

L.5.2

RFD 273

Board of Governors of the Federal Reserve System  
Division of International Finance

REVIEW OF FOREIGN DEVELOPMENTS

August 21, 1956

Foreign Stocks on the United States Market 16 pages

Nancy J. Smith

NOT FOR PUBLICATION

This Review is intended primarily for internal circulation and should in no case be cited or quoted. It consists of personal and informal contributions by the author, which in many cases represent tentative analyses of the subject considered.

August 21, 1956

Foreign Stocks on the United States Market Nancy J. Smith

Increasing confidence in foreign currencies as well as price and yield advantages offered by foreign securities have stimulated U.S. demand for foreign 1/ equities. This has focussed attention on marketing techniques associated with foreign stock investment and on the problem of what kinds of shares are attractive to the U.S. investor. This paper first describes the instruments and institutions involved in the foreign security sector of the U.S. market, and points up the widespread use of substitution certificates for foreign shares. The second section of the paper deals with the diversity, by regions and business categories, of foreign stocks which are readily available in the United States, including those which are traded on U.S. exchanges as well as those traded over-the-counter against which substitutions shares have been issued. A brief final section deals with the performance of selected foreign issues traded on U.S. exchanges.

I. Marketing Techniques

Operations in foreign stocks

U.S. residents may invest in foreign equities by trading in actual securities or in substitution certificates for foreign shares. The actual securities are usually "bearer shares" (i.e., those issued to "bearer" rather than registered in the name of a specific individual), although in some cases actual securities may be "registered" like domestic stocks.

The buying and selling of actual foreign securities has always been associated with a great deal of red tape because of the exchange and transfer operations involved. A number of specialized New York brokerage houses (such as Model, Roland, and Stone, Burnham and Company, Salomon Brothers and Hutzler, Carl Marks and Company, and others) have traditionally handled most of the business. They employ specialists who can furnish information on the activities of the issuers (regular financial reports to the public are not always provided by foreign companies), and they take care of all foreign exchange matters involved in initial transactions and in the collection of dividends. Such companies deal in securities from all parts of the world.

Substitution certificates--American Depositary Receipts (ADR's) or American Share Certificates (ASC's)--are available for many foreign

1/ The term "foreign" refers to all countries except Canada outside the United States. The Securities and Exchange Commission and the American Stock Exchange treat Canadian securities similarly to domestic issues, mainly because they are readily adaptable to dealings in the United States in their original form; a similar distinction has been made in this paper, separating Canadian from all other foreign issues.

stocks. <sup>1/</sup> These certificates, issued by a U.S. bank, generally represent a claim on a stated amount of underlying capital shares of a company, which are held in custody abroad. The exceptions are those American shares that represent a separate stock issue of a foreign company.

Transactions in ADR's are also executed through brokers such as those mentioned above. A typical purchase transaction finds the broker, upon order of a customer, purchasing a number of shares of foreign stock, having the foreign shares deposited in a depository abroad, and subsequently requesting a U.S. bank to issue in the name of the customer an ADR representing the American share equivalent of the amount of foreign stock purchased. The U.S. bank previously has announced (and registered with the Securities and Exchange Commission) its readiness to issue ADR's for the particular stock involved, and has specified the depository abroad (its branch or correspondent) where the foreign shares are to be held. In addition to issuing the certificates and transferring titles, as the ADR's are freely traded in the United States, the bank declares and disburses dividends on the American shares, following closely the timing and rates of dividends on the underlying shares as announced by the foreign company.

For these services the bank charges certain fees as stipulated on the certificate. The fees vary little among the issuing banks. They generally include \$1.50 for each certificate (representing up to 100 American shares of the foreign stock), plus \$3-\$6 (depending on the current market value of the underlying shares) for each 100 or portion thereof, of American shares involved. The bank also collects one cent per share for each dividend which it disburses. In the past the charges have been paid by the customer but the first arrangement under which the foreign company will pay all charges was announced recently. <sup>2/</sup>

#### U.S. banks and the ADR business

ADR's were first issued in the 'twenties, and for several years a thriving business in the certificates was conducted exclusively by one bank, the Guaranty Trust Company. After the passage of the Securities Act of 1933, few ADR's were issued because of the full registration requirements imposed by the Act upon the foreign companies against whose shares the receipts were

<sup>1/</sup> ADR's and ASC's differ with respect to certain legal points which are not relevant to the discussion in this paper. For simplification, the general reference in the text will be either specifically to ADR's, by far the most common form of substitution certificate, or to "American shares" which include both ADR's and ASC's. In Appendix Table I, the form is specified for each individual issue.

