occur or desirable, the differential regulation of options and futures on financial instruments is an area which the staff of the Task Group may review in the course of its deliberations. However, this should not be construed to mean more than that the issue will receive further study at the staff level.

I do appreciate your taking the time to let us know the views of the ASA and the other organizations concerning the differences between the SEC and CFTC regulatory programs. We will certainly incorporate these views in our review of the current regulatory system.

Sincerely,

Richard C. Breeden  
Deputy Counsel to the  
Vice President