

October 25, 2000

EXTENSIONS OF REMARKS

24727

OCTOBER 18, 2000.

of India. May your leadership be strengthened through such decisive actions. We pray to God to help you in such efforts.

Respectfully,

The National Association of Asian Indian Christians in the USA, Inc., P.O. Box 279, Martinsville, NJ 08836.

PERSONAL EXPLANATION

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 2000

Mr. NEY. Mr. Speaker, I submit the following statement for the CONGRESSIONAL RECORD. On September 24, 2000, I had personal family business and as a result missed rollcall vote numbers 541, 542, and 543. Please excuse my absence from this vote. If I were present, I would have voted "aye."

COMMODITY FUTURES
MODERNIZATION ACT OF 2000

SPEECH OF

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. EWING. Mr. Speaker, I am pleased to submit for the RECORD the following documents in support of H.R. 4541.

LETTERS OF SUPPORT RECEIVED

Ad Hoc Coalition of Commercial and Investment Banks, The Bond Market Association, Emerging Markets Traders Association, The Foreign Exchange Committee, Futures Industry Association, The Financial Services Roundtable, International Swaps and Derivatives Association, Securities Industry Association.

Morgan Stanley Dean Witter, Goldman, Sachs & Co., Merrill Lynch & Co., Inc., Citigroup Inc., The Chase Manhattan Bank, Credit Suisse First Boston, Inc.

Investment Company Institute, Enron Corp., Chicago Mercantile Exchange, Chicago Board of Trade, Securities Industry Association.

Energy Group: BP Amoco, Enron North America, Inc., Goldman, Sachs & Co., Koch Industries, Inc., Morgan Stanley Dean Witter, Phibro Inc., Sempra Energy Trading Corp.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET; STATEMENT OF ADMINISTRATION POLICY, OCTOBER 19, 2000

(This statement has been coordinated by OMB with the concerned agencies.)

H.R. 4541—COMMODITY FUTURES MODERNIZATION ACT OF 2000 (REP. EWING (R) ILLINOIS AND 3 CO-SPONSORS)

The Administration strongly supports the version of H.R. 4541, the Commodity Futures Modernization act of 2000, that the Administration understands will be considered on the House floor. This legislation would reauthorize the Commodity futures Trading Commission (CFIC) and modernize the Nation's legal and regulatory framework regarding over-the-counter (OTC) derivatives transactions

and markets. In so doing, H.R. 4541 also would implement many of the unanimous recommendations regarding the treatment of OTC derivatives made by the President's Working Group on Financial Markets, which includes the Secretary of the treasury and the Chairmen of the Federal Reserve Board of Governors, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.

It is important that this legislation be enacted this year because of the meaningful steps it would take in helping to: promote innovation; enhance the transparency and efficiency of derivative markets; maintain the competitiveness of U.S. businesses and markets; and, potentially, reduce systemic risk. H.R. 4541 would accomplish these goals while assuring adequate customer protection for small investors and protecting the integrity of the underlying securities and futures markets. A failure to modernize the Nation's framework for OTC derivatives during this legislative session would deprive American markets and businesses of these important benefits and could result in the movement of these markets to overseas locations with more updated regulatory regimes. The Administration looks forward to working with Members of Congress to improve certain aspects of the bill as it continues through the legislative process.

OCTOBER 18, 2000.

Hon. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC

Hon. RICHARD GEPHARDT, *Minority Leader, House of Representatives, Washington, DC*

DEAR SPEAKER HASTERT AND LEADER GEPHARDT: The undersigned organizations, representing the full range of the interested U.S. financial sector, strongly urge you and each of your colleagues to support "The Commodity Futures Modernization Act of 2000" (H.R. 4541) when it is considered by the House of Representatives this week.

This legislation would provide "legal certainty" that over-the-counter derivatives transactions will continue to be enforceable in accordance with their terms. Enhanced legal certainty for OTC derivatives will reduce systemic risk and the core legal certainty provisions of H.R. 4541 are based upon the unanimous recommendations of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System and the Chairmen of both the Securities and Exchange Commission and the Commodity Futures Trading Commission.

These core legal certainty provisions were approved by overwhelming and bipartisan majorities of the House Agriculture, Banking and Commerce Committees and they have the virtually unanimous support of the private sector.

Final Congressional approval of H.R. 4541 this year is urgently needed. In addition to providing legal certainty for OTC derivatives, H.R. 4541 will modernize the extremely outmoded Commodity Exchange Act. This will reduce systemic risk, promote financial innovation and enable the United States to retain its leadership role in the global financial markets.

Sincerely,

Ad Hoc Coalition of Commercial and Investment Banks, The Bond Market Association, Emerging Markets Traders Association, The Foreign Exchange Committee, Futures Industry Association, International Swaps and Derivatives Association, Securities Industry Association.

Hon. LARRY COMBEST,
Chairman, House Agriculture Committee, Longworth House Office Building, Washington, DC

Hon. TOM EWING,
Chairman, Agriculture Subcommittee on Risk Mgt., Rayburn House Office Building, Washington, DC.

DEAR CHAIRMEN COMBEST AND EWING: As members of the Ad Hoc Coalition of Commercial and Investment Banks, the undersigned firms strongly urge the House to pass "The Commodity Futures Modernization Act of 2000" (HR 4541) when it is considered on the floor. This legislation is critical to securing legal certainty for our financial markets and to fostering continued American innovation in the increasingly important realm of derivative financial products. The President's Working Group on Financial Markets has testified that securing legal certainty for financial derivatives is imperative to reduce system risk and we strongly agree.

Clearly, the legislation represents compromises in terms of the objectives of all interested parties. However, HR 4541 successfully achieves the most important core objectives needed for the markets to prevent the flight of our domestic financial derivatives business abroad. In addition, the legislation makes historic changes in the operation of our domestic futures exchanges that will enable them to offer new products and to effectively compete with foreign exchanges.

We view enactment of HR 4541 to be extremely important and believe that the failure of Congress to enact the bill will have very significant, adverse consequences for the markets and market participants in this country. We applaud your leadership throughout the development of HR 4541 and urge your colleagues to take favorable action before the end of this session.

Sincerely,

MORGAN STANLEY DEAN
WITTER
GOLDMAN, SACHS & CO.
MERRILL LYNCH & CO., INC.
CITIGROUP INC.
THE CHASE MANHATTAN
BANK
CREDIT SUISSE FIRST
BOSTON INC.

CHICAGO MERCANTILE EXCHANGE,
CHICAGO BOARD OF TRADE,
Chicago, IL, October 19, 2000.

DEAR REPRESENTATIVE: We urge you to pass H.R. 4541, the Commodity Futures Modernization Act of 2000, scheduled to come to the House floor today. Simply put, vote for this bill is a vote for U.S. markets. A vote against the bill is a vote for London and other foreign markets.

Foreign exchanges are offering products that U.S. futures exchanges can't. That is a recipe for competitive disaster for the U.S. futures industry in today's global economy. London's futures exchange will take the unprecedented step of trading single stock futures on U.S. companies in January 2001. London joins nine other jurisdictions that know the marketplace wants this product that was "temporarily" banned in the U.S. 18 years ago.

H.R. 4541 is a comprehensive package that addresses this prohibition on single stock futures and provides a streamlined regulatory structure endorsed by financial regulators, one that meets the demands of today's dynamic and changing markets. It also provides the legal certainty that will allow U.S.