Both as investment bankers and brokers, the firm constantly seeks to improve its contacts with foreign investors and to overcome any restrictions on their ability to invest in U.S. securities. The firm has been instrumental in interesting a number of U.S. firms in listing their securities on foreign exchanges.

Recommendation No. 3

U.S. investment bankers and brokerage firms, with the cooperation of interested U.S. corporations, should endeavor to obtain shares of U.S. corporations for distribution abroad.

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.

(*a*) On March 17, 1965, a 2,815,106-share secondary offering of GM common stock was released to the public. It is estimated that approximately 500,000 shares (approximately $100 per share) were sold abroad. The underwriting group was headed by Morgan Stanley & Co.

(*b*) Morgan Stanley & Co. has explored with other clients the possibility of placing blocks of common stock with foreign investors, and has provided a number of its clients information regarding costs and procedures of listing on various foreign exchanges.

(*c*) On July 8, 1964, a 33,000-share nonregistered secondary offering of Cutter Labs common stock was distributed outside the United States to non-U.S. persons. The distribution was handled entirely by Merrill Lynch.

(*d*) Bache & Co. is an important distributor of secondary offerings of the shares of U.S. corporations, and its foreign offices are important participants in such distributions.

(*e*) On June 8, 1965, a secondary distribution of 250,000 shares ($58.625 per share) of Minnesota Mining & Manufacturing Co. common stock was offered to the public. The underwriting was headed by Lazard Freres & Co. Approximately 17 foreign underwriters purchasing approximately 75,000 shares participated in the underwriting group.

(*f*) On June 10, 1965, the First National City Bank offered to stockholders the right to subscribe to an issue of $266,307,500, 4 percent convertible capital notes due 1990. The notes are convertible into capital stock unless previously redeemed. A significant effort to place these notes abroad was and is being made. At least 3 foreign underwriters participated in the underwriting group and approximately 60 foreign dealers were invited to participate in the selling group.

(*g*) On June 22, 1965 the Ford Foundation offered to the public 6 million shares of Ford Motor Co. common stock (approximately $52 per share). Perhaps as much as 10 percent of this offering was sold overseas. Submanagers of a 59-member European syndicate included Deutsche Bank AG for distribution in Germany; Lazard Freres & Cie for the rest of Continental Europe, and Morgan Grenfell & Co. Ltd. and Lazard Brothers & Co., Ltd. jointly for the United Kingdom.