<sup>2/</sup> On July 31, 1956, J. P. Morgan and Company announced that it would issue ADR's for the stock of the Montecatini Chemical Company of Italy, and that Montecatini had agreed to pay all fees for issue, transfer, or withdrawal of the certificates, as well as charges for disbursements of dividends on the ADR's.

issued. Until 1955, when the Securities and Exchange Commission adopted new simplified registration forms for ADR's, the certificates were generally issued only against shares that were listed on a U.S. stock exchange. The companies behind such shares were required to register under the Securities and Exchange Act, and thus had already furnished sufficient information to enable a U.S. bank to issue ADR's.

Under the new S.E.C. regulations the company against whose stock ADR's are issued is not required to register. The issuing bank may register certificates to be issued against underlying shares which meet two qualifications: (1) the underlying shares must be available to the investor; (2) the underlying share would not be subject to registration (this means, in practice, that no new stock issue must be involved). The banks need neither information nor consent from the foreign companies; in practice, however, they weigh carefully all available data on a company's prospects and the extent of U.S. interest in its securities before they decide to register, and they do not issue certificates if a company requests that there be none. The banks register their fees and charges and the depositaries' names, and promise to furnish the S.E.C. periodic reports on the number of ADR's outstanding and to transmit any information furnished by the foreign company.

During the past year, the ADR business has become highly competitive. The Guaranty Trust Company is in a favorable position not only because it is the pioneer in the field but also because it has an extensive system of its own foreign branches to use as depositaries. Where it does not have branches the bank is actively establishing correspondent relationships to simplify dealings in the securities. For example, it recently established a depositary relationship with a British bank in Johannesburg, South Africa. Under this arrangement, the many South African and Rhodesian securities may be deposited locally, and arbitrage between Johannesburg, New York, and London is facilitated.

The Irving Trust Company has also issued ADR's for a diversified list of companies, and the Chemical Corn Exchange Bank has entered the field, mainly with certificates for stock in German firms. Several other banks, including the Belgian-American Bank and Trust Company, the Chase Manhattan Bank, the First National City Bank, J. P. Morgan and Company, and the Schroeder Trust Company, have each come in with one or more issues. A list of ADR's and ASC's by issuing bank and by country appears as Appendix Table I.

In three instances to date, Guaranty Trust and Irving Trust have each been issuing ADR's against the same company's stock. This development is disturbing to some observers because they feel that confusion among the holders over dividends, dividend dates, etc., could result from having more than one issue of ADR's in circulation for a given stock issue. In this respect, it has been noted that the new move by foreign companies to pay all charges on ADR's, which involves an agreement between company and issuing bank, may put an end to such multiple issues. It is unlikely that a foreign company would make such an arrangement with more than one bank, and even more unlikely that a customer would continue to pay charges to one bank for the same certificates for which there would be no charges to him at another.

The market

New York is the primary U.S. market for foreign stocks and, according to many recent statements, a claimant for the role of the leading international stock market. The majority of foreign stocks are traded there exclusively "over-the-counter" but many issues are listed on the two registered exchanges. With the exception of three Philippine issues registered in San Francisco, all foreign stocks traded on U.S. exchanges are listed on the New York or the American Stock Exchange, whose lists are mutually exclusive. Some of the issues traded in New York are also traded on the Boston, Cincinnati, Los Angeles, Midwest, Philadelphia-Baltimore, and San Francisco Exchanges. Appendix Tables II and III show by country all the foreign stocks traded on U.S. exchanges.

The American Stock Exchange has the largest number of foreign (non-Canadian) stocks listed. As of June 30, 1956, 43 issues of 38 corporations in 10 foreign countries were traded on the American Stock Exchange. Of the total issues, 18 are fully listed and the remainder are admitted to unlisted trading privileges. <sup>1/</sup> The 43 foreign issues represent approximately 5 per cent of all stock issues traded on the Exchange; Canadian issues amount to a further 12 per cent.

