

MEMORANDUM

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Hold for  
Dodd Briefing

March 2, 1989

TO : Chairman Ruder

FROM : Nina G. Gross *Nina*  
Director of Legislative Affairs

RE : March 3 visit with Senator Christopher Dodd (D.-Conn.)

As you know, you are scheduled to visit with Senator Dodd at 10:00 tomorrow morning. The meeting will probably not go beyond 20 to 30 minutes and as of this morning Senator Dodd's staff had not briefed him or discussed a meeting agenda. In fact, the Senator's time has been taken up most recently with the Tower nomination and he has focused very little on his Chairmanship of the Securities Subcommittee or the issues facing the SEC. Therefore, the meeting may be more of a get acquainted visit.

Marti Cochran who is now the securities counsel to the Subcommittee suggested that Dodd would be interested in learning about the Commission's budgetary concerns and how the Senator can be of assistance.<sup>1/</sup> Marti also suggested that you might want to discuss some of the legislative issues that the Senator could address as Subcommittee Chairman, such as the Commission's self funding proposal, penny stock fraud, additional enforcement powers or other items you would like to discuss.<sup>2/</sup>

With regards to the Bank Powers bill Senator Dodd recently introduced, which is based on the Litan/Brookings Institute limited bank proposal, Marti Cochran advises me that the bill was drafted by the Senators's banking assistant who hurriedly introduced the bill on the Senator's behalf without first consulting with Subcommittee staff. Marti suggested that Dodd is not aware that the bill does not include Titles III or IV of last year's Proxmire bill or that it does not refer to SEC regulation. She "encourages" you to mention to Dodd concerns you or the staff may have with such an approach. And while Senator Dodd is interested in the limited bank concept Marti reminded me that

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<sup>1/</sup> Marti Cochran was formally securities counsel to then Chairman Tim Wirth of the Telecommunications and Finance Subcommittee before Wirth joined the Senate in 1987.

<sup>2/</sup> The only securities related hearing Dodd held last year as Chairman of the Consumer Affairs Subcommittee was on Financial Planning, at which you testified on July 26, 1988.

Dodd also supported your efforts last year to ensure that Titles III and IV of the Proxmire bill were not dropped during Senate floor consideration.

cc: Linda Fienberg  
Karen Burgess