

B. U.S.-BASED INTERNATIONAL CORPORATIONS

*Recommendation No. 18*

U.S.-based international corporations should consider the advantages of increased local ownership of their parent company shares in countries in which they have affiliates.

*Recommendation No. 19*

Where consideration under recommendation No. 18, above, is favorable, corporations should collaborate with the U.S. financial community in encouraging greater foreign ownership of their shares.

(a) IBM World Trade realizes the advantages of increased foreign ownership of parent company shares and, therefore, has had this stock listed on stock exchanges in Canada, Switzerland, France, and Germany. Listings on exchanges in other countries are under consideration. Collaboration with the U.S. financial community, however, was not felt necessary.

(b) Union Carbide has considered the possibility of local ownership of its shares in countries in which it has affiliates. Recently, one of its senior corporate officers spoke in the United Kingdom and Scotland for the purpose of interesting potential foreign investors in Union Carbide.

(c) Bache & Co. has consulted with various U.S.-based corporations with a view to offering its cooperation in the implementation of recommendations Nos. 18 and 19.

*Recommendation No. 20*

U.S. securities exchanges should submit a plan acceptable to the Securities and Exchange Commission permitting U.S.-based international corporations to encourage foreign ownership of their stock.

(a) Such a plan has been approved in principle by the New York Stock Exchange Board of Governors, and discussed with the SEC. However, serious questions have come up regarding the practicability of marketing the securities of U.S. corporations overseas permanently through special sales efforts.

*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.

(a) IBM has for some time had a plan designed to promote purchase of its stock by employees in foreign countries.

(b) Employees of subsidiary companies, other than Du Pont of Canada who are awarded bonuses under the parent company bonus plan, receive a portion of their bonuses in Du Pont stock as do domestic employees.

(c) Currently all GM executives in overseas countries are awarded as part of their bonus awards GM common stock, except in New Zealand where exchange restrictions prohibit such awards. All salaried employees in Canada participate in a savings program for the purchase of common stock and GM is actively engaged in working out ways to institute similar programs in other foreign countries.

(d) FNCB has made available a stock purchase plan for all its employees everywhere in the world.