The New York Stock Exchange currently lists 10 issues of 10 corporations in 6 countries. There are no unlisted trading privileges on the New York Stock Exchange so that all of the issues are fully listed. While the New York Stock Exchange does most of the foreign bond business (including issues of both governments and private enterprises), there have never been many foreign stocks listed, and foreign stock issues currently amount to less than 1 per cent of total issues on the Exchange.

Differences in listing requirements between the two exchanges are presumably, at least in part, responsible for the fact that more foreign issues are on the American Exchange. The American Stock Exchange has no rigid requirements as to a foreign company's size or earnings. On the other hand, the New York Stock Exchange requires a corporation, foreign or domestic, to have a demonstrated earning power of at least \$1 million annually, a minimum of 1,500 stockholders, and public holdings of at least 300,000 shares. Many of the foreign companies registered on the American Exchange could not meet all of these requirements, although several--e.g., SIMCOA, Pantapec, Anglo-Lautaro, and A.K.U.--presumably would have no difficulty. Both exchanges require that listed foreign securities be easily expressed in U.S. dollar equivalents, which in most cases means that some form of American share must be available.

<sup>1/</sup> The American Stock Exchange gave "unlisted trading privileges" to securities traded on the Exchange before the passage of the Securities and Exchange Act. This meant that the companies issuing such securities had the benefit of an exchange market for issues already on the Exchange without having to fulfill the registration requirements imposed by the Act. The companies had to register to list any other issues. Appendix Table III lists the companies included in this group.

Among the issues which are not registered on any U.S. exchange but which are actively traded "over-the-counter" are those of such internationally known corporations as Unilever N. V. and N. V. Philips Gloeilampenfabrieken. of the Netherlands, the successor companies of I. G. Farben of Germany, and Bowater Paper and Unilever Ltd. of Great Britain. It might be expected that such corporations will join the list of those which have been applying for registration of their shares on one of the U.S. exchanges at the rate of about 4 a year since 1953.

## II. Countries and Industries Represented

The current lists of foreign stocks traded on U.S. exchanges, and of those traded over-the-counter against which ADR's have been issued, indicate a geographical diversity which has not been apparent since the early 1930's. <sup>1/</sup> From that time until after World War II, few ADR's were issued and all but five of the foreign stocks offered on U.S. exchanges were British. Since the war, the stocks of corporations on the American continents, Europe, Asia, and Africa have been listed or made the basis of ADR's. Some of the new listings are issues of companies which formerly had stocks on the exchanges but withdrew them either because their businesses halted during the depression or the war or because they did not wish to comply with the provisions of the Securities and Exchange Act.

### British stocks

Some form of American share is available for almost all of the major British stocks, although only five British companies have taken the initiative to list on U.S. exchanges--two on the New York and three on the American. These represent a television and appliance firm, a general investment trust, and three mining and development companies. Stock issues of 19 British companies carry unlisted trading privileges on the American Stock Exchange. These were placed on the Exchange before the passage of the Securities and Exchange Act, at the initiative of the Exchange; the foreign companies were not a party to the listings. Many of England's "blue chip" stocks are in this category, such as Imperial Chemical Industries, Ltd., which is second only to duPont among the world's chemical and synthetics

<sup>1/</sup> Certain problems with respect to geographical classification should be borne in mind as the country lists are examined. In the first place, securities are classified according to the country in which the issuing company is incorporated. This means, for example, that a security of the Israel-Mediterranean Oil Company, a Panamanian Corporation, is referred to as a Panamanian security, although it represents financing of oil interests in Israel. In segregating foreign from domestic stock issues, as referred to previously, an issuer is considered foreign as long as it is incorporated under the laws of a country outside the United States or Canada. This is true although the corporation may have U.S. citizens as its principal officers or directors, as do many firms incorporated in Latin America. By this rule, the shares of foreign subsidiaries of U.S. firms are also "foreign." Similarly, if a company is incorporated abroad, it is considered "foreign" even if its business is in the United States. However, if the company is incorporated under the laws of the United States or Canada, it is classified as a domestic entity, even if its management, business, etc., pertain to another country.

manufacturers. In addition, ADR's for about 40 British stocks are traded exclusively "over-the-counter" here. A widely diversified group of industries is represented by these issues, although mining and development companies seem to predominate.

