

International Packet

S. E. C.
Forms and Reg. Div.
Received



JAN 9 1939

Referred CANADIAN LEGATION
To By Date WASHINGTON

January 6, 1939



Dear Mr. Douglas: Filing App'd.....

I am grateful to you for your letter of December 10th in which you were good enough to set forth, clearly and fully, the position taken by the Securities and Exchange Commission with respect to Canadian issuers. May I at the same time express my thanks for your kindness in allowing me to trespass upon your time during the last few days and for the sympathetic consideration which you gave to the subjects under discussion.

I appreciate the force of the arguments which have led the Commission to group North American countries and Cuba together and to require of issuers in those countries more detailed information than is required of issuers in the rest of the world. At the same time I think that possibly more weight might be given to the effectiveness of the Canadian laws governing the issuance of securities and the control of corporate activity. These laws, while by no means perfect, compare favourably with those of any other country and this fact should have some bearing on the treatment accorded to Canadian issuers as compared with the treatment accorded to issuers in other countries of the continental group. I may add that the Canadian laws are similar in substance to those of the United Kingdom and that apart from the consideration set forth in your letter it would seem reasonable to treat issuers in Canada and the United Kingdom on the same basis.

Radell

I was very much gratified when the negotiations with Mr. Ralston reached a mutually satisfactory conclusion. It seems, therefore, to be possible to work out a practical solution of difficulties emerging under the present regulations. If however in the future a practical problem arises presenting difficulties, or if the present regulations are being revised by the Commission

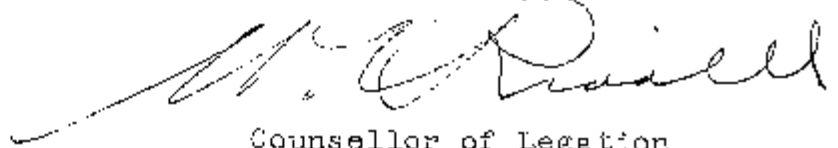
I feel/

William O. Douglas, Esq.
Chairman, Securities and Exchange Commission
Washington, D. C.

I feel justified in assuming that you will give sympathetic consideration to the special Canadian position which has been referred to in our conversations and correspondence.

May I once more thank you for your courtesy and the trouble you have taken.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "M. C. Russell". The signature is written in dark ink and is positioned above the typed name.

Counsellor of Legation