

JR., MICHIGAN, CHAIRMAN

ALAN CRANSTON, CALIFORNIA
PAUL S. SARBANES, MARYLAND
CHRISTOPHER J. DODD, CONNECTICUT
ALAN J. DIXON, ILLINOIS
JIM SASSER, TENNESSEE
TERRY SANFORD, NORTH CAROLINA
RICHARD C. SHELBY, ALABAMA
BOB GRAHAM, FLORIDA
TIMOTHY E. WIRTH, COLORADO
JOHN F. KERRY, MASSACHUSETTS
RICHARD H. BRYAN, NEVADA

JAKE GARN, UTAH
JOHN HEINZ, PENNSYLVANIA
ALFONSE M. D'AMATO, NEW YORK
PHIL GRAMM, TEXAS
CHRISTOPHER S. BOND, MISSOURI
CONNIE MACK, FLORIDA
WILLIAM V. ROTH, JR., DELAWARE
NANCY LONDON KASSEBAUM, KANSAS
LARRY PRESSLER, SOUTH DAKOTA

United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
LAMAR SMITH, REPUBLICAN STAFF DIRECTOR AND ECONOMIST

March 9, 1990

Sir John G. Quinton
Chairman
Barclays Bank PLC
54 Lombard Street
London
EC3P 3AH
England

Dear Sir John:

We are pleased to invite you to testify on June 13, 1990 before the United States Senate Committee on Banking, Housing and Urban Affairs on the subject of financial services trends and developments.

Other persons who have agreed to testify before the Committee in a comprehensive series of hearings on financial services modernization include Treasury Secretary Nicholas Brady, on June 8, 1990, and New York Federal Reserve Bank Chairman Gerald Corrigan on May 3, 1990.

In considering the need for financial services modernization in the United States we believe that it is important for us to understand better the trends and developments within the European Community and Japan. It would therefore be helpful to us if you would testify about the financial services regulatory apparatus in your country. (For example, how many different government agencies regulate your banks, insurance companies, securities firms, and thrift institutions?)

More specifically, we would very much appreciate your testimony addressing the following issues:

1. What activities, investments and affiliations are permissible for banking organizations in your country and to what extent are these arrangements permitted directly within a bank, through a subsidiary, or through an affiliate? Please compare the activities permitted banks in your country with those permitted in the United States.

2. How would you compare the bank and financial regulatory and supervisory apparatus in your country with ours in the United States? In this regard do you think that the manner in which the United States regulates its financial system, in comparison with the way your system is regulated, has a negative impact on the competitiveness of United States financial institutions and markets?

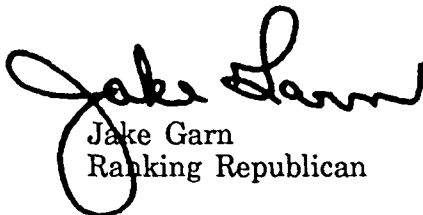
March 9, 1990
page 2

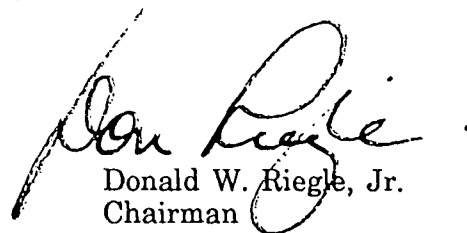
3. What are the differences, as you understand them, in our systems of deposit insurance and our attitudes towards financially troubled institutions? For example what type of safety net does your government or private sector provide for depositors of a failing institution and what are your views regarding a "too big to fail" doctrine?

4. How do you envision the global financial services industry evolving over the next several years and, in view of Europe 1992, what trends and developments do you think the United States Congress and Administration should be most aware of in terms of considering how to modernize our own system? Are the various banking models within the nation states of the European Community likely to converge to one model and, if so, what is that model likely to be?

We view this hearing as vital to creating a comprehensive hearing record for the consideration of financial services reform and modernization in the United States and we hope you will accept this bi-partisan invitation to appear before our Committee on June 13, 1990 at 10:00 a.m. If you have any questions please feel free to contact either of us directly. Our staff is also happy to work with yours as you see fit.

Sincerely,


Jake Garn
Ranking Republican


Donald W. Riegle, Jr.
Chairman