affiliates into common stock of the parent company in the United States would create serious legal and accounting problems.

Company has studied the feasibility of such a proposal in the past. There are a number of impediments which must be overcome. The company is continuing to study the matter with a view toward its eventual implementation where circumstances permit if the impediments can be satisfactorily resolved.

The company has not carried out the actions suggested in the recommendation and does not have any plans for such action in the near future. The company noted that this recommendation appears to have too many complications and possible tax disadvantages.

Recommendation 28

This recommendation concerns making available information concerning foreign financing to companies interested in foreign operations but less aware of foreign-financing opportunities. Some of the responses to this recommendation follow:

The company has been and will continue to assist small- or medium-sized firms by answering direct inquiries for specific information or by supplying answers to questions such as those submitted by NFTC.

Members of the company's organization have frequently been called upon by business schools, management seminars, and official conferences to share the benefit of the company's long experience in international finance with others more recently engaged in a foreign investment program. The company noted that they are happy to take part in these educational seminars.

The company has carried out this recommendation through the preparation of case studies, participation in management seminars, and is prepared to do more, if requested.

Statement of G. Keith Funston, President, New York Stock Exchange, on H.R. 5916

The New York Stock Exchange welcomes this opportunity to comment on the proposed tax legislation embodied in H.R. 5916 and entitled "An act to remove tax barriers to foreign investment in the United States." The legislation incorporates, in large part, the recommendations of the Presidential Task Force on the Balance of Payments (the Fowler committee report), of which the exchange president was a member. Adoption of this legislation would do much to stimulate the long-term flow of foreign capital to the United States, in part by removing archaic restrictions on these capital flows. The securities industry has long advocated removal of these restrictions. The exchange applauds the fact that the administration proposals will enhance the freedom of movement in the international flow of capital funds.