

SECURITIES AND EXCHANGE COMMISSION
MAJOR ISSUES CONFERENCE
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Summary of Remarks
by Joel Seligman

I. The SEC has justly earned the reputation of being the most outstanding of the independent regulatory agencies for its performance over the past 50 years.

A. This reputation, in part, is the consequence of the high quality of its staff.

B. This reputation, in part, is a consequence of its clear focus on its statutory responsibilities and its resourcefulness in achieving statutory goals with minimal interference with legitimate business activity; e.g., the development of the deficiency letter concept, the use of informal contacts with the staff rather than formal litigation, etc.

II. Historically the major achievements of the Commission have been the following:

A. the development of the mandatory disclosure system;

B. the raising of levels of morality and honesty of securities markets and professionals in the financial community; and

C. the restructuring of public utilities under Section 11 of the Public Utility Holding Company Act of 1935.

III. At the present time, nevertheless, the Commission fairly can be faulted for its slowness in achieving several responsibilities particularly in the market regulation area.

A. It has not completed its responsibility under the 1975 Securities Acts amendments to develop a national market system.

B. It has been slow in completing its structuring of the options securities markets:

1. the issue as to trading of standardized options on over-the-counter securities; and

2. the role of the New York Stock Exchange in trading options on stock listed on the New York Stock Exchange.

IV. In the near term the major issues the SEC will confront are:

- A. the role of banks and savings and loans in securities brokerage and underwriting;
- B. the legislative amendment or judicial refinement of Rule 10b-5 and other antifraud remedies;
- C. the amendment of existing federal laws regulating takeover and other control transactions; and
- D. the question whether municipal securities issuers should be subject to a federal mandatory disclosure law.