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Supplement to the Survey of Current Business

SPECIAL
COLLECTIONS



FOREIGN INVESTMENTS OF THE UNITED STATES

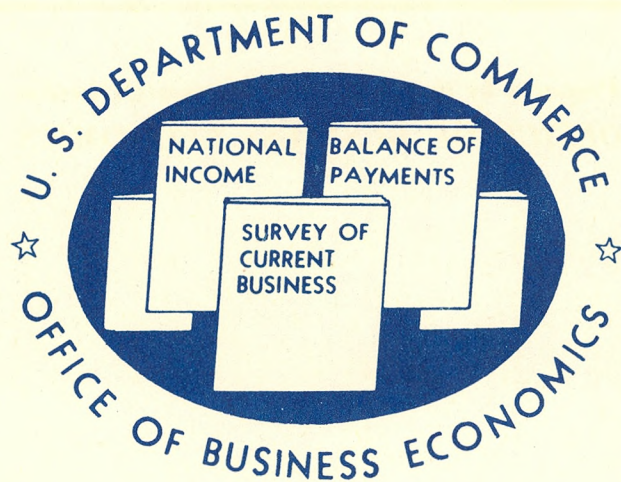
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UNITED STATES DEPARTMENT OF COMMERCE

OFFICE OF BUSINESS ECONOMICS

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STATEMENTS
ON THE INVESTMENTS
OF THE UNITED STATES



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Direct Private

FOREIGN INVESTMENTS OF THE UNITED STATES

Census of 1950

*Prepared by the Balance of Payments Division
OFFICE OF BUSINESS ECONOMICS*

U. S. DEPARTMENT OF COMMERCE
SINCLAIR WEEKS, Secretary
OFFICE OF BUSINESS ECONOMICS
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Foreword

INCREASING attention has been given in recent years to the importance of American investments in foreign countries. The dramatic development of new American-controlled enterprises abroad—in manufacturing as well as in the extractive industries—has created a fresh awareness of the role of foreign investment.

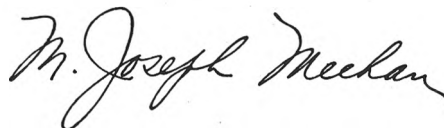
Programs designed to strengthen the Free World, therefore, tend increasingly to stress the long-range advantages that will accrue from an enlarged movement of American capital abroad. Past and current investments are making a large contribution to the economic development of foreign countries.

Basic to the process of making intelligent decisions regarding the investment of private capital abroad is a complete and up-to-date knowledge of our existing investments and our investors' recent experience with them. We must know not only how much American capital is now invested in each foreign country, by whom, and in what industries, but must also have some idea of the amount and type of earnings annually accruing from these investments.

The income information is required not only in evaluating individual industries, but together with other factors, is essential in analyzing the balance-of-payments situation of a foreign country to determine whether or not it would be able to service any proposed additional investment.

Since 1929 it has been the practice to secure comprehensive information on our foreign investments by conducting a periodic census. *The results of the fifth complete survey of American direct investments abroad are presented in this volume.*

A wealth of detail is presented here for the first time—including extensive breakdowns of the income and capital movements by country and industry, and information on total assets, foreign participation, and foreign income taxes paid. The method of valuation employed—also described in detail—corresponds to that generally employed in corporation accounting and eliminates the influence of shifting foreign exchange rates on the value of fixed assets. The resulting body of information sheds much additional light on the effects of our direct investments upon the pattern of the world economy.



Director, Office of Business Economics.

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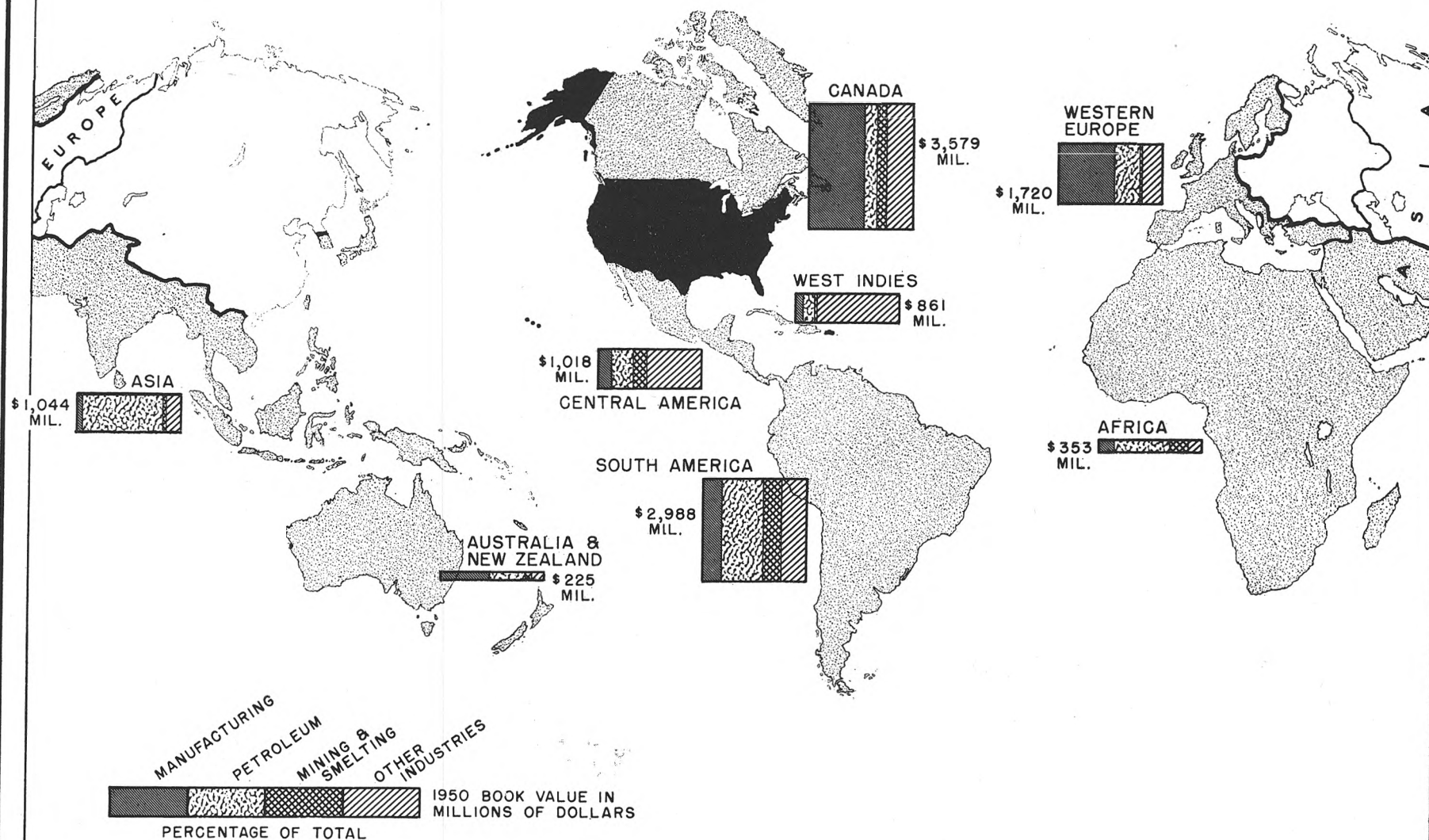
PRIMARILY as a reflection of the fundamental need for this information in the conduct of Point 4 and related activities, this first postwar investment census project was conducted with funds supplied by the Technical Cooperation Administration, Department of State. It is our intention here to provide that agency—and all persons or agencies interested in finding ways to increase investment and promote economic development abroad by private means—with basic data to aid in the accomplishment of their objectives.

In this undertaking the Department of Commerce has had the cooperation of both the Department of State and the United States Treasury Department, the latter having made available records from its 1943 census of United States assets abroad which helped to amplify the coverage of the present statistics. Assistance was also received from the Dominion Bureau of Statistics, Department of Trade and Commerce, Ottawa, Canada.

Most emphatically, we wish to express to some 2,500 reporting firms and individuals, whose cooperation in filing the necessary forms made this report possible, our sincere appreciation of their efforts in supplying data on their position and transactions. It is our hope that their efforts in putting their data into the form required in the census will be amply repaid by the results of this complete accounting.

The census was guided and broadly supervised by Robert L. Sammons, Chief of the Balance of Payments Division, and was taken under the direction of Joseph A. Zettler and Frederick Cutler. Mr. Zettler was in general charge of planning and conducting the census. Mr. Cutler supervised the editing and tabulation of the forms and prepared chapters 2, 3, and 4 of the text. He was assisted by other members of the Investment Section of the Balance of Payments Division, especially Samuel Pizer, Chief of that section, Norman Edinberg, Julius Freidlin, and Jackson Hearn.

U. S. DIRECT INVESTMENTS ABROAD, END OF 1950



Direct Investment in Perspective

THE achievement of increased productivity and higher standards of living depends in large measure upon the ability of an economy to expand the volume of capital goods used in the production process. The financing of capital investment is ordinarily a major problem in the relatively less developed countries, where both the level of income from which savings must be made, and the percentage of income saved, are likely to be low.

The rate of economic development can be accelerated by the use of capital from outside the economy; in this way the savings of a capital-exporting country are put at the disposal of the country needing external capital. It was by this process that European countries assisted in financing economic expansion in the United States—particularly railroad construction—in the closing decades of the nineteenth century.

Important also is the *long-range* effect of this capital provided from abroad. In the long run each country must depend primarily on its own savings for development. The direct-investment companies are an important stimulant to local savings, not only through their own operations, but also by providing for a part of the population an income large enough to permit a volume of savings which can be turned to productive investment.

In recent years, and especially since the close of World War II, the United States has been one of the few countries in the world which have been able—while continuously expanding their own domestic consumption and investment to transfer—at the same time an important share of their annual production to foreign countries. In the United States this has been accomplished largely through the medium of Government grants and loans and by private investments, mainly direct investments. This last has been

important not only because of the capital made available, but also because of the managerial and technical skill that has been provided.

Postwar capital investments

About 17 percent of United States net exports of goods and services in the years 1946–52, inclusive, was financed by net direct investment through capital movements. As these investments accumulated, their book value rose to \$11.8 billion at the end of 1950 according to the present census. With the additional capital investment of the two most recent years the total amounted to over \$14 billion at the end of 1952.

The values of direct investments used in this study are book values, and the fixed assets are generally included at their original cost less depreciation. Because of the sharp rise in prices since the acquisition of most of these assets, the book values are considerably lower in most cases than market values at present price levels, or replacement costs less depreciation.

The flow of income to the United States from direct investments abroad was at an average annual rate of about \$1.2 billion in the 1946–52 period. The net new capital provided to these enterprises from the United States averaged \$630 million per year. In addition, earnings of about \$500 million per year were retained abroad by foreign subsidiaries; this in effect represented further new investment.

Income from direct investments in recent years has been larger than any credit item except merchandise trade, in the current account of the balance of payments.

American foreign investments, to a greater extent than those of most other investing nations, involve the active

and direct development of operating enterprises. Many of these enterprises, among them several of the largest, produce mainly for the United States market, so that their earnings and income remittances are influenced directly by changes in the United States economy. Such changes also indirectly affect other foreign markets and enterprises which are selling their products elsewhere. Thus, there is a close relationship between the earnings of these enterprises and the United States overall balance of payments and domestic economic situation.

Contribution to foreign economies

Analysis of the 1946-50 period suggests that about a quarter of the goods then imported by the United States was supplied by United States-controlled enterprises abroad. It also appears that about a third of the earnings of the direct-investment companies abroad resulted from sales in the United States market.

Foreign countries as a whole apparently receive a substantially larger amount of dollars from the new capital invested in these companies, from these companies' sales to the United States, and from the substitution of their local production for goods which would ordinarily be imported from the United States, than is required to remit their incomes to the United States, pay for the dollar raw materials used and pay for the higher dollar imports usually induced by rising income levels resulting from the operations of these companies.

Foreign countries in 1950 derived revenues of slightly more than \$1 billion from income taxes on these United States direct-investment enterprises. Furthermore, other

Table 1.—Direct investments abroad, 1950

[Millions of dollars]

Industries	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	11, 788	3, 579	4, 735	1, 720	435	1, 318
Agriculture.....	589	21	520	1	9	39
Mining and smelting....	1, 129	334	628	21	88	57
Petroleum.....	3, 390	418	1, 408	424	296	844
Manufacturing.....	3, 831	1, 897	780	933	9	214
Transportation, communication and public utilities.....	1, 425	284	1, 042	27	18	54
Trade.....	762	239	243	186	13	81
Finance and insurance....	425	313	71	37	(1)	3
Miscellaneous.....	237	72	45	92	1	27

1. Less than \$500,000.

types of tax payments or royalty payments (already deducted from their earnings by the reporting companies, and therefore not included in these tabulations) contributed a substantial amount of foreign government revenue. This revenue made possible many economic and other developments which could not otherwise be carried out.

Historical Growth of Investments

Some perspective on the present status of direct investments abroad can be attained by a brief review of the growth of these investments since about 1900, when they had barely begun.

Direct investments abroad have accumulated steadily since early in this century. The only setback was in the depression years after 1929, when foreign currencies depreciated and investments in extractive industries, particularly agriculture, were hard hit by the drop in prices of their products.

The growth in the value of direct investments, particularly after World War II, is in sharp contrast to the history of American investments in foreign bonds. The large-scale portfolio lending between the first World War and 1930 virtually came to a halt—except for Canadian securities, and, later, those of the International Bank—when many foreign debtors defaulted or could not service their obligations in dollars.

Within the pattern of continued growth in direct investments there were periods of heightened activity, such as the investment in Latin American mining, petroleum and railroads prior to 1914, and the additions to these investments to meet the demands of World War I. Following the first World War manufacturing investments were greatly expanded, particularly in Europe and Canada, and other major investments were made in petroleum, agricultural enterprises and public utilities in Latin America.

Soon after the end of World War II, American companies again entered a period of rapid expansion abroad. Capital flowing from the United States and the reinvestment of foreign earnings reached record amounts. Investment in petroleum took the lead, and accounted for the bulk of the increase in Latin America and the Middle East. Manufacturing investments, largely financed out of earnings of established enterprises abroad, were also important, notably in Canada.

Of the increase of \$3.9 billion in the value of direct investments abroad from 1943 through 1950, about 80 percent was in the Western Hemisphere and most of the remainder was in the Middle East. Petroleum investments accounted for half of the increase, and manufacturing for about 40 percent. Concentration of investments in the Western Hemisphere is not a new phenomenon; over 70 percent of the value of direct investments was in this area in 1929.

Investments in the petroleum industry increased from about 15 percent of the 1929 total to about 30 percent in 1950, and the share of manufacturing increased also. Most other industries were either reduced in value or stayed about the same—with the result that they accounted for a smaller share of the total (see chart on page 10).

By 1950 the petroleum installations in many countries were being completed, but greater activity in other industries—particularly manufacturing, mining and smelting, and trade—maintained the total capital outflow. The shift to these industries continued after 1950, although petroleum investments in Canada developed into a major field of activity in 1951 and 1952. About half of the capital outflows in 1952 went to this and other industries in Canada.

That the over-all amount of capital outflows has been sustained at about \$600–\$700 million a year since 1947 (exclusive of the value of tankers and other ships transferred to foreign registry) is mainly the result of a succession of large ventures to develop natural resources abroad. Capital has been flowing to manufacturing enterprises abroad at a sizable rate, and companies in this industry have made even larger investments out of reinvested earnings. After the initial investment, even the petroleum industry is able to utilize increasingly as a source of further development the capital derived from earnings retained for this purpose.

Stimulation of private investments

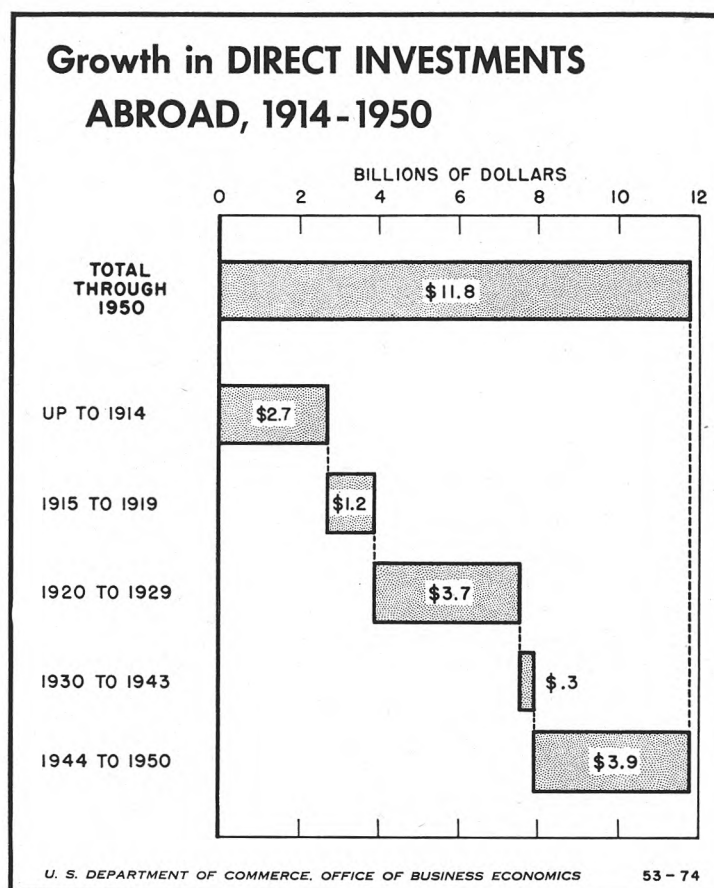
The United States Government has for some time been making arrangements to clear the way for a greater outflow of private capital. Special treaties dealing with problems of double taxation or discriminatory treatment of United States investors abroad, guarantees for certain types of risks peculiar to foreign investment, and liberalization of United States income taxes are among the steps being taken. For the Western Hemisphere, traditionally the most important area for United States foreign investment, special tax concessions were enacted as long ago as 1942.

Successful development of foreign investments is greatly assisted by a detailed knowledge of existing investments—where these investments are located, in what industries, how much they are earning, which ones are growing, and similar data. The most recent previous census was taken in 1943, providing data for the most part as of the end of 1942; for many countries in Europe and the Far East it covered the situation as of August 1939 and December 1941, respectively.

The damage experienced in World War II, and the loss of ownership or control of investments in countries coming under Communist governments following the war, radically changed

the situation shown by the data collected in the census of 1943.

The regular interim estimates of capital movements and earnings of direct investments abroad—prepared quarterly by the Office of Business Economics of the Department of Commerce—reflected with reasonable accuracy the changes



which had occurred since the end of the war. However, since the wartime benchmark data had become much less representative, errors crept into the current estimates of the value of investments. The likelihood of error was intensified in making detailed estimates for individual countries or for separate industries. Knowledge was lacking to make adjustments for the war and postwar losses of foreign properties.

Scope of census

Recognizing the need for more up-to-date and accurate information in this field, the State Department, through the Technical Cooperation Administration, made available to the Office of Business Economics the funds necessary to undertake the census on which the present report is based. The reporting forms were drawn up in consultation with experts from the various Government agencies concerned with international economic problems. They were gone over with a representative group of prospective respondents, under the

auspices of the Advisory Council of the Bureau of the Budget. This group was especially helpful in simplifying and clarifying the forms and related instructions.

The primary purpose of the census was to assemble the data relating to the United States equity in controlled foreign business enterprises; the earnings on the investment; the amount paid out as dividends, interest, or branch profits; the foreign assets controlled by United States interests; and the flow of capital either to or from the United States.

Table 2.—Value of United States direct investments abroad, 1897–1950

[Billions of dollars]

Area and industry	1897	1914	1919	1929	1943	1950
Total -----	0.6	2.7	3.9	7.5	7.9	11.8
Area						
Canada-----	.2	.6	.8	2.0	2.4	3.6
Latin America-----	.3	1.3	2.0	3.5	2.8	4.7
Europe-----	.1	.6	.7	1.4	2.0	1.7
All other-----	(¹)	.2	.4	.6	.7	1.8
Industry						
Manufacturing-----	.1	.5	.8	1.8	2.3	3.8
Mining-----	.1	.7	.9	1.2	1.0	1.1
Petroleum-----	.1	.3	.6	1.1	1.4	3.4
Agriculture-----	(¹)	.4	.6	.9	.5	.6
Railroads and public utilities-----	.2	.4	.4	1.6	1.4	1.4
Other-----	.1	.4	.6	.9	1.3	1.5

1. Less than \$50 million.

Sources: 1897, 1914, 1919—Cleona Lewis, *America's Stake in International Investments*, Washington, D. C., Brookings Institution, 1938.

1929—*American Direct Investments in Foreign Countries*, Trade Information Bulletin No. 731, U. S. Government Printing Office, Washington, D. C., 1930.

1943—*Census of American-Owned Assets in Foreign Countries*, U. S. Treasury Department, Office of the Secretary, U. S. Government Printing Office, Washington, D. C., 1947.

Direct investments, as statistically defined for the purposes of this census, included the United States equity in the following types of enterprises:

1. Foreign corporations, the voting securities of which were owned to the extent of 25 percent or more by persons, or groups of affiliated persons, ordinarily resident in the United States, and analogous interests in partnerships and other organizations.

2. Foreign corporations, the voting stock of which was publicly held within the United States to an aggregate

extent of 50 percent or more, but distributed among stockholders so that no one investor, or group of affiliated investors, owned as much as 25 percent.

3. Sole proprietorships, partnerships or real property (other than property held for the personal use of the owner) held abroad by residents of the United States.

4. Foreign branches of United States corporations defined as business enterprises conducted abroad by United States corporations in their own right and not through subsidiary foreign corporations.

The amounts reported under item 3 were quite small and were tabulated together with data for foreign branches defined under item 4. A more detailed description of all types of business enterprises included in the census appears in the appendix.

With minor exceptions, reports were required from all owners of the investments described above, except those mentioned in the second category listed above. Data on publicly owned companies were obtained from a variety of sources, notably the Dominion Bureau of Statistics, Ottawa, Canada. The coverage of the census is believed to be virtually complete, except to the extent noted below.

Reports were received from 2,363 individual reporters, covering 7,645 separate foreign enterprises. In addition, about 115 publicly owned corporations were included on the basis of information from sources other than census reports.

Because of the fragmentary nature of the available information pertaining to investments in the Communist-dominated countries of Eastern Europe and Asia, no data for those countries have been included in the report.

The methods used in placing a value on the American equity in foreign direct investments and in converting foreign currency data into dollars are described in detail in the appendix. In general, the book value of the American interest as reflected on the books of the foreign enterprises was used, converted into United States dollars in accordance with generally accepted accounting practices. Current assets and liabilities were converted at the rate of exchange in effect at the end of 1950; fixed assets and related depreciation reserves at the rates in effect at the time the assets were acquired.

A detailed analysis of the structure of American direct investments abroad in 1950 is provided in the next three chapters; the income earned and paid out is brought together in chapter 5; and the flow of investment funds is the subject of chapter 6. The complete tabulations are consolidated in the statistical section of the appendix.

Area Distribution of Investments

WHILE the value of American direct investments abroad—\$11.8 billion at the end of 1950—is widely diffused geographically, there is a considerable concentration of large capital developments in particular areas. This is clear from the detail given in appendix table 4. The observation can be applied equally to the current total, which by the end of 1952 was over \$14 billion.

These widespread direct investments represent a most effective contribution to foreign economic development. Owners of direct investments have been instrumental both in the establishment of new industries abroad and in the

exploration and development of many natural resources in foreign countries. After a near standstill of direct-investment activity during the thirties and the war years, rapid growth resumed in the postwar period. As was the case in the domestic economy, large expenditures were necessary to replace worn out equipment, modernize existing plants, and expand output to meet pent-up demands. The expanded use of raw materials in the war years motivated American petroleum and mining companies to look abroad for new sources of supply and to establish additional refining facilities.

Western Hemisphere

Throughout the 1929–50 period, United States direct investments in the Western Hemisphere consistently accounted for about 70 percent of all direct investments abroad (appendix table 12). While important investments could at all times be found in most parts of the world, there has been a notable shift to new countries and areas. In 1929 about half of all investments were located in the contiguous or neighboring areas of Canada, Mexico, and the West Indies, with the rest scattered over the world. By 1950, the investments in nearby countries accounted for only 40 percent of the total—a result brought about by the reduction in value of investments in Cuba and Mexico during the 1930's, and a rapid increase in investments in Venezuela and other more distant countries in Latin America.

