



CHAIRMAN OF THE BOARD OF GOVERNORS  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

January 24, 1978

The Honorable Harold M. Williams  
Chairman  
Securities and Exchange Commission  
Washington, D. C. 20549

Dear Mr. Chairman:

Last month, Mr. Sampson of your staff sent me a copy of the Commission's revised proposed amendments to Article 9 of Regulation S-X pertaining to financial statement requirements and disclosures for bank holding companies and banks. He requested our comments on this new version.

You will recall that the Board had some serious reservations about several sections of the original April 1977 proposal. We believe the revised proposals are a marked improvement over the earlier version. I am pleased that the Commission has taken account of many of the comments submitted to it by the public and by the banking agencies.

We do see some remaining problems. Two general issues relate to the format of the income statement and to the scope of "foreign activity". In addition, there are a number of questions on specific definitions and categories in some areas of the statements. Rather than attempting to cover these remaining problems and questions here, I have directed our staff to join with staff representatives of the other bank regulatory agencies and meet with SEC staff for coordinated discussions concerning these various points.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Arthur F. Burns".

Arthur F. Burns

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