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LUIS E. GUILLEN

October 3, 1974

Honorable Gerald R. Ford
President of the United States
The White House
Washington, D.C.

Re: Commodities Futures Trading
Commission Act of 1974

Dear Mr. President:

I have been asked to recommend to you Mr. James M. Clark of Houston, Texas for appointment to the Commodities Futures Trading Exchange Commission when that commission is established by the new statute. I do strongly recommend Mr. Clark for this assignment.

Mr. Clark's biography is enclosed.

Mr. Clark's principal experience has been in the field of the international commodities, such as cocoa, coffee and sugar. These commodities are produced in large quantities outside the United States. Their futures contracts are traded on exchanges in New York and on exchanges in London, Paris and elsewhere. These commodities are imported in great quantity and at very high gross cost, to the United States. The protection of these markets under the new statute is vitally important. I believe that Mr. Clark's expertise would be of great value to the new commission, to the American consumers, and to the American economy.

I urge that at least one of the commissioners should come, as Mr. Clark does, from a background in the international commodities, in order to protect the interest



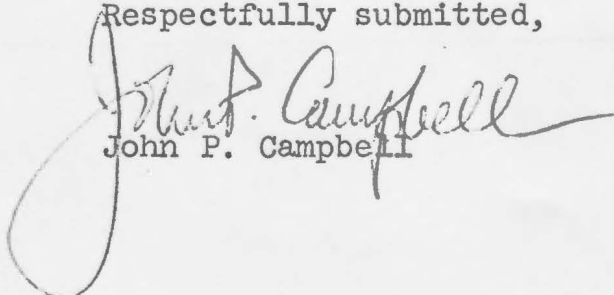
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Honorable Gerald R. Ford
October 3, 1974

of American consumers and of the American foreign trade and monetary procedure. I believe that you and your staff will find that Mr. Clark has all the qualifications and meets the requirements of a disinterested able expert in the field who has had extensive practical experience.

I understand that the final statute will provide for appointment of commissioners from both parties. I understand that Mr. Clark is a member of the Republican party. I strongly recommend Mr. Clark's appointment. I hope that I will be informed if I can provide any further assistance with regard to his prospective appointment, and of course, I will be glad to do so. I am sending a copy of this letter to Mr. Norman Ross of the Domestic Counsel who has been of help to us with regard to the new bill.

Respectfully submitted,


John P. Campbell

CC: Norman Ross, Esq.

Enclosure



RESUME
OF
JAMES MOTT CLARK

PERSONAL

1. Born January 27, 1916 in Kansas City, Missouri.
2. Son of Alexander Sidney and Mary Mott Clark.
3. Graduated from Rice University, Houston, Texas, with a B.A. degree in 1936.
4. Married Nanine Howard Ferris on October 5, 1937.
5. Children: James Mott and Carol Morgan.
6. Residences: Deerhaven Estates, Llano County, Texas.
Route 3, Box 623, Marble Falls, Texas 78654
Flying Point Road, Water Mill-Southampton, New York.

BUSINESS AFFILIATIONS

1. Retired July 1, 1973 as corporate vice president and president of the coffee division of Anderson, Clayton & Co. after forty years of service.
2. On June 1, 1973, Mr. Clark completed 40 years of service with Anderson, Clayton & Co., during which time he first served in Houston in the Control Department, then in Atlanta, Ga. as Secretary and Treasurer of the Southeastern Compress & Warehouse Co. (now Gulf Atlantic). In 1943 he returned to Houston with Gulf Atlantic and became Vice President and Treasurer. In 1947 he was transferred to ACCO Sao Paulo, Brazil, as chief financial officer. In 1949 he began working on the organization of ACCO's coffee export business in Santos, which by the end of 1950 had become the largest private exporter of Brazilian coffee, a place it still holds today. In 1952 Mr. Clark was transferred to New York City to organize our coffee merchandizing operation, and in 1955 he was made a corporate Vice President.
3. National Cotton Compress & Warehouse Association, Director 1943-1946.

4. Brazilian Institute of New York University, Member Executive Committee 1956-1973.
 - Official Advisor, U. S. State Department to International Coffee Organization, London, England, 1963-73.
 - New York Cocoa Exchange Member - Director 1968-70.
 - New York Cocoa Clearing Association - Director 1968-70.
 - London Cocoa Terminal Market - Member.
 - London Cocoa Merchants Association - Member.
 - London Sugar Terminal Market - Member.
 - New York Coffee & Sugar Exchange, Treasurer, Director, Member of Executive Committee 1955-70. President 1965-66.
 - National Coffee Association, New York, Director 1955-73, Chairman of Board 1968-69, Member of Foreign Affairs Committee 1966-73.
 - Green Coffee Association of New York, President, Director, Executive Committee 1957-62.
 - Brazilian American Chamber of Commerce - Director.
 - New York Cotton Exchange - Member 1955-73.
 - Pan American Society - Director 1956-74.
5. Clubs - India House, New York City
 - Bankers Club, New York City
 - Mercox-Yacht Club





Public Law 93-463
93rd Congress, H. R. 13113
October 23, 1974

An Act

88 STAT. 1389

To amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commodity Futures Trading Commission Act of 1974".

Commodity
Futures Trading
Commission
Act of 1974.
7 USC 4a note.

TITLE I—COMMODITY FUTURES TRADING COMMISSION

Sec. 101. (a) Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended—

(1) By inserting "(1)" after the subsection designation.

(2) By striking the last sentence of section 2(a) and inserting in lieu thereof the following new sentence: "The words 'the Commission' shall mean the Commodity Futures Trading Commission established under paragraph (2) of this subsection."

(3) By adding at the end thereof the following new paragraphs:

"(2) There is hereby established, as an independent agency of the United States Government, a Commodity Futures Trading Commission. The Commission shall be composed of a Chairman and four other Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. In nominating persons for appointment, the President shall seek to establish and maintain a balanced Commission, including, but not limited to, persons of demonstrated knowledge in futures trading or its regulation and persons of demonstrated knowledge in the production, merchandising, processing or distribution of one or more of the commodities or other goods and articles, services, rights and interests covered by this Act. Not more than three of the members of the Commission shall be members of the same political party. Each Commissioner shall hold office for a term of five years and until his successor is appointed and has qualified, except that he shall not so continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office, and except (A) any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (B) the terms of office of the Commissioners first taking office after the enactment of this paragraph shall expire as designated by the President at the time of nomination, one at the end of one year, one at the end of two years, one at the end of three years, one at the end of four years, and one at the end of five years.

"(3) A vacancy in the Commission shall not impair the right of the remaining Commissioners to exercise all the powers of the Commission.

"(4) The Commission shall have a General Counsel, who shall be appointed by the Commission and serve at the pleasure of the Commission. The General Counsel shall report directly to the Commission and serve as its legal advisor. The Commission shall appoint such other attorneys as may be necessary, in the opinion of the Commission, to assist the General Counsel, represent the Commission in all disciplinary proceedings pending before it, represent the Commission in courts of law whenever appropriate, assist the Department of Justice in handling litigation concerning the Commission in

Commodity
Futures Trading
Commission,
establishment.
Chairman and
Commissioners.
7 USC 4a.

General Counsel.



Executive
Director.

courts of law, and perform such other legal duties and functions as the Commission may direct.

"(5) The Commission shall have an Executive Director, who shall be appointed by the Commission, by and with the advice and consent of the Senate, and serve at the pleasure of the Commission. The Executive Director shall report directly to the Commission and perform such functions and duties as the Commission may prescribe.

Exercise of
functions.

"(6) (A) Except as otherwise provided in this paragraph and in paragraphs (4) and (5) of this subsection, the executive and administrative functions of the Commission, including functions of the Commission with respect to the appointment and supervision of personnel employed under the Commission, the distribution of business among such personnel and among administrative units of the Commission, and the use and expenditure of funds, shall be exercised solely by the Chairman.

"(B) In carrying out any of his functions under the provisions of this paragraph, the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

"(C) The appointment by the Chairman of the heads of major administrative units under the Commission shall be subject to the approval of the Commission.

"(D) Personnel employed regularly and full time in the immediate offices of Commissioners other than the Chairman shall not be affected by the provisions of this paragraph.

"(E) There are hereby reserved to the Commission its functions with respect to revising budget estimates and with respect to determining the distribution of appropriated funds according to major programs and purposes.

"(F) The Chairman may from time to time make such provisions as he shall deem appropriate authorizing the performance by any officer, employee, or administrative unit under his jurisdiction of any functions of the Chairman under this paragraph.

Conflict of
interests.

"(7) No Commissioner or employee of the Commission shall accept employment or compensation from any person, exchange, or clearinghouse subject to regulation by the Commission under this Act during his term of office, nor shall he participate, directly or indirectly, in any contract market operations or transactions of a character subject to regulation by the Commission.

Liaison with
Agriculture
Department.

"(8) The Commission shall, in cooperation with the Secretary of Agriculture, establish a separate office within the Department of Agriculture to be staffed with employees of the Commission for the purpose of maintaining a liaison between the Commission and the Department of Agriculture. The Secretary shall take such steps as may be necessary to enable the Commission to obtain information and utilize such services and facilities of the Department of Agriculture as may be necessary in order to maintain effectively such liaison. In addition, the Secretary shall appoint a liaison officer, who shall be an employee of the Office of the Secretary, for the purpose of maintaining a liaison between the Department of Agriculture and the Commission. The Commission shall furnish such liaison officer appropriate office space within the offices of the Commission and shall allow such liaison officer to attend and observe all deliberations and proceedings of the Commission.

Transmittal of
budget requests
and legislative
recommendations
to congressional
committees.

"(9) (A) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit copies of that estimate or request to the House and Senate Appropriations Committees and the House Com-

mittee on Agriculture and the Senate Committee on Agriculture and Forestry.

"(B) Whenever the Commission transmits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit copies thereof to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress. In instances in which the Commission voluntarily seeks to obtain the comments or review of any officer or agency of the United States, the Commission shall include a description of such actions in its legislative recommendations, testimony, or comments on legislation which it transmits to the Congress.

Prior review,
restriction.

"(10) The Commission shall have an official seal, which shall be judicially noticed.

Seal.

"(11) The Commission is authorized to promulgate such rules and regulations as it deems necessary to govern the operating procedures and conduct of the business of the Commission."

Regulations.

(b) Section 12 of the Commodity Exchange Act, as amended (7 U.S.C. 16), is amended by striking such section and inserting in lieu thereof the following:

"SEC. 12. (a) The Commission may cooperate with any Department or agency of the Government, any State, territory, district, or possession, or department, agency, or political subdivision thereof, or any person.

Cooperation
with other
agencies.

"(b) The Commission shall have the authority to employ such investigators, special experts, Administrative Law Judges, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Commission may employ experts and consultants in accordance with section 3109 of title 5 of the United States Code, and compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5 of the United States Code. The Commission shall also have authority to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary and appropriate to effectuate the purposes and provisions of this Act, including, but not limited to, the rental of necessary space at the seat of Government and elsewhere.

Experts and
consultants.

Contracts.

"(c) All of the expenses of the Commissioners, including all necessary expenses for transportation incurred by them while on official business of the Commission, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Commission.

Expenses.

"(d) There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the fiscal year ending June 30, 1976, for the fiscal year ending June 30, 1977, and for the fiscal year ending June 30, 1978."

Appropriation.

SEC. 102. (a) Section 5314 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

Salaries.

"(60) Chairman, Commodity Futures Trading Commission."

Chairman.

(b) Section 5315 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

Salaries.
Commissioners.

"(100) Members, Commodity Futures Trading Commission."
(c) Section 5316 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraphs:

General Counsel.

"(135) General Counsel, Commodity Futures Trading Commission.

Executive
Director.