Direct investments in the Latin American Republics increased by nearly three-fourths from 1943 to 1950. This

expansion followed a decline from 1929 to 1943 which was mainly a consequence of writedowns in investment values, sales of assets, nationalization of properties, and, to a lesser degree, the depreciation of exchange rates in the thirties and forties. The flow of new investment capital after the end of World War II was directed mostly to petroleum and manufacturing enterprises.

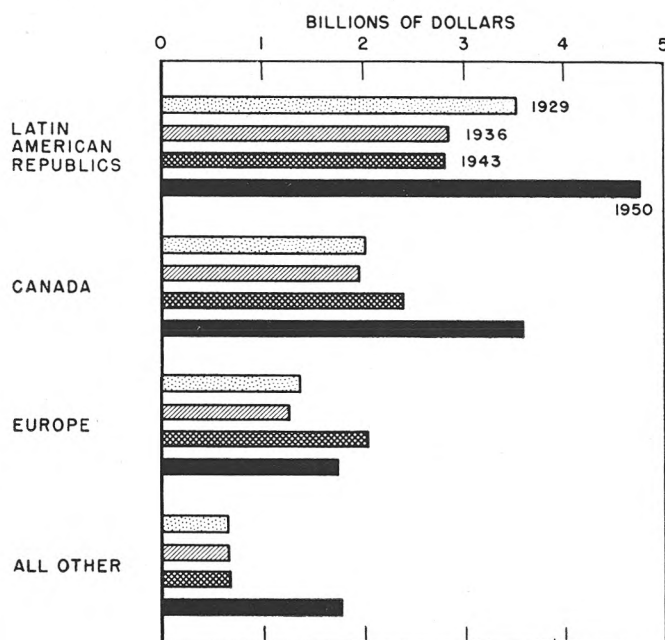
Venezuela, with total investments of nearly \$1 billion—about 21 percent of the area total—rose to first position among Latin American countries. The following table shows the changes between 1929 and 1950 in the seven countries of Latin America which account for over 80 percent of the total direct investments in that area.

While the net increase for the whole area amounted to \$1.3 billion during this time, the increase in Venezuela, Panama, and Brazil alone amounted to \$1.5 billion. Nearly all this

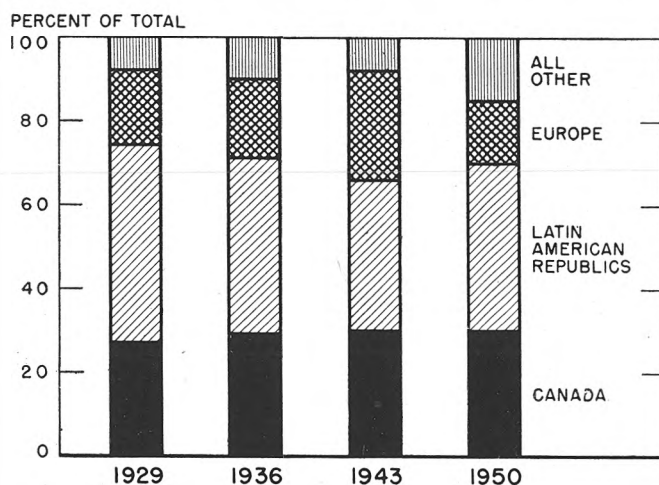
expanded investment was (a) in new producing and refining facilities of the petroleum industry in Venezuela, (b) in the investment by American oil and shipping interests in oil

U. S. Direct Investments Abroad, By Areas

Investments increased in most areas . . .



with the Western Hemisphere still predominant



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

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tankers and other ships registered in Panama, and (c) in new manufacturing plants in Brazil. Gains in these countries were partially offset, however, by decreases in Cuba and Mexico, mainly as a consequence of the write downs of investment values mentioned above.

In the period from 1943 to 1950 only Argentina showed a sizable decrease in investments—caused by the sale in 1946 of the country's major telephone company to the Argentine Government for nearly \$100 million. However, an increase in manufacturing investments, mostly due to reinvested profits, partly counteracted this liquidation.

Canada

Direct investments in Canada rose nearly 80 percent from 1929 to 1950, and it continues to lead as an attractive area for foreign investments. Much of this increase was concentrated in the five years after the end of World War II and was partly based on the reinvestment of earnings by the large number of firms already established in Canada.

Canadian investments, which are nearly four times as large as in the second-ranking country, have grown for several reasons:

1. Canada has always attracted a large volume of manufacturing investments because of its close ties with the United States, the similarity of its economic conditions, and the common language. Its relatively high per capita national income and well-organized distribution facilities provide a favorable market. Its proximity considerably

Table 3.—Value of direct investments in Latin America, 1929 and 1950

[Values in millions of dollars]

Country	Value		Percentage	
	1929	1950	1929	1950
Argentina.....	332	356	10	7
Brazil.....	194	644	6	14
Chile.....	423	540	12	11
Cuba.....	919	642	26	14
Mexico.....	682	415	20	9
Panama.....	29	348	1	7
Venezuela.....	232	993	7	21
Total of selected countries.....	2,811	3,938	81	83
Latin American Republics, total.....	3,462	4,735	100	100

simplifies the erection and supervision of plants across the border, affording many smaller firms the opportunity to branch out into Canadian operations. Because of these factors United States firms tend to consider Canada as an extension of their domestic sales area, and, as shown in appendix table 7, a larger number of American firms have investments in Canada than in any other country.

2. Canada is a major source of raw materials for American business which has invested heavily in a wide range of industries from paper and pulp to nickel, copper, and asbestos. In recent years major investments in the production of oil, iron ore, and titanium were added.

3. The inclusion of Canada in the Empire preference system adopted at Ottawa in 1932, coupled with the proximity factor, has made it profitable to manufacture in Canada

for export to other British Commonwealth countries. For this reason also a larger proportion of Canadian primary enterprises control secondary foreign organizations than do those of any other country.

Of the 7-year growth in Canadian investments after 1943 of \$1.2 billion, about \$750 million was from the reinvestment

of earnings of existing enterprises, about \$100 million was the result of the appreciation of the Canadian dollar, and about \$350 million came from all other factors, including new investments in excess of liquidations. The number of controlled organizations in Canada did not increase in proportion to the total expansion of investment value.

Europe, Africa, and the Orient

Investments in Europe, exclusive of those in iron curtain countries, changed very little between 1943 and 1950, but dropped from 23 percent of the total to less than 15 percent. Of special significance to American owners was the decline in investment in this area due to war losses and to political and economic realignments after the war. The sale of a major communications enterprise in Spain during 1945 further reduced investments in this area by about \$90 million.

On the other hand, American-controlled enterprises in the United Kingdom and other Western European countries reinvested about \$500 million between 1943 and 1950, and parent companies invested an additional \$200 million of new capital in the same period. In 1950 alone, investments in Europe increased by more than \$270 million.

As a consequence of changes resulting from World War II, direct investments in Europe at the end of 1950 were relatively more concentrated in the United Kingdom than ever before. Investments in Britain, which in 1943 had amounted to less than one-third of total investments in Western Europe, rose to about half of European investments at the end of 1950. However, the historic ratio of manufacturing investments to all other investments in that area remained at about 50 percent. In the United Kingdom the ratio of manufacturing to all other investments was about 64 percent, and would be higher if the refining of oil products were included as a manufacturing activity instead of carrying it under petroleum. By comparison, this ratio was 59 percent in 1943 and 56 percent in 1929.

Other countries with large American investments were France and Germany, with \$217 million and \$204 million, respectively. The investments in both countries had suffered severely as a consequence of the war; the dollar equivalent of these assets was further affected by currency devaluation. Much of this loss was made up by 1950 through new investments of about \$30 million in France and about \$8 million in Germany, and by reinvested earnings of about \$75 million in France and \$30 million in Germany.

Also, most balance sheets were affected by revaluations of corporate assets, both upwards and downwards.

Dependencies of European countries

American direct investments in Western European dependencies increased by about \$280 million to a total of \$435 million between 1943 and 1950 after adjusting the prior year for Indonesia which in 1950 is included in the "other countries" group (see appendix table 12). About 90 percent of the total was invested in the fast-growing raw-material producing industries, petroleum and mining and smelting. Investments in this area, while relatively small, grew at a faster rate than that of all foreign direct investments, and rose from about 1.5 percent of the total in 1929 to 3.7 percent in 1950.

Table 4.—Comparison of direct investments in Western Europe with world total

[Values in millions of dollars]

Year	All industries			Manufacturing		
	Total	Western Europe	Ratio	Total	Western Europe	Ratio
1929-----	7, 528	1, 264	17	1, 813	626	35
1936-----	6, 691	1, 165	17	1, 710	603	35
1943-----	7, 862	1, 785	23	2, 276	802	35
1950-----	11, 788	1, 720	15	3, 831	933	24

More than two-thirds of the investments in this area were in the British dependencies, mostly in petroleum properties and in the mining and smelting industry. The British dependencies also accounted for most of the net increase in this area since 1943.

Investments in the Netherlands dependencies, other than the former dependencies now organized as the Republic of

Indonesia, increased from \$60 million in 1943 to \$94 million at the end of 1950. Other dependencies had smaller additions, though investments in French dependencies rose by nearly \$20 million—from about \$13 million to \$32 million—again because of increased investments in petroleum facilities.

Other countries

American investments in the group of independent countries located in Africa, Asia, and Oceania amounted to \$1.3 billion at year end 1950 compared with \$0.5 billion in 1943. The 1950 totals include the sizeable American minority interest in a major Middle Eastern petroleum company which had been excluded from previous tabulations of direct investments. (On the other hand, investments in China are excluded from the current tabulation.) Investments in the countries in this grouping were about 6.5 percent of the world total from 1929 until 1943. Only in the 7 years up

Table 5.—American direct investments in Africa and Asia for selected years

[Millions of dollars]				
	1929	1936	1943	1950
Africa.....	102	93	129	353
Asia.....	395	417	403	1, 044

to 1950 was there a heavy investment outflow to these countries, raising the investment in this area to over 11 percent of the world total.

American interests were largest in the Arabian states. The investments in this group, including some British dependencies in Arabia, rose from about \$60 million in 1943 to about \$680 million in 1950. Nearly all of the investment

in these countries was in the petroleum industry. As indicated above, the rise from the 1943 total to the 1950 total included some oil investments not heretofore carried, but the remainder was caused primarily by the rapid development of American oil resources in the Arabian peninsula.

The value of direct investments in Australia at the end of 1950 was more than \$200 million, compared to about \$114 million in 1943. As in prior years, our investments were primarily centered in the manufacturing and petroleum industries. The increase of about \$85 million was mainly accounted for by an expansion of existing enterprises rather than by the establishment of American interests in major new industries, or by a large increase in the number of United States firms operating in Australia.

Investments in the Philippines were next in importance in this area, accounting for about \$149 million. Our stake in these investments accounted for the largest share of all foreign direct investments in the Philippines, according to figures published by the Philippine Government, and was about 50 percent higher than at the date of the previous census. The increased investments in manufacturing, trade, and petroleum in 1950 are generally indicative of the diversification of American investments in this country.

Direct investments in the Union of South Africa followed with about \$140 million as compared with a previous total of about \$50 million. Most of the investments in this country were in the petroleum, manufacturing, and mining and smelting industries.

Investments in other countries in this group amounted to nearly \$300 million, with about 60 percent invested in petroleum and about 20 percent invested in manufacturing. The remainder was mainly in agricultural and trade enterprises, with smaller amounts in other industries.

The value of direct investments in Africa and Asia, including dependencies of European countries, is shown in table 5.

Industrial Distribution of Investments

LARGE additional investments in manufacturing and petroleum after 1943 raised the share of these two industries to 32 percent and 29 percent, respectively, of 1950 total investment. In 1943, their combined share was about 47 percent. Although foreign investments in other industries also rose, their growth was less than the average, so that their proportionate share declined.

Some of the increase in direct investments was not by choice of the investor. In some countries, such as Argentina and Brazil, existing exchange restrictions on the remittance of earnings severely limit the amount of dividends or profits which can be transferred to parent companies, and thus force investors to retain a large portion of their earnings abroad. These amounts were frequently reinvested in plant facilities. However, most of the reinvestment of profits abroad was voluntary, the result of the companies' planned expansion of foreign operations (see also ch. 5).

In countries where investments were placed primarily in export industries, problems concerning the remittance of profits to parent companies or home offices were greatly lessened. The products were sold to a large extent in the United States or for United States dollars. Funds were

usually remitted back to the producing country in amounts sufficient to cover costs such as taxes, wages, salaries, and

Table 6.—American direct investments by major industries, 1943 and 1950

[Values in millions of dollars]

Industry	Value		Percent of total	
	1943	1950	1943	1950
All industries	7, 862	11, 788	100	100
Agriculture.....	503	589	6	5
Mining and smelting.....	973	1, 129	12	10
Petroleum.....	1, 393	3, 390	18	29
Manufacturing.....	2, 276	3, 331	29	32
Transportation, communication, and public utilities.....	1, 390	1, 425	18	12
Trade.....	654	762	8	6
Finance and insurance.....	374	425	5	4
Miscellaneous.....	300	237	4	2

other production costs or expenses. However, funds provided by net profits and most reserves were usually held in the United States.

Manufacturing

At the end of 1950, the manufacturing industry still led the petroleum industry by a considerable margin, maintaining its premier position in American direct investments abroad. Most manufacturing investments have gone to countries which were either well developed industrially or were making rapid progress in that direction (see table 7). This reflects the fact that a major prerequisite for the

establishment of manufacturing plants abroad is a sufficiently large market to permit the operation of facilities of an efficient size. In the case of many countries there was also the desire to preserve or enlarge markets which could not be reached by goods exported from the United States because of tariff barriers and exchange restrictions.

To serve markets in some of the industrially well-advanced

countries, American companies have frequently acquired an interest in, or obtained ownership of, existing local companies rather than establishing new subsidiaries of their own.

In less-developed countries, investments in manufacturing appear to follow the development of more basic resources,

after the latter have raised incomes sufficiently to create the necessary demand. Our investments in some of the major countries in Latin America, as well as in the Philippine Republic and some of the British Dominions, are examples of this process.

One of the more important results of this new census is the breakdown of broad industry groups into the major component subgroups; the last information of this type was in the Commerce Survey of 1940.¹ For the manufacturing industry, appendix table 14 shows the historic trends in these investments since 1929. For 1950, the table shows a rather even distribution of investments over a wide range of commodities.

Manufacturing investments abroad, which changed very little from 1929 to 1940, nearly doubled in the decade to 1950. Investments in food processing, electrical machinery, and paper and pulp in 1929 accounted for about 40 percent of the total. In 1950, the share of these industries was reduced to about 33 percent, although each had grown in total value.

Between 1929 and 1940 other industry groups, such as automotive products, chemicals and primary and fabricated metals, were growing in importance. In the 1940 decade there was an increase of approximately \$1.9 billion in all manufacturing operations; of this total, the largest increases were in chemicals, food products, machinery, and automotive products.

Investments were made in the "other industries" group, including such industries as textiles, building materials, precision equipment, and printing and photographic equipment which were not important fields for investment prior to 1940. However, much of the increase of \$390 million in this group since 1940 is caused by including certain additional industries for the first time—for example, printing and publishing, railroad equipment, ordnance equipment, aircraft and parts, and ship and boat building and repairing. If placed on a wholly comparable basis with earlier periods, this would increase the totals in some of the other manufacturing groups and decrease the amount carried under "all other manufacturing."

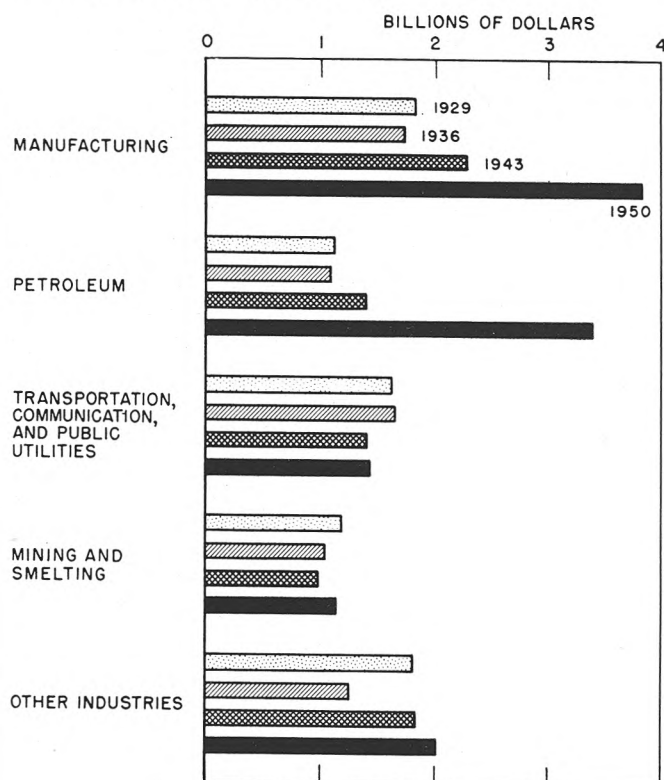
Generally, foreign investments were made in commodities in the production of which the American producers had become particularly proficient due to the large United States market, advanced technical know-how and the accumulation of financial strength, managerial experience and talent. This is borne out by the early concentration of these investments in the electrical industry, in food processing, and in agricultural and other machinery, followed by investments in paper and pulp, motor vehicles and equipment, chemicals and the fabrication of metal and rubber products. All are industries in which American production techniques are among the most advanced in the world.

Canada

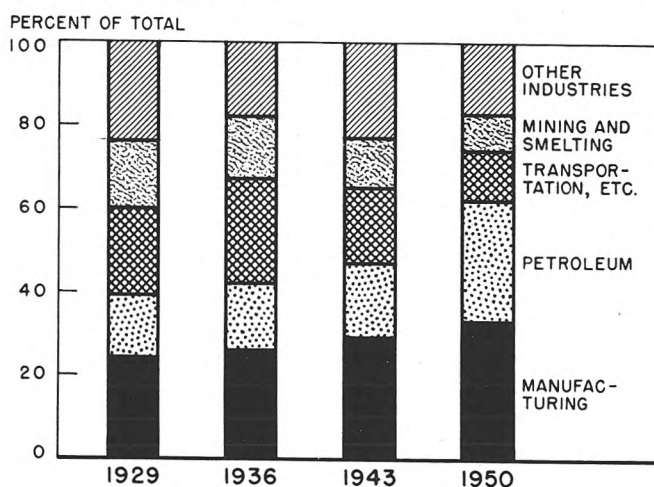
Of approximately 2,500 foreign organizations reported by American parent companies as operating in some branch of

U. S. Direct Investments Abroad, By Industries

Manufacturing and petroleum show rapid postwar growth . . .



and account for increasing share of total investments



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

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1. American Direct Investments in Foreign Countries, 1940, United States Government Printing Office, Washington, D. C., 1942.

manufacturing abroad, about 930, or 37 percent, were located in Canada and accounted for about 50 percent of all manufacturing investments abroad. This represents an investment per foreign organization considerably in excess of the average for the world.

A breakdown of manufacturing investments in Canada into major commodities shows in many respects a resemblance to the investment pattern in the United States, except for the near exclusion of certain industries such as steel making, ordnance, and apparel.

The development of manufacturing operations in Canada corresponded closely to that for United States companies elsewhere. The total of manufacturing investment was relatively stable between 1929 and 1940, but doubled in the decade to 1950.

The largest industry groups in Canada in 1929 were paper and pulp, primary and fabricated metals, and motor vehicles and equipment, accounting for more than 50 percent of the total. In 1950, their share of total manufacturing investments was reduced to about 40 percent.

The industries rising most rapidly between 1929 and 1940 were food, chemicals, primary and fabricated metals and paper. These were up about \$160 million; all other industry groups combined declined about \$35 million net. However, in the ensuing 10 years all manufacturing industries shared in the total addition of \$950 million.

Much of this expansion was due to reinvestment of profits of about \$650 million. The largest increases were registered in primary and fabricated metals, machinery (other than electrical), food, chemicals, and motor vehicles and equipment, for a combined total growth of nearly \$600 million. A part of the growth of manufacturing represented the additional investment needed to handle the distribution of the manufactured products.

Europe

Exclusive of manufacturing investments in the iron curtain countries, amounting to about \$125 million before the war, the increase in manufacturing investments in Europe from 1940 to 1950 was more than 80 percent. Most of this expansion was financed internally through the reinvesting of a major portion of foreign earnings after the end of the war and to a lesser degree, through the flow of additional capital from the United States.

Like Canada, the United Kingdom has many advantages to offer American manufacturers for the establishment of subsidiary operations. Among these advantages are an important local market, a supply of skilled labor, an advantageous position for export into other British Empire countries, and, in addition, a common language and familiar institutions.

In Europe, the American manufacturing subsidiary—often an assembly plant—is the most frequent type of direct investment enterprise. Most investments in other industries, such as public utilities, raw material production and service industries, are preempted by local capital.

The most important manufacturing groups in Europe in 1929 were electrical and other machinery and motor vehicles, which together then accounted for 50 percent of total manufacturing investment. The largest increases in the thirties were in motor vehicles and equipment, machinery other than electrical, and food. Investments in the remaining manufacturing industries declined by \$107 million during the same period.

Table 7.—Manufacturing investments in principal countries, 1943 and 1950

[Millions of dollars]

Country	1943	1950	Increase
Canada.....	941	1, 897	956
United Kingdom.....	307	542	235
Brazil.....	66	285	219
Mexico.....	22	133	111
Argentina.....	101	161	60
Australia.....	48	98	50
France.....	75	114	39
Union of South Africa.....	11	44	33
Venezuela.....	1	24	23
Colombia.....	6	25	19
Total for 10 countries.....	1, 578	3, 323	1, 745
Total for world ¹.....	1, 884	3, 705	1, 821

1. Excluding investments in Germany, Austria, Yugoslavia, Eastern Europe, and China, which were reduced or eliminated by war damage and nationalization.

Between 1940 and 1950 all industries gained, led by machinery (including electrical equipment), motor vehicles and equipment, and primary and fabricated metals, the combined increase amounting to nearly \$200 million. Most of this new investment took place in the United Kingdom, though important investments were also made elsewhere in this area.

Other Western European countries with important United States investments in manufacturing were Germany and France, with \$123 and \$114 million respectively. While German investments were less than half their prewar size (including all Germany in the prewar figure) mainly because of war losses, French investments had risen considerably, financed by reinvestment of profits and new capital.

Latin American Republics

Manufacturing investments grew fastest proportionately in Latin America (270 percent over 1940) though the absolute increase in Canada was larger and total investments in Europe at the end of 1950 still outranked those in the Latin American Republics. In 1929 the investment in the food industry alone, mainly meat packing plants, accounted for more than one-half of all manufacturing investments in Latin America. The decrease in the book value of these meat packing plants during the thirties caused overall manufacturing investments to drop about 10 percent by 1940. However, the postwar business boom spurred many American companies to make sizable manufacturing investments south of the border.

Instrumental in this development was the war prosperity in most Latin American countries, and the fact that the war had cut off the Latin American market from the European sources which earlier had supplied a major portion of their imported manufactured goods. Subsequent economic development and conservation of dollar resources led to an increase in manufacturing investments in all categories. From 7 percent of total investments in that area in prewar years, these investments rose to 12 percent in 1943 and to 16 percent in 1950. The largest amounts were invested in chemicals, food, electrical equipment, motor vehicles and equipment, and rubber products. But a substantial amount went into the "all other" group.

Other areas

The investment experience of the manufacturing industry in the rest of the world (Western European dependencies and other countries) was also characterized by a near doubling

of the investment in the decade to 1950, after it had remained fairly stable between 1929 and 1940. However, the area's manufacturing portion of total investment dropped from about 20 percent to 13 percent because of the fast growth of the petroleum industry.

Investments in the machinery industries (including electrical equipment) accounted for more than one-half of the manufacturing total in 1929 but for less than one-fifth in 1950. The most significant change in manufacturing from 1929 to 1940 was the growth of the motor vehicles and equipment industry by about \$39 million, to raise its amount of the total to 30 percent at the latter date. The large expansion of the rubber industry, and the doubling of the investment in the food, chemicals, and machinery (other than electrical) industries, accounted for three-quarters of the total rise between 1940 and 1950. Most of this new investment was in the British Dominions, which had attracted manufacturing investments to an increasing degree.

Petroleum

The greatly expanded American demand, as well as increased requirements abroad, has resulted in the development of foreign sources for certain raw materials of which the United States is a major consumer or for which it was formerly a major source of supply. In particular the search for new sources of supply for petroleum and its products has resulted in a large increase in investments in Venezuela, the Persian Gulf area, and more recently, in Canada. Along

Table 8.—Petroleum investments in crude-producing countries, 1943 and 1950

[Millions of dollars]

Country	1943	1950	Increase
Persian Gulf area ¹	55	659	604
Venezuela.....	341	857	516
Canada.....	161	418	257
Total for selected countries.....	557	1, 934	1, 377
Total for world.....	792	2, 264	1, 472

1. Includes Saudi Arabia, Iraq, Jordan, Lebanon, Syria, Aden, Bahrein, Kuwait, and Qatar.

with investments in raw material production there have been additional investments in refining, processing, and distributing these raw materials.

