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October 23, 1974

SUBJECT:

COMMODITY FUTURES TRADING
COMMISSION ACT OF 1974

Will the President sign the Commodity Futures Trading Commission Act

GUIDANCE: That bill is on the President's desk and a decision will be made by the end of the day. As you probably know, the President must act by midnight tonight.

Are you indicating that there is a possibility that the President might veto this legislation?

GUIDANCE: There are some concerns with the bill, and these include:

1. This legislation would require the concurrent submission to Congress of the CFTC budget request and documentation when these are submitted to the President or OMB.
2. As with budget requests, this legislation would require concurrent submission of CFTC legislative proposals and it would essentially prohibit the President and OMB from reviewing any CFTC legislative proposals or comments on legislation. This requirement, if extended to other agencies, would make it impossible for the President to develop and present to the Congress a coherent, coordinated legislative program.
3. It authorizes the CFTC to bypass the Attorney General and go directly to the Courts in enforcement and litigation matters.

In summary, the executive bypass provisions on the budget, legislation and litigation represent an erosion of Presidential and Executive functions and responsibilities, and could possibly be cause for a veto.

JGC