Other European stocks

The Netherlands and France are the only other European countries which are currently represented by stocks on U.S. exchanges, while German securities are returning to favor with American investors by the over-the-counter market. American shares are also available for two Italian stock issues. On the other hand, Swiss stocks, in which a brisk market might be expected, are not generally traded in the United States because most Swiss companies do not permit foreign ownership of their shares.

There are four leading international companies in the Netherlands in which American interest has been shown, commonly referred to as Royal Dutch, A.K.U., Unilever N. V., and Philips Lamps. The first two are registered on U.S. exchanges, and American shares are available for all but Philips. In fact, for Royal Dutch there are both special American shares representing a separate stock issue of the company (listed on the New York Stock Exchange) and ADR's for one of the Netherlands issues (traded over-the-counter).

The Netherlands companies include the second largest oil holding company in the world, a leading manufacturer of rayon and nylon fibers, one of the largest foodstuff producers in the world, and the largest manufacturer of television sets outside of the United States which is also a leader in nuclear power development. These companies all have prominent U.S. subsidiaries (in some cases jointly-owned by British companies): Shell Oil Company is a part of the Royal Dutch Group; American Enka Corporation is largely owned by A.K.U.; Lever Brothers and Thomas J. Lipton Company are both subsidiaries of Unilever N. V.; and North American Philips Company is a subsidiary of Philips Lamps.

The shares of SIMCA (Societa Industrielle de Mecanique et Carrosserie Automobile), one of the leading automotive manufacturers of France, have been traded on the American Stock Exchange since May 1955, and in early 1956 they became the first European stocks admitted to listing on the San Francisco Stock Exchange. In 1954, SIMCA acquired Ford S.A.F., whose shares were formerly listed on the American Stock Exchange, and as a result of the merger the Ford Motor Company of the United States received 15 per cent of SIMCA stock.

An active U.S. market in German equities prompted the Chemical Corn Exchange Bank last year to register to issue ADR's for stocks of many leading German corporations. While in some cases the German firms did not approve of such issues, about a dozen did, and the first sales of certificates were made recently. <sup>1/</sup> The bank is venturing on investor interest

<sup>1/</sup> A reason offered for the disapproval of having ADR's issued was that some of the German firms did not want the stigma of having their securities traded over-the-counter, but at the same time they were not willing to fulfill the registration requirements for listing on a U.S. exchange.

stimulated by the growth potential of such revitalized industries as Allgemeine Elektrizitaets Gesellschaft (General Electric Company of Germany), Farbenfabriken Bayer (a successor of I. G. Farben), and Siemens and Halske (Germany's leading electrical equipment company). Once a market in these securities has been established through over-the-counter trading, the firms might see U.S. investors as sources of new capital. However, new flotations of securities on this market would necessitate full disclosure of the companies' financial structures as required by the S.E.C.

#### Latin American issues

The shares of 15 corporations registered in five Latin American countries--Chile, Cuba, Mexico, Panama, and Venezuela--are listed on U.S. exchanges, and unlisted shares of a commercial bank in Colombia are traded on the American Stock Exchange. In addition, there is active trading in several issues which are commonly thought of as Latin American securities but which have been issued by corporations registered in Canada or the United States. Two prominent public utilities--the Brazilian Traction Light and Power Company and the Mexican Light and Power Company--are registered in Canada, and many Latin American industrial companies are incorporated in the United States.

The Latin American issues may be roughly divided between those which represent companies engaged in business in Latin America and those which are incorporated there, but in business essentially elsewhere. Shares of two oil, two sugar, and two printing companies in Cuba fall into the first category, as do the Mexican and Chilean issues on the exchanges. La Consolidada, a Mexican steel company, has preferred stock on the New York Stock Exchange and it recently listed common shares on the American Stock Exchange. These companies have varying degrees of American management and control; the Cuban companies have few Americans as officers or directors, while Anglo-Lautaro Nitrate Company of Chile has an American (Harry F. Guggenheim) as its Board Chairman, and the majority of its shares is owned by a voting trust representing the Guggenheim family.

