

to place the largest possible proportion of these securities abroad in order to minimize the impact on our balance of payments. (From the standpoint of the foreign borrower whose securities are subject to the interest equalization tax, this will reduce the amount of the issue subject to the tax.) Similar efforts should be made with respect to foreign securities offered in the U.S. market which are exempt from this tax.

Recommendation No. 8:

U.S. commercial banks should intensify efforts to attract foreign trust accounts for investment in U.S. corporate securities.

Typically, trust accounts of foreigners managed by U.S. commercial banks are invested in U.S. securities; thus their growth is a positive factor in our balance of payments. New trust accounts could be solicited by: (a) more intensive use of foreign branches for this purpose; (b) oversea sales visits by trust officers; and (c) establishment of oversea trust companies or related facilities.

Recommendation No. 9:

The Securities and Exchange Commission should serve as an information center regarding listing requirements, and distribution regulations and practices abroad.

The Securities and Exchange Commission has expressed to the Task Force its willingness to serve as a clearinghouse for information on relevant foreign securities laws and practices and on issuers' experiences in selling securities overseas.

Adapting U.S. Corporate Securities To Foreign Markets

Recommendation No. 10:

Major U.S. corporations should arrange for U.S. banks and trust companies to issue, through their foreign branches and correspondents, depositary receipts for U.S. corporate shares.

The Task Force believes that depositary receipts in bearer or registered form, which would be "good delivery" internationally, would be useful in facilitating foreign investment in U.S. cor-