



THE CHAIRMAN

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SE CMB ✓

cc. JBT  
RLS  
CJ

April 2, 1991

The Honorable Michael Boskin  
Chairman  
Council of Economic Advisers  
OEOB-314  
The White House  
Washington, D.C. 20500

Dear Mike:

In case you haven't seen it, I thought that you might be interested in the attached letter from Alan Greenspan to Senator Don Riegle. Chairman Greenspan's letter objects to the highly anticompetitive nature of Title III of S. 207 pertaining to the "exclusivity" (monopoly trading) clause of the Commodity Exchange Act.

The SEC strongly and fully supports Chairman Greenspan's views in the letter. We also support his proposal for a legislative modification designed to make absolutely clear that banking, securities and insurance products that are subject to those regulatory systems should not be restrained from being offered in the market based on the "exclusivity" clause.

The Treasury's initial reaction to the provisions of S. 207 was not based on careful review of the actual legislative language. Given the enormous and prolonged damage that codification of extreme assertions of exclusivity could have on U.S. financial markets, it would be extremely helpful if the Administration opposed this anticompetitive proposal. Indeed, it hardly seems consistent for the Administration to be seeking to repeal anticompetitive barriers like the Glass-Steagall Act while simultaneously countenancing the creation of extensive new restraints on innovation and creativity.

Sincerely,

Richard C. Breeden  
Chairman

Bush Presidential Library Photocopy

RCB:cv  
Attachment