Because some of the major corporations in the petroleum industry combine several stages of production, transporta-

tion, and distribution, the financial reports used in this Census do not permit a segregation of the various activities; all are included in petroleum. A partial breakdown may be obtained, however, by isolating the investments in those countries in which crude petroleum is not produced. At the end of 1950, investments in such countries amounted to \$1.1 billion.

United States petroleum investments in other countries increased from \$0.8 billion in 1943 to \$2.3 billion in 1950. Of this increase, the table shows that over 93 percent was distributed among Venezuela, Canada, and the countries of the Persian Gulf area.

The near trebling of investments of the oil industry abroad since the end of the war had its roots in the following causes:

1. The war had destroyed or damaged a significant portion of foreign producing and refining capacity and distributing facilities, which were not only reconstructed at higher costs but were also modernized and expanded.
2. There was an increase in the world demand for oil during the war years which was not fully matched by the increased output from the producing areas then available. Many United States companies found it necessary to expand foreign production to meet this expanding demand, and especially to meet the requirements of foreign markets.

The industry's ability and willingness to expand through the employment of its own funds rather than by borrowing has been well documented in the past.² This was largely made possible by tax legislation which permits oil companies to charge off, for the computation of income taxes, an allowance for the depletion of oil and gas wells of 27½ percent of the gross income from the property, or 50 percent of the net income, whichever is smaller.

American companies have utilized their earnings to expand foreign oil properties. They have also borrowed from financial institutions in the United States for the purpose of building pipelines and constructing tankers. Of the total 1943-50 increase in oil investments of about \$2.1 billion (adjusted for oil properties nationalized by foreign governments) about \$0.3 billion was financed by private United States financial institutions. The parent companies directly provided about \$1.8 billion, or 60 percent as much as the aggregate of their foreign earnings.

Latin American Republics

As shown in table 9, in 1950 more than 40 percent of all United States oil investments abroad were in the Latin American republics. The proportion had declined from about 45 percent in 1943, and 55 percent in 1929, despite more than doubled investments. It was estimated that at the end of 1950 about half of the investment was in crude oil production or exploration, and that the remaining half was split about evenly between refining operations and the distribution of crude and refined oil (including investments in tankers and pipelines).

While most of the investment in Latin America was made in the production and refining of Venezuelan oil—and in shipping subsidiaries organized in Panama and engaged in the transportation of Caribbean and other oil to world markets—there were also other sizeable investments. These included the reestablishment of some oil companies in the Mexican market as distributors and as co-developers with the government-owned Mexican oil industry in some of the Mexican oil fields which were nationalized in 1938. Other investments of note were made in Peru, Colombia, and Brazil.

The large oil investments in Venezuela were in all phases of oil exploration, production, refining, and transportation. This development is mirrored in oil statistics which show that production of oil in Venezuela rose from 487,000 barrels per day in 1943 to 1,498,000 in 1950. In the same period proven reserves of oil in Venezuela rose from about 6 billion barrels to 9.5 billion barrels. American investments were also the major factor in erecting a sizable refining industry with a throughput of 350,000 barrels per day in 1950 compared to 92,000 in 1943.

The importance of oil investments to the Venezuelan economy is illustrated by the fact that 62 percent of Venezuela's 1952 budget receipts of \$585 million was derived from

the oil industry. In addition, the oil industry provides jobs for 45,000 workers who have an average standard of living higher than any other large group of workers in the country.

Canada

Of all United States direct investments in Canada petroleum showed the largest proportionate increase from 1943 to 1950. Petroleum investments in this country con-

Table 9.—Petroleum investments abroad, by area and selected years

[Values in millions of dollars]

Year	Total	Canada		Latin American republics		Western Europe		All other countries	
		Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total	Value	Per-cent of total
1929-----	1, 117	55	5	617	55	231	21	214	19
1936-----	1, 074	108	10	453	42	275	26	238	22
1940-----	1, 277	120	9	572	45	306	24	280	22
1943-----	1, 393	161	12	618	44	370	26	244	18
1950-----	3, 390	418	12	1, 408	42	424	13	1, 140	34

tinued their rapid growth after 1950, adding more than 40 percent in 1951, mainly through the investment of new United States capital.

The sharp rise since 1943 stemmed from the large postwar oil and gas discoveries in the Western provinces of Canada. These resulted in investment of large amounts by practically all sizable American oil companies. The new investments were divided between the exploration and production of oil and natural gas and the erection or expansion of refining, marketing, and transportation facilities. The latter included important pipeline projects to transport crude oil to the refining centers and oil consuming areas of the industrialized Eastern provinces of Canada.

Largely because of the American development of the Canadian oil industry, Canadian proven reserves of oil jumped from 200 million barrels in 1947 to 1.2 billion barrels in 1950. Production of crude oil rose from 21,000 barrels per day in 1947 to 79,000 in 1950, and refining capacity rose from 260,000 barrels throughput per day to 305,000. At the end of 1952, Canadian reserves of oil had risen to 1¼ billion barrels, crude production was up to 169,000 barrels per day, and refining capacity was at 371,000 barrels per day throughput.

It is estimated that oil produced from 1948 through 1951 saved the Canadian economy over \$300 million of foreign exchange (over \$100 million in 1951 alone); thus, it constitutes an important contribution to the Dominion's foreign trade balance.

Europe

American petroleum investments in Europe have always been in the field of marketing, distribution and refining of

2. *Financial Analysis of Thirty Oil Companies for 1948*, by Joseph E. Pogue and Frederick G. Coqueron, The Chase National Bank, June 1949.

imported crude oil. This remained unchanged in the forties with most of the new investment capital going into the rehabilitation of refineries and reestablishment of distribution organizations which had suffered due to war action or because of the loss of control by parent companies. Adjusted to omit investments in Eastern European countries now behind the iron curtain, total petroleum investments in 1943 were about \$300 million—as compared with about \$424 million in 1950 and nearly \$500 million in 1951.

It is estimated that about half of this investment was in refining facilities and half in distribution and marketing, with crude oil exploration and production an insignificant part of the total.

Oil investments in the United Kingdom were largest, accounting for about 30 percent of the European total. Next in order of importance were France, the Netherlands, Germany, and Italy. Most of the new capital invested in recent years has been in building new refineries and in rehabilitating older plants, with a smaller amount going into distribution facilities, including tankers. In the case of rehabilitation and replacement of foreign plants, the higher investment totals represent to some extent the higher cost of replacement of facilities, over the value carried for the old ones. Oil investments in Germany dropped from \$95 million in 1939 to about \$38 million in 1950 due to war losses and exchange depreciation.

Other countries

The most striking rise in petroleum investments since 1943 (\$896 million, or more than 3½ times the 1943 total), occurred in the rest of the world comprising the Western European dependencies and all other countries in the Middle and Far East and Africa. An estimated 50 percent of these investments was in the production of crude oil, with an additional 10 percent in refining facilities. Transportation and distribution of the crude and refined oil products accounted for the remaining 40 percent of the total investment.

The petroleum areas in which American companies are mainly interested cluster around the Persian Gulf. There, oil investments rose by more than \$600 million, though this included some investments not previously counted as direct investments. Properties were also located in Indonesia and Netherlands New Guinea, and important refining and marketing operations were carried on in the Netherlands West Indies, the British Dominions, the Philippine Republic, and Egypt.

The installations in the Persian Gulf area,³ which contains some of the richest oil deposits in the world, were in the main built up after the end of the war. In addition to development of oil producing fields, extensive refineries, pipelines, storage facilities, and port and dock facilities were built. The area's oil reserves, which in 1946 had been estimated at 20 billion barrels, had risen by 1950 to 35 billion barrels and at the end of 1952 stood at nearly 50 billion barrels. United

States-controlled production of crude oil had risen from about 80 million barrels in 1946 to about 290 million in 1950 and to about 490 million in 1952.

PUBLIC UTILITIES

Investments in public utilities (including transportation and communications) while maintaining the third ranking position increased by only \$35 million over the 1943 figure. Two large communications companies in Spain and Argentina were sold for nearly \$200 million after the war; other properties increased by \$237 million. Almost 75 percent of the total investment in this industry at the end of 1950 was located in the Latin American republics, and 20 percent in Canada.

About half of the investment in this industry was in electric light, power and gas, about 10 percent in communications, and about 40 percent in transportation (excluding oil tankers and pipelines owned by petroleum companies).

In recent years private investments in public utilities have been deterred because in many foreign countries this industry has become increasingly regarded as a field for local private or government development. Also, in many countries rates of return on these investments have been low because of restrictions imposed by foreign governments.

To a large extent postwar investments in this field were financed through foreign loans from the International Bank for Reconstruction and Development and the Export-Import Bank. Thus, United States capital is still partly instrumental in increasing such investments, although not much is done through private channels. In Eastern Europe and China such investments were actually or virtually confiscated.

Public utility investments are sizeable in only about 10 countries, and of these all but the Philippine Republic are in the Western Hemisphere. There was a reduction of about \$70 million from the 1943 value of public utility investments in Canada, but this was mainly due to reclassifying a few companies from the direct-investment category.

Nearly all the investment in Panama coming under the heading of public utilities represents the value of ships owned by Panamanian subsidiaries or branches of United States shipping companies. The increase since 1943 largely represents additions to this fleet.

MINING AND SMELTING

Investment in the mining and smelting industry has been highly concentrated (see table 10). This situation remained basically unchanged from 1929 to 1950, with these investments still overwhelmingly located in the Western Hemisphere. Such investments as have been made outside that area, especially in recent years, have been primarily in Africa, an area which has great mineral potentialities and

3. Kuwait, Iraq, and the Arabian States.

where an expansion of such investments had been anticipated for a long time. Mining investments in Africa, which were \$23 million in 1943, were about \$65 million in 1950. The remaining mining investments were scattered in small amounts.

Table 10.—Mining and smelting investments in selected countries, 1929 and 1950

[Values in millions of dollars]

Country	1929		1950	
	Value	Percent of total	Value	Percent of total
Canada.....	400	34	334	30
Chile.....	331	28	351	31
Mexico.....	230	19	121	11
Peru.....	79	7	55	5
Western Hemisphere, total.....	1, 132	96	963	85
World, total.....	1, 185	100	1, 128	100

Investments in the mining industry are among the oldest United States direct investments. An earlier study of the Department of Commerce notes: "As rich as are the mineral resources of the United States, American mining interests in foreign countries date as far back as 1829. The earlier investments were in gold and silver mines in Mexico, long renowned in history and romance for its mineral wealth."⁴ The same report states further on: "Of the properties still held [in 1929] by American corporations, 14 were acquired before 1900 and, of these, 10 were in Mexico . . . After 1900 Canadian mineral resources began to attract American capital, but even then Mexico was far in the lead."⁵

Of total investments of about \$1,128 million in mining and smelting enterprises abroad at the end of 1950, about \$872 million, or more than three-quarters, was invested in base metals other than iron. The remainder was invested in about even proportions in nonmetallic minerals, precious metals, and iron ore. Except for the earliest investment periods, when exploration for, and development of, precious metals had the strongest appeal for the investors of the United States and when shares in gold mine ventures found a ready public, investment in mining enterprises has been dictated largely by the industrial needs of this country.

The interest in developing foreign properties was centered on copper, the domestic production of which is generally insufficient to meet our needs. Investors in foreign copper mining properties have as a rule been American corporations producing copper in this country. Thus their investments abroad have been stimulated by their desire to supplement their domestic reserves and the need to find producing properties outside the United States to satisfy domestic and foreign market needs.

The earliest and most important copper investments were made in Latin America, and to a lesser extent in Canada. Later investments were made in Northern Rhodesia and in the Union of South Africa. The policy of supplementing insufficient domestic resources by developing foreign production has also been followed in other metal mining industries.

Such projects resulted in the developing production of nickel in Canada, vanadium in Peru and Africa, bauxite in the Caribbean area, tin in Bolivia and Malaya, and lead and zinc, partly as byproducts, in Mexico, Peru, Australia, and Africa.

Nonmetallic mineral production followed a similar pattern of exploration outside the borders of the United States, and investments stimulated the production of asbestos and gypsum in Canada, nitrates in Chile, and sulphur in Mexico.

The investment in precious metals production has declined continuously over the past 20 years. While in 1936 it still represented 20 percent of our total mining investments abroad, it dropped to 13 percent of the total in 1940, and to less than 7 percent in 1950. These investments are nearly evenly split between Canada, Latin America, and the "other countries" group. In recent years some renewed investment activity has taken place in this mining category, especially in the Union of South Africa.

The development of iron ore mining as an important American mining investment abroad is of recent origin and finds its motivation in the heavy depletion of the Mesabi range and other Lake Superior iron deposits during and after World War II. As a direct consequence, major exploratory and development work was carried on abroad to create new and accessible sources of supply. The largest iron ore deposits were discovered or developed in Canada (the Labrador and Steep Rock Lake districts), in Venezuela near the Orinoco river, and in Liberia. Smaller iron ore mines are worked or owned in Chile, Cuba and elsewhere.

About 85 percent of all mining investment is located in the Western Hemisphere. Nine-tenths of this is in Chile, Canada, Mexico, and Peru (see appendix table 4). In other areas, the largest investments are in the Union of South Africa, Northern Rhodesia, and Australia.

AGRICULTURE

Investments in agricultural properties, which had declined sharply in the decade after 1929 due to widespread reorganizations and property writedowns, rose again after 1940 and continued to increase moderately to 1950 when they amounted to \$589 million.

About 60 percent of the investment was in sugar producing facilities, including sugar refineries and other related properties. These are located primarily in the West Indies, as can be seen from appendix tables 4 and 6. Nearly \$155 million was invested in fruit production, particularly bananas in the Central American Republics. The \$28 million invested in rubber plantations was in Southeast Asia and Liberia.

4. *American Direct Investments in Foreign Countries*, Trade Information Bulletin No. 731, Government Printing Office, 1931, p. 34.

5. *Ibid.* p. 46.

Timberlands, cattle ranches and other agricultural properties, for the most part located in Canada and the Latin American republics, involved an investment of over \$49 million.

Investments in agriculture have become more highly concentrated in the Latin American Republics since 1943. To some extent this was accounted for by the loss suffered by rubber plantations in Indonesia. Mainly, however, it was because of new investments to develop banana lands in Latin America and the continued investment in sugar properties in the Caribbean area.

TRADE AND SERVICE INDUSTRIES

Investments in the trade and service industries⁶ (other than those directly connected with manufacturing and petroleum) were valued at more than \$1.4 billion. Some of the increase from earlier years shown in appendix table 13 was due to a new treatment of insurance companies, which were excluded entirely in the year 1929 and included at lower valuations in 1936 and 1943. However, these modifications had only a minor effect on the reported growth of \$671 million in the years following 1936—more than four-fifths of which had occurred by 1943.

Most of this investment was in trade; since 1943 United States investments in this industry in the Western Hemisphere have risen by more than \$200 million, while there was some decline in Europe. About 70 percent of the trade investment was in the wholesale category, consisting mainly of organizations distributing products manufactured in the

6. Aside from trade, this includes finance, insurance and miscellaneous industries.

United States. Most of the remainder was in retail trade, of which about half was in the Western Hemisphere and nearly 40 percent in Europe. The amount invested in purchasing organizations amounted to only about \$12 million.

Investments in the finance and insurance industries came to about \$425 million, of which three-quarters was in Canada, 16 percent in the Latin American republics, and 9 percent in Europe. Canada accounted for practically all of the insurance investment and nearly two-thirds of that in banking and finance.

In the miscellaneous group of enterprises, of \$237 million invested, \$112 million was in the motion picture production and distribution field. Half of this was in Europe, including about \$42 million in the United Kingdom. The motion picture industry's investment in the rest of the world consisted primarily of motion picture theaters and accounts receivable for film rentals.

Other industries included in the miscellaneous group are commercial real estate (\$38 million), contract construction (\$29 million), and "all other" (\$58 million). About \$50 million is located in Canada, \$28 million in Latin America and about \$36 million in Europe.

There was a moderate decline in the overall total of these investments from 1943, though an area breakdown reveals a sharp decline in Europe partly offset by an increase in Canada. Other areas were not greatly changed. Totals for 1929 and 1936 included ocean shipping, docks and port facilities, and grain elevators, which in conformity with the Standard Industrial Classification are shown in this census as part of transportation, communication and public utilities, and printing and publishing, now classified in manufacturing. Therefore a direct comparison of the 1950 totals with those for the earlier years is not feasible.

Structure and Ownership of Investments

THE form of organization most frequently adopted for foreign operations is the subsidiary or affiliate incorporated under the laws of some foreign country. Of the approximately 7,500 foreign organizations¹ more than 5,000, or two-thirds of the total number, were foreign-incorporated enterprises. These accounted for 71 percent of the total investment value. The remaining one-third of the organizations took the form of branches, partnerships, or sole proprietorships.

In both Canada and Western Europe about 90 percent of all investments, by value, were in foreign corporations. In the rest of the world the ratio was below 60 percent.

Corporations versus branches

The reasons for the preference for foreign-incorporated enterprises can only be inferred, and may differ from company to company, as well as among varied foreign situations. Probably the principal one is that the earnings of a foreign corporation are not ordinarily taxable in the United States unless paid out as dividends to the United States owner of the stock. This enables an investment to be built up through the retention of profits more rapidly than under the branch form of organization in any country where the income tax rates are lower than in the United States.

The more than average prevalence of the subsidiary form in the manufacturing industry in most countries may be attributable in part to the fact that local incorporation—especially if accompanied by some local capital participation—

confers a degree of consumer acceptance frequently withheld from foreign organizations.

Obviously, if outside equity capital participation is desired, either from foreign or other United States investors, the corporate form of organization is necessary. Although such corporations could be organized either in the United States or abroad, in the great majority of cases where 100 percent ownership by the parent company does not exist, the companies are organized in the countries where they operate.

In general, it appears that the branch form of organization predominates only in the extractive industries—petroleum, mining, and agriculture—and then only in less developed countries where corporation laws may not be suitable to the operations of a large modern business enterprise.

In the case of petroleum companies, the branch form allows the use of the special depletion allowances granted to United States incorporated petroleum-producing companies. These allowances, in view of the fact that only 15 percent of the dividends paid to the United States parent company is taxable income, may in some instances result in a lower total tax payment than would have to be made on the earnings of foreign-incorporated subsidiaries.

Again, United States corporations deriving substantially all their income from Western Hemisphere countries outside the United States get the benefit of a special rate which effectively reduces their United States tax liability by an amount equal to 14 percent of their taxable income. This frequently makes it worthwhile to organize a subsidiary company under United States laws to engage in foreign business.

Some branches of United States companies are found in nearly every country, though some countries require local incorporation in certain industries and thus limit the field of branch operations.

1. When two or more foreign organizations were consolidated by the reporting company in submitting its report, or were consolidated by the Department in the editing process, only a single entry was recorded. The number of legally separate foreign units is therefore larger than 7,500.

Financial Structure

The total holdings of Americans in United States-controlled foreign corporations in 1950 amounted to \$8.5 billion.² Of this amount 33 percent was represented by common stock, 3 percent by preferred stock, over 4 percent by capital surplus, 34 percent by earned surplus, 4 percent by surplus reserves, and 22 percent by liability items such as intercompany accounts, bonds, mortgages, debentures, and notes.

Geographic differences in the financial structure of foreign corporations (appendix tables 8 and 9) reflect the char-

The financing of foreign operations through intercompany notes and advances differed sharply by areas (see appendix tables 8 and 9). In 1950, for Canada and Europe combined, the ratio of these intercompany accounts to total investment by Americans in foreign corporations was 9.5 percent. For less highly developed areas—the Latin American republics, Western European dependencies, and “other countries”—it was then more than double, or over 23 percent of the total investment.

Table 11.—Percentage distribution of assets of direct-investment enterprises, 1950

	Current assets	Fixed assets	Other assets	Total assets	Total assets	
					Foreign corporations	Branches
Total	54	40	6	100	69	31
Industries						
Agriculture.....	33	53	14	100	62	38
Mining and smelting.....	41	53	6	100	68	32
Petroleum.....	36	59	5	100	67	33
Manufacturing.....	65	30	5	100	95	5
Transportation, communication and public utilities.....	13	84	3	100	75	25
Trade.....	77	16	7	100	78	22
Finance and insurance.....	94	(1)	6	100	17	83
Miscellaneous.....	40	46	14	100	84	16
Areas						
Canada.....	64	32	4	100	79	21
Latin American republics.....	41	53	6	100	55	45
Western Europe.....	66	26	8	100	87	13
Western European dependencies.....	47	44	9	100	80	20
Other countries.....	51	45	4	100	57	43

1. Less than one-half of one percent.

acteristics of dominant industries in these areas. The proportionately large investments in bonds, mortgages and debentures in Canada and Latin America involve the financing of public utilities, tanker fleets, and some manufacturing enterprises (notably paper and pulp) through recourse to creditor capital from sources outside the parent companies. Large holdings of common stocks of Canadian and European corporations are associated chiefly with investments in the manufacturing industry.

2. This figure, of course, excludes branches.

Local capital utilized

The active capital markets of Canada and Europe make it possible for American affiliates to finance a larger amount of their capital needs locally and at a cost more in line with the United States cost of similar borrowing. Also, American operations in Canada and Europe are generally older than in the rest of the world (except in parts of Latin America) and therefore—having established their credit rating and position in the business world—may be better able to borrow locally than are the newer enterprises elsewhere. In addition, their concentration in manufacturing plants producing for local markets makes it relatively easy for corporations in these areas to obtain local capital in the form of bank loans or through the sale of senior securities.

This is not the case with investments in most other areas, which are highly concentrated in raw material production for United States or international consumption.

In Latin America, the Middle East, and the Far East, local capital is scarce and the cost of borrowing high compared to the cost in the United States. It is therefore often to the advantage of corporations to borrow money or raise capital in the United States for foreign operations rather than to raise funds abroad.

While the investment in common and preferred stocks and capital surplus for all industries combined accounted for about 40 percent of the total investment, it varied considerably by industries. In the miscellaneous industry it accounted for as little as 32 percent, and in mining and smelting as much as 55 percent of total investment.

In agriculture, manufacturing, trade and finance, the surplus accounts—reflecting retained profits of past years—were the most important means of financing. The transportation, communication, and public utility industry was financed to a large extent by creditor capital made up of bonds, debentures, notes, and intercompany advances. This industry also has proportionately the lowest amounts of surplus, indicating its generally low earnings record.

Table 12.—Total assets of direct-investment enterprises abroad, 1949 and 1950

[Millions of dollars]

Areas	1949	1950	Increase	Industries	1949	1950	Increase
All areas	19, 551	22, 192	2, 641	All industries	19, 551	22, 192	2, 641
Canada.....	5, 732	6, 759	1, 027	Agriculture.....	706	757	51
Latin American republics.....	7, 007	7, 397	390	Mining and smelting.....	1, 487	1, 689	202
Western Europe.....	3, 837	4, 393	556	Petroleum.....	4, 893	5, 495	602
Western European dependencies.....	795	814	19	Manufacturing.....	5, 924	6, 791	867
Other countries.....	2, 180	2, 829	649	Transportation, communication and public utilities.....	2, 115	2, 217	102
				Trade.....	1, 181	1, 326	145
				Finance.....	2, 700	3, 362	662
				Miscellaneous.....	545	555	10

Assets of Direct-Investment Companies

The American investment in allied foreign organizations of all types amounted to \$11.8 billion.³ The total resources employed abroad in these organizations came to \$21.9 billion,⁴ after consolidating balance sheets of primary and secondary foreign organizations (see appendix tables 16 and 17). The difference of \$10 billion represents foreign investment or other foreign funds utilized in these enterprises, either in the form of securities or various kinds of accounts payable, including unpaid wages and taxes as of the end of 1950.

Nearly 54 percent of the total assets were current and 40 percent were fixed assets. The remaining 6 percent, classified as other assets, comprised a variety of items such as investments in and advances to companies other than subsidiaries, and intangible assets such as patents and goodwill. Table 11 shows a percentage breakdown of total assets by industries.

The highest fixed asset ratio was in the transportation, communication, and public utility industry. Following came the petroleum, agriculture, and mining and smelting industries. These industries have large investments in land, concessions, and facilities that account for a higher than average ratio of fixed assets.