"(136) Executive Director, Commodity Futures Trading Commission."

7 USC 6, 6a,
6c-6g, 6i, 7,
7a, 8, 9, 11,
12, 12-1, 12a,
12b, 13b, 16.

SEC. 103. The Commodity Exchange Act, as amended, is amended—

(a) By striking the word "Secretary" and the words "Secretary of Agriculture" wherever such words appear therein (except where the words "Secretary of Agriculture" first appear in section 5(a) (7 U.S.C. 7) or where said words would be stricken by subsection (b), (c), or (d) of this section) and by inserting in lieu thereof the word "Commission".

7 USC 7b, 8, 9,
12a, 13a-13c.

(b) By striking the words "the Secretary of Agriculture or" wherever they appear in the phrase "the Secretary of Agriculture or the Commission".

(c) By striking the words "the Secretary of Agriculture, who shall thereupon notify the other members of" from section 6(a) thereof (7 U.S.C. 8).

(d) By striking "the Secretary of Agriculture (or any person designated by him)," from section 6(b) thereof (7 U.S.C. 15).

7 USC 7a, 12,
12-1, 12a.

(e) By striking the word "he", "his", or "He" wherever such word is used therein to refer to the Secretary of Agriculture, and by inserting in lieu thereof the word "it", "its", or "It", respectively.

7 USC 6, 6g,
6i, 7, 7a,
12-1.

(f) By striking the words "United States Department of Agriculture" and "Department of Agriculture" wherever they appear therein and by inserting in lieu thereof the word "Commission".

(g) By inserting in section 5(a) (7 U.S.C. 7) after the words "Secretary of Agriculture" where the same first appear therein the words "or the Commission".

Transfer of
personnel,
property, etc.
7 USC 4a note.

SEC. 104. All of the personnel of the Commodity Exchange Authority, property, records, and unexpended balance of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with administration of the Commodity Exchange Act shall be transferred to the Commodity Futures Trading Commission upon the effective date of this Act.

SEC. 105. Section 8 of the Commodity Exchange Act, as amended (7 U.S.C. 12, 12-1), is amended by adding at the end thereof the following new paragraphs:

Report to
Congress.
7 USC 12-2.

"The Commission shall submit to the Congress a written report within one hundred and twenty days after the end of each fiscal year detailing the operations of the Commission during such fiscal year. The Commission shall include in such report such information, data, and recommendations for further legislation as it may deem advisable with respect to the administration of this Act and its powers and functions under this Act.

Reviews and
audits by
Comptroller
General.
7 USC 12-3.

"The Comptroller General of the United States shall conduct reviews and audits of the Commission and make reports thereon. For the purpose of conducting such reviews and audits the Comptroller General shall be furnished such information regarding the powers, duties, organizations, transactions, operations, and activities of the Commission as he may require and he and his duly authorized representatives shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of the Commission except that in his reports the Comptroller General shall not include data and information which would separately disclose the business transactions of any person and trade secrets.

or names of customers, although such data shall be provided upon request by any committee of either House of Congress acting within the scope of its jurisdiction."

Sec. 106. The Commodity Exchange Act, as amended, is amended by adding at the end thereof the following new section:

"Sec. 14. (a) Any person complaining of any violation of any provision of this Act or any rule, regulation, or order thereunder by any person registered under section 4d, 4e, 4k, or 4m of this Act may, at any time within two years after the cause of action accrues, apply to the Commission by petition, which shall briefly state the facts, whereupon, if, in the opinion of the Commission, the facts therein contained warrant such action, a copy of the complaint thus made shall be forwarded by the Commission to the respondent, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Commission.

"(b) If there appear to be, in the opinion of the Commission, any reasonable grounds for investigating any complaint made under this section, the Commission shall investigate such complaint and may, if in its opinion the facts warrant such action, have said complaint served by registered mail or by certified mail or otherwise on the respondent and afford such person an opportunity for a hearing thereon before an Administrative Law Judge designated by the Commission in any place in which the said person is engaged in business: *Provided*, That in complaints wherein the amount claimed as damages does not exceed the sum of \$2,500, a hearing need not be held and proof in support of the complaint and in support of the respondent's answer may be supplied in the form of depositions or verified statements of fact.

"(c) After opportunity for hearing on complaints where the damages claimed exceed the sum of \$2,500 has been provided or waived and on complaints where damages claimed do not exceed the sum of \$2,500 not requiring hearing as provided herein, the Commission shall determine whether or not the respondent has violated any provision of this Act or any rule, regulation, or order thereunder.

"(d) In case a complaint is made by a nonresident of the United States, the complainant shall be required, before any formal action is taken on his complaint, to furnish a bond in double the amount of the claim conditioned upon the payment of costs, including a reasonable attorney's fee for the respondent if the respondent shall prevail, and any reparation award that may be issued by the Commission against the complainant on any counterclaim by respondent: *Provided*, That the Commission shall have authority to waive the furnishing of a bond by a complainant who is a resident of a country which permits the filing of a complaint by a resident of the United States without the furnishing of a bond.

"(e) If after a hearing on a complaint made by any person under subsection (a) of this section, or without hearing as provided in subsections (b) and (c) of this section, or upon failure of the party complained against to answer a complaint duly served within the time prescribed, or to appear at a hearing after being duly notified, the Commission determines that the respondent has violated any provision of this Act, or any rule, regulation, or order thereunder, the Commission shall, unless the offender has already made reparation to the person complaining, determine the amount of damage, if any, to which such person is entitled as a result of such violation and shall make an order directing the offender to pay to such person complaining such amount on or before the date fixed in the order. If, after the respondent has filed his answer to the complaint, it appears therein that the respondent has admitted liability for a portion of the amount claimed in the complaint as damages, the Commission under such

Complaints.

7 USC 12.

7 USC 6d, 6e;
post, pp. 1397,
1398.

Investigations
and hearings.

Determination.

Nonresidents
of U.S., bonds.

Reparation.

Enforcement of
reparation
award.

rules and regulations as it shall prescribe, unless the respondent has already made reparation to the person complaining, may issue an order directing the respondent to pay to the complainant the undisputed amount on or before the date fixed in the order, leaving the respondent's liability for the disputed amount for subsequent determination. The remaining disputed amount shall be determined in the same manner and under the same procedure as it would have been determined if no order had been issued by the Commission with respect to the undisputed sum.

"(f) If any person against whom an award has been made does not pay the reparation award within the time specified in the Commission's order, the complainant, or any person for whose benefit such order was made, within three years of the date of the order, may file a certified copy of the order of the Commission, in the district court of the United States for the district in which he resides or in which is located the principal place of business of the respondent, for enforcement of such reparation award by appropriate orders. The orders, writs, and processes of such district court may in such case run, be served, and be returnable anywhere in the United States. The petitioner shall not be liable for costs in the district court, nor for costs at any subsequent state of the proceedings, unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. Subject to the right of appeal under subsection (g) of this section, an order of the Commission awarding reparations shall be final and conclusive.

Appeals.

"(g) Any order of the Commission entered hereunder shall be reviewable on petition of any party aggrieved thereby, by the United States Court of Appeals for any circuit in which a hearing was held, or if no hearing was held, any circuit in which the appellee is located, under the procedure provided in paragraph (b) of section 6 of this Act. Such appeal shall not be effective unless within 30 days from and after the date of the reparation order the appellant also files with the clerk of the court a bond in double the amount of the reparation awarded against the appellant conditioned upon the payment of the judgment entered by the court, plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company on the approved list of sureties issued by the Treasury Department of the United States. The appellee shall not be liable for costs in said court. If the appellee prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs.

Penalty.

"(h) Unless the registrant against whom a reparation order has been issued shows to the satisfaction of the Commission within fifteen days from the expiration of the period allowed for compliance with such order that he has either taken an appeal as herein authorized or has made payment in full as required by such order, he shall be prohibited from trading on all contract markets and his registration shall be suspended automatically at the expiration of such fifteen-day period until he shows to the satisfaction of the Commission that he has paid the amount therein specified with interest thereon to date of payment: *Provided*, That if on appeal the appellee prevails or if the appeal is dismissed the automatic prohibition against trading and suspension of registration shall become effective at the expiration of thirty days from the date of judgment on the appeal, but if the judgment is stayed by a court of competent jurisdiction the suspension shall become effective ten days after the expiration of such stay, unless prior thereto the judgment of the court has been satisfied.

"(i) The provisions of this section shall not become effective until one year after the date of its enactment: *Provided*, That claims which arise within nine months immediately prior to the effective date of this section may be heard by the Commission after such one year period."

SEC. 107. The Commodity Exchange Act, as amended, is amended by adding at the end thereof the following new section:

"SEC. 15. The Commission shall take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving the objectives of this Act, as well as the policies and purposes of this Act, in issuing any order or adopting any Commission rule or regulation, or in requiring or approving any bylaw, rule, or regulation of a contract market or registered futures association established pursuant to section 17 of this Act."

Effective date.

Antitrust laws
and anticompeti-
tive means.
7 USC 19.

Post, p. 1406.

TITLE II—REGULATION OF TRADING AND EXCHANGE ACTIVITIES

SEC. 201. Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended—

(a) By striking after the word "eggs," the word "onions,".

(b) By striking the period at the end of the third sentence of the section and substituting therefor the following: "and all other goods and articles, except onions as provided in Public Law 85-839, and all services, rights, and interests in which contracts for future delivery are presently or in the future dealt in: *Provided*, That the Commission shall have exclusive jurisdiction with respect to accounts, agreements (including any transaction which is of the character of, or is commonly known to the trade as, an 'option', 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty'), and transactions involving contracts of sale of a commodity for future delivery, traded or executed on a contract market designated pursuant to section 5 of this Act or any other board of trade, exchange, or market, and transactions subject to regulation by the Commission pursuant to section 217 of the Commodity Futures Trading Commission Act of 1974: *And provided further*, That, except as hereinabove provided, nothing contained in this section shall (i) supersede or limit the jurisdiction at any time conferred on the Securities and Exchange Commission or other regulatory authorities under the laws of the United States or of any State, or (ii) restrict the Securities and Exchange Commission and such other authorities from carrying out their duties and responsibilities in accordance with such laws. Nothing in this section shall supersede or limit the jurisdiction conferred on courts of the United States or any State. Nothing in this Act shall be deemed to govern or in any way be applicable to transactions in foreign currency, security warrants, security rights, resales of installment loan contracts, repurchase options, government securities, or mortgages and mortgage purchase commitments, unless such transactions involve the sale thereof for future delivery conducted on a board of trade."

Definitions.
"Commodity."

7 USC 13-1.

Jurisdiction
of Commission.

7 USC 7.

Post, p. 1405.
SEC and other
authorities.

Courts.

Nonapplicabil-
ity.

SEC. 202. Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended by adding at the end of paragraph (1) the following new sentences: "The term 'commodity trading advisor' shall mean any person who, for compensation or profit, engages in the business of advising others, either directly or through publications or writings, as to the value of commodities or as to the advisability of trading in any commodity for future delivery on or subject to the rules of any contract market, or who for compensation

"Commodity trad-
ing advisor."

FUTURES
FOR IMMEDIATE RELEASE

OCTOBER 24, 1974 *mt*

Office of the White House Press Secretary
(Des Moines, Iowa)

THE WHITE HOUSE *file*

STATEMENT BY THE PRESIDENT

I am pleased to announce that I have signed into law H.R. 13113, the Commodity Futures Trading Commission Act of 1974.

This act will provide the first major overhaul of the existing Commodity Exchange Act since its inception by establishing a new regulatory structure to apply to all commodity futures trading. This is an objective which I fully support.

