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FG 6-11-1/FLANIGAN, PETER M.

5-10-71 (6)

THE WHITE HOUSE

WASHINGTON

March 1, 1972

MEMORANDUM FOR:

SECRETARY CONNALLY  
ATTORNEY GENERAL MITCHELL  
JOHN D. EHRLICHMAN  
H. R. HALDEMAN  
CLARK MAC GREGOR  
DIRECTOR SHULTZ



FROM:

PETER M. FLANIGAN

SUBJECT:

Securities and Exchange Commission Proposals

The SEC recently produced two reports presenting its plans and policies for dealing with the problems of the securities markets. One report dealt with questions about the financial responsibility and operational efficiency of the industry and the needs for intensified oversight of the self-regulatory process. The other report dealt with market structure issues including the concept of a central market, institutional membership, and competitive commission rates. These reports endorse actions that will have a significant impact on the securities industry.

Although my office has followed the development of these positions with the SEC, I believed it necessary to request other agencies and departments to examine them also. As a consequence, I circulated the SEC reports to the heads of Treasury, OMB, CEA, Commerce, and the Federal Reserve and invited them to send representatives to a meeting with Chairman Casey to discuss the SEC program. At a meeting held on February 14, Chairman Casey explained the development and rationale for the SEC proposals, described their reception by various interest groups and outlined his estimate of Congressional response. Considerable discussion followed Chairman Casey's presentation.

At the start of the meeting I had requested the department and agency representatives to voice their opinions, either during the meeting or through a memorandum to me, if they believed that the Administration should take a position other than supporting the SEC initiatives or if they believed that the Administration should develop a position independently of the SEC. Since there was general support of the SEC positions during the meeting and since I have not received any written recommendations to the contrary, it is clear that the relevant agencies support the SEC course of action and agree that no independent Administration position is called for.

MAR 1 1972  
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