



OFFICE OF
THE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 24, 1985

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OFFICE OF THE DIRECTOR
CORPORATION FINANCE

AIRMAIL

T. G. Barker, Director-General
P.O. Box No. 226
The Stock Exchange Building
London EC2P 2JX

Dear Mr. Barker:

Thanks very much for your letter of January 14th. I too was disappointed at the negative reaction to a very modest and mutually advantageous effort to serve UK and U.S. issuers and investors.

It is unfortunate that the past image or reputation of the SEC inspires such a reaction. The Commission is today genuinely attempting to facilitate, rather than inhibit, the international mobility of capital.

We will be soliciting shortly public comments on alternative means of facilitating public financings in the UK, Canada and the U.S. Our disclosure requirements are not identical, but we have high regard for the UK and Canadian standards. We will, therefore, solicit comments on: a) permitting UK, Canadian and U.S. companies to do public offerings in any of the three countries under the same prospectuses as they use domestically; or b) attempting to develop a common UK-Canada-U.S. prospectus for such multinational offerings. There will be more opposition here to "a" than to "b", but "a" would of course be much easier to implement than "b".

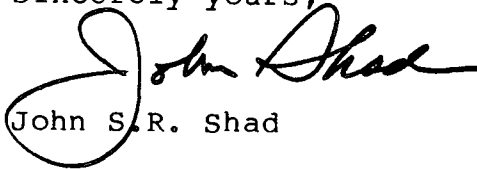
In view of the negative reaction to the modest F-5 proposal, there may be little or no interest among UK companies in gaining easy access to U.S. capital markets under either alternative - even though at times market conditions or collateral considerations are more favorable in one country than the others. With the approaching prospect of 24-hour global markets in so-called world class securities, the perceived regulatory and psychological barriers will undoubtedly give way to economic advantages.

At any rate, the candor and clarity of your comments on F-5 are most sincerely appreciated. John Huber, the Director of the Division of Corporation Finance will be forwarding to you during the coming month the above referred to concept release, and I know he is hopeful that he will be able to discuss it with you in London in early March.

Also, I would like to keep an open channel between us and would be most grateful for your comments and suggestions on this and other topics from time to time.

With best personal regards.

Sincerely yours,

A handwritten signature in cursive script that reads "John S.R. Shad". The signature is written in dark ink and is positioned above the typed name.

John S.R. Shad

cc: ✓ John J. Huber