This legislation was prompted by increasing concern that Federal regulation of commodity futures trading is too narrow in scope and that the present regulatory system is inadequate. In the past few years, the Federal Government has disposed of large accumulations of minerals and agricultural commodities. But present stocks are not large enough to stabilize prices. The recent market situation has been characterized by widely swinging prices. The futures markets have become increasingly important to our marketing system -- with the value of futures trading now totaling \$500 billion annually.

Doc The increased trading has attracted more speculators and vastly increased the potential for unethical and illegal practices. This has resulted in failures of financial firms and losses by innocent investors.

Doc Consumers also have suffered since the gyrations of the futures markets have, in some cases, driven up prices to consumers.

It is important that futures trading take place under conditions in which traders and the public have full confidence in the system. This new law is an important step in this direction.

Unfortunately, in passing an otherwise desirable bill, the Congress has incorporated three objectionable provisions which would enable the new Commodity Futures Trading Commission to compromise traditional Executive Branch functions. I find these provisions unacceptable as well as being unnecessary for the effective operation of the Commission.

The first one would require the concurrent submission of Commission budget requests to Congress and to the President or to the Office of Management and Budget. This would in effect undercut the provisions of the Budget and Accounting Act of 1921 which requires the President to submit to Congress a single coordinated budget. It also represents a retreat from my goal of reduced federal spending, since it will make it more difficult for me to review all requests for federal spending in advance of submission to Congress.

Second, as with the budget requests, it would require concurrent submission of the Commission's legislative proposals. If extended to other agencies, such a requirement would make it difficult for me to develop and present to the Congress a coherent, coordinated legislative program.

Third, the Commission is empowered to appoint an Executive Director by and with the advice and consent of the Senate. This raises serious constitutional questions, by providing for an Executive Branch appointment in a manner not contemplated by the Constitution. This encroachment on the separation of powers can easily be corrected by deletion of the request for Senate confirmation of the Executive Director.

MORE

Nevertheless, because of the need for better regulation of commodity futures trading, I have signed H.R. 13113, notwithstanding my strong objections to these three provisions which erode necessary Executive control. I will submit to the Congress legislation which would correct these three provisions and I will strongly urge its passage during this session of the 93rd Congress.

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FOR IMMEDIATE RELEASE

OCTOBER 24, 1974

Office of the White House Press Secretary
(Des Moines, Iowa)

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am pleased to announce that I have signed into law H.R. 13113, the Commodity Futures Trading Commission Act of 1974.

This act will provide the first major overhaul of the existing Commodity Exchange Act since its inception by establishing a new regulatory structure to apply to all commodity futures trading. This is an objective which I fully support.

This legislation was prompted by increasing concern that Federal regulation of commodity futures trading is too narrow in scope and that the present regulatory system is inadequate. In the past few years, the Federal Government has disposed of large accumulations of minerals and agricultural commodities. But present stocks are not large enough to stabilize prices. The recent market situation has been characterized by widely swinging prices. The futures markets have become increasingly important to our marketing system -- with the value of futures trading now totaling \$500 billion annually.

Doc The increased trading has attracted more speculators and vastly increased the potential for unethical and illegal practices. This has resulted in failures of financial firms and losses by innocent investors.

Doc Consumers also have suffered since the gyrations of the futures markets have, in some cases, driven up prices to consumers.

It is important that futures trading take place under conditions in which traders and the public have full confidence in the system. This new law is an important step in this direction.

Unfortunately, in passing an otherwise desirable bill, the Congress has incorporated three objectionable provisions which would enable the new Commodity Futures Trading Commission to compromise traditional Executive Branch functions. I find these provisions unacceptable as well as being unnecessary for the effective operation of the Commission.

The first one would require the concurrent submission of Commission budget requests to Congress and to the President or to the Office of Management and Budget. This would in effect undercut the provisions of the Budget and Accounting Act of 1921 which requires the President to submit to Congress a single coordinated budget. It also represents a retreat from my goal of reduced federal spending, since it will make it more difficult for me to review all requests for federal spending in advance of submission to Congress.

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file

MANUEL R. ANGULO
BENJAMIN H. BALKIND
JOHN P. CAMPBELL
CLARENCE U. CARRUTH, JR.
MORGAN A. CASEY, JR.
MINER D. CARY, JR.
ANTHONY W. FITZGERALD
PETER E. FLEMING, JR.
WENDELL W. FORBES
ALBERT FRANCKE, III
JOHN FRENCH
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JOHN N. MARDEN
WINTHROP R. MUNYAN
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JOHN E. SPRIZZO
HERBERT STOLLER
ROBERT D. WHORISKEY
LAISHLEY P. WRAGG, JR.

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WASHINGTON, D.C.
MEXICO CITY, MEXICO
PARIS, FRANCE

COUNSEL
MILO A. BORGES
GEORGE A. REISS
OTTO SCHOENRICH

LUIS E. GUILLÉN

*ADMITTED IN MEXICO ONLY

November 7, 1974

Norman Ross, Esq.
The White House
Washington, D.C.

Re: Commodities Futures Trade Commission

Dear Mr. Ross:

I am enclosing, for additional consideration with regard to appointment to the new commission, the resume of John V. Rainbolt, presently associate counsel of the Committee on Agriculture at the House.

I am told that Mr. Rainbolt, who is a Democrat, is an alternate nominee to be considered by the President as a spokesman for the international commodities trades. Those trades appreciate that the commission must be bipartisan and that the allocation of the nominees between the parties may raise problems. Although Mr. Rainbolt has not had any commercial experience in the international commodities trades, those trades consider him to be well informed and to have done a good job in the drafting and the large amount of work that went into the legislation.

I know Mr. Rainbolt and certainly can recommend him on a personal basis as an alternate suggestion, and as a member of the other party.

I have also mentioned to you another name whom the President might consider for the chairman. This is Mr. J. William Middendorf, who has served as Ambassador to Holland and was the Under Secretary of the Navy and now is the Secretary of the Navy. Mr. Middendorf is a very able man with broad experience in the securities business. I have known him personally and very well for about 35 years. It occurred to me



Norman Ross, Esq.
November 7, 1974

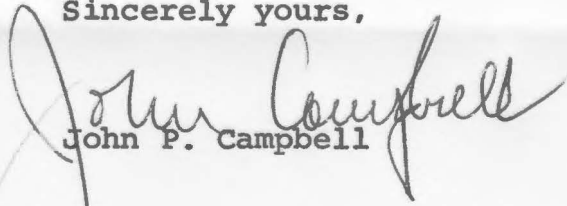
that Mr. Middendorf would be an excellent choice because he has had a long experience in commercial matters, but as far as I know, has no conflict of interest whatsoever or any historical association in the commodities trades. From the point of view of international trade, however, and having in mind the tremendous impact the trades in international commodities have on the American consumer, the American monetary affairs and balance of the international payments, it seems to me that Mr. Middendorf would have the experience and the judgment to do the job in a way that it will have to be done.

Although I know Mr. Middendorf very well, I have no idea whether or not he would want to leave his present challenging assignment. My suspicion is that he would much prefer to stay doing what he is doing, but I believe also that if the President wants him to take on an assignment, he would do so and would do a good job.

Mr. Middendorf is a Republican and from 1964 to 1968 was the national treasurer of the Party.

In my brief letter with regard to Mr. Clark, it was addressed to the President and a copy was sent to you. I am sending this letter directly to you because we have discussed these nominations. If you believe that I should duplicate these suggestions by a letter to the President, or to anyone else, please let me know.

Sincerely yours,


John P. Campbell



JOHN V. RAINBOLT, LL.B.

Full Name: John Vernon Rainbolt, II
Address: 1900 S. Eads, #728
Arlington, Virginia 22202
Phone: (703) 920-6356 (home)
(202) 225-2171 (office)
Date and Place of Birth: Cordell, Oklahoma
May 24, 1939
Age: 35
Religion: Presbyterian
Present Position: Associate Counsel, Committee on Agriculture
House of Representatives

EDUCATION

Elementary and Secondary: Cordell, Oklahoma School Systems
College: 1957-1959 Southwestern at Memphis
Memphis, Tennessee
1959-1961 University of Oklahoma
Norman, Oklahoma
Degree: Bachelor of Arts (Literature and History)
Law School: 1962-64 University of Oklahoma School of Law
Degree: Bachelor of Laws (LL.B.), Interchangeable
with and convertible to Juris Doctor (JD)
Degree
1971-Present (nights) National Law Center, George
Washington University, Washington, D.C.
(continuing legal education)

Remarks: Various extracurricular activities included Legal Assistance Program, varsity football (Southwestern at Memphis), and contributions to quarterly review, The Windmill (OU), Dean's List.

Earned majority of school costs through part-time work as farm hand (including managing own stock herd), movie extra, roustabout on offshore drilling rigs, and oil and gas land man.

MILITARY SERVICE
(June 1964-April 1967)

Rank: Private (E-1) to 1st Lieutenant (Infantry)

Record: Enlisted as Private (E-1). Service schools included: basic and advanced infantry training, Infantry Officer Candidate School, Ranger and Airborne Schools.

Selected for Army Presidential Escort Unit, "The Old Guard", at Fort Myer, Virginia; selected to serve as Platoon Leader (Ceremonial and Tactical) in Honor Guard Company, an all-volunteer unit with responsibility for Presidential ceremonial and security missions and the Guard at the Tomb of the Unknowns, Arlington Cemetery; White House Ceremonial Officer. Served as Officer in Command of the "Old Guard Fife and Drum Corps" on good will missions for the Army.

Other duties included: Liaison Officer to United Kingdom Delegation to SEATO MILAD Parley (1967); Aide de Camp to General Sir William Michael Carver, CIC of British Forces in Far East; tactical control of Infantry Platoon; Defense Counsel in D.C. and Virginia Courts for unit personnel, unit legal officer.

Awards: Army Commendation Medal; National Defense Medal; Expert Infantryman's Badge; Parachutist Wings; Expert Marksman Badges, etc.

Clearances: White House, SEATO, and Secret.

Released from Active Duty, April 1967.
Honorable discharge, May 1970.

PRESENT POSITION
1973 - Present

Title: Associate Counsel, Committee on Agriculture, House of Representatives

Duties: Serves as counsel (1 of 3) to bipartisan clientele consisting of the Chairman and 35 Members of the Committee on Agriculture, their individual staffs, 10 individual subcommittees, and the full Committee on Agriculture as a body; performs all functions associated with such responsibility, including drafting of legislation, amendments, reports, floor remarks for bill managers, conference reports, and ancillary correspondence; uses political knowledge to gain support for legislation,

and defend Committee position against amendment, defeat or veto; coordinates with private sector and Administration where appropriate; supplies legal or political opinions upon request; prepares occasional press releases, and handles press inquiries on legislation and all agricultural subjects; defends jurisdiction of Committee against encroachment and of Congress against impoundment; provides counsel of a personal nature to individual Members where requested.

PREVIOUS POSITIONS

Title:
1969-1973

Administrative Assistant to Congressman Graham Purcell
(Position included duties of Legislative Counsel and Press Assistant)

Duties:

Administrative: Supervised Washington staff, including payroll responsibilities, interviewing and terminating where appropriate; controlled mail flow of office; read all incoming mail; supervised and approved all outgoing correspondence; dictated answers on critical correspondence, with or without instruction from Member; maintained and coordinated actions of District offices, including office accounts and raising money for political campaigns; undertook personal missions for Member; prepared Member's income tax.

Legislative: Served as Acting Subcommittee Counsel for Livestock and Grains Subcommittee; recommended views on legislation and hearings, reports, and political strategy before subcommittee; coordinated with House and Senate Agriculture Committee personnel where appropriate; coordinated with other Members of Congress on legislation and events, where appropriate; maintained contact with Administrative Departments regarding legislation affecting Member's Committee work; wrote and edited Member's testimony, Committee reports, floor speeches, conference reports, and Committee press releases regarding Member's legislation; served as alter ego for Congressman in legislative meetings, including occasional appearances before Committees when Member was unable to appear; recommended and prepared views on national and international events, drafted legislation and amendments; lobbied for passage and adoption.
Author: Meat Prices and the Public Interest.

