

April 10, 1951
11:15 A.M.

Memorandum to: Mr. Lund
Mr. Louchheim

Re: British Government –
Holdings of securities of United States issuers –

(Messrs. Lund, Louchheim, Block, and Hill were present.)

Further consideration was given to the problem of the holdings by the British Government of United States corporate securities. The Department of the Treasury had advised the British representatives, in response to their inquiry, that this Government had no objection to the British Government's continuing to hold these securities after the repayment of the Reconstruction Finance Corporation loan, which was expected by the end of this year, on the understanding that the British Government would not seek to control any of these corporations and that it would furnish this Government with advance information in connection with any substantial transactions effected in these securities. The Treasury Department also had advised the British representatives that the Commission felt that it should be informed at least of the British holdings which represented ten percent or more of the outstanding stocks of any listed corporations. The British representatives had appeared reluctant to furnish even this information and had suggested that the Commission confer on this matter with Mr. Coleman, Counsel for the British Embassy.

It was reported that both the Office of the General Counsel and the Division of Trading and Exchanges were of the view that the British Government was subject to the provisions of Section 16 of the Securities Exchange Act of 1934, insofar as concerned their holdings in listed equity securities.

The Commission concurred in the view that Section 16 was applicable to the British Government and authorized the staff to confer with the Counsel for the British Embassy on this matter.

Orval L. DuBois
Secretary