

38. The Cabinet, after discussion, agreed as follows:

(a) that U.K. residents who now held Canadian dollar securities should be allowed to accept new securities offered in exchange for the old securities in a reorganization, rather than being forced to accept a cash offer if one were made;

(b) that Canada allow Canadian dollar securities held by U.K. residents to be transferred to heirs on the occasion of settlement of estates;

(c) that Canada allow new direct investments to be offset against sales of market securities for the purpose of calculating the amount which should be applied on the 1942 loan; direct investments for this purpose to include the development of new enterprises or companies in Canada and the expansion of U.K. owned enterprises in Canada.

A.D.P. Heeney,  
Secretary to the Cabinet.

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Privy Council Office  
Bureau du Conseil privé

RG 2, A5a,  
Vol. 2639

National Archives of Canada  
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