Press Assistant: Wrote and edited all press releases and radio and television communications for Member; served as spokesman to media for Member regarding his views and actions; edited Agriculture Committee staff press releases relating to Member's Subcommittee;

directed flow of public communications of office and subcommittee; wrote and edited monthly newsletter of approximately 200,000 circulation; acted as source for several journalists.

Title:
1967-1969

Legislative Assistant to Congressman Graham Purcell

Duties:

Answered all legislative mail directed to Member; drafted legislation, lobbied for passage; served as Acting Committee Counsel during consideration of the Wholesome Meat Act of 1967; served as advisor to Member regarding legislation and positions on issues before Congress; prepared position statements; drafted speeches on legislation and other matters for variety of audiences; prepared press releases and newsletters regarding legislation; assisted with legislative issues during campaign of Member; served as coordinator of special projects for Member (see Athcom below).

ADDITIONAL ACTIVITIES

Volunteer Work:
1968-1973

Press Assistant for the annual National Prayer Breakfast

Duties:

Controlled press arrangements for over 80 Members of press; wrote public communications for Prayer Breakfast groups of House and Senate Members regarding the Breakfast; answered requests for information from news media and White House; coordinated security of event with White House security unit and press aides; answered correspondence for the White House regarding the annual event; prepared Congressional Record remarks regarding the breakfast.

1968

Coordinator, Project Athcom

Duties:

Coordinated and implemented concept of Member for bringing in professional black athletes to "cool off" students in D. C. inner-city following riots that year; set up program and schedules, maintained roster and logistics for athletes; coordinated and attended meeting with the President regarding the project.



ADDENDA

Oklahoma and American Bar Associations (Administrative and International Law Sections); Kappa Alpha Order, Delta Theta Phi Law Fraternity; Burro Club; Oklahoma State Society; West River Sailing Club; two Presidential bill signing pens for legislative work in 90th Congress; admitted to practice before U. S. Supreme Court, 1969; Panelist: Cooperative Forum, 1972 (Soviet Grain Sale).

HOBBIES

Skiing; sailing; touch football; softball (with varying degrees of inability).

References -- Salary -- on request



CHICAGO GRAINS					Mar.	3.45	3.47	3.465	3.470	3.315	Jan.	63.75	64.75	63.65
WHEAT					June	3.40	3.45	3.440	3.450	3.300	Feb.	61.50	62.00	60.75
					July	3.60	3.60	3.600	3.600	3.335	Mar.	63.50	63.00	63.15
					Sales	35 contracts								
					COPPER									
					Open: High Low Close Prev.									
5.20	5.22	5.13	5.13	5.12	Oct.	59.80	59.80	57.50	57.50	59.30	Sales:	Oct. 6:	Nov. 64:	Dec. 51:
1.35	3.37	3.29	3.30	3.33	Nov.	59.00	59.00	57.50	57.50	59.00	Feb. 15:	Mar. 12:	April 0:	May
1.31	3.34	3.25	3.29	3.29	Dec.	60.80	60.90	58.30	58.40	60.23				
4.93	4.95	4.86	4.94	4.92	Jan.	61.70	61.70	59.10	59.10	60.90	FROZEN PORK BELLE			
4.93	4.94	4.84	4.91	4.92	Mar.	62.90	63.00	60.40	60.40	62.20	Feb.	70.00	70.30	68.55
4.00	5.04	5.00	5.00	5.03	May	64.00	64.00	61.30	61.60	63.30	Mar.	69.35	69.80	68.10
					July	64.80	64.90	62.80	62.80	64.30	May	70.70	70.70	68.95
					Sept.	65.10	66.00	65.00	64.00	65.30	Jun.	70.70	70.70	69.25
					Salmon	1.061					Aug.	68.75	69.25	68.00
					SILVER									
					Open: High Low Close Prev.									
9.92	9.93	9.90	9.91	9.91	Oct.	465.00	480.00	465.00	475.30	453.00	July 13:	Aug. 11:		
1.94	1.95	1.93	1.93	1.93	Nov.	475.00	478.00	465.00	474.00	454.00	B-Bid: A-Asked: N-Nominal			
1.93	1.98	1.98	1.97	1.94	Dec.	471.00	478.00	454.00	474.00	453.00	LIVE BEEF CATTLE			
					Jan.	474.30	480.20	473.00	480.20	460.70	Oct.	42.00	42.75	91.50
					Mar.	480.60	486.90	479.00	486.90	466.90	Nov.	44.10	44.10	43.20
					May	486.90	493.60	481.30	493.60	473.60	Dec.	45.10	45.25	44.45
					July	493.00	499.60	493.00	499.60	479.60	Jan.	45.10	45.30	44.55
					Sept.	499.00	505.60	499.50	505.60	485.60	Apr.	46.05	46.50	45.78
					Dec.	507.00	514.50	507.00	514.50	494.50	Aug.	45.65	46.30	45.25
					Jan.	510.00	517.20	510.00	517.20	47.2	Sales: Oct. 131: Dec. 5164:			
					Sales:	3,444					April 1238: June 3073: Aug. 26:			
					ORANGE JUICE (Frozen Concentrated)									
					Open: High Low Close Prev.									
					Nov.	31.10	51.60	51.10	55.60	551.00	Oct.	31.60	31.60	30.40
					Mar.	53.50	53.80	53.40	53.70	53.20	Nov.	31.60	31.60	31.10
					Jan.	54.90	55.40	54.90	55.50	54.70	Dec.	35.20	35.35	34.20
					Soybean Oil									
					Sales: Oct. 24: Nov. 145: Mar. 145									

THE CHANGING FACE OF COMMODITY REGULATION

PHILIP F. JOHNSON, of the Chicago, Illinois Bar



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

December 3, 1974

MEMORANDUM TO:

RICHARD A. ASHWORTH
Deputy Under Secretary

SUBJECT:

CFTC (Commodity Futures Trading
Commission) Staffing

Legislation creating the CFTC gives the Chairman authority over most personnel matters, the principal exception being the immediate staff of the individual commissioners. The General Counsel and the Executive Director positions are created by the legislation and these appointments are made by the entire commission.

The legislation authorizes the utilization of 20 additional "super-grade" positions to supplement those held by CEA.

Since time for implementation of the legislation is short and its initial structure will be reflected for years to come, it is suggested that certain non-career staffing patterns be developed now and recommended to the Chairman as soon as feasible.

Suggested non-career staffing:

Chairman	PAS	Level III
Commissioners	PAS	Level IV
"	"	"
"	"	"
"	"	"
General Counsel	PL	Level V
Executive Director	PL	"
Confidential Assistant to Chairman	C	GS 18
Confidential Assistant to Comm.	C	GS 17
"	"	"
"	"	"
"	"	"
Confidential Secy. to Chairman	C	GS 11
Confidential Secy. to Chairman	C	GS 7
Confidential Secy. to Comm.	C	GS 9
"	"	"
"	"	"
"	"	"
Confidential Asst. to Gen. Counsel	C	GS 15
Confidential Secy. to Gen. Counsel	C	GS 9
Confidential Secy. to Gen. Counsel	C	GS 7



10-10-5

Richard A. Ashworth

Page 2

Confidential Asst. to Ex. Director	C	GS 15
Confidential Secy. to "	"	C
Confidential Secy. to "	"	C
Attorneys in Office of Gen. Counsel	A	?
USDA Liaison Officer	C	GS 16
CFTC Liaison Officer	C	GS 16
Secy. to USDA Liaison	C	GS 7
Secy. to CFTC Liaison	C	GS 7

In addition to these positions it is assumed that certain divisions will be established within CFTC to deal with specialized matters. The head of each division (e.g. sugar, cotton, gold, options) plus one confidential assistant and two secretaries should be appointed under "C" authority. Depending upon the nature of the division it may also be desirable to establish several "A" authority positions where difficulty in recruitment is anticipated.

Examples of staffing use by other regulatory and quasi-regulatory agencies are attached. (Data is from 1973 Senate Committee on Post Office and Civil Service.)


JEROME F. CLIMER
Special Assistant
to the Secretary

Enclosure



FEDERAL DEPOSIT INSURANCE CORPORATION

EXECUTIVE OFFICES					
Washington, D.C.	Chairman	Frank Wille	PAS	Level III	6 years
Do	Director	Irvine H. Sprague	PAS	Level IV	do
Do	Assistant to Chairman	Robert E. Barnett	C	GS-18	
Do	Assistant to Director (Appointive)	Vacant	C	GS-18	
Do	Assistant to Director (Comptroller of Currency)	Albert J. Faulstich	C	GS-18	VP
Do	Confidential Assistant to Board of Directors	Vacant	C	GS-16	
Do	Special Assistant to the Chairman	do	C	GS-16	
Do	Special Assistant to the Director (Appointive)	do	C	GS-16	
LEGAL DIVISION					
Do	General Counsel	do	C	GS-18	
OFFICE OF CONTROLLER					
Do	Executive Assistant and Controller	Edward F. Phelps, Jr.	C	GS-18	
DIVISION OF LIQUIDATION					
Do	Liquidator-at-Large (Senior Head)	James P. Hudson	A	GS-14	VP
Do	do	Melville B. Bennett	A	GS-14	
Do	do	Fontaine Storm	A	GS-14	VP
Do	do	James W. DuVall	A	GS-14	VP
Do	do	Gerrit Van Tussenbroek	A	GS-14	VP
Do	do	W. Norman Davis	A	GS-14	VP
Do	Liquidator-at-Large (Head)	Raymond Hoffman	A	GS-13	VP
Do	do	Charles W. M. LeBeau	A	GS-13	
Do	do	Donald J. Lubitz	A	GS-13	
Do	do	Rex H. Pendleton, Jr.	A	GS-13	VP
Do	do	Thomas L. Zelanzy	A	GS-13	VP
Do	do	Vacant	A	GS-13	
Do	Liquidator-at-Large (Principal)	Earl R. Laing III	A	GS-12	
Do	do	James E. Burns	A	GS-12	VP
Do	do	George R. Beery	A	GS-12	VP
Do	do	Morgan McEnaney	A	GS-12	
Do	do	John K. Christiansen	A	GS-12	VP
Do	do	William S. Bryant	A	GS-12	VP
Do	do	Vacant	A	GS-12	
Do	do	Anthony R. Boatcallie	A	GS-12	VP
Do	do	George P. Hernandez	A	GS-12	VP
Do	do	Francis G. Banfly	A	GS-12	
Do	do	Wayne D. Doty	A	GS-12	VP
Do	do	W. Robert Copeland	A	GS-12	
Do	do	Terry M. May	A	GS-12	
Do	do	William M. Dudley	A	GS-12	
Do	do	Willie S. Thomas	A	GS-12	
Do	do	Wilnot Dale Baker	A	GS-12	

Mar. 17, 1976.
Sept. 27, 1974.

