

May 26, 1944

Mr. Ganson Purcell
Securities & Exchange Commission
18th & Locust Streets
Philadelphia 3, Pa.

Dear Ganson:

I enclose herewith copies of a redraft of the letter to corporations requesting information on foreign loans and investments together with copies of the report form to be used. I believe that this redraft of the letter incorporates your suggestions.

The report form has been discussed with the State Department and approved. I shall take it up with the Budget Bureau this afternoon informally.

I would appreciate your advising me when the Commission has cleared these documents.

Sincerely,

Walter C. Louchheim, Jr.
Assistant Director

Gentlemen:

It has become increasingly apparent that the United States will have the opportunity to invest a part of its large capital resources in the reconstruction of devastated countries and the insuring of a high level of world prosperity. Representatives of investment banks and bankers have expressed a lively interest in the prospective underwriting and sale to the public of foreign issues. It may well be that American corporations will also be interested in the investment of their funds abroad. The direct lending or investment of corporate funds to foreign governments or to foreign private enterprises might well constitute one of the most effective media for the reconstruction of devastated countries and for the provision of productive resources to capital needy nations. It would certainly seem from the history of past capital movements that American corporations can play a very important role in the rebuilding of prosperous conditions throughout the world.

It must be recognized, however, that at present the volume and kind of foreign investments which American corporations may be prepared to make is only a matter of conjecture in view of the lack of current information on such transactions. The Commission is impressed by the importance of obtaining current information on the foreign loans and investments of American corporations. In the opinion of the Commission corporate reports on such transactions are most appropriate for the protection of investors. Such data will also be of considerable interest to the Department of State in the formulation of foreign commercial policy. The Commission, therefore, is requesting reports from a number of American corporations with respect to future foreign loans or investments that may be made. I am sure that your company will wish to cooperate in this important undertaking. The attached report form will make clear the types of transactions as to which reports are requested and the nature of the information called for. It is requested that your company file a report as to each transaction covered by the attached form as early as convenient following the completion of a contract, agreement, purchase or transfer which evidences a foreign loan or investment and in any event within thirty days thereof.

As you will note from the attached form, financial transactions which are part of the normal and regular commercial activities of the corporation are not included in this request. Kindly address reports, replies and any questions you may have to the Office of the Chairman. Individual corporation reports will be held confidential.

Yours sincerely,

Ganson Purcell
Chairman

Enclosure

REPORT OF FOREIGN LOAN OR INVESTMENT

BY THE _____ CORPORATION¹

Date of Report

I. Loan or Extension of Credit:

1. Name and address of borrower or recipient of credit.
2. Nature of business of borrower.
3. General purpose of loan.
4. Amount of loan.²
5. Terms of loan (including rate of interest, amortization payments and maturity).

II. Investment (including direct purchases, share purchases and options purchased or received):

1. Name and location of company or property in which investment is made.
2. Nature of business of company or description of property in which investment is made.
3. General purpose of investment.
4. Amount of investment.²
5. Type of purchase (e.g. purchase of property, plant, shares, option, royalty, etc.).

¹ File separate report for each financial transaction affected by the corporation or by a subsidiary or affiliate with a government, person or company located outside the territorial limits of the United States, (including a foreign subsidiary or affiliate of reporting corporation). No report, however, should be filed as to transactions which are incident to the regular and customary commercial activities of the corporation or its subsidiaries or affiliates or as to any transactions amounting in the aggregate to less than \$100,000.

² State total amount covered by loan or purchase contracts, agreements, or options in terms of the currency specified therein.