## V. Conclusion

Other industrial nations, especially those in Western Europe, have made impressive economic progress in the postwar period. This has been reflected in the growing volume of savings and the strengthened balance-of-payments position of most of these countries.

Moreover, the institutional framework for foreign portfolio investment in U.S. corporate securities has been strengthened in recent years. U.S. financial firms have a large and growing number of oversea branches and affiliates staffed with highly trained personnel. This, together with the current vigor of the U.S. economy, has created an environment favorable to increased sales abroad of the shares of U.S. corporations.

At the same time, many U.S. corporations have established themselves in industrial countries where capital markets are expanding; prospective investors in these countries can readily identify these corporations with products and services of internationally recognized quality. The framework for financing abroad these foreign operations of U.S. corporations has thus also been strengthened.

In our investigations, however, we have found a number of obstacles—both at home and abroad—which limit increased foreign investment in U.S. private companies. In this report, we have identified the more important of these restraints and have made recommendations which, in our opinion, could improve the U.S. balance-of-payments position in this area within a reasonable period of time. Concerted efforts in both the public and private sectors of our country are required if these recommendations are to prove effective.

U.S. corporations and financial firms are already making an important and growing contribution to our receipts from abroad. Because of our overall balance-of-payments problem, however, it is imperative that every effort be made to increase this contribution. To this end, our report has outlined a variety of actions in several areas. Collectively, these actions could yield impressive results.

We urge the U.S. financial community, U.S. industrial corporations, and the U.S. Government to give close and continuing attention to the problems and opportunities set forth in our report.

The increased freedom of capital movement and increased participation by foreign citizens and financial institutions in the ownership and financing of U.S. business will serve to strengthen the economic and political ties of the free world as well as its monetary system.