INDEPENDENT AGENCIES

153

SECURITIES AND EXCHANGE COMMISSION

Location	Position	Incumbent	Type of appointment	Grade or salary	Tenure	Expires
	EXECUTIVE STAFF					
Washington, D.C.	Chairman	William J. Casey (R)	PAS	Level III	5 years	June 5, 1974.
Do.	Commissioner	Hugh F. Owens (D)	PAS	Level IV	do.	June 5, 1975.
Do.	do.	Philip A. Loomis, Jr. (R)	PAS	do.	do.	June 5, 1972.
Do.	do.	A. Sydney Herlong (D)	PAS	do.	do.	June 5, 1976.
Do.	do.	Vacant	PAS	do.	do.	
	OFFICE OF THE CHIEF ACCOUNTANT					
Do.	Chief Accountant	John C. Burton	NEA	GS-18		
	OFFICE OF THE GENERAL COUNSEL					
Do.	General Counsel	G. Bradford Cook	NEA	GS-18		
	OFFICE OF THE EXECUTIVE DIRECTOR					
Do.	Executive Director	A. Jones Yorke	NEA	GS-18	VP	
	OFFICE OF THE CHAIRMAN					
Do.	Confidential Assistant	Rhoda S. Pines	C	GS-11		
Do.	do.	Vacant	C	GS-10		
	EXECUTIVE STAFF					
Do.	Confidential Assistant to the Commissioner	Marcia K. Dreisbach	C	GS-10		
Do.	do.	Hope B. Harrison	C	GS-10		
Do.	do.	Eileen H. Finegan	C	GS-9		
Do.	do.	Ann V. Simmons	C	GS-9		
	OFFICE OF THE EXECUTIVE DIRECTOR					
Do.	Administrative Aide	Sandra P. Messina	C	GS-9		

INDEPENDENT AGENCIES

127

FEDERAL TRADE COMMISSION

Location	Position	Incumbent	Type of appointment	Grade or salary	Tenure	Expires
Washington, D.C.	Chairman	Miles W. Kirkpatrick (R)	PAS	Level III	7 years	Sept. 26, 1976.
Do.	Commissioner	David S. Dennison, Jr. (R)	PAS	Level IV	do.	Sept. 26, 1977.
Do.	do.	Paul Rand Dixon (D)	PAS	Level IV	do.	Sept. 26, 1974.
Do.	do.	Mary Gardiner Jones (R)	PAS	Level IV	do.	Sept. 26, 1973.
Do.	do.	A. Everette MacIntyre (D)	PAS	Level IV	do.	Sept. 26, 1975.
Do.	Executive Director	Basil J. Mezines	NEA	GS-18	VP	
Do.	General Counsel	Ronald M. Dietrich	NEA	GS-18	VP	
Do.	Director, Bureau of Competition	Alan S. Ward	NEA	GS-18		
Do.	Director, Bureau of Consumer Protection	Robert Pitofsky	NEA	GS-18	VP	
Do.	Director of Policy Planning and Evaluation	Lawrence G. Meyer	NEA	GS-17		
Do.	Director, Bureau of Economics	H. Michael Mann	NEA	GS-17		
Do.	Secretary of the Federal Trade Commission	Charles A. Tobin	NEA	GS-16	VP	
OFFICE OF THE CHAIRMAN						
Do.	Secretary (Stenography)	Mary T. Braceland	C	GS-11		
Do.	do.	Rose Mary Fager	C	GS-9		
OFFICE OF PUBLIC INFORMATION						
Do.	Public Information Officer	David H. Buswell	C	GS-15	VP	
Do.	Secretary (Stenography)	Lu Verne V. Hall	C	GS-8		



INTERSTATE COMMERCE COMMISSION

Washington, D.C.	Chairman	George M. Stafford (R)	PAS	Level III	7 years	Dec. 31, 1973.
Do.	Vice Chairman	Robert C. Gresham (R)	PAS	Level IV	do.	Dec. 31, 1974.
Do.	Commissioner	Kenneth H. Tuggle (R)	PAS	do.	do.	Dec. 31, 1975.
Do.	do.	Rupert L. Murphy (D)	PAS	do.	do.	Dec. 31, 1971.
Do.	do.	John W. Bush (D)	PAS	do.	do.	Do.
Do.	do.	Virginia Mae Brown (D)	PAS	do.	do.	Dec. 31, 1977.
Do.	do.	Willard Deason (D)	PAS	do.	do.	Dec. 31, 1972.
Do.	do.	Dale W. Hardin (R)	PAS	do.	do.	Dec. 31, 1977.
Do.	do.	W. Donald Brewer (R)	PAS	do.	do.	Dec. 31, 1976.
Do.	do.	Vacant	PAS			
Do.	do.	do.	PAS			
Do.	Managing Director	Robert L. Rebein	NEA	GS-18	VP	
Do.	Confidential Assistant to Chairman	Betty Jean Balkner	C	GS-12	S	
Do.	Confidential Assistant	Elaine G. Rosen	C	GS-11	S	
Do.	do.	Jane M. Clark	C	GS-11	S	
Do.	do.	Barbara D. Cicala	C	GS-11	S	
Do.	do.	Irene F. Rockwell	C	GS-11	S	
Do.	do.	Regina D. Smith	C	GS-11	S	
Do.	do.	Adair B. Moates	C	GS-11	S	
Do.	do.	Hildred S. Hersman	C	GS-11	S	
Do.	do.	Alberta M. Skubel	C	GS-11	S	
Do.	do.	Jennie J. McNeil	C	GS-11	S	
Do.	do.	Doris B. Wirsing	C	GS-11	S	
Do.	Confidential Assistant to Managing Director	Sandra M. Gribben	C	GS-11	S	



FEDERAL POWER COMMISSION

COMMISSIONERS AND OFFICES						
Washington, D.C.	Chairman	John N. Nassikas	PAS	Level III	5 years	June 22, 1975.
Do	Commissioner	Vacant	PAS	Level IV	do	
Do	do	Rush Moody	PAS	do	do	June 22, 1976.
Do	do	Albert B. Brooke, Jr.	PAS	do	do	June 22, 1974.
Do	Vice Chairman	Pinkney C. Walker	PAS	do	do	Until successor appointed.
Do	Executive Director	Webster P. Maxson	NEA	GS-18		
Do	Assistant to Chairman	Vacant	NEA	GS-17		
Do	Chief Engineer	do	B	GS-17		
Do	Special Assistant to the Commissioner	do	A	GS-15		
Do	do	do	A	GS-15		
Do	do	do	A	GS-15		
Do	Technical Assistant to Commissioner	W. W. Gibson, Jr.	C	GS-15		
Do	do	Graham W. McGowan	C	GS-15		
Do	do	Vacant	C	GS-15		
Do	do	Kenneth Lay	C	GS-15		
Do	Assistant Executive Director	Joseph N. DiMarino	C	GS-15		
Do	Technical Assistant to Commissioner	William P. Diener	C	GS-15		
Do	Assistant to the Chairman	Vacant	C	GS-15		
Do	Technical Assistant to Commissioner	Emmett J. Gavin	C	GS-14		
Do	do	Alan Atterbury	C	GS-14		
Do	do	Vacant	C	GS-13		
Do	do	Scott P. Anger	C	GS-12		
Do	do	Vacant	C	GS-12		
Do	Confidential Assistant to Chairman	Anita P. Green	C	GS-11		
Do	Private Secretary	Norma B. Smith	C	GS-10		
Do	Confidential Assistant to Commissioner	Michele Weiss	C	GS-10		
Do	do	Elizabeth McElwain	C	GS-10		
Do	do	Leticia Peoples	C	GS-10		
Do	Private Secretary to Chairman	Rose M. Oliver	C	GS-9		
Do	Private Secretary to Commissioner	Doris J. Cooper	C	GS-9		
Do	do	Vacant	C	GS-9		
Do	do	Emily Sidwell	C	GS-9		
Do	Confidential Assistant to Commissioner	Betty Williams	C	GS-9		
Do	Private Secretary to Commissioner	Jeraline Fennell	C	GS-9		
Do	Private Secretary to Executive Director	Mary Gotwalds	C	GS-8		
Do	Secretary to the Advisor on Environmental Quality	Margo B. Denney	C	GS-8		
Do	Private Secretary to Assistant to the Chairman	Marcelyn Angel	C	GS-7		
Do	Private Secretary	Vacant	C	GS-7		
Do	Private Secretary to the Executive Director	do	C	GS-7		
BUREAU OF NATURAL GAS						
Do	Supervisory Regulatory Gas Utility Specialist	Thomas J. Joyce	NEA	GS-18		
BUREAU OF POWER						
Washington, D.C.	Supervisory General Engineer	T. A. Phillips	NEA	GS-18		
OFFICE OF THE GENERAL COUNSEL						
Do	Supervisory General Attorney (Public Utility)	Vacant	NEA	GS-18		

Mr Cole
JW
File

1-10-75

MEMORANDUM FOR WILLIAM WALKER

FROM: ROY L. ASH *LA*
SUBJECT: Commodity Futures Trading Commission

This memorandum is to convey to you the urgency which I feel attaches to the timely selection and nomination of the Commissioners for the new Commodity Futures Trading Commission (CFTC). I know that Agriculture officials have been pressing this matter with your office, but I want to express OMB's assessment as well.

The problem is this: The CFTC Act of 1974, enacted October 23, 1974, provides and intends that the Commissioners be nominated, confirmed and take office well before April 21, 1975 when the CFTC powers become fully effective. Moreover, in addition to this legal intent, it is an operational necessity that they take office before April 21st since only the Commissioners can publish regulations requiring exchanges and dealers to register under the new Act. As of April 21st, those not duly registered by CFTC cannot legally transact futures business. This would cause major disruption and is obviously to be avoided in any way possible especially since some Members of Congress and the investment industry would no doubt attribute their difficulties directly to Administration delays.

Backing up from the April 21st date, we construe that it is now late--and getting more critically late each day--to make Commissioner selections. A tight time sequence for successful implementation, with little or no room for slippage, is as follows:

January 13 (approximately) - Obtain President's approval of final selections and request FBI and conflict-of-interest checks.

-- Allow six weeks for checks --

February 24 (approximately) - President formally submits his nominations for Commissioners including Chairman, (or at least a minimum of three).

-- Allow three weeks for Senate to schedule hearings and vote confirmation --

March 17 (approximately) - Senate votes confirmation and forwards approval.

-- Allow three days for processing --

March 21 (approximately) - Commissioners sworn in and take office.

-- Leaves four weeks for CFTC to issue regulations, industry to submit applications, CFTC to review applications and complete registrations before --

April 21, 1975 - Mandatory effective date.

I know that there are advantages to simultaneous nomination of a full slate of five commissioners. However, in view of the imperative need for a functioning Commission by mid-March, I would urge that you consider the expedient of sending forward three nominations as the minimum necessary rather than wait until all five are in place.