Fixed assets in the other industries were lower, and in the case of finance and insurance were less than half of 1 percent. Since this last industry has large current assets abroad which are almost entirely offset by foreign liabilities—largely deposits by foreign depositors and insurance reserves—it con-

siderably inflates and distorts the total asset ratios. Exclusive of the assets of this industry, the overall ratios of current and fixed assets to total assets were each 47 percent. The remaining 6 percent consists of the "other assets" described above.

Table 13.—Total assets, owners' share, and liabilities of direct investments, 1950

[Billions of dollars]

	Total assets	United States investment		Foreign owners' investment ¹	Liabilities to foreigners ²
		Equity capital	Creditor capital		
Total	22. 2	9. 9	1. 9	2. 3	8. 1
Areas					
Canada.....	6. 8	3. 0	. 6	1. 0	2. 2
Latin American republics.....	7. 4	3. 9	. 8	. 3	2. 4
Western Europe.....	4. 4	1. 5	. 2	. 4	2. 3
Western European dependencies.....	. 8	. 3	. 1	. 2	. 2
Other countries.....	2. 8	1. 1	. 2	. 4	1. 1
Industries					
Agriculture.....	. 8	. 6	(³)	(³)	. 2
Mining and smelting.....	1. 7	1. 1	(³)	. 3	. 3
Petroleum.....	5. 5	2. 9	. 5	. 8	1. 3
Manufacturing.....	6. 8	3. 2	. 6	. 9	2. 1
Transportation, communication, and public utilities.....	2. 2	. 9	. 5	. 2	. 6
Trade.....	1. 3	. 6	. 1	. 1	. 5
Finance and insurance.....	3. 4	. 3	. 1	. 1	2. 9
Miscellaneous.....	. 6	. 2	(³)	(³)	. 4

1. Includes equity in common stock and surplus, and bonds, notes, mortgages, etc.

2. All other liabilities and reserves obtained by deducting the sum of columns 2, 3, and 4 from column 1.

3. Less than \$50,000,000.

3. This figure exceeds the \$8.5 billion investment figure discussed in the preceding section by \$3.3 billion, representing net investment in foreign branches. The United States investment in branches consists of home office accounts which in turn are equal to the net assets of the branches.

4. This differs from the total used elsewhere because of the exclusion of accounts receivable from parent companies in the United States.

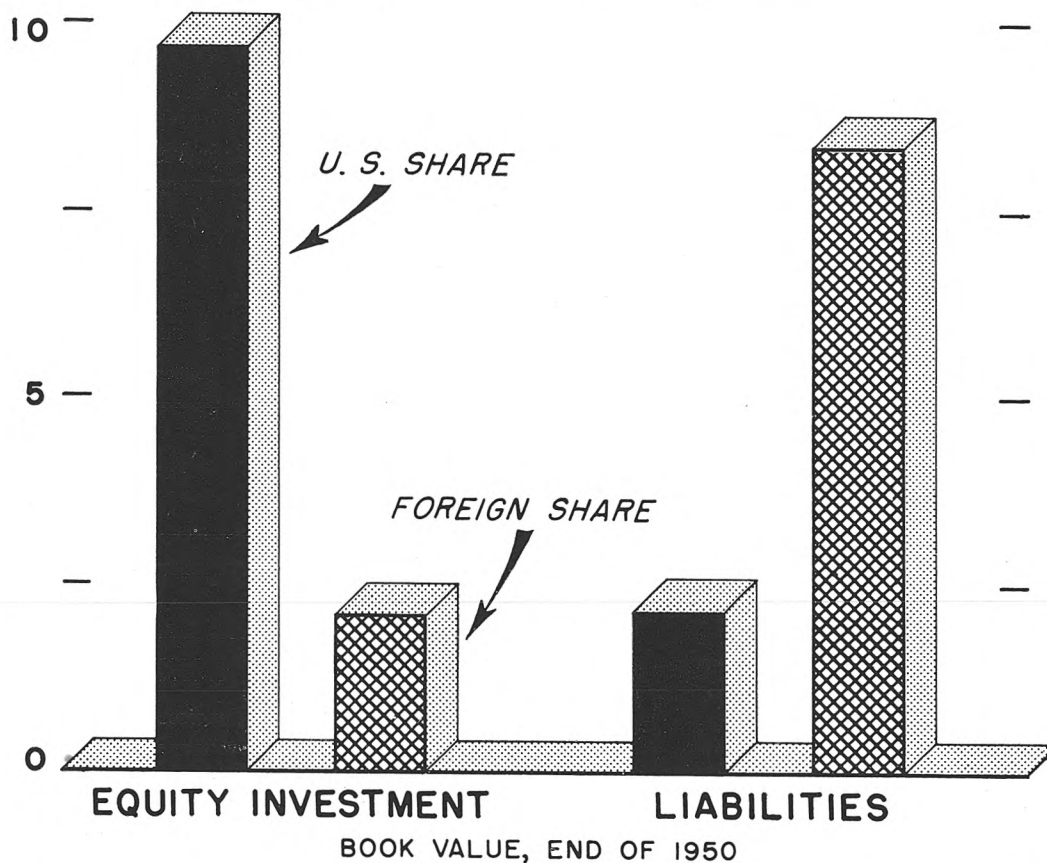
Sources of Funds

of Direct Investment Enterprises

Most of the equity investment is from U. S. sources . . .

while the liabilities — mainly current — are largely due to foreigners

BILLIONS OF DOLLARS



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

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On an area basis, Latin America has the highest ratio of fixed assets to total assets because of the importance of the public utility industry in that area, and the relatively high proportion of agricultural, mining and smelting, and petroleum investments. All of the latter typically have a higher than average ratio of fixed to total assets. Europe, with its large volume of investments in manufacturing, trade and finance, showed the lowest ratio for any area—26 percent.

Of total 1950 assets of \$22.2 billion, foreign corporations owned 70 percent and foreign branches 30 percent. This ratio varied widely by area and by industry. The highest percentage of foreign corporate assets for any one area was 87 percent in Western Europe. On an industry basis, the highest percentage of foreign corporate to total assets, 95 percent, was in manufacturing.

Branch assets were highest in Latin America where 45 percent of total assets were in branch operations. Branches are particularly important in the Caribbean area where large investments in petroleum and agricultural enterprises are located.

The increase in total assets was concentrated in Canada and the "other countries" area, and on an industry basis, in manufacturing, petroleum, and finance and insurance.

Investment and total assets compared

As shown in the chart, foreign funds employed by direct-investment enterprises were about half⁵ of their foreign assets. The foreign participation consists primarily of current advances, accounts payable, liabilities for taxes and wages, unpaid interest and dividends. However, in Canada and Western Europe, and in those "other" countries where the foreign capital is largely European, there is a sizable foreign long-term investment.

Asset changes during 1950

At the end of 1949 total assets of direct investment companies were \$19.6 billion, as compared with \$22.2 billion at the end of 1950. This includes \$248 million loaned to parent companies, which is excluded from the figure of \$21.9 billion shown elsewhere for resources employed abroad.

Current assets had in 1949 accounted for 52 percent of the total assets and fixed assets for 42 percent, as against 54 percent and 40 percent, respectively, in 1950. Other assets accounted for the remaining 6 percent in both years.

Since liabilities rose by \$1.5 billion from 1949 to 1950, net assets increased by only \$1.1 billion.

The Owners of Direct Investments

Foreign investment by United States residents through direct operation of a foreign branch or subsidiary company is in considerable part carried on by large concerns. But about 2,300 persons or companies have reportable investments of this kind, and many individuals in the United States participate indirectly by the ownership of stock of the United States parent companies.

As in the case of domestic organizations, large companies are a major factor in the investment picture. It is clear from the earlier discussion that their activities as a rule center in industries where widespread operations and large capital investments are required. Thus, the 10 reporters with the largest stake abroad accounted for 40 percent of the total investment at the end of 1950, and about half the total investment at that date was held by 25 reporters. Of these 25 reporters, 10 were manufacturing companies, 5 petroleum companies; 3 were in public utilities, 2 each in mining, agriculture, and trade; and 1 in insurance.

Foreign investments by size class

The table on page 22 shows the number of units in each major industry abroad, distributed between units larger or smaller than \$10 million. The former category accounts for only about 3 percent of the number of units but 60 percent of the value of the investments.

The larger units are found mainly in the petroleum and manufacturing industries, although there are also a large

number of smaller manufacturing units. Relatively small units form the bulk of the investment in trade establishments and the many types of enterprises included under "miscellaneous" in the table.

NONAFFILIATED UNITED STATES OWNERS

Americans not affiliated with United States companies filing reports in this Census had investments in securities of 1,255 foreign enterprises controlled in the United States, and accounted for a total investment of \$1,121 million.

Among individual countries, Canada accounted for the largest number of firms having nonaffiliated United States owners. In the Latin American Republics, half of these foreign firms were located in Mexico, Brazil, and Argentina. In the "other countries" more than 60 percent were in the

5. Calculated for all industries except "finance and insurance." This group, which includes foreign branch banks, typically shows a very high ratio of liabilities to assets. Also the assets of this group include a substantial amount of deposits in the United States, which are, in effect, the property of the foreign depositors of American branch banks abroad. Such deposits are considered as foreign investments in the United States and, unlike bona fide intercompany accounts in other industries, are not shown as a deduction in computing net United States investments abroad.

British Dominions, Australia, Union of South Africa, and New Zealand. Investments in the Philippine Republic and in Japan accounted for half of the remaining cases.

Distribution by value

While 30 percent of total United States direct investments was located in Canada, table 15 shows that nearly 70 percent

Table 14.—Number of units and value of direct investments abroad, 1950, by size of unit

[Values in millions of dollars]

Industry	All investments		Investments valued in excess of \$10 million per unit		Investments valued at less than \$10 million per unit	
	Number of units ¹	Total value	Number of units	Total value	Number of units	Total value
All industries	7, 645	11, 788	226	6, 920	7, 419	4, 868
Agriculture.....	188	589	15	329	173	260
Mining and smelting.....	269	1, 129	17	826	252	303
Petroleum.....	621	3, 390	68	2, 660	553	730
Manufacturing.....	2, 501	3, 831	83	1, 750	2, 418	2, 081
Transportation, communication, and public utilities.....	550	1, 425	24	976	526	449
Trade.....	1, 846	762	9	162	1, 837	600
Finance and insurance.....	550	425	7	172	543	253
Miscellaneous.....	1, 120	237	3	45	1, 117	192

1. The number of foreign units is at variance with that shown in appendix table 7 because reports filed by individual reporters for jointly owned foreign organizations were not consolidated in this table. For instance, if 2 United States companies owned jointly a foreign company, it is counted as 2 investments in this table but only as 1 in appendix table 7.

of the interest of United States owners not affiliated with United States reporters was in that area. This included the United States investment in companies with no United States parent but with aggregate American holdings amounting to more than 50 percent of the voting stock. These Canadian companies frequently have their securities listed on United States stock exchanges because of the widespread United States interest in them.

About 90 percent of the \$769 million of nonaffiliated United States interests in Canada was in the manufacturing, mining and smelting, and transportation, communication and public utilities industries, much of it in the ownership of bonds, debentures, and notes held by the public and by financial institutions. However, there were also scattered interests in other industries, especially in petroleum. The most significant investments in manufacturing were in the primary and fabricated metals group (notably aluminum), paper and pulp, electrical machinery, and chemical industries. They were distributed fairly evenly between equity capital and creditor capital. In the mining and smelting industry the American interest was concentrated primarily in equity capital. Most of the investments in the transportation, communication, and public utility industry were in creditor capital bonds, notes, and debentures.

About a fifth of the investment of nonaffiliated United States interests was in the Latin American Republics. Three-quarters of this investment was distributed about evenly between Panama and Cuba. Most of the investment in Panama was in mortgages and notes made by financial institutions to Panamanian shipping companies affiliated with United States interests.⁶

The investments in Cuba were distributed among several industries, though they were mainly in equity securities of Cuban sugar corporations and interests in public utility enterprises. The remaining Latin American investments were largely in Venezuela, Mexico, and Chile, with smaller amounts in several other countries. By industry, nonaffiliated United States investments in Latin America ranged from \$91 million in the transportation, communication, and public utility industry to less than \$1 million in trade.

The remaining nonaffiliated United States interests of about \$100 million were spread over the "other countries" area (\$70 million) and Western Europe (\$34 million). Most of the investment in the "other countries" was in ship mortgages, but investment in the Philippine mining industry was also important. The investment in Western Europe was nearly all in manufacturing and trade in the United Kingdom.

It is apparent that American individuals and others venturing to make investments abroad without acquiring control of a foreign enterprise did so primarily in countries, such as Canada and the United Kingdom, with familiar business practices and enterprises; in companies supplying raw materials to the United States, such as sugar, copper, or tin; and in senior securities of companies owned or controlled in the United States, like shipping enterprises incorporated in Panama or Liberia. Thus, the investment by the nonaffiliated

Table 15.—Investments by nonaffiliated United States owners in foreign corporations, 1950

[Values in millions of dollars]

Area	Number of foreign corporations	Value
All areas, total	1, 255	1, 121
Canada.....	312	769
Latin American republics.....	315	247
Western Europe.....	494	34
Western European dependencies.....	25	(¹)
Other countries.....	109	70

1. Less than \$500,000.

United States interests must be considered as much an adjunct to the foreign investment activity of American business as a separate investment pattern.

The only significant exception is the heavy investment in Canadian mining companies. However, the more important of these securities are traded on the New York stock exchanges.

6. Such mortgages were not required to be reported in the Census. However, where it appeared from the balance sheets of the foreign shipping companies that such mortgages existed, special inquiries were made.

Foreign owners

In addition to Americans not affiliated with United States parent companies who owned securities of United States controlled foreign corporations, foreign nonaffiliated investors also owned a considerable portion of the securities of these foreign organizations. Appendix tables 10 and 11 show that a considerable amount of the capital in United States-controlled foreign corporations has been provided by these

Table 16.—United States and foreign investments in foreign corporations, 1950

[Values in millions of dollars]

Area	Total United States and foreign investment in United States-controlled foreign corporations	United States investment	Foreign investment in securities	Percent of foreign investment to total
Total	10, 823	8, 474	2, 349	22
Canada.....	4, 169	3, 158	1, 011	24
Latin American Republics.....	2, 930	2, 627	303	10
Western Europe.....	2, 050	1, 601	449	22
Western European dependencies.....	507	340	168	33
Other countries.....	1, 167	748	419	36

foreign interests, though not necessarily always by capital native to the country of investment. At the end of 1950, the foreign investment in securities of such corporations was \$2.3 billion, compared to total United States investment in such corporations of \$8.5 billion.⁷ Table 16 makes some comparisons between the foreign and United States ownership of the foreign corporations.

FOREIGN EQUITY PARTICIPATION

The ratio of foreign capital participation in United States-controlled foreign corporations was considerably higher in the Middle East and in the Far East than elsewhere. In these areas, the foreign partners of United States business are, as a rule, investors of European countries operating in concert with American firms. In some cases, however, some local participation exists in the form of investments by individuals, and, at times, by foreign governments and governmental bodies.

A question often raised about direct investments abroad concerns the extent of participation of foreign equity capital. Tabulations of the census reports show that of the foreign subsidiary companies (branches, of course, are wholly owned in the United States) about 26 percent had foreign common shareholders owning more than 5 percent of the outstanding

7. The foreign investment in securities only is counted, including equity in surplus, while the American investment includes intercompany accounts as well.

stock. This degree of foreign participation is characteristic of a higher proportion of the foreign companies organized since the war than of the companies organized in earlier years.

In order to evaluate the degree of postwar foreign participation, a further breakdown has been made of the degree of ownership, as shown in table 17 for certain selected countries. More of the companies established after 1945 had foreign participation of at least 50 percent of their voting stock than was the case with companies organized in earlier periods. Similarly, in recent years the proportion of the companies in which foreign ownership was less than 5 percent, or absent, was much lower.

Partnership with foreign capital in the development of foreign resources, or of foreign markets, stems from two

Table 17.—United States ownership of direct-investment enterprises in selected countries

[Values in millions of dollars]

Country	Under 50 percent		50-95 percent		95 percent or more	
	Number	Value	Number	Value	Number	Value
1945 and earlier						
Brazil.....	10	8. 6	10	127. 5	67	230. 9
Mexico.....	8	11. 6	19	13. 4	145	277. 3
United Kingdom.....	43	52. 4	89	190. 0	319	485. 6
Union of South Africa.....	(1)	(1)			50	76. 9
Four countries, total	61	72. 6	118	330. 9	581	1, 070. 7
1946-50						
Brazil.....	12	4. 2	10	6. 2	24	54. 0
Mexico.....	15	23. 0	24	3. 9	74	23. 6
United Kingdom.....	18	4. 3	33	12. 5	62	28. 8
Union of South Africa.....	2 9	24. 2	8	3. 5	27	22. 3
Four countries, total	54	55. 7	75	26. 1	187	128. 7

1. Not shown separately.

2. Includes one company incorporated before 1945.

NOTE.—The values by country shown in the columns indicating year of acquisition include only the investment in companies incorporated in the respective countries which are direct subsidiaries of United States companies; they do not include the value of companies incorporated in these countries which are subsidiaries of companies in other foreign countries. On the other hand, the value of investments in third countries of companies organized in the countries shown in the table have been eliminated.

principal causes: (1) the dearth of investment capital abroad caused by the first and second world wars, which influenced many foreign corporations, especially in Europe, to seek American capital as a minority interest in order to finance plant modernization and expansion;⁸ and (2) the desire by American parent companies to obtain local shareholders so as to comply with restrictive local laws, to minimize risk, and to gain a larger measure of local acceptance of the foreign corporation's products.

8. Appendix tabulations are limited to those cases in which affiliated American interests acquired at least 25 percent of the voting stock of the foreign enterprise.

As shown in appendix table 10, the most important countries where foreign interests have invested sizeable amounts in direct-investment companies—or which have admitted American interests in local foreign enterprises—are among the industrially advanced countries. In some areas of the Middle East and the Far East, American companies joined with European interests in the joint development of oil and other natural resources.

A breakdown of types of marketable securities held by foreign investors is not available. However, by means of elimination it can be established that about three-quarters of the foreign interest is in common or ordinary stock, including the surplus applicable to such stocks. A considerable though smaller amount is invested in senior securities such as bonds, debentures, and notes, especially in Canada and in some of the Latin American republics.

COMPARATIVE INVESTMENT EXPERIENCE

United States direct investments abroad at the end of 1950 were equivalent to \$78 per capita, based on a total population of 152 million. Of this, \$24 was invested in Canada and \$6 in the United Kingdom. In comparison, Canadian direct investments abroad amounted to \$82 per capita, of which investments in the United States accounted for \$63.

No comparable estimate exists for total British direct investments abroad; however, British direct investments in the United States equalled \$23 for each British resident. Total British direct investments abroad are undoubtedly higher, on a per capita basis, than those of the United States, despite the fact that direct investments make up a smaller proportion of Great Britain's total private investments abroad than is true of this country.

There are, of course, many reasons for these differences, including, in the British case, the fact that the investments

have been built up over a long period of time. It should also be noted that individual firms—notably those with specialized, patented, or trademarked products—are frequently in a position to expand abroad while their country is still, on balance, borrowing abroad. Large Canadian investments in United States railroads, distilleries, and farm machinery factories are examples of this factor.

To a considerable degree, the fact that direct investments have not provided even more United States capital to foreign nations than the substantial flow actually recorded has to be judged, on the one hand, against the background of the investment climate existing abroad during the past two decades, and on the other hand against the continuing economic growth and favorable investment opportunities in the United States.

American investors have to contend with less favorable attitudes towards foreign capital abroad than did the investors of older investing nations, such as the British, in the past. Some foreign countries now prohibit foreign investments in certain industries, and limit them, to a greater or lesser extent, in other industries by insisting on split ownership, by controlling the amount of dividends or profits which can be remitted to the investor, by demands for a local share in management, by taxation and tariff policies, and by other means.

In certain colonial possessions and other dependent overseas areas, authorities tend to favor investors from the mother country over other foreign investors. In addition, widespread foreign exchange difficulties severely restrict foreign investment activities, including the repatriation of investment capital and the remittances of profits, dividends, and other business charges. Also, some of the need for new capital which, in earlier times, called for private direct investments, is now being met by loans of the International Bank for Reconstruction and Development, which is to a large extent financed by the United States Government and public, and by Government loans such as those granted by the Export-Import Bank.

Income on Investments

NET earnings of all direct investment enterprises in 1950, after provision for foreign income taxes, aggregated \$2 billion, as shown in appendix table 18. Of this, about \$665 million consisted of branch profits, \$200 million accrued to foreign holders of preferred and common shares, and the balance, \$1.1 billion, accrued to American shareholders.

To these shareholders were distributed dividends of \$667 million, from which withholding taxes of \$45 million were deducted, leaving the net of \$622 million shown in appendix table 24, of which \$8 million consisted of preferred dividends and \$614 million of common dividends. Including the branch profits, the net dividends, and interest of \$48 million (also net of foreign withholding taxes) the income on direct investments as measured for balance of payments purposes amounted to \$1.3 billion.

The income thus measured is not net of any United States income taxes that might be payable after taking the credits allowed for foreign taxes paid.

AREA AND INDUSTRY DIFFERENCES

The distribution of earnings accruing from direct investments (including undistributed profits) among the various country and industry groups corresponded in general to that of the investments. The principal differences result from the rather higher than average ratio of net earnings to book value shown by the petroleum industry (especially in Eastern Hemisphere countries outside of Europe) and the substantially lower than average results experienced by public utility and related enterprises, investments in which were concentrated heavily in Canada and Latin America.

Thus, 59 percent of the total earnings arose in the Western Hemisphere, whereas 70 percent of the investment was located in that area. By contrast, the European dependencies and "all other" groups combined accounted for about 14 percent of the total investment, and produced 26 percent of the total earnings shown in the chart.

Admittedly, there is no completely satisfactory way of

comparing the profitability of investments between countries, between industries, or for that matter between companies themselves. Where only book values are available, as in the present case, and a substantial price rise has occurred over the period during which the assets were acquired, comparison is especially difficult. Because there are many pitfalls involved in such comparisons, some discussion of the factors underlying these relationships is necessary.

Limitations of capital-earnings ratio

Of the total United States investment of \$11.8 billion in 1950, some 40 percent, or \$4.7 billion, can be considered investment in fixed assets, based on the ratio of fixed to total assets shown in appendix table 16. Some of these fixed

Table 18.—Net receipts of income, 1950, by area and industry

[Millions of dollars]

	All areas	Canada	Latin American Republics	Western Europe	Western European dependencies	Other countries
All industries, total	1, 294	294	522	111	98	269
Agriculture.....	91	1	76	(1)	4	11
Mining and smelting.....	112	31	64	1	12	3
Petroleum.....	555	—3	262	9	75	212
Manufacturing.....	357	211	55	69	1	22
Transportation, communication, and public utilities.....	44	9	33	(1)	(1)	1
Trade.....	72	17	17	21	3	14
Finance and insurance.....	40	21	9	4	2	5
Miscellaneous.....	23	8	7	7	(1)	1

1. Less than \$500,000.

assets were acquired in earlier years at lower prices and for that reason appear in the accounts at a value below that of similar assets more recently installed and capable of producing comparable incomes. This gives a lower valuation of the investment than, say, a depreciated replacement cost method of valuing the assets. It also tends to overstate the

profits, since the charges for depreciation are ordinarily made on the basis of the lower original cost.

Nearly all of the remaining \$7.1 billion represented investment in current assets, which for the most part must have been carried in the balance sheets at the current values.¹

If the same ratio of fixed to total assets existed at the time of the 1943 Treasury Census, the investment in fixed assets at that time would have been \$3.1 billion, implying a net increase of \$1.6 billion in 8 years. If it is assumed that annual replacement amounts to 5 percent of gross assets (actually it probably averages more than that) over the course of the same 8 years, close to 40 percent of the 1942 investment, or \$1.2 billion, would have been replaced. Most of the new investment and replacement must have occurred after 1945.

Of the total equity of \$4.7 billion in fixed assets in 1950, perhaps half could thus be estimated to represent assets which were installed since the end of the war, and are therefore carried on the books at something near their depreciated replacement cost based on 1950 price levels.

A second qualification to be kept in mind is that many industries, by their nature, require far less capital per unit of output (or profit) than others.

Capital used greater than direct investment

Again, the value of investment used herein is the book value of the net foreign assets. In general, assets in the United States—and certainly those of the parent company itself—used in connection with the foreign business are not included as foreign investment. The ratio of earnings to investment, therefore, tends to be higher than if all the assets needed to produce the income could be counted—or all the necessary expenses (e. g., amounts spent for research and promotion by United States parent companies) could be deducted in computing net profit.

