

among others, still maintains exchange control systems of varying stringency. Restrictions in India and Senegal are also stringent. Other countries, notably Brazil, Greece, and India have imposed restrictions on profit remittances. U.S. banks, of course, observe all such exchange control measures and do not regard them as discriminatory.

CENTRAL BANK CREDIT

Many countries afford foreign banks established there access to the full services of their central banks. For various purposes, however, governments may limit the availability of facilities to foreign banks. The cost of discount or other refinancing privileges which are in most instances a major feature of central bank systems may also be increased. Frequently employed during periods of inflation, this control may also be used to discourage certain types of financing by banks.

The case of the United Kingdom deserves some comment. The Bank of England allows only the 11 clearing banks direct access to its discount facilities. Since additional clearing banks are not being created and since U.S. banks are classified as overseas banks, U.S. banks are effectively prevented from obtaining funds through the Bank of England discount facilities. On the other hand, American banks are not more discriminated against than many British banks that are also not classified as clearing banks, that is, the smaller deposit banks, merchant banks, and other overseas and foreign banks.

In Belgium, Venezuela, Japan, Greece, and the Dominican Republic, discount facilities are not normally available to foreign banks. In some countries, moreover, though technically discount facilities are available, the central bank would normally discourage requests. Under ordinary circumstances, U.S. banks abroad would rely on a domestic bank of the host country for any unusual assistance it might require and such accommodation is usually available. Accordingly, discrimination against U.S. banks by prohibiting direct access to the central bank is of little consequence as a measure inhibiting the spread of U.S. banking abroad.

BANK EXAMINATIONS

American banks with overseas operations are generally agreed that the examinations conducted by U.S. examining agencies, Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Reserve System, and the State banking departments are unsurpassed by any other country. Each of the three Federal agencies and some of the State agencies actually examine U.S. branches abroad. Most foreign countries likewise conduct regular examinations of U.S. banking operations in those countries. Among those countries that do not conduct regular examinations of foreign banks are Panama, Lebanon, Liberia, Saudi Arabia, Senegal, and Uruguay. It is particularly notable, however, that in the United Kingdom examinations are not conducted of U.S. banks operating there and merely an annual statement is required. Ireland also follows the same practice. Apparently no special problems are created by U.S. bank facilities being subject to foreign examinations.