If we can be of assistance in any way, please let us know.

cc: DO Records - Official File
Director
Deputy Director
Mr. Marsh (Friedersdorf) WH
Mr. Cole, WH ✓
Mr. Hill
Mr. Jura
Mr. Bingman
Mr. Dinsmore
OSS File
OSS Chron

MO:OSS:WSDinsmore:af:1/9/75



Proposed NEA and C Schedule Positions

Commodity Futures Trading Commission

I. Personal Staff to the Commissioners

Confidential Assistant to Chairman	NEA-16 ⁸
Assistant to Chairman —	GS-15
Investigative Assistant to Chairman (2)	GS-14
Confidential Secretary to Chairman	GS-13
Secretary to Chairman	GS- 9
Confidential Assistant to Commissioners (4)	GS-15
Assistant to Commissioners (4)	GS-14
Confidential Secretary to Commissioners (4)	GS-10
Secretary to Commissioners (4)	GS- 9

II. Field Offices

Chicago:	Regional Director	NEA-17
	Deputy Regional Director	NEA-16
	Secretary to Regional Director	GS- 9
New York:	Regional Director	NEA-17
	Deputy Regional Director	NEA-16
	Secretary to Regional Director	GS- 9
Kansas City:	Regional Director	NEA-16
	Deputy Regional Director	GS-14
	Secretary to Regional Director	GS- 9
Minneapolis:	Regional Director	GS-14
	Secretary to Regional Director	GS- 9
San Francisco:	Regional Director	GS-14
	Secretary to Regional Director	GS- 9

III. Washington Staff

Deputy Executive Director ?	GS-17
Confidential Assistant to Executive Director	GS-13
Secretary to Executive Director	GS-11
Secretary to Deputy Executive Director	GS- 9
Confidential Assistant to General Counsel	GS-15
Confidential Secretary to General Counsel	GS-11
Secretary to General Counsel	GS- 9
Liaison Officer to USDA	GS-15
Secretary to Liaison Officer	GS- 9

Public Relations
Congressional Relations

GS-15 (FTC)



THE WHITE HOUSE
WASHINGTON

File

EYES ONLY

January 14, 1975

MEMORANDUM FOR:

KENNETH R. COLE

FROM:

PRESIDENTIAL PERSONNEL
OFFICE

SUBJECT:

Commodity Futures Trading
Commission

Chairman - Level III (PAS)

Four Commissioners -

Level IV (PAS)

Attached is a copy of our proposed memorandum to the President on the Commodity Futures Trading Commission Chairman and four Commissioners. Please call J. Curtis Fee of our office to let him know your opinion of the proposed action so that we can accurately represent your views in the final decision memo. Since we are trying to fill these vacancies as quickly as possible, please be sure to reply within three working days. If we have not heard from you within three working days, we will assume that you have no comment on the appointment.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

THROUGH: DONALD RUMSFELD

FROM: WILLIAM N. WALKER

SUBJECT: Commodity Futures Trading
Commission
Chairman - Level III (PAS)
Four Commissioners -
Level IV (PAS)

On October 23, you signed into law the Act which creates a new agency to regulate the commodity futures markets. This law is intended to protect the individuals involved in futures trading from fraudulent practices and market manipulation, and to protect the markets themselves. The law recognizes that healthy futures markets are essential in permitting farmers and agricultural businesses to hedge their crops and raw materials against price changes. This hedging mechanism, by lowering the producers' risk, ultimately allows lower prices to the consumer. By guaranteeing the integrity of the markets, the law intends to encourage hedging and the informed speculation which makes hedging possible.

To accomplish these objectives, all futures trading and futures contract markets will be brought under regulation, many for the first time. Exchange rules will be approved and supervised by the Commission. All individuals dealing with the public will be licensed, most for the first time. In addition, the Commission has been given broad authority to determine the extent of its own involvement in regulating the markets.

The law provides for five full-time Commissioners, with a maximum of three from one party, some of whom should be knowledgeable in the futures markets and the industry which produces the commodities.



The mix of backgrounds on the Commission is important. Our search attempted to attract candidates with experience in one or more of the following areas: legal training, brokerage activities in futures trading, production and marketing of primary commodities, agricultural economics, the operation of the exchanges, and operation of international commodities markets. We sought candidates with a balanced philosophy about government regulations who could be expected to weigh responsibly the legal obligation to regulate with the economic importance of market operations. For the Chairman, I think it important to select an individual who can bring a broad public policy perspective to the Commission and who is not identified with any of the varied and sometimes antagonistic constituencies who will be affected by its activities. The individual should be a lawyer, in my judgment, but one who has had broad government experience and well-developed political sensitivity.

Over one hundred candidates were screened and thirty-five were interviewed to arrive at these recommendations. I have discussed this slate of candidates with Secretary Butz and he concurs with these recommendations.

FIVE YEAR TERM
CHAIRMAN

William T. Bagley, 46, a Republican, of San Rafael, California, (resume at Tab A), was defeated in November in his race for Controller of the State of California. He is a graduate of the University of California at Berkeley, Phi Beta Kappa, and first in his graduating class. He graduated from the University of California School of Law, and was on the Law Review. After several years in the private practice of law, he was elected to the California State Assembly in 1960, where he served until last year. He chaired the Committee on Revenue and Taxation from 1969 to 1970, the Welfare Committee from 1969-70, the Joint Committee on National Tax Policy for two years, and has been a member of the Ways and Means Committee for six years. Bagley has been at odds with the Reagan Administration from time to time, but forged a working relationship with them and there is mutual respect. He had very wide editorial support of his candidacy for Controller and is highly regarded in California. He has the intellectual capacity



and the experience to be an excellent chairman. I recommend that you nominate Bagley and designate him Chairman.

_____ Agree

_____ Disagree

FOUR YEAR TERM

Shirley R. Chilton, 51, Republican, of California, (resume at Tab B), is currently the President and Chief Executive Officer of Daniel Reeves & Company, a small Los Angeles brokerage firm. She graduated from the University of Washington in 1943, and received her Masters in Business Administration from Pepperdine University in 1970. Her professional career started in 1955 when she became a registered representative for Daniel Reeves & Company in Los Angeles. After three years she left to take over the staff operations of Hayden, Stone's local office, where she rose to be Vice President with responsibilities for recruiting, training, advertising, public relations, personnel management, as well as in the more traditional role of a stock-broker for her own clients. She subsequently joined another firm with similar responsibilities, and three years ago she and some former associates bought the firm of Daniel Reeves & Company in Los Angeles. She was elected managing partner and subsequently, President. Throughout her twenty years in the brokerage business, she has been actively engaged in commodities futures trading and has maintained a special interest in gold and money markets. She understands CEA and SEC regulations, since her responsibilities have included acting as a commission house compliance officer. She described the responsibility of the Commission as one of "delicate surveillance," a phrase which reflects the sort of balance the Commission should strive to achieve. I recommend her nomination.

_____ Agree

_____ Disagree

THREE YEAR TERM

Read P. Dunn, Jr., 60, Democrat, of Maryland (resume at Tab C), is the Executive Director of the International Institute for Cotton.

Originally a newspaper man and native of the cotton producing areas of Mississippi, he came to Washington at the outbreak of WWII as a special consultant to the National Defense Advisory Commission and later the Commodity Credit Corporation in the production, supply, and marketing of cotton. After three years in the U.S. Navy, he joined the National Cotton Council in Washington, where he acted in the capacity of Washington Representative to Government agencies and the Congress in matters affecting cotton and cotton products. He has had a long-time interest in the international production and marketing of cotton, and in 1966 was granted a leave of absence from the Cotton Council to become Executive Director of the International Institute for Cotton. This intergovernmental treaty organization exists for the purpose of promoting research and trade in cotton products. Read Dunn is a Southern Democrat who brings significant knowledge of international marketing and distribution of commodities. Dunn has the support of Senators Eastland, Talmadge, and Long, and Secretary Butz. I recommend his nomination.

_____ Agree

_____ Disagree

TWO YEAR TERM

John V. Rainbolt, 35, Democrat, of Oklahoma, (resume at Tab D), the Associate Counsel for the House Committee on Agriculture, is a 1961 graduate of the University of Oklahoma in literature and history. He received his LL.B. degree in 1964, also at Oklahoma. After three years as an officer in the U.S. Army, he came to Washington as a legislative assistant to Congressman Graham Purcell. In 1969 Purcell named him Administrative Assistant, with additional responsibilities as legislative counsel and press assistant. He served as Acting Subcommittee Counsel for the Livestock and Grains Subcommittee, often acting as the liaison with the Senate Agriculture Committee. In 1973, he became Associate Counsel for the House Committee on Agriculture, and it is from this perspective that he became one of the principal staff working with the CFTC legislation. Rainbolt will be able to contribute considerably through his knowledge of the Congress and the constituencies affected by the Commission and by virtue of his knowledge of the legislation. I recommend that you nominate Rainbolt.



_____ Agree

_____ Disagree

ONE YEAR TERM

Peter A. Thatcher, 33, Republican, of Pennsylvania, (resume at Tab E), is currently the Vice President and Manager of the Commodity Finance Division of the Girard Trust Bank, Philadelphia. As such, he is responsible for managing lines of credit totalling \$75 million to commodities dealers in grains, cotton, livestock, and precious metals. He is a graduate in economics from the University of Arizona and has a Masters degree in Agricultural Economics from Stanford University. His perspective includes four years with the Continental Grain Company as a grain trader and corporate planner. His studies resulted in the formation of a futures brokerage arm for that company. During his two-year tenure with Merrill Lynch's Boston office, he founded a commodities trading department and developed hedging programs for commodity customers in Merrill Lynch's New England region. Since 1972 he has been with Girard Trust, where in addition to the responsibilities described above, he is Manager of the bank's silver and gold dealings, including both futures and actuals. His ten years' broad perspective with commodity production finance and actual futures contract dealings make him unusually well qualified for a seat on the Commission.

Gary Seevers, 37, Independent, of Virginia (resume at Tab F), is currently a member of the Council of Economic Advisors. He is a 1959 graduate of Michigan State University in Animal Husbandry and former county 4-H agent in Michigan. He received his Ph.D. in Agricultural Economics from Michigan State in 1968. He spent two years on the faculty of Oregon State University and joined the Council of Economic Advisors staff in 1970. He has been a member of the Council since 1973. Seevers provides a broad public policy perspective in the field of agricultural economics and is extremely knowledgeable in the markets of the primary commodities. Secretary Butz is particularly enthusiastic about Seevers.

Seever's intends to leave the CEA, although Alan Greenspan would prefer that he not leave for a few months. Despite the fact that Seever's is not a registered Republican, he has been closely identified with your Administration and Jack Marsh believes that the Senate committee would probably not confirm him for a non-Republican seat. (If this option were available, I would have proposed Seever's in lieu of Rainbolt.) I believe Seever's would be the more distinguished candidate for the Commission and recommend that as between Seever's and Thatcher, you nominate Seever's.

_____ Appoint Seever's

_____ Appoint Thatcher

OTHER CANDIDATES

You should be aware of other candidates who have a strong interest in serving on this Commission, but who in my opinion do not measure up to the slate recommended above.

Robert Price, 48, Republican, of Texas (resume at Tab G), a defeated Congressman and former member of the House Committee on Agriculture. Price is a fifth-generation Kansas farmer, a graduate in Animal Husbandry from Oklahoma State University, and currently owns a 9600-acre beef ranch in Texas. Price has been an actual hedger on beef prices for his own farming operation and would offer some hands-on perspective in this regard. Price could be considered for Chairman, but in my opinion he would not be as distinguished an appointment as Bagley.

Frank A. Stubblefield, 67, Democrat, of Kentucky, (resume at Tab H), is also a defeated Congressman and a former member of the House Committee on Agriculture. Stubblefield is a 1932 graduate of the University of Kentucky and was involved in the retail drug business prior to his election to the Congress in 1958. He has written to you about his interest in serving on the Commission, and Senator Stennis has written a letter on his behalf. It is my opinion that Stubblefield does not have as strong a background as other candidates, and Secretary Butz also believes he is not a well qualified prospect.



Arthur H. Maslansky, 38, Democrat, of California, (resume at Tab I), is a graduate of the University of Pennsylvania and NYU Law School. While engaged in the private practice of law in Beverly Hills, he became acquainted with commodity laws and market regulations on behalf of the clients affected by California commodity law. For four months, terminating in February of 1973, he was President of Goldstein, Samuelson, Incorporated, a commodity option underwriting firm. During his tenure there he discovered diversions of substantial customer funds and moved with the SEC for the appointment of a receiver to conserve the assets and protect the investors. Congressman Goldwater has sent a letter on Maslansky's behalf signed by the entire California delegation, but I recommend against his nomination because, compared to Chilton and Bagley (both of California), he is not as well qualified substantively and because he would overload the Commission with Californians. Also, his association with the firm of Goldstein & Samuelson could cause controversy, first, because of the diversions which took place, and second, because the options business itself is controversial.