Notably, this is true of the insurance business in many foreign countries (not including Canada) where it is permissible to hold reserves in the United States against liabilities in the foreign countries. This produces the apparently unreasonable result, for instance, that in the “dependencies” and “all other” groups combined, earnings of \$7 million were produced in the “insurance and finance” industry with a net investment of only \$3.1 million. It is clear that here the ratio has no meaning.

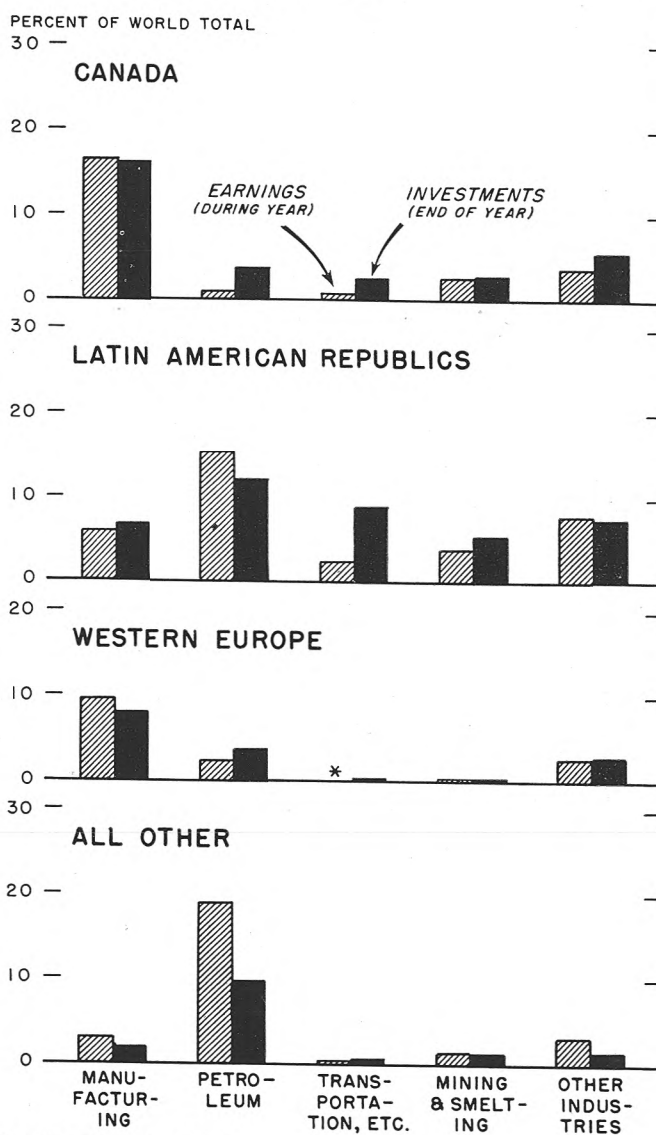
On the other hand, a significant portion of the investment recorded as of the end of 1950 did not contribute to the earnings of that year, because it had not yet reached the productive stage. If investments still in the process of development were eliminated, the ratio of earnings to book value would be increased.

Likewise the net earnings reflect the oil industry’s practice of writing off as a charge to current profit and loss major types of exploration and development expenses. Such

deductions serve to reduce the net income figures for 1950 shown in the appendix tables. In combination with the factor mentioned in the preceding paragraph, they were responsible in particular for the low earnings figure shown in the tables for petroleum investments in Canada.

In general, the profits of the foreign enterprises are as reported on the books of the foreign companies. Where it

Distribution of Earnings and Investments by Areas and Industries, 1950



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1. If the American equity, instead of being prorated, were applied first to the fixed assets, the increase would be from \$6.2 billion in 1943 to \$8.9 billion in 1950, assuming the ratio between fixed and net current assets (current assets minus liabilities) was the same in both years.

was known that special price factors were used in accounting for transactions between the foreign enterprise and the parent company or between related foreign enterprises, an appropriate adjustment was made to allocate the profits to

the countries where they would have been earned if the transactions had been conducted on an arm's-length basis.

Figures on earnings are given before any allowance for United States income taxes, or before foreign dividend taxes which would be applied if the undistributed profits were paid out as dividends. They do not represent net returns to the American parent company; nor, of course, to the American holder of the parent company's stock, who has still another tax to pay when he finally receives the income.

Industry patterns

Petroleum and manufacturing, which together accounted for six-tenths of the total investment, produced seven-tenths of the total net earnings.

Although investment decisions are, of course, based on anticipated and not on realized profits, it may be significant that the largest percentage increases in investment from 1943 to 1950 have come in two of the three industry groups where the ratio of earnings to investment was highest. The exception was agriculture.

No other unusual deviation from the average pattern existed in any sizable sector except public utilities. In spite of the fact that a high proportion—four-fifths—of the assets of that industry were fixed assets, which might tend to be undervalued at today's replacement costs, the ratio of earnings (including interest) to value in this industry was less than 5 percent.

To a large extent this result can be attributed to the unwillingness of regulatory agencies in foreign countries to permit rate rises commensurate with the increases in costs, including the higher cost of replacing worn-out equipment. The problem has been aggravated by the depreciation of many foreign currencies in terms of the dollar, which has made the dollar equivalent of depreciation charges based on foreign currency costs at time of acquisition completely unrealistic, even in terms of the original dollar cost of the relevant assets.

REINVESTMENT OF EARNINGS

The present methodology for compiling the United States balance of payments, which is followed in tabulating the income data collected in this census, excludes from the income accounts—and accordingly from the capital accounts—the United States equity in the undistributed profits of foreign-incorporated direct-investment companies. These undistributed profits amounted to \$475 million in 1950.

The exclusion of undistributed profits results partly from some practical difficulties of compilation, as well as the fact that in some countries income remittances are wholly or partly blocked, but it rests basically on a legal, or formal distinction. This distinction occurs because the undistributed portion of foreign subsidiary profits accrues to an entity which is legally separate from the United States stockholders, and therefore is not considered to be income received in the United States under the tax laws of this country until divi-

dends are declared. Such a distinction is not made for the earnings of foreign branches, which are considered to be the property of the United States parent company as credited to the home office account, and therefore are fully taxable under present United States tax laws.

Distinctions of this kind, however, have very little relevance to the actual economic activity which is being financed. In most cases the decision to retain earnings abroad for further investment is made by the American parent company. The investment of retained earnings under these circumstances does not differ essentially from a decision to invest new funds. Both undistributed profits and new capital, therefore, make an important contribution in furtherance of economic development abroad.

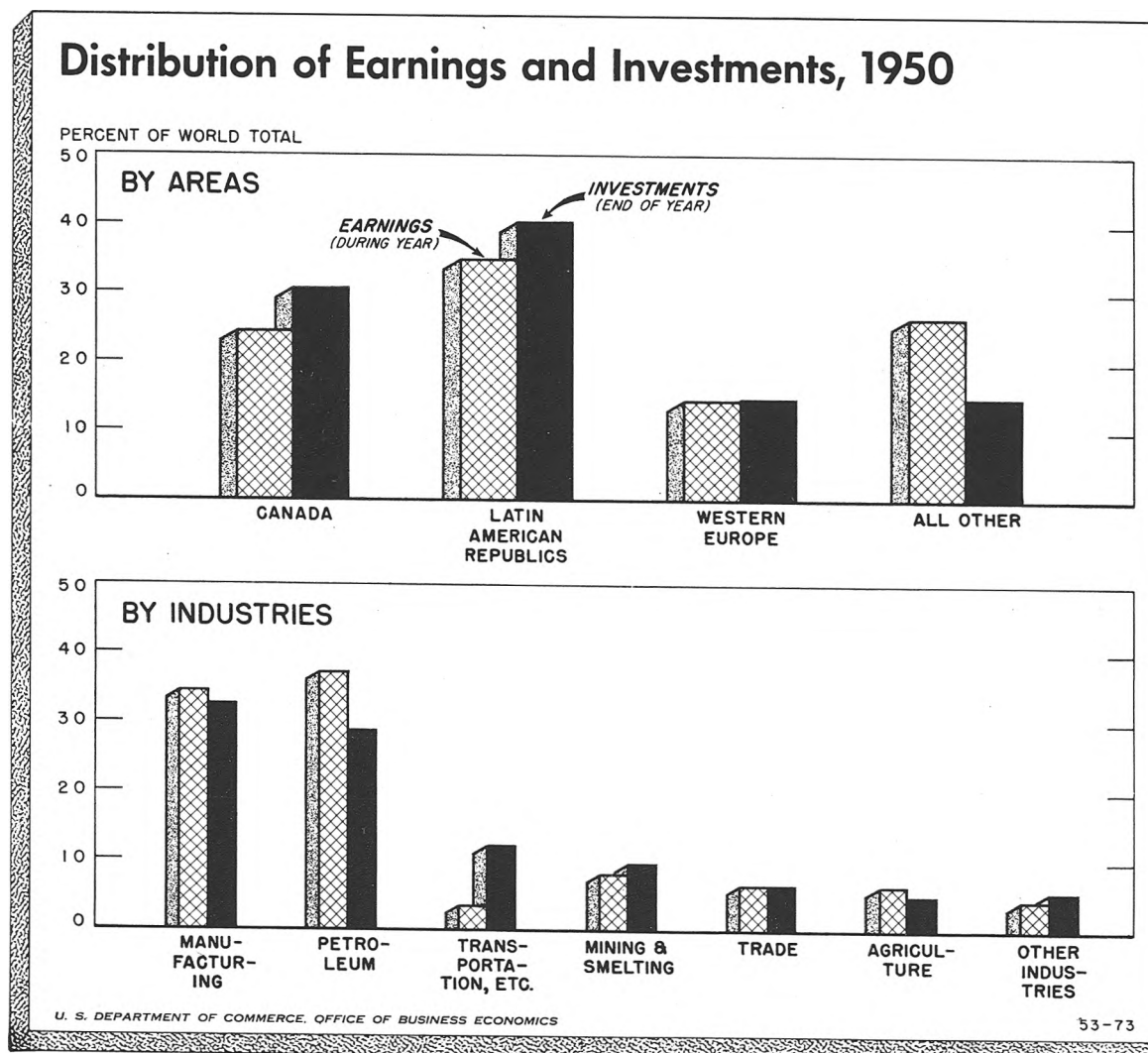
Appendix tables 22 and 23 present the United States share in the net earnings of the foreign enterprises, after foreign taxes on profits and provision for preferred dividends (but before foreign taxes on common dividends). Of the total earnings so measured, \$1,766 million, some \$624 million was earned by foreign branches of United States corporations and, of course, represented all the profits of such branches.

The remainder of \$1,142 million accrued to United States shareholders of common stock of foreign corporations. Of this amount, \$667 million was distributed as dividends (the figure of \$614 million shown in appendix table 24 is net of foreign taxes on dividends), and the remainder was "reinvested." Actually, there is no way—except by using a conventional method—of knowing the extent to which undistributed profits were reinvested in the ordinary sense of that word; in part they may merely have been used to repay debt, or even make loans to the parent company. The decisions to declare dividends, or to transfer funds to the United States, are both affected by many factors other than the need for funds to expand investment—as for example, anticipated changes in exchange rates, and prospective tax liabilities in the United States, to name but two.

The ratio of the United States share of undistributed profits to the United States share in total earnings of foreign subsidiaries, which averaged 42 percent for all foreign-incorporated direct-investment enterprises, was highest (62 percent) for Europe. Earnings of almost \$27 million in Germany were almost entirely blocked due to exchange controls; out of French earnings of \$31 million, only about \$6 million were declared as dividends. Undistributed profits were also rather high—about 50 percent—in the United Kingdom, presumably as a result of voluntary action, since British exchange controls do not bar the remittance of currently earned profits.

Unrealized exchange losses

In preparing consolidated income statements in dollars, when the foreign currency has depreciated or appreciated during the year corporations usually charge or credit the current profit and loss accounts for the unrealized exchange losses or gains that result from conversion of current assets and liabilities to dollars at year-end rates of exchange. Of course, if the foreign accounts are not converted into dollars no such charges or credits would arise.



The profits data presented in appendix tables 18-23 exclude the effect of the charges or credits mentioned in the preceding paragraph. Net unrealized exchange losses of \$19.8 million were reported. Net losses in all countries except Canada were \$31.5 million. Gains in Canada—the only major country whose currency appreciated during the year—were \$11.7 million. The largest gains or losses occurred in the manufacturing and trade groups, where the ratio of current to fixed assets was relatively high. For Canada, the net gains in these two groups totaled nearly \$9 million, while net losses for all other countries were \$24 million.

INVESTMENT INCOME AND DOLLAR EXCHANGE

The payment of income on American investments abroad requires the use of dollars by the foreign country, as does the purchase of American commodities or use of services

such as shipping. Despite their important contribution to the economic development of foreign countries, these investments frequently receive a lower priority in foreign exchange control systems than payments for "essential" commodity imports.

It is not possible to measure the full effect on the United States balance of payments resulting from the American ownership of these foreign enterprises, but it is abundantly clear that the income paid is by no means a net drain on the dollar earnings of foreign countries.

In the first place, at least one-third of the total earnings of \$1.8 billion arose in industries which exported a major part of their output directly to the United States. This includes income from agriculture, from mining in the Western Hemisphere, from petroleum production (that portion of the income arising in producing areas which corresponds to the ratio of United States imports to total American-controlled foreign production), and from paper and pulp production in Canada. Total United States imports from these sources

alone have been roughly estimated at \$2.5 billion,² or almost twice the amount needed to finance the transfer of all direct investment income of \$1.3 billion.

Secondly, a certain portion of the income—especially in manufacturing and petroleum—is dollar-saving in the sense that goods are produced locally in the foreign countries which would otherwise have to be obtained from the United States if they were to be had at all. This is clear from the fact that the foreign branch or subsidiary of an American manufacturing company typically turns out the same products as the United States parent, with the same trademarks and using the same manufacturing processes. All but about \$15 million of the total direct-investment income in manufacturing was received from foreign subsidiaries of American manufacturing companies and may therefore be assumed to be investment of this type.

In the remaining four industrial groups (the last four in appendix table 23), there is for the most part no such direct connection with dollar earnings or saving. The profits in the trade group in a sense represent additional payments for United States exports, since in the main such profits arise out of the distribution and servicing abroad of American products. Public utility profits are relatively small, especially in relation to the large amount of capital invested, but sales of American-made machinery and equipment to such enterprises are probably quite large. Such sales are undoubtedly facilitated by the fact of American ownership.

Balance-of-payments effects

It is possible to explore roughly the extent by which the operations of direct investment companies, as they were actually conducted in 1950, produced the dollars through sales to the United States and capital flows from the United States that were required to finance their purchases from and to transfer their earnings to the United States.

The comparison must be limited to the dollar flows which actually occurred in 1950, insofar as they can be measured, leaving largely out of account indirect effects on international transactions of the activities of these companies, which can not be handled statistically. All earnings and capital movements must be aggregated in this examination, although it would be desirable to treat the companies or industries separately since there are great differences among them.

The relevant data for 1950 are as follows: The companies produced about \$2.5 billion through sales to the United States as discussed above, and an additional \$0.6 billion was provided by capital investment in excess of the undistributed profits of foreign-incorporated subsidiaries. As compared to this \$3.1 billion, the companies remitted dividends and interest to the United States and earned as branch profits \$1.3 billion and paid about \$125 million in fees and royalties to parent companies (excluding film rentals which cannot be considered as resulting from foreign investment). This would leave a margin of about \$1.7 billion for the purchases of capital goods, raw materials, and other merchandise from the United States.

The difficulty of identifying those exports from the United States which were purchased by specific foreign companies is so great as to preclude any categorical statement as to whether such exports were less than \$1.7 billion. However, an examination of the export data by country for a large number of commodities—particularly metal manufactures and various types of machinery, equipment and parts—indicates that exports to direct-investment companies were probably not more than \$1.5 billion.

It seems likely, therefore, that direct investments provided somewhat more dollars to foreign countries in 1950 than were required to service them.

Although, when measured in this way, direct investments abroad probably resulted in a moderate dollar gain for foreign countries in 1950, the growth of direct investments has other important effects which are not readily measurable.

Table 19.—Calculated foreign and United States income taxes on income from direct investments, 1950

[Millions of dollars]

	All areas	Canada	Latin American republics	Western Europe	Other
Foreign subsidiaries and affiliates:					
Common dividends paid to United States owners.....	658.9	286.8	144.0	90.3	137.8
United States corporate income tax liability ¹	276.7	120.5	60.5	37.9	57.9
Foreign tax credit:					
Taxes withheld on dividends.....	44.8	23.0	6.9	4.0	10.9
Taxes paid by foreign corporations.....	366.3	184.6	47.9	85.8	48.0
Total tax credit.....	411.1	207.6	54.8	89.8	58.9
Net United States tax liability.....		nil	5.7	nil	nil
Foreign branches:					
Profits of foreign branches.....	886.7	16.9	513.8	29.7	326.4
United States corporate income tax liability ²	300.6	7.1	143.9	12.5	137.1
Foreign tax credit.....	239.1	8.5	150.3	8.9	71.5
Net United States tax liability.....		nil	nil	3.6	65.6

1. Normal tax of 23 percent and surtax of 19 percent. Excess profits tax not included.

2. Same as note 1, except that 14 percent allowance for Western Hemisphere Trade Corporations was deducted in Latin America. Effective rate for Latin America was therefore 28 percent—calculated without any provision for depletion allowance available to branches producing oil abroad. The depletion allowance was likewise not provided for in the total for other areas.

NOTE.—The apparent net United States tax liability in each area has been calculated on a consolidated basis, i. e., as if all investments in each area were a single enterprise.

The contribution to industrial activity and general economic growth of foreign countries by direct investments would be of basic importance even if the dollar costs were large. Furthermore, the dollars contributed to foreign countries by direct investments can be measured only in part by the sales of those enterprises to the United States; in addition, exports to the United States by other foreign enterprises may depend on the existence of direct investments. The fact that production by American-owned companies also saves dollars by substituting for exports from the United

2. SURVEY OF CURRENT BUSINESS, Oct. 1951, p. 12.

States—either to the country where the investment is located or to the countries to which the products are shipped—has already been mentioned.

TAXATION OF FOREIGN EARNINGS

The results of this census provide a basis for making, for the first time, a fairly accurate analysis of the income taxes paid or payable on earnings from direct investments. How-

ever, such an analysis cannot be completely exact, especially with respect to the amount of United States taxes collectible on the income, for various reasons.

One is the complicated character of the law governing the credit allowable against the United States tax liability for foreign income taxes paid. A second is the fact that all the earnings data for individual cells in the various tables are net; i. e., the losses, if any, of some companies have been offset against the profits of the others.³ The amount of branch income taxable in the United States may therefore be greater than appears from the consolidated data.

Differences in the corporate structures of the various companies also make the effective tax rate vary from company to company, as do the existence of the excess profits tax and the provision for carrying losses backward or forward. The possibility of offsetting losses in one country against profits in another also exists, either where there are branches of one domestic corporation in several foreign companies, or when consolidated tax returns are filed for several United States-incorporated subsidiaries operating in different countries.

However, for income on common dividends and branch profits, rough calculations based on overall averages can be made. Somewhat different results would be obtained if the calculations could be made for individual companies.

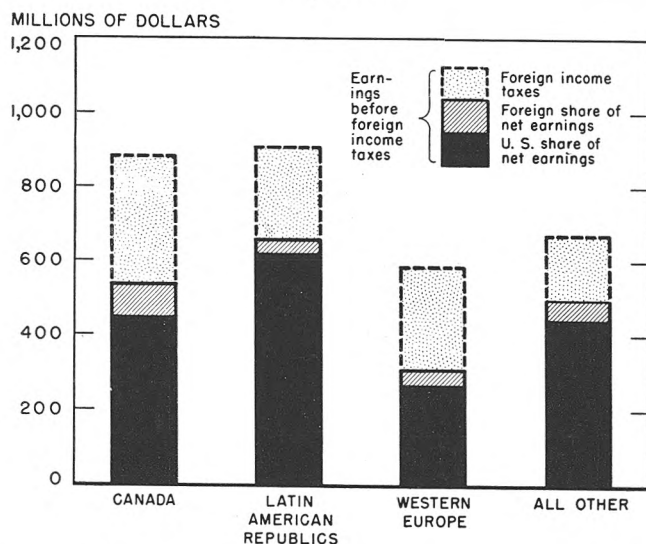
The calculation shown in table 19 has been made on the basis that all income was received by corporations, and the relatively small amounts of preferred dividends and interest have not been included. Actually, some small part of the common dividends especially from Canada, was received by individuals. Such persons would not be entitled to a credit for taxes paid by the foreign corporation, and the effective United States tax rate would, of course, depend on the tax bracket in which the total income of each individual recipient happened to fall.

The relatively low rate of foreign taxes withheld on dividends is due mainly to two facts. *First*, tax conventions have been concluded with several foreign countries, notably Canada, reciprocally reducing the rate of tax on dividends paid by corporations in one country to shareholders resident in the other. Under the Canadian-United States tax convention, and relevant Canadian law, the withholding rate is only 5 percent when the United States corporation owns 95 percent or more of the stock of the Canadian company; otherwise the withholding rate is 15 percent. *Second*, in the United Kingdom, so-called double taxation of corporate income does not exist. The tax paid by the foreign (British) corporation is deemed to have been paid by the shareholder, and no additional tax is levied on dividends when paid to nonresidents of Great Britain.

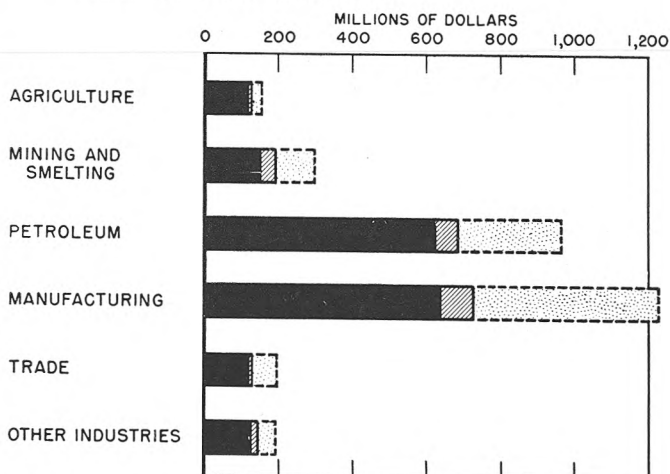
3. This must also be considered in interpreting the ratio of foreign income taxes to profits before such taxes, shown in appendix tables 18 and 19; the taxes are, of course, paid only by those companies with taxable incomes, while the profits shown are net of losses by other companies. This factor accounts in part for the high ratio of taxes to profits shown for some Latin American countries.

Earnings and Foreign Income Taxes*, 1950

Largest amount of net earnings arose in the Western Hemisphere



Manufacturing and petroleum accounted for most of the world total



* NOT INCLUDING OTHER TAXES OR ROYALTY PAYMENTS TO FOREIGN GOVERNMENTS

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Capital Movements

NET direct-investment capital outflows from the United States were reported in the 1950 census at \$621 million. The details of the outflow by country, industry, and type are given in appendix tables 26 and 27, and are summarized by major industries and areas in table 20. Comparisons with previous estimates appear in appendix table 3.

Movements by industry

As in other postwar years, petroleum investments in 1950 were the leading factor in establishing the pattern of direct-investment capital outflows. For this industry major shifts were occurring in that year. Great expansion programs were completed in Latin America and the Middle East dependencies of European countries, and there were sizable net withdrawals of capital from these areas. Large expenditures were still being made in other Middle-East areas, but these projects also were nearing completion. On the other hand, the petroleum industry began to make large investments in Canada and in the countries of Western Europe. In Canada the exploration and development of new oil fields, together with the building of transportation and refining facilities, was beginning to require large amounts of capital. In Europe, refining capacity in several countries was being rapidly increased.

The capital outflow of \$192 million reported for manufacturing in 1950 was well above that of any earlier postwar year. When undistributed subsidiary profits are added to the capital outflows, as in the chart, manufacturing investments were considerably above the total for petroleum. About 80 percent of the capital movements for manufacturing enterprises were in the Western Hemisphere; investments elsewhere were concentrated in a relatively few countries in Europe and the Far East.

Investments in mining and smelting also reached a postwar high in 1950 as the search for raw materials abroad was intensified; even larger amounts were invested during the next 2 years. Two-thirds of the outflows for this industry were in the Western Hemisphere, with a large part of the remainder in Africa.

The continued growth of trade and distribution facilities of American firms abroad resulted in their accounting for \$68 million of capital outflows in 1950. These investments were made in many countries, as shown in appendix table 27, with Canada, Mexico, and Venezuela outstanding. Agriculture and public utilities remained unattractive as fields for United States direct investments abroad, and in 1950 there were net withdrawals of capital from these industries in many countries.

