

Speaking on behalf of the task force I sincerely hope that your committee will give prompt and favorable consideration to H.R. 5916.

Very truly yours,

ROBERT MCKINNEY.

JUNE 22, 1965.

IMPLEMENTATION OF TASK FORCE RECOMMENDATIONS BY PRIVATE SECTOR ¹

A. U.S. FINANCIAL COMMUNITY

Recommendation No. 1

U.S. investment bankers and brokerage firms should intensify their efforts to develop facilities for reaching foreign investors directly.

Recommendation No. 2

U.S. investment bankers and brokerage firms should seek modification of foreign regulations and practices which unduly restrict the ability of U.S. firms to promote the sale of U.S. securities or to deal directly with potential foreign customers.

(a) As of December 31, 1964, NYSE member firms had 182 offices in 27 foreign countries. This compares with a total of 170 offices in 24 countries as of January 1, 1964.

(b) The Member Firms Department of the NYSE has embarked on a program of staff visitations of overseas offices of members. One important aim of these visits is to increase the efficiency, volume and scope of such operations. The information obtained on these visits will be used in part to review the appropriateness of present domestically oriented rules and regulations of the exchange to overseas operations of member firms.

(c) Since the end of 1963, Merrill Lynch has opened four sales offices outside the United States, improved its internal wire communications system between its United States and its European offices, installed "Quotron" in four of its overseas offices, and is establishing in Europe an over-the-counter trading market for foreign dollar bonds.

(d) In December 1964 E. F. Hutton announced it had installed a direct teletype wire service to Banco de Comercio in Mexico City.

(e) White, Weld & Co. has five offices abroad which contribute to the distribution of its underwriting participations with foreign investors.

(f) On March 15, 1965, Smith, Barney & Co. opened a representative office in Paris under the direction of a person designated vice president and European representative.

(g) Kuhn Loeb has increased and strengthened its contacts with foreign investment institutions and individuals with a view toward developing further foreign investment in U.S. securities.

(h) Loeb, Rhoades has taken steps to improve its telex communication abroad and to extend and speed the facilities it has for communication with foreign financial institutions which are interested in American securities for its clients.

(i) Bache & Co. continues to broaden its coverage of foreign markets through a wide network of foreign branches and representatives.

¹ This information was assembled from March to June 1965. Accordingly, some of the information obtained may not be entirely up to date.