Forest Reece, 33, Republican, of Texas, (resume at Tab J), is a former newspaper reporter and Administrative Assistant to Bob Price, and since 1971 a staff member on the Senate Agriculture and Forestry Committee. His professional background in the commodities industry is limited to knowledge gained on this Committee's staff. You have received a letter from all the Republican members of both the Senate and House Agriculture Committees on his behalf, but his only active supporter seems to be Senator Curtis. In my opinion, he offers considerably less to the Commission than the recommended slate, and Secretary Butz concurs that he is not a well qualified candidate.

Eugene Moos, 49, Democrat, of Washington State, (resume at Tab K), was formerly a successful grain farmer in the State of Washington and has served since 1960 as President of the Washington Association of Wheat Growers and the Western Wheat Growers Associates. He is a former President of the National Association of Wheat Growers. He is recommended by Senators Humphrey, Magnuson, and Jackson and Congressman Foley. I recommend against his appointment because his reputation has plummeted among the grain producing industry because he allegedly represented



Secretary Freeman's interests more than those of the farmers who had elected him. He is philosophically in favor of major government involvement rather than allowing market forces to operate. His appointment would be highly controversial and I recommend against his nomination. Secretary Butz feels strongly that he would be antagonistic and that he should not be nominated for one of the Democratic seats.



Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

Joint Resolution

To extend the effective date of certain provisions of the Commodity Futures Trading Commission Act of 1974.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law or of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), the Commodity Futures Trading Commission established in section 2(a) of the Commodity Exchange Act, as amended, in its discretion, and without prior notice or hearings:

(a) may grant provisional designation as a contract market to any boards of trade for any commodities traded thereon for such period not in excess of ninety days from the effective date of the Commodity Futures Trading Commission Act of 1974 and under such terms and conditions as the Commission may prescribe: *Provided*, That upon the expiration of any provisional designation of a board of trade as a contract market, such board of trade shall not be designated as a contract market except as provided in section 6 of the Commodity Exchange Act, as amended;

(b) may grant provisional registration as a futures commission merchant, floor broker, associated person, commodity trading adviser, and commodity pool operator to any person for such period not in excess of ninety days from the effective date of the Commodity Futures Trading Commission Act of 1974 (Public Law 93-463) and under such terms and conditions as the Commission may prescribe; and

(c) may defer for such period not in excess of ninety days from the effective date of the Act, the effective dates of sections 204, 205, 210, and 407 of the Commodity Futures Trading Commission Act of 1974 (Public Law 93-463).

Sec. 2. Section 203 of the Commodity Futures Trading Commission Act of 1974 is amended by striking the phrase "six months" wherever it appears therein and substituting therefor the phrase "nine months".

Sec. 3. Section 106 of the Commodity Futures Trading Commission Act of 1974 is amended by striking the phrase "one year" wherever it appears in the last paragraph thereof (subsection (i) of new section 14 of the Commodity Exchange Act, as amended) and substituting therefor the phrase "fifteen months" and by striking the phrase "nine months" in the last paragraph thereof (subsection (i) of the new section 14 of the Commodity Exchange Act, as amended) and substituting therefor the phrase "one year".

H. J. Res. 335—2

SEC. 4. Section 404 of the Commodity Futures Trading Commission Act of 1974 is amended by striking the phrase "ninety days" wherever it appears therein and substituting therefor the phrase "one hundred and eighty days".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

February 24, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: NORM ROSS
SUBJECT: **Commodity Futures Trading Commission**

The President recently signed into law an act establishing the Commodity Futures Trading Commission. The Act provides for the establishment of the Commission on April 21, 1975, to further the economic role of the commodity futures markets and to protect market users from abusive practices. The Act brought under Federal regulation all agricultural and other commodities, goods, and services traded on exchanges.

The Commodity Exchange Authority is currently an agency within the Department of Agriculture. The Commodity Futures Trading Commission Act specifies that the Secretary of Agriculture continues in full authority and retains responsibility for regulation of commodity futures trading as now constituted until the effective date of the law. The Conference report on the new law states that Congress expects that implementing activities will begin as soon as practicable after enactment.

A Steering Committee and Working Task Force were established to provide support as required to prepare organizational, definitional and operational alternatives to be selected by the Chairman and Commissioners. The Steering Committee is headed by John Hill and is composed of members from several Departments, including Justice, Treasury, Commerce, SEC, as well as representatives of Agriculture and the CEA. This group has only met twice but has provided policy guidance and agency coordination for the Working Task Force. The Working Task Force is headed by Joe Wright, Assistant Secretary of Agriculture for Administration. It is composed of Agriculture, CEA and OMB.

The Working Task Force is divided into three parts:

- Program Study Group - This group determined the priorities for developing definitions and designs of regulatory activity alternatives under the guidance of the Steering Committee.
- Administrative Services Group - This group's recruiting lower level staff positions, preparing space and equipment alternatives for decisions by the Commissioners as needed, providing budget support for FY 1975 (Amendment) and FY 1976 and generally providing for the initiation of Commission activities before its establishment.
- Administrative Design Group - The group developed a priority lists of organizational, operational and support activities to be undertaken.

A primary concern of mine, and I understand is also shared by Bill Walker, is that of personnel policy during the interim period prior to the establishment of the Commission. The Commission will operate with 497 positions (1976 budget) and the Commission will have its own Administrative Law Judges and Federal Court.

There are currently 179 persons on board. A GS-14(Administrative-type) was recently hired and two lawyers are currently on 90-day detail from SEC. I am informed that at the time the Commission is established, there will be approximately 215 on board. The additional 36 persons to be hired will be in grades GS-11 and below, and will be clerical and administrative types.

The senior level positions will require constant monitoring and should not be filled until the Chairman is on board. Key positions include Executive Director, General Counsel, Secretary to the Commission, Information Director, Budget Officer and the personal staff for the Commissioners. There will be allot of intensive lobbying for these positions by Agriculture personnel.



I will develop with Bill Walker a set of options which will address personnel policy issues from now until the establishment of the Commission if you concur.

NROSS/pt 2-24-75
cc: WH files



THE WHITE HOUSE

WASHINGTON

March 4, 1975

MEMORANDUM FOR: BILL WALKER

FROM: JIM CAVANAUGH *[Signature]*

SUBJECT: COMMODITY FUTURES TRAINING COMMISSION

Two weeks ago you expressed some concern to Jim Cannon concerning the initial setting up of the Commodity Futures Training Commission. I've had Norm Ross get into it. Attached is a copy of his report. You will note that he is concerned that the new Chairman may be preempted by certain personnel appointments.

By copy of this memorandum I am asking Norm to get in touch with you or your key staff person to work out a plan to insure that there is a way for handling the personnel policy issues as they develop until the formal establishment of the Commission.

Please let us know if we can be of any additional help on this one.



THE WHITE HOUSE

WASHINGTON

February 24, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: NORM ROSS *NR*
SUBJECT: Commodity Futures Trading Commission

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- 3 -

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FOR IMMEDIATE RELEASE

File
MARCH 18, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate John Vernon Rainbolt II, of Cordell, Oklahoma, to be a Commissioner of the Commodity Futures Trading Commission for a term of two years. The Commission was established by Public Law 93-463 of October 23, 1974 ("the Commodity Futures Trading Commission Act of 1974").

Mr. Rainbolt is the Counsel, Committee on Agriculture, United States House of Representatives. He was the Associate Counsel for the Committee on Agriculture for the House from 1973 to 1975. From 1969 to 1973 he was Administrative Assistant to Congressman Graham Purcell of Texas after serving as his Legislative Assistant from 1967 to 1969.

Mr. Rainbolt was born on May 24, 1939 in Cordell, Oklahoma. He received his B.A. degree from the University of Oklahoma in 1961 and his LL.B. degree from the University of Oklahoma Law School in 1964. He served in the United States Army from 1964 to 1967.

Mr. Rainbolt resides in Arlington, Virginia.

The Commodity Futures Trading Commission consists of a Chairman and four Commissioners. The Commission is bi-partisan allowing for not more than three persons to be from the same political party. The Commission will have complete jurisdiction over all governmental regulations in the commodity futures area, including commodities, lumber and metals.

#



FOR IMMEDIATE RELEASE

MARCH 18, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate William T. Bagley of San Anselmo, California, to be Chairman and Commissioner of the Commodity Futures Trading Commission for a term of five years. The Commission was established by Public Law 93-463 of October 23, 1974 (the "Commodity Futures Trading Commission Act of 1974").

Mr. Bagley is presently Senior Partner in the law firm of Bagley, Bianchi, Hoskins, Rosenberg, of San Rafael, California. From 1960 to 1974 he served in the California State Assembly. He was an Associate in the firm of Gardiner, Riede, Elliot of San Rafael from 1956 to 1960. In 1952 he joined the Pacific Gas and Electric Company of San Francisco, serving in the Law Department until 1956.

Mr. Bagley was born on June 29, 1928 in San Francisco, California. He received his A.B. degree from the University of California at Berkeley in 1949. He was awarded a J.D. degree from the University of California at Berkeley Law School in 1952.

Mr. Bagley is married to the former Diane Oldham and they have five children.

The Commodity Futures Trading Commission consists of a Chairman and four other Commissioners. The Commission is bi-partisan allowing for not more than three persons to be from the same political party. The Commission will have complete jurisdiction over all governmental regulations in the commodity futures area, including commodities, lumber and metals.

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FOR IMMEDIATE RELEASE

MARCH 18, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate Read Patten Dunn, Jr of Chevy Chase, Maryland, to be a Commissioner of the Commodity Futures Trading Commission for a term of three years. The Commission was established by Public Law 93-463 of October 23, 1974 (the "Commodity Futures Trading Commission Act of 1974").

Mr. Dunn is Executive Director, International Institute for Cotton, Brussels, Belgium. From 1945 to 1966 he was Washington Representative and Director, Foreign Trade, National Cotton Council. After serving in the United States Navy from 1942 to 1945, he was Assistant to the President of the Commodity Credit Corporation from 1941 to 1942. He was Secretary-Manager of the Delta Council from 1938 to 1939 prior to joining the National Defense Advisory Commission in 1940.

Mr. Dunn was born on March 11, 1914, in Greenville, Mississippi. He received his B.S. degree from Millsaps College in 1936.

Mr. Dunn is married to the former Barbara Butts and they have four children. They reside in Brussels, Belgium.

The Commodity Futures Trading Commission consists of a Chairman and four Commissioners. The Commission is bi-partisan allowing for not more than three persons to be from the same party. The Commission will have complete jurisdiction over all governmental regulations in the commodity futures area, including commodities, lumber and metals.

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FOR IMMEDIATE RELEASE

MARCH 18, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

The President today announced his intention to nominate Gary Leonard Seevers, of McLean, Virginia, to be a Commissioner of the Commodity Futures Trading Commission for a term of four years. The Commission was established by Public Law 93-463 of October 23, 1974 ("the Commodity Futures Trading Commission Act of 1974").

Dr. Seevers has been a member of the Council of Economic Advisers since 1973. From 1972 to 1973 he was Special Assistant to the Chairman of the Council of Economic Advisers after serving as a Senior Staff Economist for the Council from 1970 to 1972. In 1968 he became an Assistant Professor of Agricultural Economics at Oregon State University, serving until 1970.

Dr. Seevers was born on May 24, 1937, in Jonesville, Michigan. He received his B. S. degree in 1959 and his M. S. degree in 1966 from Michigan State University. Prior to receiving his M. S. degree, he was successively at Michigan State University, a 4-H County Extension Agent and an Associate Director of the "Science in 4-H Study" Project. He was awarded a Ph. D. degree from Michigan State in 1968.

Dr. Seevers is married to the former Marian Rice and they have four children.

The Commodity Futures Trading Commission consists of a Chairman and four Commissioners. The Commission is bipartisan allowing for not more than three persons to be from the same political party. The Commission will have complete jurisdiction over all governmental regulations in the commodity futures area, including commodities, lumber and metal.