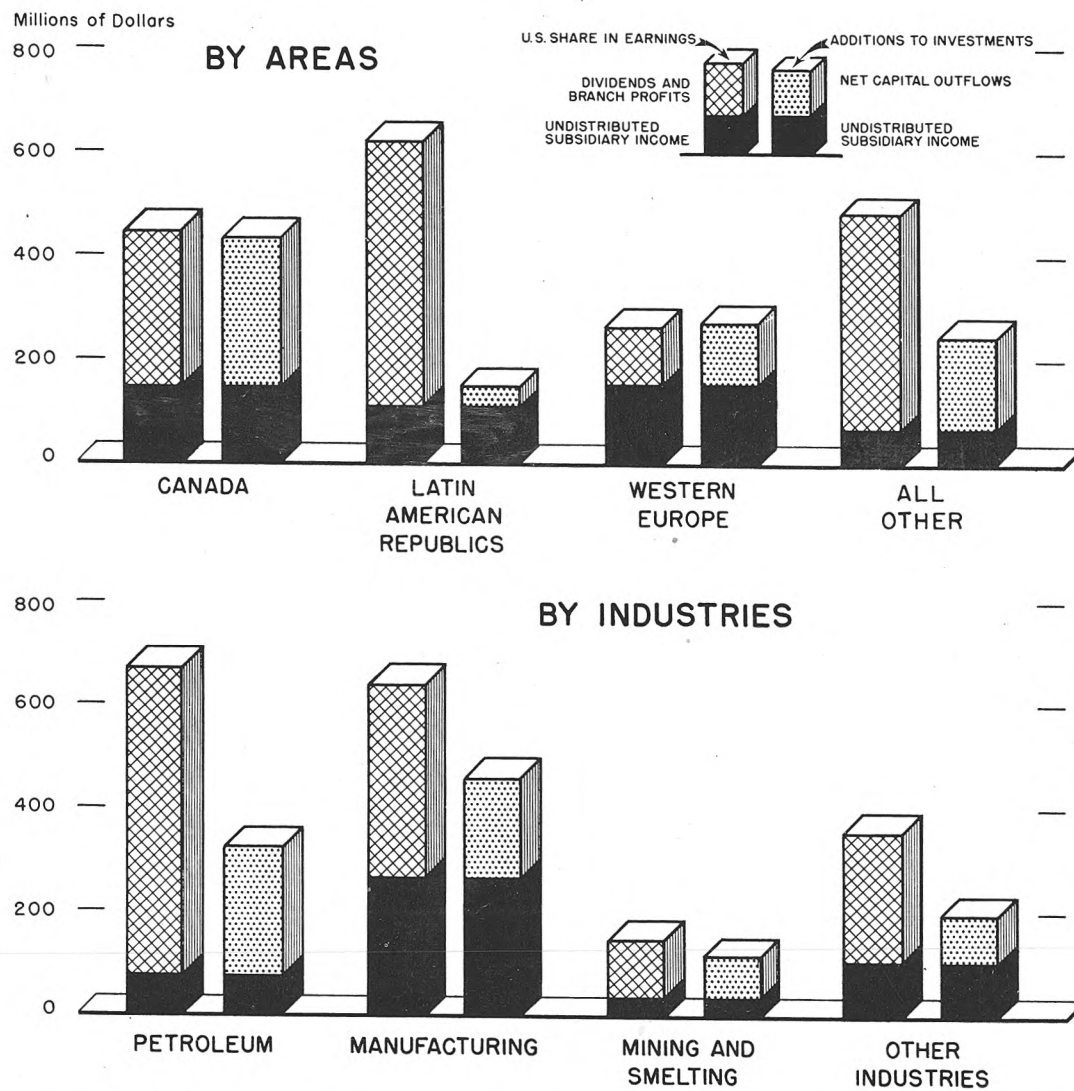
Investments in other industries—largely finance, insurance and motion pictures—totaled \$37 million. Much of this relatively small amount consisted of branch earnings of insurance and motion picture companies retained abroad.

Movements by country

The country distribution of capital outflows is necessarily arbitrary to some extent. The intricate corporate structure of some large companies investing abroad may result in such transactions as parent company advances to a primary corporation in one country which in turn transfers the funds to a secondary company in another country. Transfers of funds from one foreign enterprise to another may appear in the parent company accounts as an inflow from one country, with a corresponding outflow to another, or may not be reflected at all in the parent company books. There seems to be no wholly satisfactory way from the data available to assign capital outflows from the United States to the country in which the investment is actually being carried out. However, these difficulties affect only a relatively small part of the total.

Canada's share of United States direct-investment capital outflows rose to 46 percent in 1950, and continued high in the next 2 years. Leading in this development were the new petroleum investments mentioned above, along with rising expenditures to increase the output of a wide variety of essential metals and minerals. The rapid rate of development of Canadian industry was reflected in capital outflows of \$88 million to American-controlled manufacturing companies, and \$32 million to companies engaged in trade and distribution.

Earnings and Additions to Investments, 1950



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Investments in Latin America were at a low point of \$40 million in 1950. This was only a fraction of the annual total in the years 1947-49 and was also considerably lower than the totals estimated for 1951 and 1952. The low 1950 total was mainly the result of net capital flows back to the United States from the petroleum properties developed in the earlier postwar years, as well as the withdrawal of capital from investments in agriculture and public utilities. Net flows back to the United States were particularly important for Venezuela, Colombia, Peru and Panama.

Table 20.—Net direct-investment capital flows, 1950

[Millions of dollars; inflow (-)]

Industries	All areas	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
Total	621	287	40	119	14	161
Agriculture.....	-9	2	-7	(1)	(1)	-4
Mining and smelting.....	87	29	29	(1)	13	16
Petroleum.....	248	122	-69	73	-6	127
Manufacturing.....	192	88	64	32	3	6
Transportation, communication, and public utilities.....	-2	-6	-3	4	2	1
Trade.....	68	32	18	7	2	9
Other.....	37	21	7	3	(1)	6

1. Less than \$500,000.

On the other hand, manufacturing investments in Latin America reached the sizable total of \$64 million, notably in Mexico and Brazil. Mining and smelting investments in Latin America were also on the increase, particularly for the development of Venezuelan iron ore and Chilean copper.

Direct-investment capital outflows to Western Europe were at a postwar high in 1950. Most of the investment was for petroleum refineries in the United Kingdom, Netherlands, and Italy. Manufacturing investments were moderate, but were nearly all in two countries, the United Kingdom and France. In the Western European dependencies there were net inflows from the recently completed petroleum investments, offset by modest investments in mining properties.

About a quarter of the capital outflows in 1950 went to countries in the Middle East, Africa, and the Far East. In addition to the completion of projected petroleum investments in the Middle East, there were sizable expenditures by this industry for refineries and distribution facilities in Australia, India, Japan, and the Union of South Africa. Most of the investment in Liberia represented additions to tanker fleets. Investments in other industries were small in these countries.

Sources and uses of funds

In addition to capital outflows from the United States, undistributed profits of foreign subsidiaries are an important source of investment funds. (The chart shows the relative importance of each for major industries and areas in 1950.)

The census tabulations show that undistributed subsidiary profits accounted for about 43 percent of total additions to value in 1950, and were larger than capital outflows from the United States for the manufacturing and agricultural enterprises. In considerable measure the capital outflows to branches also consisted of unremitted earnings. A large part of the short-term liabilities of the foreign enterprises represented amounts due to foreigners. These in many instances constituted an important source of working funds, as was demonstrated by the chart appearing in chapter 4.

Total assets of foreign enterprises controlled in the United States increased by \$2.6 billion during 1950, of which \$0.7 billion was in fixed assets and most of the remainder in current assets. Liabilities of the companies increased by \$1.5 billion, so that the increase of \$1.1 billion in net assets was approximately equal to the sum of capital outflows from the United States plus undistributed profits. Capital movements and undistributed profits during 1950 were largest in those industries—petroleum, mining, and manufacturing—which that year accounted for the bulk of the increase in fixed assets.

TYPES OF CAPITAL MOVEMENTS

Capital movements appear in the accounts of the companies as (a) changes in the United States holdings of stock, bonds or long-term notes of foreign affiliated companies; (b) changes in advances or intercompany accounts with affiliated companies; and (c) changes in accounts between home offices and branches. New investments by nonaffiliated United States investors in the securities of foreign companies controlled in the United States, or redemptions of such issues, are also included in the flow of direct-investment capital abroad. The relative importance of these channels is shown in table 21.

Net capital outflows to foreign enterprises organized as branches comprised about one-third of the 1950 total, or an amount roughly proportional to the value of investments in branches as against foreign-incorporated companies. Petroleum enterprises in Latin America and the Middle East make up the bulk of branch investments, accounting for most of the branch capital movements shown in appendix table 26. Large branch capital outflows were also reported for mining in the Western Hemisphere.

The branch accounts are particularly susceptible of large and unpredictable shifts because they not only reflect flows of cash, as discussed below, but also include changes in value resulting from retained branch earnings or from remittances of past earnings.

Increased security holdings in subsidiaries generally result from the initiation of new enterprises abroad or from the need to raise large sums for unusually great expenditures for a project connected with an established enterprise. Purchases of bonds, debentures, mortgages and notes, and, less fre-

quently, common stock, are the principal way in which non-affiliated United States investors can participate directly in the foreign enterprises. However, individual investors often participate indirectly by purchasing the securities of American parent companies with promising foreign ventures.

Table 21.—Net direct-investment capital flows by type, 1950

[Millions of dollars]	
Item	Amount
Total net outflow -----	621
Subsidiaries:	
Parent company security holdings-----	181
Security holdings of nonaffiliated United States investors-----	57
Intercompany accounts with foreign subsidiaries-----	193
Home-office branch accounts-----	191

When the securities of foreign subsidiaries are purchased there is frequently a fairly close link with specific foreign projects, such as the extension of pipelines and tanker fleets or the development of new ore deposits. But changes in the

intercompany or branch accounts reflect a multitude of different types of transactions between the parent companies and the foreign enterprises. Once a foreign enterprise has been established, changes in its outstanding securities are relatively infrequent; it is much more usual that any additional financing, even of long-term or permanent investments, is effected through entries in the intercompany accounts. Interspersed with these long-term commitments, and indistinguishable from them in the accounts, are the ordinary short-term financing of current accounts receivable and flows of cash within the accounts of the related companies.

Flows of cash within the companies' accounts are particularly important in the petroleum industry, where the foreign enterprises have gross sales in dollars which may temporarily exceed their current needs for operating expenses or tax payments. These funds may be used to repay advances formerly made by the parent companies to finance permanent installations. Capital inflows shown in appendix table 26 for the petroleum industry in the Western European dependencies and Latin America resulted primarily from such cash remittances to the United States out of earnings, and do not necessarily signify that there was a cessation of permanent investment or a withdrawal of capital invested in fixed assets.

Basic Data and Description of Methods

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Appendix

Definitions, Sources, and Methods

THE census of 1950 was designed to cover American direct investments in foreign countries, defined to include all those business enterprises abroad in which American investors have a controlling interest or an important voice in management. It did not include miscellaneous holdings of stocks and bonds issued by foreign corporations or governments, ordinarily referred to as portfolio investments. For statistical purposes, however, the general definitions given in chapter 1 were adopted; in a few important instances companies were included where the stock ownership was less than 25 percent but a management relationship was known to exist.

The census was mandatory under the provisions of section 8 (b) of the Bretton Woods Agreements Act (59 Stat. 515, 22 U. S. C. 286f). The relevant regulations were published in the Federal Register and the project was given extensive publicity in the press.

The Department of Commerce has since 1929 maintained a record of direct investments abroad, keeping this file up to date by use of press notices, Securities and Exchange Commission reports, investment service publications, annual reports to stockholders, and information supplied by United States Foreign Service officers. Forms and instructions were mailed to all these investors.

The coverage is believed to be virtually complete, at least as far as major investors are concerned. Probably the only significant omissions are relatively small business enterprises, especially in Canada and Mexico, owned by individuals; the omission of even a large number of such enterprises would not seriously affect the dollar totals.

However, the following specific exclusions should be noted:

1. Individuals (but not corporations or partnerships) whose aggregate foreign direct investments totaled \$25,000 or less were exempt from reporting.

2. Foreign interests of religious or charitable organizations were exempt except in those cases where the foreign investment was a business enterprise conducted for profit.

3. Real property held for personal use, such as hunting lodges, residences, etc., was exempt.

4. The foreign interests of corporations incorporated in the United States but owned wholly or in substantial part abroad, and with no operations within the United States, were included only in proportion to the United States ownership of the United States parent organization. Where the foreign-owned American corporation carried on business activities in the United States, foreign subsidiaries of that corporation were treated as American direct investments abroad, i. e., the full investment of the United States parent company was included.

Publicly owned foreign companies, 50 percent or more of the stock of which was owned in the United States, were included even when

there was no single controlling interest. Consolidated data on the United States investment in the securities and surplus of such companies in Canada, by industry groups, were made available by the Balance of Payments Section of the Dominion Bureau of Statistics, Department of Trade and Commerce, Ottawa. No data regarding individual companies were furnished, of course. The Commerce Department gratefully acknowledges this assistance, without which the statistics would have been much less complete.

In addition to the foreign organizations mentioned in chapter 1—all of which were termed "primary allied foreign organizations" in the regulations for the census—the data include investments in secondary or tertiary foreign corporations. These "secondary allied foreign organizations" include all those foreign corporations where 50 percent or more of the voting stock was owned by a primary allied foreign organization. A branch of a primary allied organization in another industry or country was also treated as a secondary allied organization.

DEFINITIONS

The terms *subsidiary* and *parent* are used to describe, respectively, foreign corporations covered in this census and the owners of a reportable interest in such corporations, even if that interest is less than 50 percent. The latter also includes, collectively, individual holders of stock which in total constituted a reportable interest.

Foreign branches are defined as the foreign assets of any person, natural or juridical, allocated to or held for the purposes of conducting that person's business in a foreign country. Foreign operations conducted by United States corporations in their own right, and not through a foreign corporation, are defined as foreign branches—even if the operations in question constitute the sole activity of the corporation. The selling of merchandise through an independent agent does not, of itself, constitute a branch operation, and foreign assets (such as inventories or accounts receivable) resulting from agency operations are not included.

The term *person* means any individual, partnership, association, corporation, estate or trust, or other organization organized to conduct business or hold property.

Person subject to the jurisdiction of the United States means any citizen of the United States (only citizens ordinarily resident in the United States were required to report), any corporation or other

organization set up under the laws of any State, Territory, District or Possession thereof, or any alien individual resident of the United States. Specifically exempted from reporting were members of the Armed Forces serving outside the United States; citizens of the United States who permanently reside in a foreign country; officers and employees of foreign governments and members of the immediate families of such persons living in the United States, provided they are not citizens of the United States; and religious bodies, charitable organizations and other nonprofit organizations except for the interest of such groups in foreign organizations conducting business for profit.

A report was required for a foreign corporation if 25 percent of its voting stock was owned by a person subject to reporting either alone or in combination with "affiliates."

The term *affiliates* is defined to include any group of United States persons that ordinarily exercises voting rights in a foreign organization as a unit. The term includes persons married to each other, their forbears and their children; estates or trusts affiliated with the person or persons for whose benefit or by whom they were created; and persons owning 10 percent of the voting rights in a United States corporation, considered affiliates of that organization and of each other.

For example, assuming that persons A, B, and C each own 10 percent of the voting securities of a domestic corporation: Should these three persons and the domestic corporation combined own more than 25 percent of a foreign corporation, the foreign corporation is reportable as a foreign direct investment even though no one of these persons owns 25 percent of the voting securities. In such cases a single report covering the equity of all American affiliates was acceptable.

The term *direct investment* includes all the equity of the reporting person or organization in the foreign enterprise, plus the holdings of other United States investors in the stock, surplus, and other securities (including mortgages) of the foreign enterprise. These other United States holdings in part represent estimates, since in many cases the reporting organization did not have exact information as to the residence of the remaining security holders of the foreign corporation. However, ordinary bank loans to and commercial claims on the foreign enterprise are not included.

Long-term mortgages issued by foreign shipping affiliates of American companies in favor of United States banks or other lending institutions have been included as direct investments.

Accounts between the home offices and foreign branches of United States banks which are reportable on Foreign Exchange Forms B-1 and B-2 of the United States Treasury Department were excluded. The vast majority of such accounts represented balances held with the home offices by the foreign branches, and are considered in the balance of payments to be foreign short-term claims on the United States and not a deduction from United States direct investments abroad.

CLASSIFICATION BY INDUSTRY

In general, an attempt was made, in presenting the data by industry groups, to follow the Standard Industrial Classification published by the United States Bureau of the Budget, widely adopted throughout the world. However, because reports in the census were financial statements, not breaking down the assets of any individual foreign enterprise by type of activity, it was necessary to classify each investment according to the character of its major activity. If the major activity could not be determined with a reasonable degree of accuracy, the enterprise was classified according to the most "basic" activity conducted.

For instance, if a foreign subsidiary carried on both manufacturing and trade, it was classified as manufacturing. The principal departures from the Standard Industrial Classification were to classify all activities of petroleum companies (production, refining, marketing, and water and pipeline transportation) under one heading, and to include smelting (and some refining) with mining instead of with manufacturing.

Secondary subsidiaries or branches in an industry substantially different from that of the primary were treated separately and the investment was allocated by industry in accordance with the general treatment of secondaries described below. However, in many cases consolidated reports were filed for enterprises in the same country and it was not possible to segregate the activities of the secondary companies. Moreover, if a secondary carried on in the same country a related activity normally handled by one company, the two were consolidated in the editing process. Most common were the cases where manufacturing "primaries" had "secondaries" to sell their output; these were consolidated and classified as manufacturing.

It should be noted that wholesale trade (see appendix table 6) consisted almost entirely of the distribution by a separate organization in the foreign country of products manufactured by the parent company or its foreign or domestic affiliates. Foreign purchasing organizations were also included in this category, but they were relatively few in number and small in total value.

The ownership of foreign corporations operating ocean vessels was considered a direct investment in the country of incorporation, usually the same as the one in which the ships were registered. The large scale transfer of American-owned war surplus vessels, especially tankers, to foreign registry after the war, and the buildup of newly constructed, foreign-flag fleets under American ownership, accounted for most of the sharp increase in investments in Panama, Honduras, and Liberia. The tanker fleets are owned mostly by the major oil companies; in such cases they are included in the petroleum category.

Principles of Valuation and Conversion

The basis of valuation adopted for this census, as for previous studies in this field, was the value of the reporter's interest in the stock, surplus, and liabilities, plus other American interest in the securities and surplus of foreign allied organizations, as reflected on the books of the foreign organization, usually converted into dollars in accordance with the standard accounting practice.

Where the reporter ordinarily converted the foreign currencies into United States dollars, a report in both currencies was required along with a brief description of the method of conversion used. Foreign book accounts were generally converted in accordance with standard accounting practice; that is, current assets and liabilities were converted at rates current at the date of the report and fixed assets were converted at the rate current at the time the assets were acquired.

Depreciation reserves were converted at the same rates used in converting the value of the related assets. Capital stock accounts were ordinarily converted at the rate current at the time the stock was acquired, but sometimes at the rate current as of the date of the report. Intercompany accounts were usually shown at the dollar equivalent (at current exchange rates) of the currency in which payable; many of such accounts are payable in dollars. Thus, the surplus account became a residual reflecting the amount needed to equate the two sides of the balance sheet after converting assets, liabilities and capital stock in the manner indicated.

This method of conversion resulted in an average dollar value for the foreign currencies somewhat above the exchange rate current at the date of the report, because whatever fixed assets were purchased

at rates other than the rate current at the time of the report were generally purchased at a time when the dollar equivalent of the foreign currencies was higher than in 1950. Total investments were, however, only about 5 percent higher than if all foreign currency figures had been converted at current rates.

Appendix Table 1.—Foreign exchange rates used for selected countries, 1950

[United States dollars per unit]

	Official or current rates	Average rates ¹ derived from		
		Balance sheet data	Profit and loss data	Net in- vestment data
Canada:				
Agriculture.....	0.950	0.965	0.934	0.974
Mining and smelting.....	.950	.970	.920	.970
Petroleum.....	.950	.957	.920	.959
Manufacturing.....	.950	.952	.924	.953
Transportation, communication, and public utilities.....	.950	.979	.952	.949
Trade.....	.950	.944	.916	.945
Finance.....	.950	.931	.920	.947
Insurance.....	.950	.944	.946	.946
Miscellaneous.....	.950	.926	.928	.926
Latin American republics:				
Argentina.....	.079	.144	.076	.181
Bolivia.....	.017	.017	.009	.020
Brazil.....	.053	.055	.052	.055
Chile.....	.012	.038	.015	.043
Colombia.....	.510	.533	.500	.550
Costa Rica.....	.176	.196	(2)	.183
Ecuador.....	.067	.068	.049	.079
El Salvador.....	.460	.424	.400	.417
Mexico.....	.116	.167	.111	.125
Peru.....	.070	.084	.078	.089
Uruguay.....	.521	.468	.425	.524
Venezuela.....	.299	.310	.319	.310
Western Europe:				
Austria.....	.050	.039	.049	.045
Belgium.....	.020	.020	.020	.021
Denmark.....	.145	.161	.152	.157
Finland.....	.064	.005	.004	.005
France.....	.003	.003	.003	.003
Germany.....	.238	.245	.238	.247
Italy.....	.002	.002	.002	.002
Netherlands.....	.263	.287	.274	.301
Norway.....	.140	.150	.140	.174
Portugal.....	.035	.037	.025	.038
Spain.....	.091	.035	.027	.040
Sweden.....	.193	.208	.191	.223
Switzerland.....	.233	.232	.240	.230
Turkey.....	.357	.360	.357	.362
United Kingdom.....	2.800	2.920	2.767	3.020
Western European dependencies:				
Algeria.....	.003	.003	.003	.003
Bahamas.....	2.800	2.780	2.820	2.800
Belgian Congo.....	.020	.020	(2)	.020
British Guiana.....	.583	.713	(2)	.716
British West Africa.....	2.800	2.800	(2)	2.800
French Equatorial Africa.....	.006	.006	(2)	.006
French Morocco.....	.003	.004	.003	.004
French West Africa.....	.006	.006	(2)	.006
Hong Kong.....	.175	.172	.171	.171
Jamaica.....	2.800	3.060	2.714	3.979
Malaya.....	.327	.320	.325	.328
Netherlands New Guinea.....	.262	.262	(2)	.262
Netherlands West Indies.....	.530	.530	(2)	.530
Northern Rhodesia.....	2.800	3.100	(2)	3.100
Surinam.....	.530	.530	.530	.529
Trinidad.....	.583	.749	.583	.700
Tunisia.....	.003	.003	.003	.003
All other countries:				
Australia.....	2.232	2.410	2.220	2.498
Ceylon.....	.301	.220	.204	.227
Egypt.....	2.872	2.780	2.650	2.830
India.....	.209	.222	.205	.217
Indonesia.....	.262	.275	.250	.262
Iraq.....	2.800	2.890	2.800	3.174
Israel.....	2.800	2.780	2.500	2.800
Japan.....	.003	.003	.003	.003
New Zealand.....	2.773	2.860	2.720	2.949
Pakistan.....	.302	.303	.297	.358
Philippine Republic.....	.497	.500	.500	.514
Union of South Africa.....	2.784	3.010	2.730	3.087

¹ These rates are the average rates used by the companies that converted foreign currencies into United States dollars. These rates were used for converting where company reports were given only in foreign currencies.

2. No conversions were made for these items because all data were stated in United States dollars.

Where a reporter did not ordinarily convert the foreign currency to United States dollars, the report was submitted only in foreign currency. The values on such reports were converted to United States dollars using the average rate of exchange derived from those who reported in both currencies. In Canada, separate rates were computed for each industry. In all cases, separate rates were used to convert the balance sheet items, net United States equity and earnings.

The first two appendix tables show the exchange rates used, and the investment totals.

In applying the derived average to convert foreign currencies for the companies which reported only foreign currency data, it was recognized that the average rate used was composed of a variety of rates for different assets within the same reporting company, and that the conversion practices were not identical for all companies.¹ However, it was felt that the method used would produce a result more consistent with the conversion practices followed in the majority of cases than would the alternative of converting at the current rate of exchange as of the date of the report. It was considered impractical to ask those reporters that did not ordinarily convert foreign currencies to United States dollars to go back to the years in which various fixed assets were acquired, and convert and depreciate those assets at the rate current at that date.

Some reporters maintained the books of their foreign allied organizations in United States dollars only. These reports were submitted in United States dollars and the amounts reported were included in the statistics. The amounts arrived at by this method of accounting correspond closely to the United States dollar figures which would have resulted had the books been maintained in foreign currency and converted by the method outlined above.