The five other Latin American stocks are those of voting trusts or operating companies connected with oil exploration and development in various parts of the world. The issuers are registered in Panama or Venezuela, but in all cases Americans predominate as trustees, directors, and/or officers. In fact, the same American name is common to several of the corporations in many instances. For example, one man is a voting trustee of both Coastal Caribbean Oils, Inc. and the Pancoastal Petroleum Company, and at the same time Director of the Israel-Mediterranean Petroleum Company. These companies have properties located in Florida, Venezuela, and Israel.

#### Other countries

Stocks of mining companies in the Philippines have attracted considerable American capital and one issue in particular--Benguet Consolidated Mining--has often appeared among the most active stocks traded on the New

York Stock Exchange. Stock issues of the Atlas Consolidated Mining and Development Corporation and the Philippine Long Distance Telephone Company are traded on the American Stock Exchange and those of three other mining companies are listed in San Francisco.

Mining companies in Africa have also traditionally attracted American venture capital. Two issues of corporations registered in Africa are listed on U.S. exchanges: O'Okiep Copper Company and Rhodesian Selection Trust, the most recent foreign stock addition to the New York Stock Exchange. However, American trading in mining company securities is by no means confined to these issues; the main activity in such shares has always been over-the-counter. Appendix Table I indicates the extensive list of ADR's issued by U.S. banks against the capital shares of such companies, mainly in Rhodesia and South Africa.

### III. Performance of Selected Issues

The performance of foreign stocks traded on U.S. exchanges is indicated by the statistics in the following table, showing listed foreign issues which have paid cash dividends regularly in recent years.

Prices and Dividends -- Selected Foreign Stock Issues

Name of Issue	Country	Price Range 1954-1956 <sup>1/</sup>		Per cent dividend yield <sup>2/</sup>
		High Price	Low Price	
Electrical and Musical Industries	Great Britain	5-3/8 (1955)	1-1/2 (1954)	3.4
Roan Antelope Copper Mines	Great Britain	17-3/4 (1956)	7-3/4 (1954)	9.7
Colon Development Company	Great Britain	49-1/2 (1955)	28 (1956)	.7
SIMCA	France	47 (1955)	26 (1955-56)	5.9
Royal Dutch Petroleum	Netherlands	112-3/8 (1956)	55-1/4 (1954)	2.0
A.K.U.	Netherlands	51 (1955)	24-3/8 (1954)	5.7
Vertientes-Camaguey Sugar Company	Cuba	10-1/8 (1955)	5-1/4 (1954)	9.0
Anglo-Lautaro Nitrate Corporation	Chile	14-5/8 (1956)	4-1/4 (1954)	6.8
Consolidated, Inc. (preferred)	Mexico	5-3/8 (1954-55)	3-5/8 (1954)	4.7 <sup>3/</sup>
Benguet Consolidated Mining Company	Philippines	2-3/4 (1956)	3/4 (1954)	5.3
Philippine Long Distance Telephone	Philippines	7-3/4 (1955-56)	3-3/8 (1954)	8.0
Rhodesian Selection Trust	Rhodesia	8-3/8 (1955-56)	1-3/4 (1954)	6.2
O'Okiep Copper	South Africa	131-1/4 (1956)	37-1/2 (1954)	9.6

- <sup>1/</sup> Quotations on the New York or American Stock Exchange through June 1956.
- <sup>2/</sup> Based on payments through June 30, 1956, related to the U.S. market price of the stock on that date.
- <sup>3/</sup> Also stock dividend.

Source: Standard and Poor's Corporation, Security Owner's Stock Guide, various issues.

Wide price fluctuations may be noted in all listed issues. In a majority of cases appreciation over the period is apparent from lows in 1954 to highs in 1956. Colon Development and SIMCA are the exceptions, registering lows in 1956. During the same two-and-one-half-year period, the dollar prices of the composite list of 65 U.S. common stocks in the Dow-Jones series appreciated by about 75 per cent. This latter series is based on monthly averages of daily stock prices (the percentage increase is calculated by the difference between the low monthly average figure, recorded in January 1954, and the high, recorded in April 1956, related to the low price), while the figures in the preceding table reflect highs or lows recorded on any individual day during the period. Nevertheless, it is interesting to note the many instances where appreciation of foreign issues was well above the U.S. average.

