by any American banks attempting to service even American customers in the foreign country. A case in point is that of Italy, where banks are classified by size, and geographical limitations are placed upon branching in accordance with that size classification. In general, the smaller banks, of the size a United States branch would normally be, would be unable to serve both Rome and Milan, but instead would have to confine their activities to a single city. In this case, it is the host country's attitude on licensing any new bank operation, either domestic or foreign, that would operate against any new U.S. bank operation in Italy. Restrictions on branching, even within individual cities, may inhibit U.S. banking in some large foreign cities with dispersed business districts in which it would be desirable to have several offices to make the operation in that country sufficiently profitable.

CONCLUSIONS

In the foregoing summary of the types of requirements with which U.S. banks must comply before obtaining authorization to establish an operation, consideration has been given primarily to more or less formal requirements.

In reality, local authorities have wide discretionary authority, meaning that additional requirements may be imposed on a case-by-case basis, and similarly, certain requirements may be waived. This means that it is extremely difficult to summarize realistically these requirements, and to a major extent, the obtaining of such authorizations is largely a matter of negotiation between the U.S. bank and the appropriate authorities in the host country.

At the present time, major American banks believe at least nine countries, by legislation or by discretionary policy, are closed to further direct American branches or to affiliates. Some already have existing U.S. banks represented by branches, majority-owned affiliates, or minority investments in local banks, but additional facilities would not be possible. Most, but not all, of the countries that bar additional U.S. bank entry at the present time do so by discretionary rather than legislative sanction. In a few cases the barrier is disguised in that entry is freely permitted, but under conditions that would make it impractical for U.S. banks to operate—impossibly high capital requirements or inability to make and return normal earnings on operations. In most cases, however, the banking authority has decided against further licenses to foreign banks. The nations essentially closed to further U.S. banking at this time, by reason of either direct prohibition or conditions that would make entry uninteresting to American banks, are:

Mexico	Trucial States
Canada	Saudi Arabia
Sweden	Senegal
Australia	Taiwan
Denmark	

Many of these countries already have American banking facilities, so for those countries it is not as if the U.S. banking industry has been prevented from servicing them. Nor is it likely these nations will all continue to maintain this attitude. Some are, in fact, currently reviewing their attitudes on admission of foreign banks.