The problem of valuation involves not only the method of conversion but also the methods used in arriving at the values reported in foreign currencies. In general, the value of inventories reported probably represented cost or market value, whichever was lower, and fixed assets, cost less depreciation. The questionnaire did not require a description of the methods used in arriving at the foreign currency values, nor of the depreciation schedules used. In view of war damage and the appreciable increase in price levels, there undoubtedly has been revaluation of assets both upward and downward, in terms of foreign currencies, and perhaps in dollars as well. The present book values in most cases are lower than market value, at present price levels, or replacement cost less depreciation. However, though either of these latter figures may be more useful for certain purposes than the figures reported, they are impossible to obtain for so large and varied an aggregate of assets.

Another difficulty in arriving at a proper valuation is the treatment of depletion of wasting assets. In the extractive industries generally, it is the practice to charge depletion against the wasting asset at a rate which will completely write off the asset on the books over the estimated life of the asset. The depletion charges are usually made on a conservative basis, resulting in the assets being depleted on the books at a more rapid rate than they are being depleted physically.

In a number of cases the foreign assets have been completely written off the book while the assets themselves are still in use. For these reasons fixed assets in the extractive industries are in many cases undoubtedly carried on the books at a figure lower in relation to their real value than fixed assets in other industries.

On the other hand, there are many exploratory companies included in the figures for the extractive industries. In these organizations, it is the usual practice to capitalize expenses until a product is discovered and production has begun. The assets of such a company, therefore, have no real value unless and until the company locates and produces a product. Nevertheless, the book value of these assets as carried on the books of the foreign organization is the only valuation obtainable. In the petroleum industry it is the practice to charge off some exploratory expenses—notably the drilling of dry holes—to current profit and loss, instead of capitalizing them.

¹ In 1952, for instance, when the Canadian dollar was at a premium over the United States dollar, some companies, but not all, converted their Canadian current assets and liabilities at par instead of at the premium rate in preparing consolidated accounts for inclusion in reports to stockholders.

ALTERNATIVE METHODS OF VALUATION

In some cases the market value of the stock or bonds of the foreign organization could have been used, instead of book value. However, relatively few of the foreign organizations reported have stock outstanding in the hands of the general public, so that for all except those few a market value is not available. Furthermore, even in the case of those securities for which a current market price is available, such a price is not necessarily a better reflection of the real value of the assets, on a going concern basis. Current earnings and the general opinion regarding prospective earnings are among the factors affecting the price.

The investments were also reported in United States dollars as carried on the books of the reporter, which provided a third possible measure of value. These figures were generally reported at cost or cost minus certain adjustments and reserves not necessarily related to the experience of the foreign organization representing the investment. Equity in surplus was rarely included in the amount carried on the reporters' books and in many instances the carrying value reported was well below the original cost or current value of the capital stock as shown on the books of the foreign organization. No tabulation of these carrying values was attempted.

In general, it may be said that while there are numerous ways to place a value on the assets and consequently the net worth of a business enterprise, the methods used in this census follow generally accepted accounting practices for determining book value and result in a conservative evaluation.

Appendix Table 2.—Value of direct investments, by currency in which reported

[Millions of dollars]

Areas	Total	Foreign currency and United States dollars	Foreign currency only	United States dollars only
Total	11,788	2,951	3,219	5,617
Canada.....	3,579	1,094	1,553	932
Latin American republics.....	4,735	1,008	454	3,273
Western Europe.....	1,720	511	985	224
Western European dependencies.....	435	31	63	341
Other countries.....	1,318	307	164	847

Assets of the foreign enterprise which represented accounts payable by the American parent organization were netted against intercompany accounts receivable by the parent in calculating the net United States investment. The intercompany account totals shown in appendix tables 8 and 9 are therefore net. Other assets in the United States have been left in, and are therefore part of the value of the foreign investments to the extent that they are not offset by liabilities in the foreign countries; these assets probably consisted mostly of accounts receivable by foreign enterprises from nonaffiliated United States business concerns, and bank deposits or other liquid assets in the United States.

EARNINGS AND INCOME CONVERSION

In converting profit and loss accounts, income and expense items were usually converted to United States dollars at an average rate of exchange for the year, or an average for each month, or at the rate current at the end of each month. Depreciation charges were converted at the same rates as the corresponding assets in the balance sheet. Since nearly all foreign currencies have depreciated in relation to the United States dollar since the acquisition of at least some of the fixed assets reported, this method of converting depreciation charges resulted in a lower profit in United States dollars.

The practice of converting current assets and liabilities at current exchange rates results in an "unrealized" exchange loss or gain when

foreign exchange rates change during the year. Ordinarily, in preparing consolidated accounting statements in terms of dollars, such losses and gains are included in the current profit and loss account. This practice, however, tends to distort the results of the current year's operations, and the earnings (in appendix tables 18-23) are here shown at their dollar equivalents before charges or credits for the exchange adjustment on current assets and liabilities. The questionnaire asked for this item separately; in a few cases where it was not provided, it had already been taken into account in showing the net income.

In converting the total earnings of foreign enterprises, the companies' dollar figures were accepted unless the implied rate was so far out of line as to indicate the use of arbitrary equivalents. Data reported in foreign currencies only were converted at the average rates derived from the reports of companies furnishing figures in both currencies.

However, in calculating the United States share in net earnings and undistributed profits, the foreign currency figures for net profits after foreign income taxes were converted at the average rates indicated in appendix table 1. This method presumably resulted in slightly higher dollar equivalents because of the depreciation factor mentioned above, and accounts for the fact that the United States share in net earnings (appendix table 22) is in some cases equal to, or even slightly higher than the total net earnings of the foreign enterprises as converted by the companies themselves (appendix table 18).

For the foregoing reasons, and because of other miscellaneous charges or credits to surplus, it is not possible to account for the changes in the value of investment from one year to the next solely in terms of the undistributed profits plus the capital movements shown in appendix tables 26 and 27.

The earnings data presented in appendix tables 18-23 do not allow for any taxes paid or payable on the distribution of such earnings as dividends. The amount of such taxes actually paid on the (net) dividends of \$614.4 million received in 1950 (see appendix table 24) was \$45 million.

Net earnings are shown before and after foreign income taxes. In many countries other forms of taxation or the equivalent, such as petroleum royalties and the use of multiple exchange rates, supplement or substitute for income taxes. All such taxes were presumably deducted by the reporters in arriving at the figures for net income before foreign income taxes.

Earnings are included without regard to the fact that foreign exchange or other laws or regulations in some countries prevent their conversion into United States dollars, or allow conversion only at rates less favorable than those used in this study.

The allocation of earnings and income by country is discussed below in the section on secondary investments.

All earnings and income figures are, of course, before any allowance for United States income taxes. They are, therefore, not net returns to the United States investor, although they do represent the earnings of the United States economy from its foreign investments.

The investment in foreign branches and subsidiaries of insurance companies in Canada differs from the investment as carried on the books of these companies because we have followed the generally accepted practice of reducing the reserve for unearned premiums as carried on the company books. (It was not done in other countries where this investment was small.) The adjustment reduces the companies' liabilities, which are based on the very conservative practices required by various regulations governing such companies, and therefore raises their net assets. By reducing the amount of the reserve for unearned premiums charged against income in 1950, the earnings of the companies in that year are also somewhat larger in this census than are the earnings appearing on the books of the companies. For Canada, instead of the required 80 percent reserve for unearned premiums, the reduction here is to a 60 percent reserve.

The income receipts presented in appendix tables 23 and 24 are net of all foreign taxes, including taxes which are levied by the foreign government against the United States recipient of the income, and usually collected by withholding at the source.

Other Classification Procedures

The data in appendix tables 26 and 27 represent the net flow of direct investment capital between the United States and foreign countries during 1950, calculated in the same manner as is customary for balance of payments purposes.² For the most part they reflect the net change in intercompany accounts from the beginning to the end of the year. They also reflect the combined net result of the transactions of all companies included in each country-industry category in the tables. These net figures were first calculated on a country-by-industry basis, and then combined into industry-by-area totals.

Certain other transactions are included in the totals, such as the acquisition of new enterprises, the sale of old ones, and the increase in capital stock of existing enterprises (except stock dividends).

Reports were required for the fiscal year ending nearest December 31, 1950. However, almost all figures in this study have been compiled as if all reports were for the calendar year. While this produces some degree of error—the percentage error may be greater in the income and capital movement figures than in the investment totals—it was not considered practical to ask all companies to report on a calendar year basis. In a few cases where supplementary data were available, and large differences occurred, the capital movements for individual companies were adjusted to a calendar year basis.

INVESTMENT ALLOCATION

Investment in a primary allied foreign organization was allocated to the foreign country in which it was conducting business. If a foreign organization did business in more than one country, reports were required for each country in which the foreign organization operated. Operations by the primary foreign organization (either through branches or sub-subsidiaries) outside the country, or in other industries in the same country, were treated as secondary foreign organizations.

Where primary foreign organizations owned less than 50 percent of the voting stock of secondary companies, separate reports were not required. Assets represented by such investments are shown as "other assets" in the country and industry of the primary foreign organization, at the value carried on the books of the primary foreign organization. For example, consider a Canadian organization owned in the United States which in turn has an investment in a South American corporation amounting to less than 50 percent of the voting securities of the South American corporation. The South American corporation was not reported separately, but the entire investment was shown in Canada, in the industry of the Canadian organization, and at the value carried on the books of the Canadian corporation.

In some cases, a primary allied foreign organization had been set up in a foreign country solely for the purpose of holding the stock of secondary allied foreign organizations located in the same or other foreign countries. In these instances the primary foreign organizations were eliminated from the chain of ownership and the secondary foreign allied organizations were treated as primaries, owned directly by the United States reporter. The same result was gained by treating such companies as if they had been incorporated in the countries of operation.

The method of allocating investment between primary and secondary organizations in different industries or countries consisted of a series of steps which can be illustrated as follows:

The carrying value of the investment in the secondary organization, as shown on the books of the primary, was adjusted if necessary to reflect the full book value as shown on the secondary's books.

In making this adjustment, conversions between the two foreign currencies were made at official exchange rates or at rates shown in the report filed for the secondary corporation and from the currency of the primary into dollars at the rates shown by the reporter, or those given in appendix table 1.

An offsetting adjustment was made in the surplus account of the primary. The American equity in this consolidated investment was then calculated in the usual manner.

The American investment in the secondary company was then calculated by applying to the primary's investment in the secondary (as adjusted) a fraction equal to the ratio of the American investment in the primary to the total assets (or liabilities plus capital) of the primary. This amount was deducted from the investment in the primary, in one lump sum figure, and included in the totals for the country where the secondary operated.

A simplified example may aid in clarifying this treatment. It is assumed that A, a primary allied organization, had assets of 50 in its own country, and an investment of 50 (equal to full book value) in a secondary company B, making total assets of 100. A's liabilities to creditors in its own country are 50; the total American equity (capital stock, surplus, and intercompany account) is also 50. A's balance sheet would be as follows:

<i>Item</i>	<i>Amount</i>
Assets:	
In country A	50
Investment in B	50
Total assets	100
Liabilities and net worth:	
In country A	50
United States investment	50
Total liabilities and net worth	100

In this case the total American investment is 50. By the above method the investment in B is 25 ($50/100 \times 50$) and the investment in A will also be 25.

This is somewhat different from the usual method of noting the net foreign assets included in consolidated financial statements presented to stockholders, which is to give the net assets in each foreign country or area. This involves deducting the liabilities to creditors in a particular area from assets in the same area instead of offsetting the liabilities of the primary company in part against the net investment in the secondary. In the example given above, the common practice would have been to show no net assets in country A, and net assets of 50 in country B.

Income payments to the United States by a primary foreign allied organization were allocated to secondary allied foreign organizations in the proportion that receipts from the secondary organizations contributed to the total net income of the primary organization before payment of foreign income taxes by the primary in its own country. Income payments received in the United States from the country of the primary foreign allied organization as shown in the tables are in a sense understated, to the extent that such payments have been reallocated to the country which was considered to be the ultimate source of the funds transmitted.

2. Previously published balance of payments figures will be revised to reflect the more accurate data provided by the census of 1950.

Comparison With Previous Estimates

THE new valuation of American direct investments abroad in 1950 is \$1.7 billion lower than previous estimates. The earlier estimates were based on a census of American-owned assets in foreign countries conducted by the Treasury Department during the war, covering the year 1943. The data obtained in that census were brought up to date by annual adjustments for estimated capital movements and reinvested earnings.

Major factors accounting for the downward revision of the value of foreign investments include: (1) the elimination from the present census of enterprises now within Communist territories (\$300 million); (2) the effects of war damage in Germany, Austria, and the Far East (\$200 million); (3) the elimination of foreign branches and subsidiaries of enterprises incorporated in the United States but owned by foreigners (\$280 million), and (4) the elimination of foreign corporations whose stock is widely held in the United States but without an aggregate American interest of more than 50 percent of the voting stock or controlling participation in the management (\$140 million).

In addition, certain items such as exploration losses and depletion charges, which appear as capital outflows in the balance of payments, are not included as capital investments in the books of the reporting companies. These items amounted to approximately \$200 million between 1943 and 1950.

The old investment values for 1950 were based, as mentioned above, on the 1943 investment census which converted all foreign currency data into dollars at the current rates. The exchange rates used in converting the 1943 totals were generally higher than the rates used in this census. The additions to investments between 1943 and 1950, derived from balance of payments estimates, also reflected exchange rates which were generally higher than those used in the present census. It is impossible to evaluate the effects of the various changes in these foreign exchange rates over past periods; however, the unaccounted for differences between the old and new estimates for 1950 were largely caused by the general downward movement of these rates.

Comparison with previous income estimates

The income received on direct investments is recorded here at \$1,294 million in 1950 (see appendix table 23) and is about \$175 million less than the previous estimate.¹ The major revision—aside from some offsetting discrepancies in other countries and industry groups—occurred in the figure for Latin America, now about \$142 million less than that formerly shown. A part of this revision is due to errors in quarterly reporting of dividends to the Department. These have been corrected in the present census.

Most of the remainder results from the changed treatment of a foreign-owned American company, the earnings of the foreign branches

of which were formerly included in the total but have now been eliminated in accordance with the principles and definitions outlined earlier in this appendix. Finally, the decision was made to handle exploratory and development expense of foreign branches of United States petroleum companies in the same fashion as the companies themselves do—as a charge to profit and loss instead of a capital expenditure. This last adjustment alone accounts for a revision in the income receipts from petroleum investments in Canada from \$12 million to minus \$3.4 million, and for most of the revision in Colombia from \$10 million (not previously published separately) to minus \$0.1 million.

Other revisions, which affected individual countries without changing the world total significantly, were due in the main either to lack of adequate benchmark data, as in the case of Belgium (reduced from \$16 million to \$5.6 million), or to erroneous reporting or misinterpretation of data furnished by the respondents, which accounted for most of the revision in the estimate for Cuba (reduced from \$69 million to \$40 million).

One other technical change was the decision to exclude publicly owned companies from the data, if less than 50 percent of their stock was held in the United States. Previously, companies in this group were included if more than 25 percent of their stock was so held. It is estimated that this adjustment reduced income receipts from Canada by over \$15 million, which was partly offset by upward revisions for other reasons. Dividends received on stock of these companies will be included in the balance of payments, of course, but classified as income on portfolio investments.

However, there were also important offsetting revisions in the American share of undistributed profits of foreign corporations which are now placed at \$475 million as compared with a previous estimate of \$443 million. Some of the upward revision in this item results from the duplication of dividends in previous reports. Reducing the dividends paid to the correct amount had the effect of raising the undistributed profits accordingly, since the total earnings for the year had been correctly reported.

Undistributed profits in Canada were reduced by about \$79 million; those in Europe were increased by about the same amount. However, these errors in estimating do not seem to have been interrelated. The Canadian adjustment was due partly to the exclusion of the 25–50 percent companies already mentioned, and partly to various other factors, including erroneous reporting of profits by certain respondents and an allocation in the present statistics of the income of certain Canadian companies with foreign operations to countries where the income was earned. The underestimate of total earnings for Europe (the income paid out for the area as a whole was correctly estimated in the earlier data) seems to have resulted from an undercoverage in the sample returns, especially for Germany. As already indicated, American-owned companies in that country had substantial profits which they were unable to remit because of German exchange controls.

1. *Balance of Payments Supplement to the SURVEY OF CURRENT BUSINESS*, 1952, p. 153.

Improved coverage of new capital-movements data

Prior estimates of 1950 capital movements are contrasted with the new Census data in the following table. This shows that although the old series gave useful results, there are many places where corrections were imperative. Whereas a sampling technique was used to expand income reported by a relatively few but generally large companies into an estimated total for the balance of payments, it was not considered appropriate to expand reported capital movements similarly. This was because capital movements could vary not only in amount but also in direction among companies to a much greater extent than income, and it was, therefore, doubtful that the companies for which data were collected were representative of the whole. One of the results of this census will be to provide a basis for reexamining the method of estimating capital movements.

A few changes in methodology were adopted in the census tabulations, all of which affect the data for the petroleum industry. One of these relates to ships purchased in the United States for foreign subsidiaries or branches of United States companies. Such sales are often financed directly by loans from banks or insurance companies in the United States rather than through the parent companies. However, since information on such financing was not available at the time of the earlier estimates, the only possible procedure was to add the export value of these ships to the direct-investment capital outflows reported by the parent companies. For 1950, data were obtained for this financing and the substitution of these data, which are more in accord with the accounting procedures of the companies, reduced the former total by about \$40 million.

Appendix Table 3.—Net direct investment capital flows, 1950; comparison of old and new series

[Millions of dollars; inflow (—)]

	Old series	Adjustments for comparability	Old series adjusted	New series
Area				
Total	702	—155	547	621
Canada.....	265	—26	239	287
Latin American Republics.....	191	—85	106	40
Western Europe.....	75	—	75	119
Western European dependencies.....	9	—	9	14
Other countries.....	162	—44	118	161
Industry				
Total	702	—155	547	621
Agriculture.....	—4	—	—4	—9
Mining and smelting.....	68	—	68	87
Petroleum.....	365	—155	210	248
Manufacturing.....	118	—	118	192
Transportation, communication, and public utilities.....	16	—	16	—2
Trade.....	59	—	59	68
Other.....	80	—	80	37

A second major departure from the previous method, earlier noted, was the decision to consider certain exploration losses of petroleum companies as charges against income, as is the company practice, rather than as capital outflows. This change eliminates \$31 million from the former estimate for capital outflows in 1950.

A number of minor modifications—equally important in the aggregate—were also made in the treatment of the capital outflows of a few companies. All of the changes are accounted for in appendix table 3.

The new data are to a minor degree incomplete because relatively small individual investors were excluded, and because of the difficulty of achieving full coverage. No attempt was made to estimate the effect of such omissions.

After making the adjustments mentioned above, capital movements reported in the census exceeded the former estimates for 1950 by about \$75 million. There were also many adjustments which did not alter the total but resulted in shifts among countries and industries.

Increased capital outflows to all the major areas except Latin America were shown in the census, and the increases were spread over a large number of individual countries.

Approximately \$50 million of additional capital outflows to Canada were recorded, mainly in the manufacturing and trade categories. The improved coverage of the census was particularly important for this country where the large number of small and medium-sized investments presents a difficult problem for the sampling methods ordinarily used.

For Western Europe as a whole there was an increase of about \$45 million, largely in petroleum. Major increases were reported for the United Kingdom, Italy, the Netherlands, and Switzerland. Some of the change represented a reallocation of investment formerly attributed to the Middle East. The total for "other countries" was raised by \$40 million, mainly in Egypt, Australia, the Philippine Republic and some of the Middle East countries. Here the modifications of data for some companies were more important than improved coverage.

Capital outflows to Latin America are lower by about \$65 million than in the older estimates. The reductions affected nearly every country, with only Mexico showing a significant gain. Much of the overall reduction comes from corrections in investments already covered in the previous samples, but in some countries the companies now being covered for the first time reported capital withdrawals, on balance.

Manufacturing investments were apparently much underestimated heretofore; the outflow to this industry in 1950 was raised to \$192 million from \$118 million, mainly as a result of better coverage and also because of the inclusion of a few companies formerly classified in other industries. Previous estimates of this industry for Canada and Latin America were each raised by about \$30 million, and \$10 million was added to the total for Western Europe.

Revised capital outflows for investment in the petroleum industry were \$248 million in 1950, as against the earlier estimate of \$365 million. However, when adjustments are made the old figure is reduced to \$210 million, or about \$38 million less than the new total. The largest increases are in the previous estimates for Western Europe, partly caused by including outflows formerly attributed to other countries. There were a number of small upward adjustments in such countries as Egypt, the Philippine Republic, and Liberia. However, the larger part of the increases results from corrections of earlier data rather than increased coverage.

An addition of \$20 million was made to former estimates for capital outflows in the mining and smelting industry; about half of the increase occurred in Latin America with smaller increases in the Middle East and Africa. Changes indicated from earlier estimates for agriculture, public utilities, and trade were relatively minor. Capital outflows to the "other" industry group, comprising such enterprises as finance and insurance, real estate and motion pictures, were about \$40 million lower than the previous figure. This was partly the result of apportioning some of the outflows formerly in this category to other industries, and also reflected the elimination of some doubtful estimates for the investments of motion picture companies.

Basic Statistical Tables

Detailed tabulations of the data collected in the 1950 Census are contained in the following:

	<i>Appendix tables</i>
Book value of United States direct investments.....	4-15
Total assets and liabilities of United States direct investment enterprises.....	16-17
Net earnings, undistributed profits, and receipts of income (dividends, interest, and branch profits).....	18-24
Receipts of royalties and fees.....	25
Net capital movements to and from these direct-investment enterprises.....	26-27
Special area and country tables.....	28

Data for partnerships and sole proprietorships are combined with branches and shown under that heading only. Country combinations used in the following tables are shown below.

Detail may not add to totals because of rounding.

Country Combinations

Germany includes only Western Germany.

Portugal includes Azores and Madeira Islands.

Spain includes Canary Islands.

Other countries in Europe includes Iceland, Liechtenstein, Luxembourg, Trieste, and Yugoslavia.

Other British dependencies in the Western Hemisphere includes Bermuda, Jamaica, British Honduras, and other British West Indies.

Other European dependencies in the Western Hemisphere includes French North America, French West Indies, French Guiana, Netherlands West Indies, and Netherlands Guiana (Surinam).

British West Africa includes Nigeria, Gold Coast, and Sierra Leone.

Other British Africa includes British Somaliland, British South Africa, Kenya, Northern Rhodesia, Nyasaland, Southern Rhodesia, Tanganyika, and Uganda.

French North Africa includes Algeria, Morocco, and Tunisia.

Other French Africa includes French Equatorial Africa, French Somaliland, French West Africa, and Madagascar.

Portuguese and Spanish Africa includes Angola, Mozambique, Portuguese Guinea, Spanish Morocco, Rio de Oro, and Spanish Guinea.

Other British dependencies includes Aden, Bahrein Islands, Cyprus, Gibraltar, Hong Kong, Kuwait, Malaya, Malta, Qatar, British Oceania, and British Islands East of Africa.

Other European dependencies includes French Oceania, Netherlands New Guinea, Portuguese India, and Timor.

Union of South Africa includes Southwest Africa.

Other countries in Africa includes Anglo-Egyptian Sudan, Eritrea, Ethiopia, Libya, Somaliland, and Tangiers.

Other countries in Asia includes Afghanistan, Burma, Ceylon, Formosa, Indochina (Laos, Cambodia and Vietnam), Iran, Iraq, Jordan, Korea, Lebanon, Saudi Arabia, Syria, and Thailand.

