

*Recommendation No. 19:*

Where consideration under Recommendation No. 18 above is favorable, corporations should collaborate with the U.S. financial community in encouraging greater foreign ownership of their shares.

In addition to the balance-of-payments impact, there is yet another dimension to the role of free world international corporations, wherever based. Through their plants, distribution facilities and other business operations, strong local relationships have been developed to encourage and support their growth. These relations would be further strengthened if they were extended to include that of corporation to stockholder.

---

*Recommendation No. 20:*

U.S. securities exchanges should submit a plan acceptable to the Securities and Exchange Commission permitting U.S.-based international corporations to encourage foreign ownership of their stock.

Under this plan, which would be publicly announced and open to all brokers, a corporation would be permitted to pay whatever compensation is necessary to achieve distribution of its securities abroad. The broker receiving the compensation would be permitted to pay all or part of such compensation to the employee or foreign broker producing the order. Once initiated, such a plan would continue until terminated by the corporation.

---

*Recommendation No. 21:*

The Treasury Department should issue a ruling that would establish the tax deductibility of costs incurred by U.S. corporations in arranging for securities firms to place their securities outside the United States as part of programs to improve their oversea relationships.

The Task Force recognizes that any plan undertaken by a corporation to distribute its shares abroad would involve certain costs. However, in many cases, the good will which would be created by corporations having a substantial number of shareholders in other countries where they do business might be considered to justify the costs. Since many U.S. corporations have already adopted programs in the nature