

Foreign investors typically point to the relative technological superiority of the large American corporations, many of which are, in fact, international corporations headquartered in the United States. The high rates of earnings and reinvestment for continued growth by these firms are key reasons for renewed European interest in American corporate securities. The United States remains the largest single market in the world, with a strong steady growth rate equal to or better than that of most industrialized countries, and a tradition of political and social stability which seems increasingly crucial to investors in these days of national and international instability elsewhere. Investors see the United States as an eminently secure economy in which to hold a portion of their investment portfolios—both safely and profitably.

In addition, the basic features of the American securities market continue to be attractive to foreign investors. These features are the size of the equities market, the availability of information on corporate activities, and the added touch of credibility due to the efforts of the Securities and Exchange Commission and the work of the exchanges to police themselves.

In order to sustain investment inflows from abroad, we must insure that the American economy, both domestically and in terms of its international impact, continues its steady advance. This requires continuation of the Administration's programs to achieve growth with price stability at home and to maintain worldwide confidence in the dollar as a long-term investment vehicle as well as a fundamental transactions currency underlying international trade and payments.