Foreign issues show cash dividend yields of up to almost 10 per cent; in comparison, the annual dividend rate on 200 U.S. stocks, reported by Moody's as of June 30, 1956, was somewhat more than 5 per cent. Royal Dutch, the undisputed leader among the foreign issuers included in the table, has paid very low dividends, however. In this respect, Royal Dutch is quite typical of many of today's European industrial firms which are paying small dividends as earnings are continually reinvested in new capital equipment. 1/

#### IV. Conclusions

There is every indication of concerted attempts to broaden the U.S. market for foreign equities: banks are increasingly issuing substitution certificates for foreign shares; and the stock exchanges are actively soliciting foreign companies to use their facilities to market securities. A further development in this connection is the recent formation of investment firms to acquire equity investments in foreign companies.

From all indications the American investor has responded favorably to these developments. A high turnover of foreign shares is indicated by the numerous times that foreign issues have appeared among those most actively traded on the New York and American Stock Exchanges. While it is difficult to measure investor interest in ADR's, 2/ at least two of the principal issuers agree that the rate of turnover is high for many of the certificates. ADR's appeal to the professional holder who may use them as instruments of arbitrage operations, and to the small investor who now can buy into foreign firms with the ease of domestic investment.

At the same time, applications for listing foreign securities on U.S. exchanges are coming in regularly, although at a slow pace and in many cases from firms managed by Americans. The reluctance of foreign companies

---

1/ For the period 1951-1954, Royal Dutch reported a gross income of \$15 billion, net profits after heavy depreciation allowances of \$1.4 billion, and only \$250 million in dividends.

2/ The amount of U.S. dollars represented by currently outstanding ADR's appears to be in the neighborhood of \$100-\$200 million.

to furnish detailed financial information has been a major deterrent to more listings, but, according to some observers, this reluctance may fade as the companies reach the stage of growth where internal financing is insufficient and new capital is needed.

## APPENDIX

Foreign Stocks on the  
United States MarketTable IAmerican Depositary Receipts and American Share Certificates  
Issued by U.S. Banks for Foreign Stocks

Issuing Bank	Country	Form of Certificate	Company
Guaranty Trust Company	Great Britain	ADR	Associated Electrical Industries, Ltd.
"	"	"	Borax Consolidated, Ltd.
"	"	"	British American Tobacco Company, Ltd.
"	"	"	British Celanese, Ltd.
"	"	"	British Petroleum Company, Ltd.
"	"	"	Burma Mines, Ltd.
"	"	"	Burmah Oil Company, Ltd.
"	"	"	Carreras, Ltd.
"	"	"	Courtalds, Ltd.
"	"	"	Distillers Company, Ltd.
"	"	"	Dunlop Rubber Company, Ltd.
"	"	ASC	Electric and Musical Industries, Ltd.
"	"	ADR	Ford Motor Company, Ltd.
"	"	"	General Electric Company, Ltd.
"	"	"	Great Universal Stores, Ltd.
"	"	"	Hawker Siddeley Group, Ltd.
"	"	"	Imperial Chemical Industries, Ltd.
"	"	"	Imperial Tobacco Company, Ltd.
"	"	"	Kern Oil Company, Ltd.
"	"	"	Marconi International Marine Communication Company, Ltd.
"	"	ASC	Pinchin, Johnson and Associates, Ltd.
"	"	"	Rhodesian Selection Trust, Ltd.
"	"	ADR	Rolls Royce, Ltd.
"	"	"	Selection Trust, Ltd.
"	"	"	Singer Manufacturing Company, Ltd.
"	"	"	Tobacco Securities Trust Company, Ltd.
"	"	"	United Molasses Company, Ltd.
"	"	"	Vickers, Ltd.
"	"	"	Western Stockholders Investment Trust, Ltd.
"	"	"	F. W. Woolworth and Company, Ltd.
"	Germany	ASC	North German Lloyd
"	Netherlands	ADR	Unilever, N. V.
"	South Africa	"	Anglo American Corporation of South Africa, Ltd.
"	"	"	De Beers Consolidated Mines, Ltd.
Irving Trust Company	Great Britain	ADR	Boots Pure Drug Company, Ltd.
"	"	"	British Aluminium Company, Ltd.
"	"	"	British Motor Corporation, Ltd.