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File

8 April, 1975

Norman E. Ross
Director, Domestic Council
Room 218
White House
Washington, D.C. 20500

Dear Mr. Ross:

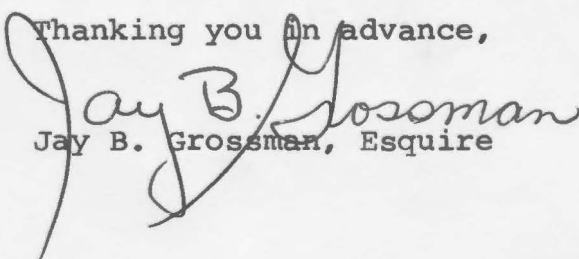
I am writing this letter to reaffirm my continuing interest in acquiring an assistant counsel position on the forming Futures Commodities Trade Commission and to addend my resume (a second copy of which is enclosed for your convenience and reference.)

Since our conversation of last November, I have taken advantage of a certain opportunity to increase my credentials. I am now working as a law clerk for the Trial Division of the U. S. Court of Claims.

Of course, I realize that you will only be a conduit of transmission of my resume to the appropriate authorities of the Commission. I do appreciate this service which you are performing on my behalf.

Please do not hesitate to add to my list of references the judges of the Trial Division of the Court of Claims. Most especially, Chief Judge Roald A. Hoganson and Judge David Schwartz.

Thanking you in advance,


Jay B. Grossman, Esquire



JAY BRUCE GROSSMAN, ESQ.
3010 Wisconsin Avenue, N.W.
Apartment #A10
Washington, D.C. 20016
(202) 362-7007

ACADEMIC
BACKGROUND

<u>SCHOOL</u>	<u>LOCATION</u>	<u>DEGREE</u>	<u>DATE</u>
Georgetown University Law Center	Washington, D.C.	LL.M.	1974
University of Miami School of Law	Coral Gables, Florida	J.D.	1972
Adelphi University	Garden City, New York	B.A.	1969

GENERAL

The graduate law courses were predominately concerned with corporate and trade law.

BAR
MEMBERSHIP

Member, Florida Bar Association
Member, Dade County Bar Association
Member, District of Columbia Bar
Member, United States District Court for
the District of Columbia
Member, Court of Appeals for the District
of Columbia
Member, American Bar Association
Member, Florida Bar Association, Drug
Abuse Committee

LEGAL
EMPLOYMENT

1972 - 1975

Staff Counsel, National Drug Abuse Training Center,
Washington, D.C. This position has been held
contemporaneously with the obtainment of my Masters
of Law. The position requires the research and
development of legal articles and publications to be
used by government and private parties throughout
the treatment and rehabilitation industry. The
position also requires my lecturing on drug abuse
and related areas of law. In addition, I am a
consultant to various governmental and private
parties on the legal aspects of drug abuse treatment
and rehabilitation and regulation.



Jay Bruce Grossman, Esq. (Page 2)

1971 - 1972

Counsel, Spectrum Programs, Miami, Florida.

Under special authorization of the Supreme Court of Florida, I was granted permission to practice law on behalf of indigent clients. I represented the clients of the above treatment program in twenty-four criminal and eight civil proceedings. During this period I worked in direct association with Robert C. Josefsberg of Pearson and Josefsberg, P.A., Miami, Florida.

PUBLICATIONS
AND WRITTEN
PRODUCTIONS

"Methadone Treatment: Legal Aspects." An article describing and explaining 21 C.F.R. 1130.44 et. seq., Conditions for Use of Methadone and 21 C.F.R. 1401, Confidentiality of Drug Abuse Patient Records.

"Fundamental Facts and Insights (on Drug Abuse): Legal Working Paper." A self-instructional pamphlet instructing in the criminal justice system, alternatives to trial and the Comprehensive Drug Abuse Prevention and Control Act of 1970.

"Toward a Legal Perspective for Youth Program Workers." An article which discusses and categorizes the jurisdictional powers of the juvenile courts of the states.

"Juvenile Law Workshop." A case study workshop developed to train laymen in the fundamentals of juvenile law.

"Counselor Training: Short-Term Client Systems: Legal Aspects." A legal handbook for Crisis Counselors.

"Third Party Payment for Drug Abuse Treatment Programs." Research Director. A joint effort publication by several attorneys and research specialists. The publication determines alternative ways of funding treatment facilities.

The foregoing materials may be found in publications of the National Drug Abuse Training Center.



Jay Bruce Grossman, Esq. (Page 3)

PUBLICATIONS
AND WRITTEN
PRODUCTIONS
(continued)

My graduate writing requirement was fulfilled by the following articles:

"Antitrust Regulation of the Multinational Enterprise"

"The Multinational Enterprise, a Request for Government Regulation"

"Section 17(d) of the Investment Company Act of 1940"

PERSONAL

Date of Birth: 3 October 1947

Height: 5' 11"

Marital Status: Single

Domicile: 146-95 NE 18th Avenue
N. Miami, Florida 33161
(305) 949-6084

References, professional and personal, furnished upon request.





PLEASE DIRECT ALL CORRESPONDENCE AND

INQUIRIES TO: Betty Lou Dotson
Food and Nutrition Service
USDA
500 12th Street, S.W., Rm. 750
Washington, D.C. 20250
(202) 447-8410

5th ANNUAL CONFERENCE
WASHINGTON, D. C.
MAY 15, 16, 17, 1975

April 11, 1975

Preston Vanderford - Chairman
St. Louis Post Dispatch - KSD/KSD-TV

Ernest Richardson - Vice Chairman
St. Regis Paper

JoAnn Harris - Corresponding Secretary
CBS Radio - Chicago

Y. B. Williams - Recording Secretary
Newport News Shipbuilding

Melvin C. Hopson
Montgomery Ward and Company

Betty L. Dotson - Conference Chairperson
U. S. Department of Agriculture

Mr. Norman Ross
Assistant to the Director
Domestic Council
Old Executive Office Bldg., Rm. 218
Washington, D.C. 20500

Dear Mr. Ross:

The National Urban Affairs Council is holding its annual conference at the International Inn, 10 Thomas Circle, N.W., on May 15-17, 1975.

The theme of this year's conference is "Which Way, Urban America". A feature of our conference this year will be workshops which will be concerned with various factors relating to this theme.

A workshop entitled "Overview of Domestic Programs" is scheduled for Friday, May 16, 1975, at 1:15 p.m. John Calhoun, The White House, has recommended and suggested that you would be an ideal participant in this workshop. As Conference Chairperson, I would like to invite you to participate in the workshop.

NUAC which was founded in 1971 at the National Urban League Convention is comprised of persons holding responsible positions in the general areas of urban affairs, equal employment opportunity, community affairs, and other related concerns in both the corporate and government sectors.

Thank you in advance for your assistance and cooperation. Further details will be supplied you concerning the format of the workshops. Should you need further or additional information, please call me.

Betty Lou Dotson
Betty Lou Dotson
Conference Chairperson



Directions - 15-20 min.

*goes in our area
Domestic Council*

*Steve Kellerman
H. H. W.*

*Urban Affairs for
Quaker Oats*

Accepted 4-23-76

*Bring Ben Skelch
Miss Kennedy*



PLEASE DIRECT ALL CORRESPONDENCE AND
INQUIRIES TO: Betty Lou Dotson
Food and Nutrition Service
USDA

500 12th Street, S.W., Rm. 750
Washington, D.C. 20250
(202) 447-8410

**5th ANNUAL CONFERENCE
WASHINGTON, D. C.
MAY 15, 16, 17, 1975**

May 12, 1975

Preston Vanderford — Chairman
St. Louis Post Dispatch — KSD/KSD-TV

Ernest Richardson — Vice Chairman
St. Regis Paper

JoAnn Harris — Corresponding Secretary
CBS Radio — Chicago

Y. B. Williams — Recording Secretary
Newport News Shipbuilding

Melvin C. Hopson
Montgomery Ward and Company

Betty L. Dotson — Conference Chairperson
U. S. Department of Agriculture

Mr. Norman Ross
Assistant to the Director
Domestic Council
Old Executive Office Bldg., Rm. 218
Washington, D.C. 20500

Dear Mr. Ross:

Thank you for agreeing to participate in our
conference as a panelist.

Your panel entitled "Overview of Domestic
Programs" is scheduled from 1:30 p.m. to
3:00 p.m.

The moderator of your panel is Mr. Howard
Patton, Division of Community Assistance,
National Institute on Drug Abuse. The other
panelist is Mr. Stephen Kurzman, Assistant
Secretary for Legislation, Department of
Health, Education and Welfare. We would
like to have you make a brief presentation
not to exceed 20 minutes.

The location of the panel is in the Brittany
Room of the International Inn.

If you have further questions, please call.

A handwritten signature in cursive script that reads "Betty Lou Dotson".

Betty Lou Dotson
Conference Chairperson



Steve
 12. 5. 1972

Overview of Pomtun Programs

- welfare reform →

Food Stamp

Heavy

economic case - is now policy program, except energy, and: - end, human

employment

Turn down → New York Layer Jans

Heavy Economy - Hill

Transportation - Railroads - Mass

1. Energy → Food Stamp Pomtun Policy
2. Food Policy Summer Feeding Program
3. Revenue Sharing - Mass
4. Labor
5. Cons.

I. Energy Policy

II. Food Policy

III. Rev. Sharing

IV. Rev. of Income Assistance Programs



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 16, 1975

Time: 200pm

FOR ACTION: Mike Duval
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Warren Hendriks
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: April 16

Time: 430pm

SUBJECT:

H.J. Res. 335 - Amend Commodity
Futures Trading Commission Act

ACTION REQUESTED:

☐ For Necessary Action

☒ For Your Recommendations

☐ Prepare Agenda and Brief

☐ Draft Reply

☒ For Your Comments

☐ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

W. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 16 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Resolution H.J.Res. 335 - Amend Commodity
Futures Trading Commission Act
Sponsor - Rep. Foley (D) Washington and 3 others

Last Day for Action

Your signature is recommended as soon as possible in order that the provisions of the resolution may take effect without delay.

Purpose

Authorizes the extension of the effective date of certain provisions of the Commodity Futures Trading Commission Act for periods of not to exceed 90 days.

Agency Recommendations

Office of Management and Budget

Approval

Commodity Futures Trading
Commission
Department of Agriculture

Approval (informally)
Approval (informally)

Discussion

The Commodity Futures Trading Commission Act of 1974 -- which was approved by the President on October 23, 1974 -- makes extensive changes in the Commodity Exchange Act, brings under Federal regulation all agricultural and other commodities, goods, and services traded on boards of trade, and otherwise strengthens the regulation of the Nation's \$500 billion commodity futures trading industry. The changes made by the 1974 Act include the establishment of the Commodity Futures Trading Commission, consisting of a Chairman and four other Commissioners.



Under its enabling act, if the Commodity Futures Trading Commission does not take specified actions by April 21, 1975 certain activities relating to the operation of the nation's commodities markets and trading cannot continue to be carried on. The Commission cannot possibly carry out all of these required actions by that date since it was only formally established on April 15, 1975 when four Commissioners were sworn in.

H.J.Res. 335 will extend, until a date prescribed by the Commission but not to exceed 90 days, the dates by which it must carry out the required actions. The commodities activities involved relate to provisional designation of certain trading markets, delaying Commission approval of the bylaws of contract markets, provisional registration of certain authorized traders, trading by brokers for their own accounts, definition of hedging transactions, and settlement of customers' claims.

The Commission has prepared implementing regulations to carry out H.J.Res 335 which will be published in the Federal Register as soon as possible after the resolution is approved.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

