

Bates College

SCARAB

Congressional Records

Edmund S. Muskie Papers

8-28-1970

Press Release - Muskie Denounces Wall Street Interference in Congressional Legislation

Edmund S. Muskie

Follow this and additional works at: <https://scarab.bates.edu/mcr>

MUSKIE

Maine

(202) 225-5344

FOR RELEASE

August 28, 1970

MUSKIE DENOUNCES WALL STREET INTERFERENCE IN CONGRESSIONAL LEGISLATION

Senator Edmund S. Muskie (D-Maine) today charged that Wall Street interests had tried to pressure him into cancelling a Senate subcommittee session this morning on a bill to insure investors' brokerage accounts.

Failing in that, Senator Muskie said, securities industry representatives threatened to work to see that the executive session of the Subcommittee on Securities was not held.

None of the other nine subcommittee members attended this morning's session. A quorum of six members was necessary.

Industry representatives argued that only their proposals for the Federal Broker-Dealer Insurance Corporation should be considered by the subcommittee, Senator Muskie told a hurriedly-called news conference.

The industry did not like several proposals in a draft of the FBDIC bill, sponsored by Senator Muskie. "When the industry saw the changes, it then undertook to bring pressure upon me to agree to a cancellation of this executive session," the Senator said.

"As late as 10 o'clock last night," the Senator continued, "this kind of pressure was exerted. I am here this morning as evidence of my refusal to submit to that pressure."

"Legislation is not written by the stock exchanges of this country. It is written by the Senate of the United States and the House of Representatives of the United States."

"Industry has had ample opportunity to make its input into the development of this legislation. Senators have a public responsibility to make their input into this legislation. The only way we can do that is in executive session contributing our ideas and our amendments and our suggestions in the give-and-take that is so familiar to members of this committee."

The FBDIC bill would protect individual investors' accounts with brokerage firms which go bankrupt. The FBDIC, originally proposed a year ago by the Senator, would operate much the same way the Federal Deposit Insurance Corporation protects banks' customers. There are 100 million Americans who own stock directly or whose pensions or other retirement plans are influenced by the stock market.

Two points of the draft legislation disturbed industry representatives, Senator Muskie told newsmen. First, he insisted that the corporation be controlled by a board of directors with a majority of public members so that "the public, not the industry, controls this access to the public treasury."

The second point of contention was whether "the revenues were adequate to cover the risks which the treasury would be assuming."

Senator Muskie stressed that he himself did not talk with industry representatives. A professional member of the committee staff, Richard Richardson, took the calls, he said, adding, "I wouldn't dignify this kind of an approach by talking to them personally."

The Maine Senator said that the industry doesn't "want us to consider any ideas except theirs. And it is their intention to try to block consideration of this legislation unless they can decide what the agenda is going to be." Senator Muskie added: "I don't want anything I've said to be taken as an implication against any of my colleagues on the committee." He said he did not know whether the industry called any of them, adding that he could speak only for himself. The Senator said that if this legislation is going to pass this session of Congress, the committee should report it "before Labor Day break. Now that's obviously impossible."