## APPENDIX

Foreign Stocks on the  
United States MarketTable I  
(Continued)

Issuing Bank	Country	Form of Certificate	Company
Irving Trust Company	Great Britain	ADR	British South Africa Company
"	"	"	Burmah Oil Company, Ltd.
"	"	"	Central Mining and Investment Corporation Ltd.
"	"	"	J. and P. Coats, Ltd.
"	"	"	Consolidated Gold Fields of South Africa, Ltd.
"	"	"	Consolidated Tin Smelters, Ltd.
"	"	"	Decca Record Company, Ltd.
"	"	"	Gaumont-British Picture Corporation, Ltd.
"	"	"	London Tin Corporation, Ltd.
"	"	ASC	Roan Antelope Copper Mines, Ltd.
"	"	ADR	Rhokana Corporation, Ltd.
"	"	"	Tanganyika Concessions, Ltd.
"	"	"	Tate and Lyle, Ltd.
"	"	"	Ultramar Company, Ltd.
"	"	"	Unilever, Ltd.
"	Netherlands	"	Unilever, N. V.
"	Rhodesia	"	Nchanga Consolidated Copper Mines, Ltd.
"	"	"	Rhodesia Broken Hill Development Company, Ltd.
"	South Africa	"	Blyvooruitzicht Gold Mining Company, Ltd.
"	"	"	Crown Mines, Ltd.
"	"	"	Daggafontein Mines, Ltd.
"	"	"	De Beers Consolidated Mines, Ltd.
"	"	"	General Mining and Finance Corporation, Ltd.
"	"	"	Johannesburg Consolidated Investment Company, Ltd.
"	"	"	Middle Witwatersrand (Western Areas), Ltd.
"	"	"	Orange Free State Investment Trust, Ltd.
"	"	"	Rand Mines, Ltd.
"	"	"	Sub Nigel, Ltd.
"	"	"	Virginia Orange Free State Gold Mining Company, Ltd.
"	"	"	Welkom Gold Mining Company, Ltd.
"	"	"	West Rand Investment Trust, Ltd.
Chemical Corn Exchange Bank	Great Britain	ADR	Beecham Group, Ltd.
"	Germany	"	Allgemeine Elektrizitaets Gesellschaft AG
"	"	"	Badische Anilin Soda Fabrik AG
"	"	"	Deutsche Erdoel AG
"	"	"	Dortmund Hoerder Huettenunion
"	"	"	Farbenfabriken Bayer AG
"	"	"	Gelsenkirchner Bergwerks AG

## APPENDIX

Foreign Stocks on the  
United States MarketTable I  
(Continued)

Issuing Bank	Country	Form of Certificate	Company
Chemical Corn Exchange Bank	Germany	ADR	Hoesche Werke AG
"	"	"	Ilseeder Huett AG
"	"	"	Kloeckner Werke AG
"	"	"	Mannesmann AG
"	"	"	Rheinische Stahlwerke AG
"	"	"	Siemens and Halske
"	South Africa	"	Potgietersrust Platinums, Ltd.
"	"	"	Randfontein Estates Gold Mining Company
"	"	"	Union Corporation, Ltd.
"	"	"	West Driefontein Gold Mining Company
"	"	"	West Rand Consolidated Mines, Ltd.
Belgian-American Bank and Trust Company	Belgian Congo	ADR	Union Miniere du Haut Katanga
Chase Manhattan Bank	Great Britain	ASC	Shell Transport and Trading Company
"	Germany	"	Rudolph Karstadt AG
"	Netherlands	ADR	Algemene Kuntzijde Unie N. V. (A.K.U.)
"	"	ASC	Royal Dutch Petroleum Company
City Bank Farmers Trust Company	Italy	ASC	Pirelli Company
"	Mexico	"	La Consolidada, S. A.
First National City Bank	Germany	ASC	Rheinisch Westfaelisches Electrizaetswerk
"	Netherlands	ADR	Royal Dutch Petroleum Company
The Hanover Bank	Netherlands	ASC	Amsterdam Trading Company
"	Mexico	"	Industria Electrica de Mexico, S. A.
J. P. Morgan and Company	Great Britain	ADR	Bowater Paper Corporation, Ltd.
"	Italy	"	Montecatini Societa Generale Mineraria e Chimica Anonima
Schroeder Trust Company	Great Britain	ADR	Rhodesia Anglo-American Investment Company, Ltd.

