

MEMORANDUM

PROPOSED SEC REGULATION
AS IT WILL AFFECT FOREIGN SECURITIES
May 20, 1963

From: Derek Grewcock

1. In our view it is in the best interest of the public for foreign securities to be exempted by statute or at least to be exempted by the rulemaking power of the SEC. In the latter case, we should have some assurance that reasonable exemptions will be granted.
2. Some provisions must be made to protect existing holders in the event of a change in the regulations.
3. The spector of retaliation by foreign regulatory agencies should be borne in mind with the adverse effect this would have on our balance of payment.

From: Albert DeJong

1. Is of the opinion that the memorandum by Adolphe J. Warner expresses problems clearly.
2. If foreign securities are to be exempted by the rulemaking power of the SEC, then they should look to the Foreign Securities Committee and similar organizations for guide lines to exemptions.