

May 29, 1973

Handwritten initials/signature

The Honorable John E. Moss
Chairman
Subcommittee on Commerce and Finance
United States House of Representatives
Washington, D C 20515

Dear Mr. Chairman:

I appreciate your letter concerning confirmation of the next chairman of the Securities and Exchange Commission. You may be sure that our committee will be assured of the freedom of the next chairman with respect to staff appointments, as well as other areas, before confirmation.

With best wishes, I am

Sincerely,

John Sparkman
Chairman

Handwritten initials/signature

eas

JOHN E. MOSS
3RD DISTRICT
SACRAMENTO, CALIFORNIA

ADMINISTRATIVE ASSISTANT
JACK MATTESON



WASHINGTON OFFICE:
LEGISLATIVE ASSISTANT
EUGENE A. BROWN
ROOM 2185
RAYBURN HOUSE OFFICE BUILDING
PHONE (202) 225-7163

DISTRICT OFFICE:
DISTRICT REPRESENTATIVE
JERRY WYMORE
8058 FEDERAL BUILDING
650 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814
PHONE (916) 449-3543

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

GOVERNMENT OPERATIONS COMMITTEE:
RANKING MAJORITY MEMBER SUBCOMMITTEES ON
FOREIGN OPERATIONS & GOVERNMENT INFORMATION
CONSERVATION & NATURAL RESOURCES

INTERSTATE AND FOREIGN COMMERCE COMMITTEE:
CHAIRMAN,
COMMERCE & FINANCE SUBCOMMITTEE

May 24, 1973

RECEIVED

MAY 29 1973

B. & C. COMM.

Office of

MAY 25 1973

Mediator John Sparkman

Honorable John Sparkman
Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

I am deeply disturbed by a front page article appearing in yesterday's Washington Post disclosing that the law firm of former White House aide, Charles Colson, attempted to "lean on" G. Bradford Cook, the recently departed chairman of the Securities and Exchange Commission, to get him to appoint a particular person as the agency's General Counsel. The attempt was to be made by having Mr. Colson contact members of the White House staff and induce them to put pressure on Mr. Cook.

As you are aware, Mr. Chairman, the staff of the Securities and Exchange Commission plays a critical role in the enforcement of the federal securities laws, and in the shaping of agency policy. The staff of the SEC has been widely regarded as among the best and most capable of any agency in government. This has been true because, until recently, staff positions were filled solely on the basis of merit, and the staff was not involved in partisan politics.

Unhappily, this situation has been changing. This change became apparent during the chairmanship of William J. Casey. And when Mr. Cook was nominated to succeed Mr. Casey, there were disquieting rumors that Mr. Cook would not be free to make top level staff appointments, but rather that these appointments would be directed by the White House staff. This was explored only briefly at Mr. Cook's confirmation hearing by Senator Proxmire.

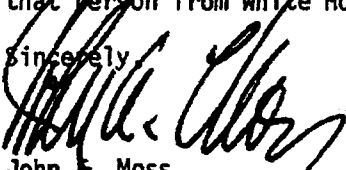
I believe that it is crucial that the person nominated to succeed Mr. Cook have a free hand with respect to staff appointments. I would urge your

May 24, 1973

Committee to reject any nomination sent to you, unless you are satisfied that the nominee will be able to make his own staff appointments, and that these appointments will be based on competency for the job, rather than loyalty to the person of the President, or to members of his staff.

While I would normally not consider advising you about confirmation matters which, under the Constitution, are solely the province of the Senate, the policy at issue is so vital to the public interest that I felt that I should communicate my thoughts to you. The House, no less than the Senate, is charged with insuring that the Securities and Exchange Commission functions in the public interest, and we are vigorously discharging that responsibility. But our actions generally must be after the fact. It is normally the Senate, through its right to reject proposed nominees, that can act in advance of events. I hope that at the confirmation hearings on the nominee to be chairman of the SEC, whoever that person may be, your Committee will inquire deeply into the independence of that person from White House influence with respect to SEC staff appointments.

Sincerely,



John E. Moss
Chairman
Subcommittee on
Commerce and Finance

JEM:rq

cc: Honorable John G. Tower
Honorable Harley O. Staggers