## APPENDIX

Foreign Stocks on the  
United States MarketTable IIForeign Companies with Stocks Fully Listed on U.S. Stock Exchanges  
as of June 30, 1956

Country	Company	Exchange	Year Listed
Great Britain	Electrical and Musical Industries, Ltd.	New York	1936
	Roan Antelope Copper Mines, Ltd.	New York	1936
	Colon Development Company, Ltd.	American	1936
	Western Stockholders Investment Trust, Ltd.	American	1952
	Burma Mines, Ltd.	American	1952
France	SIMCA	American )	1955
		San Francisco )	1956
Netherlands	Royal Dutch Petroleum Company	New York	1954
	A.K.U. (United Rayon Manufacturing Company)	American	1954
Chile	Anglo-Lautaro Nitrate Corporation	American	1951
Cuba	Cuneo Press, Inc.	New York	pre-193
	West Indies Sugar Corporation	New York )	1942
		San )	
		Francisco )	1942
	Vertientes-Camaguey Sugar Corporation	New York	1945
	Havana Lithographing Company	American	1951
	Cuban-Venezuelan Oil Voting Trust	American	1955
Trans-Cuba Oil Company	American	1956	
Mexico	Consolidated, Inc. <u>1</u> /	New York )	1946
		American )	1956
	Electrical Industry of Mexico, S.A.	New York	1946
Panama	Coastal Caribbean Oils, Inc.	American	1953
	Israel-Mediterranean Petroleum, Inc.	American	1954
	Pan-Israel Oil Company, Inc.	American	1954
Venezuela	Pantapac Oil Company, C.A.	American	1948
	Pancoastal Petroleum Company, C.A.	American	1953
Philippines	Benguet Consolidated Mining Company	New York	1949
	Philippine Long-Distance Telephone Company	American )	1955
		San )	
		Francisco )	1955
	Atlas Consolidated Mining and Development Company	American	1956
San Mauricio Mining Company	San Francisco	1940	

## APPENDIX

Foreign Stocks on the  
United States MarketTable II  
(Continued)

Country	Company	Exchange	Year Listed
Philippines	Mindanao Mother Lodge Mines	San Francisco	1948
	Atok-Big Wedge Mining Company	San Francisco	1949
Rhodesia	Rhodesian Selection Trust, Ltd.	New York	1955
South Africa	O'Okiep Copper Company, Ltd.	American	1946

1/ Preferred stock on New York Stock Exchange, common stock on American Stock Exchange.

Table IIIForeign Companies with Unlisted Trading Privileges on  
the American Stock Exchange

## I. Great Britain:

Associated Electrical Industries, Ltd.  
British-American Tobacco Company, Ltd.  
British Celanese, Ltd.  
British Petroleum Company, Ltd.  
Carreras, Ltd.  
Courtaulds, Ltd.  
Distillers Company, Ltd.  
Dunlop Rubber Company, Ltd.  
Ford Motor Company, Ltd.  
General Electric Company, Ltd.  
Imperial Chemical Industries, Ltd.  
Imperial Tobacco Company of Great Britain and Ireland, Ltd.  
Marconi International Marine Communication Company, Ltd.  
Pinchin, Johnson, and Associates, Ltd.  
Rolls-Royce, Ltd.  
Singer Manufacturing Company, Ltd.  
Tobacco Securities Trust Company, Ltd.  
United Molasses Company, Ltd.  
Woolworth (F. W.) and Company, Ltd.

## II. Colombia:

Banco de los Andes