

ASSOCIATION OF STOCK EXCHANGE FIRMS,
New York, N.Y., June 24, 1965.

Re: H.R. 5916, an act to remove tax barrier to foreign investors in the United States.

Hon. WILBUR D. MILLS,
*Chairman, Ways and Means Committee,
House of Representatives, Washington, D.C.*

DEAR CHAIRMAN MILLS: As president of the Association of Stock Exchange Firms, I would like to express my enthusiastic approval of H.R. 5916 now before your committee. The Association of Stock Exchange Firms is the voluntary trade organization for some 600 member firms of the New York Stock Exchange. The association's membership is nationwide, and many of our members have foreign branches as well.

The members of our organization have long felt the need for an effective program designed to encourage foreign investment in American securities. We believe that the application of certain U.S. tax laws to foreigners and foreign institutions has greatly restricted the growth of such investments to the detriment of the U.S. international balance of payments.

In conclusion, I would like to state that I have read the statement of the president of the New York Stock Exchange, filed with your committee on June 25, and wish to express the wholehearted approval of this association for all that is contained in that statement. We urge your committee to take prompt action in this area of much needed tax reform.

Sincerely,

WILLIAM T. KEMBLE, *President.*

THE ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK,
June 1965.

COMMITTEE ON TAXATION

Comments on H.R. 5916, an act to remove tax barriers to foreign investment in the United States

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Set forth below are the comments of the Committee on Taxation of the Association of the Bar of the City of New York on H.R. 5916. The committee has restricted its review to the technical aspects of