

EMBASSY OF THE
UNITED STATES OF AMERICA
THE HAGUE

AMBASSADOR JOHN SHAD

August 29, 1988

Chairman David S. Ruder
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Dear David:

I am delighted that you can visit us here in The Hague. I hope you (and Mrs. Ruder if she will be with you) can arrive on October 28th in time for a 7:00 p.m. dinner in your honor to which I will invite the Chairmen of the Amsterdam stock and options exchanges and the Minister of Finance. The exchanges are SROs, under the oversight of the Ministry of Finance. As I am sure you know, Gary Lynch and Michael Mann had recent meetings here with the Ministry of Finance concerning a cooperation agreement with the SEC.

We would like very much for you to stay with us the nights of October 28th and 29th. The Ambassadorial Residence is very comfortable. Saturday, the 29th, could be spent relaxing and sightseeing. The attached memo describes interesting things to see and do here.

Mary McCue sent me a copy of your Stockholm speech. It arrived while I was away. I read the newspaper reports, before the full text. It is excellent. The local press emphasized only the need for better international cooperation in addressing insider trading.

I was impressed with the scope and depth of your comments and your progress in so many areas. You mentioned the International Organization of Securities Commissions. At the July 1986 IOSC conference in Paris, attended by Gary Lynch, Linda Quinn and Rick Ketchum, I addressed some of the same issues in the enclosed speech and proposed the formation of multi-national committees to accelerate international cooperation on enforcement, disclosure, settlement, clearance and other matters. The committees were formed at that conference, and it appears that progress is being made in most of these areas.

I was also pleased to note your favorable comments on EDGAR. I hope you will be able to fully implement EDGAR during your tenure.

If you have not already done so, I would suggest that copies of your Stockholm speech be sent to the 30 member nations of the IOSC, encouraging their support and action on your proposals.

With best personal regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "John Shad", with a large, sweeping flourish underneath.

John Shad

Enclosure:

"Welcome to The Hague" memo

"International Securities Markets" speech