of institutional advertising, designed to improve their oversea relationships, it would appear that any expenses incurred in encouraging securities firms to place stock overseas as a part of these programs should be appropriate deductions from taxable income as ordinary and necessary business expenses.

Recommendation No. 22:

Corporations should collaborate with U.S. investment bankers in the utilization by the latter of techniques for distribution abroad of new or secondary issues of their stock.

Some corporations may find that there are advantages in having blocks of their stock sold abroad. U.S. investment bankers can suggest a variety of means by which such blocks can be made available for distribution abroad. The cooperation of the U.S. corporations involved is essential to the success of such a distribution.

Recommendation No. 23:

U.S. corporations should offer their shares to employees in foreign countries where stock purchase, supplemental compensation or other incentive plans are feasible and desirable.

Many U.S. corporations encourage employee ownership of parent company shares; some offer financial incentives to promote such ownership by their oversea employees. Most countries permit such plans, although some restrict purchase of foreign shares by their nationals. Where savings plans for foreign employees are currently in force or are under consideration, parent company stock could form an important feature of such plans, subject, of course, to local regulations. Funded pension plans of foreign affiliates may also offer scope for greater investment in U.S. securities.

Many foreign nationals employed by U.S. companies abroad may be unfamiliar with shares but may have had experience with interest-paying investments. Hence, convertible bonds of the parent companies or of their subsidiaries would be in some cases attractive instruments for employee savings plans.

Recommendation No. 24:

U.S.-based international corporations should consider the advantages of listing their shares on foreign stock exchanges.