Appendix Table 4.—Direct investments abroad, 1950, by country and industry

[Millions of dollars]

Country	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Finance and insurance	Miscellaneous
All areas, total.....	11,788.0	589.0	1,128.5	3,390.3	3,831.4	1,424.9	762.2	424.7	237.1
Canada.....	3,579.2	20.5	334.3	418.3	1,896.6	284.4	239.8	313.2	72.0
Latin American Republics, total.....	4,735.2	519.6	628.4	1,407.8	779.8	1,041.5	242.5	71.1	44.5
Argentina.....	355.6	(1)	(1)	(1)	161.1	76.9	34.9	8.0	7.7
Bolivia.....	10.8	(1)	6.1	(1)	(1)	2.4	1.6	(1)	(1)
Brazil.....	644.2	(1)	(1)	112.4	284.5	137.6	72.6	21.7	7.4
Chile.....	540.1	(1)	350.6	(1)	29.0	(1)	14.5	1.5	1.4
Colombia.....	193.4	(1)	(1)	111.6	24.8	29.2	8.8	3.9	3.0
Costa Rica.....	60.0	(1)	(1)	3.8	.4	10.8	.7	(1)	(1)
Cuba.....	642.4	262.7	(1)	20.4	54.2	270.5	20.8	(1)	5.6
Dominican Republic.....	105.7	79.1	(1)	(1)	9.0	10.7	.9	(1)	2.3
Ecuador.....	14.2	(1)	(1)	(1)	.6	5.3	1.7	3.6	(2)
El Salvador.....	18.5	(1)	(1)	2.3	(1)	16.8	.5	(1)	(1)
Guatemala.....	105.9	(1)	(1)	3.6	(1)	72.2	3.3	(1)	(1)
Haiti.....	12.7	7.9	(1)	(1)	(1)	2.3	(1)	(1)	(1)
Honduras.....	61.9	(1)	(1)	(1)	(1)	8.8	(1)	(1)	(1)
Mexico.....	414.5	3.0	120.5	12.7	133.0	107.2	29.7	2.3	6.2
Nicaragua.....	9.0	(1)	(1)	(1)	(1)	.9	.6	(1)	(1)
Panama.....	348.0	(1)	(1)	180.7	1.7	132.5	10.6	4.8	(1)
Peru.....	144.5	(1)	55.1	(1)	15.8	(1)	13.1	(1)	.8
Uruguay and Paraguay.....	61.0	(1)	(1)	4.2	37.9	1.7	4.3	12.3	.5
Venezuela.....	993.0	(1)	(1)	857.1	23.8	10.0	23.6	13.1	6.7
Western Europe, total.....	1,720.2	.8	20.9	424.1	932.5	27.3	185.5	37.3	92.0
Austria.....	13.2	(1)	(1)	(1)	3.2	(1)	1.1	(1)	2.5
Belgium.....	64.9	(1)	(1)	17.0	34.8	.4	10.6	.3	1.8
Denmark.....	31.6	(1)	(1)	19.7	7.8	(1)	3.7	(1)	.2
Eire.....	5.3	(1)	(1)	1.8	2.5	(1)	.9	(1)	(1)
Finland.....	8.6	(1)	(1)	6.6	(1)	(1)	1.4	(1)	.4
France.....	217.1	(1)	2.5	75.5	114.4	4.7	5.0	10.3	4.8
Germany.....	204.3	(1)	(1)	37.9	122.7	3.6	18.8	2.5	17.9
Greece.....	5.9	(1)	(1)	(1)	(1)	(1)	1.9	(1)	.7
Italy.....	62.6	(2)	(1)	36.6	18.9	.6	1.4	3.5	1.6
Netherlands.....	84.4	(1)	(1)	42.8	22.7	.5	13.2	2.5	2.3
Norway.....	24.3	(1)	(1)	6.5	5.1	1.0	1.4	(1)	.6
Portugal.....	16.0	(1)	.6	5.6	2.2	1.8	5.4	(2)	.3
Spain.....	30.7	(1)	(1)	5.6	15.3	(1)	2.3	(1)	5.0
Sweden.....	57.8	(1)	(1)	24.8	25.9	(1)	5.0	(1)	1.8
Switzerland.....	25.1	(1)	(1)	5.8	10.7	.2	5.7	.9	1.8
Turkey.....	15.8	(1)	(1)	(1)	(1)	(1)	5.4	(1)	(1)
United Kingdom.....	847.0	(1)	3.2	123.0	541.8	10.6	102.2	16.0	50.2
Other countries.....	3 5.5	(1)	(1)	(1)	(1)	.1	(1)	.9	.1
Western European dependencies, total.....	435.3	9.4	88.4	296.0	8.9	18.1	13.1	.2	1.2
Western Hemisphere:									
Bahamas.....	11.3	(1)	(1)	3.4	(1)	(1)	(1)	(1)	(1)
British Guiana.....	31.4	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Trinidad.....	14.0	(1)	(1)	4.8	(1)	(1)	1.1	(1)	.2
Other British.....	9.8	(1)	(1)	(1)	.9	(1)	.6	(1)	.2
Other European.....	4 64.9	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Africa:									
British West Africa.....	10.5	(1)	(1)	8.6	(1)	(1)	(1)	(1)	(1)
Other British.....	30.4	(1)	25.2	(1)	(1)	(1)	2.4	(1)	(1)
Belgian Congo.....	8.2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
French North Africa.....	14.5	(1)	(1)	11.1	(1)	2.0	.8	(2)	.1
Other French.....	16.9	(1)	(1)	15.5	(1)	(1)	(1)	(1)	(1)
Portuguese and Spanish.....	5 3.7	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other areas:									
Other British.....	190.0	(1)	23.4	152.1	5.0	.6	3.0	(1)	.2
Other European.....	29.7	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other countries, total.....	1,318.1	38.7	56.5	844.1	213.6	53.6	81.4	2.9	27.4
Egypt.....	39.3	(1)	(1)	25.8	7.9	(1)	2.8	(1)	2.1
Liberia.....	82.0	(1)	(1)	67.7	(1)	(1)	(1)	(1)	(1)
Union of South Africa.....	140.1	(1)	32.9	44.9	44.0	(1)	13.5	(1)	2.3
Other countries in Africa.....	6.8	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
India.....	37.7	(1)	(2)	(1)	16.0	2.0	6.0	(1)	1.2
Indonesia.....	58.2	13.5	(1)	(1)	9.7	(1)	1.7	(1)	2.6
Israel.....	14.8	(1)	(1)	6.8	.9	.5	.2	(1)	3.7
Japan.....	18.6	(1)	(1)	(1)	4.7	.8	.4	(1)	.6
Pakistan.....	7.8	(1)	(1)	(1)	(1)	(1)	4.9	(1)	.1
Philippine Republic.....	149.2	15.3	(1)	(1)	23.3	(1)	29.6	(1)	1.4
Other countries in Asia.....	538.1	(1)	(1)	527.3	(1)	47.1	3.3	.5	5.0
Australia.....	200.8	(1)	11.1	(1)	97.6	(1)	13.9	.2	7.8
New Zealand.....	24.8	(1)	(1)	(1)	9.2	(1)	4.4	(1)	.6

1. Included in totals.

2. Less than \$50,000.

3. Total includes Liechtenstein \$1,200,000, Luxembourg \$3,800,000, and Yugoslavia \$500,000; investments in Iceland and Trieste were less than \$50,000.

4. Total includes French dependencies in the Western Hemisphere \$200,000, and Netherlands dependencies in the Western Hemisphere \$64,700,000.

5. Total includes Portuguese Africa \$2,400,000, and Spanish Africa \$1,200,000.

Appendix Table 5.—Direct investments abroad, 1950, foreign corporations and branches, by area and industry

[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	11,788.0	3,579.2	4,735.2	1,720.2	435.3	1,318.1
Foreign corporations	8,473.6	3,158.5	2,626.7	1,600.5	340.4	747.5
Branches	3,314.4	420.7	2,108.5	119.7	94.9	570.6
Agriculture, total	589.0	20.5	519.6	.8	9.4	38.7
Foreign corporations	332.7	17.6	271.6	.8	6.3	36.5
Branches	256.3	2.9	248.1	-----	3.1	2.2
Mining and smelting, total	1,128.5	334.3	628.4	20.9	88.4	56.5
Foreign corporations	647.3	302.2	196.5	20.1	72.0	56.4
Branches	481.3	32.1	431.9	.8	16.4	.1
Petroleum, total	3,390.3	418.3	1,407.8	424.1	296.0	844.1
Foreign corporations	1,914.2	360.6	559.9	400.0	242.6	351.1
Branches	1,476.1	57.7	847.9	24.1	53.4	493.0
Manufacturing, total	3,831.4	1,896.6	779.8	932.5	8.9	213.6
Foreign corporations	3,595.9	1,812.4	677.8	909.1	7.5	189.1
Branches	235.5	84.1	102.1	23.3	1.5	24.5
Transportation, communication and public utilities, total	1,424.9	284.4	1,041.5	27.3	18.1	53.6
Foreign corporations	1,028.8	260.9	711.6	11.8	6.9	37.7
Branches	396.1	23.6	329.9	15.5	11.2	15.9
Trade, total	762.2	239.8	242.5	185.5	13.1	81.4
Foreign corporations	578.1	211.4	147.4	164.1	4.0	51.0
Branches	184.1	28.4	95.0	21.4	9.0	30.3
Finance and insurance, total	424.7	313.2	71.1	37.3	.2	2.9
Foreign corporations	195.1	127.1	35.5	26.6	.4	5.5
Branches	229.6	186.1	35.6	10.6	-.1	-2.7
Miscellaneous, total	237.1	72.0	44.5	92.0	1.2	27.4
Foreign corporations	181.5	66.1	26.4	68.0	.7	20.2
Branches	55.6	5.9	18.0	23.9	.5	7.2

Appendix Table 6.—Direct investments abroad, 1950, industry subgroups by area

[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	11,788.0	3,579.2	4,735.2	1,720.2	435.3	1,318.1
Agriculture, total	589.0	20.5	519.6	.8	9.4	38.7
Fruit	154.6	-----	147.7	.1	.8	5.9
Sugar	356.7	-----	346.4	-----	1.5	8.9
Rubber	28.3	-----	1.2	-----	5.8	21.3
All other agriculture	49.5	20.5	24.4	.6	1.3	2.7
Mining and smelting, total	1,128.5	334.3	628.4	20.9	88.4	56.5
Iron	88.3	20.6	63.7	(1)	-----	4.0
Gold, silver, and platinum	74.4	24.9	21.7	2.2	.1	25.4
Other metals	871.7	276.0	486.0	5.6	77.1	27.0
Nonmetallic minerals	94.2	12.7	57.1	13.1	11.2	.1
Petroleum, total	3,390.3	418.3	1,407.8	424.1	296.0	844.1
Manufacturing, total	3,831.4	1,896.6	779.8	932.5	8.9	213.6
Food	483.2	226.5	158.2	64.4	.9	33.2
Paper and allied products	377.8	367.5	4.5	5.0	-----	.8
Chemicals and allied products	512.2	198.3	205.0	74.3	.1	34.5
Rubber products	181.6	59.0	60.3	30.7	2.8	28.8
Primary and fabricated metals	385.2	248.7	21.7	111.2	.8	2.9
Machinery, other than electrical	420.4	203.8	13.0	175.0	.1	28.5
Electrical machinery, equipment, and supplies	386.5	140.5	78.9	152.8	1.2	13.0
Motor vehicles and equipment	485.2	160.0	83.0	191.5	.3	50.5
All other manufacturing	599.2	292.3	155.3	127.5	2.7	21.3
Transportation, communication and public utilities, total	1,424.9	284.4	1,041.5	27.3	18.1	53.6
Railroads	286.6	91.3	186.4	-----	-----	9.0
Water transportation	182.6	11.7	145.7	10.2	13.4	1.6
All other transportation	62.5	16.2	31.7	8.8	1.9	3.8
Communication	155.2	11.2	131.5	6.1	2.4	4.0
Electric light, power and gas	737.9	154.1	546.2	2.2	.4	35.1
Trade, total	762.2	239.8	242.5	185.5	13.1	81.4
Wholesale trade	541.6	178.9	191.3	101.5	5.1	64.8
Retail trade	220.6	60.9	51.1	84.0	8.0	16.6
Finance and insurance, total	424.7	313.2	71.1	37.3	.2	2.9
Banking and other finance	169.7	105.9	37.8	21.3	.4	4.3
Holding companies	56.2	12.5	28.6	12.8	-----	2.4
Insurance	198.8	194.9	4.8	3.1	-.1	-3.7
Miscellaneous, total	237.1	72.0	44.5	92.0	1.2	27.4
Real estate	37.7	9.5	7.5	17.0	.5	3.3
Motion pictures	111.7	22.9	16.9	55.9	.4	15.7
All other	87.6	39.6	20.1	19.1	.4	8.5

1. Less than \$50,000. 2. Excluding tankers owned by petroleum companies.

Appendix Table 7.—Direct investments abroad, 1950, by type of foreign organization, number of foreign units, and country

[Millions of dollars]

Country	Total		Foreign corporations		Branches	
	Number ¹	Value	Number ¹	Value	Number ¹	Value
All areas, total	7,417	11,788.0	5,048	8,473.6	2,369	3,314.4
Canada, total	1,961	3,579.2	1,548	3,158.5	413	420.7
Latin American republics, total	1,963	4,735.2	1,158	2,626.7	805	2,108.5
Argentina	208	355.6	132	320.6	76	34.9
Bolivia	21	10.8	12	4.7	9	6.0
Brazil	236	644.2	144	446.8	92	197.3
Chile	75	540.1	40	222.6	35	317.6
Colombia	152	193.4	68	75.3	84	118.1
Costa Rica	29	60.0	12	13.5	17	46.5
Cuba	280	642.4	170	371.5	110	270.9
Dominican Republic	36	105.7	15	60.7	21	45.0
Ecuador	32	14.2	13	5.6	19	8.7
El Salvador	20	18.5	3	2.1	17	16.3
Guatemala	33	105.9	12	13.2	21	92.7
Haiti	14	12.7	6	11.4	8	1.3
Honduras	24	61.9	13	20.2	11	41.7
Mexico	375	414.5	293	367.0	82	47.5
Nicaragua	18	9.0	7	2.5	11	6.4
Panama	119	348.0	75	295.8	44	52.2
Peru	86	144.5	45	99.0	41	45.5
Uruguay and Paraguay	71	61.0	37	52.7	34	8.3
Venezuela	134	993.0	61	241.5	73	751.5
Western Europe, total	2,253	1,720.2	1,698	1,600.5	555	119.7
Austria	93	13.2	39	8.6	54	4.6
Belgium	121	64.9	93	60.8	28	4.0
Denmark	48	31.6	39	25.0	9	6.6
Eire	16	5.3	12	4.2	4	1.2
Finland	21	8.6	16	7.5	5	1.1
France	265	217.1	215	206.8	50	10.3
Germany	400	204.3	249	182.9	151	21.4
Greece	27	5.9	7	.6	20	5.3
Italy	93	62.6	70	60.3	23	2.3
Netherlands	124	84.4	103	80.5	21	3.9
Norway	41	24.3	33	23.8	8	.5
Portugal	37	16.0	15	6.7	22	9.3
Spain	66	30.7	47	27.6	19	3.1
Sweden	61	57.8	56	56.5	5	1.3
Switzerland	103	25.1	78	20.5	25	4.6
Turkey	17	15.8	(2)	(2)	(2)	(2)
United Kingdom	695	847.0	607	822.3	88	24.7
Other countries	25	5.5	(2)	(2)	(2)	(2)
Western European dependencies, total	332	435.3	141	340.4	191	94.9
Western Hemisphere:						
Bahamas	16	11.3	14	10.0	2	1.3
British Guiana	6	31.4	(2)	(2)	(2)	(2)
Trinidad	21	14.0	9	5.3	12	8.8
Other British	35	9.8	14	4.3	21	5.5
Other European	20	64.9	7	64.4	13	.5
Africa:						
British West Africa	15	10.5	5	2.2	10	8.3
Other British	17	30.4	11	28.7	6	1.7
Belgian Congo	10	8.2	5	3.0	5	5.2
French North Africa	32	14.5	16	9.2	16	5.3
Other French	21	16.9	6	1.3	15	15.6
Portuguese and Spanish	15	3.7	4	.4	11	3.2
Other areas:						
Other British	119	190.0	44	151.2	75	38.8
Other European	5	29.7	(2)	(2)	(2)	(2)
Other countries, total	908	1,318.1	503	747.5	405	570.6
Egypt	37	39.3	13	23.5	24	15.7
Liberia	15	82.0	9	80.2	6	1.8
Union of South Africa	126	140.1	103	136.0	23	4.1
Other countries in Africa	13	6.8	(2)	(2)	(2)	(2)
India	71	37.7	35	17.8	36	19.8
Indonesia	36	58.2	17	52.2	19	6.0
Israel	44	14.8	19	9.9	25	4.9
Japan	57	18.6	17	8.8	40	9.9
Pakistan	31	7.8	(2)	(2)	(2)	(2)
Philippine Republic	125	149.2	55	105.5	70	43.7
Other countries in Asia	120	538.1	31	97.7	89	440.4
Australia	169	200.8	138	189.9	31	11.0
New Zealand	64	24.8	54	24.2	10	.6

1. When 2 or more foreign units were consolidated by the reporting company or in the editing process, only a single entry was recorded. The number of legally separate foreign units is, therefore, somewhat understated.

2. Included in totals.

Appendix Table 8.—Structure of direct investments in foreign corporations, 1950, by country

[Millions of dollars]

Country	Total	Common stock	Preferred stock	Capital surplus	Earned surplus	Surplus reserves	Bonds, mortgages and debentures	Inter-company accounts
All areas, total	8,473.6	2,777.8	232.6	389.6	2,867.8	327.7	572.3	1,312.0
Canada, total	3,158.5	923.8	99.5	234.1	1,406.5	91.7	284.9	295.1
Latin American republics, total	2,626.7	847.3	101.7	67.3	664.9	31.1	206.2	615.4
Argentina	320.6	161.5	7.7	1.3	42.9	-2.9		102.0
Bolivia	4.7	5.7		(1)	2.5	.3		-1.1
Brazil	446.8	167.2	7.8	2.3	99.7	6.9	3.5	148.1
Chile	222.6	71.8	16.0	14.8	34.7	-4.0	19.7	70.0
Colombia	75.3	15.6			8.1	2.1	.2	14.0
Costa Rica	13.5	5.1			1.5	.8	3.2	1.7
Cuba	371.5	112.6	46.1	-2.8	144.8	8.3	30.5	34.5
Dominican Republic	60.7	15.9	.1	17.7	31.5	1.3	2.0	-4.8
Ecuador	5.6	2.6		1.5	.7	(1)	.1	.4
El Salvador	2.1	.3		.1	.1			
Guatemala	13.2	2.3	1.7		2.6	.2	1.8	2.5
Haiti	11.4	1.3			5.3	(1)	2.8	1.4
Honduras	20.2	1.9		3.5	9.4	.6		3.6
Mexico	367.0	170.9	14.8	3.5	49.5	5.8	26.1	82.7
Nicaragua	2.5	.1			.6	.1		-1.1
Panama	295.8	18.5	1.5	7.4	112.4	-6.3	109.2	74.8
Peru	99.0	42.9	4.0	4.8	16.3	1.2		-1.2
Uruguay and Paraguay	52.7	26.3	.6	8.3	14.3	1.1		16.8
Venezuela	241.5	24.7	1.4	4.8	88.0	3.0	7.3	70.8
Western Europe, total	1,600.5	697.8	24.4	44.1	446.4	183.1	14.0	156.6
Austria	8.6	3.9		(1)	3.2	.5		1.1
Belgium	60.8	31.5	.1	2.9	21.5	4.2		3.4
Denmark	25.0	11.9	(1)		10.3	1.5		2.6
Eire	4.2	(1)	(1)		.2			(1)
Finland	7.5	2.1		.3	.9	-2		4.2
France	206.8	91.7	1.0	11.7	35.3	28.2	.2	29.0
Germany	182.9	130.4	2.4	.8	5.3	13.7	2.2	26.3
Greece	.6	.2			(1)	.1		(1)
Italy	60.3	37.2	5.5	1.1	7.5	1.9	.2	7.5
Netherlands	80.5	16.4	.4	-1.1	47.5	5.3	(1)	3.0
Norway	23.8	7.8		(1)	.9	2.8	10.4	1.7
Portugal	6.7	2.3			2.9	.1		-4
Spain	27.6	14.5	2.4	(1)	4.3	1.3		6.5
Sweden	56.5	23.0	(1)	3.2	17.6	5.6	.8	4.8
Switzerland	20.5	9.9		.5	5.0	.6		5.0
Turkey	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
United Kingdom	822.3	312.7	12.4	23.6	233.5	117.4	.2	59.1
Other countries	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
Western European dependencies, total	340.4	40.6	(1)	38.4	118.6	12.0		89.6
Western Hemisphere:								
Bahamas	10.0	.8		5.5	3.0			-2.7
British Guiana	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
Trinidad	5.3	3.5			(1)			.2
Other British	4.3	1.1		-1	.4			.3
Other European	64.4	6.4			57.6			-3
Africa:								
British West Africa	2.2	1.5			.1	.1		
Other British	28.7	10.2		3.7	5.4	5.6		1.1
Belgian Congo	3.0	1.5			(1)	.1		1.3
French North Africa	9.2	5.9		1.2	1.9	-3		-5
Other French	1.3	.2			(1)	.1		(1)
Portuguese and Spanish	.4	.2			(1)	(1)		.1
Other areas:								
Other British	151.2	9.2	(1)	28.2	48.1	6.5		60.7
Other European	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
Other countries, total	747.5	268.3	7.0	5.7	231.4	9.7	67.1	155.3
Egypt	23.5	5.5		.2	3.3	-4		15.1
Liberia	80.2	5.9			5.2	(1)	58.7	10.4
Union of South Africa	136.0	44.6	.4	1.3	50.0	.9	.4	36.9
Other countries in Africa	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
India	17.8	4.4			6.1	.2		2.8
Indonesia	52.2	14.4		-3.9	21.6	(1)		20.1
Israel	9.9	2.9	.5		4.2	.2	.3	1.8
Japan	8.8	1.4		1.5	4.7	.9	(1)	.2
Pakistan	(†)	(†)	(†)	(†)	(†)	(†)	(†)	(†)
Philippine Republic	105.5	32.2	5.6	1.4	41.8	4.2	6.3	13.9
Other countries in Asia	97.7	59.7			37.4	.6		.4
Australia	189.9	88.3	.4	5.3	33.7	2.9	1.4	51.1
New Zealand	24.2	8.4		(1)	5.0	.1		2.2

1. Less than \$50,000.

(†) Not shown separately.

NOTE.—Detail of United States direct investments in allied foreign corporations will not add to totals because of the treatment of secondary allied foreign corporations. (See methodology.) Detail is shown only for primary allied foreign corporations, but includes the pri-

mary's investment in the secondary as part of the United States investment in the primary. However, in the total column the primary's investment in the secondary has been deducted from the United States investment in the primary and appears in the country in which the secondary operates. Detail for "all areas" does not add to totals because when the above adjustments were made, the data were converted at official rates, while aggregate figures were converted at computed average rates. (See methodology.)

Appendix Table 9.—Structure of direct investments in foreign corporations, 1950, by area and industry

[Millions of dollars]

Industry and type of investment	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	8,473.6	3,158.5	2,626.7	1,600.5	340.4	747.5
Common stock	2,777.8	923.8	847.3	697.8	40.6	268.3
Preferred stock	232.6	99.5	101.7	24.4	(1)	7.0
Capital surplus	389.6	234.1	67.3	44.1	38.4	5.7
Earned surplus	2,867.8	1,406.5	664.9	446.4	118.6	231.4
Surplus reserves	327.7	91.7	31.1	183.1	12.0	9.7
Bonds, mortgages and debentures	572.3	284.9	206.2	14.0	—	67.1
Intercompany accounts	1,312.0	295.1	615.4	156.6	89.6	155.3
Agriculture, total	332.7	17.6	271.6	.8	6.3	36.5
Common stock	124.8	9.4	94.1	.2	5.7	15.4
Preferred stock	14.7	(1)	12.5	—	—	2.1
Capital surplus	9.2	—	13.2	—	—	—3.9
Earned surplus	166.0	3.6	150.5	.2	—	12.0
Surplus reserves	9.4	(1)	9.3	(1)	—	.1
Bonds, mortgages and debentures	17.0	—	14.7	—	—	2.3
Intercompany accounts	18.9	4.6	5.6	(1)	.2	8.5
Mining and smelting, total	647.3	302.2	196.5	20.1	72.0	56.4
Common stock	269.0	97.0	113.7	7.6	16.0	34.7
Preferred stock	21.5	16.4	4.9	—	—	.1
Capital surplus	59.9	38.6	17.3	—	3.7	.4
Earned surplus	178.1	106.2	46.3	1.5	6.4	17.7
Surplus reserves	40.6	27.2	5.7	1.3	5.7	.7
Bonds, mortgages and debentures	13.7	.1	3.6	8.7	—	1.3
Intercompany accounts	35.6	16.4	5.1	.9	12.4	.8
Petroleum, total	1,914.2	360.6	559.9	400.0	242.6	351.1
Common stock	621.1	187.1	90.7	213.0	12.4	117.9
Preferred stock	9.3	1.8	1.9	5.5	—	—
Capital surplus	147.6	73.6	11.7	20.2	34.9	7.2
Earned surplus	627.7	162.1	161.1	113.5	106.2	84.8
Surplus reserves	16.3	4.8	—3.9	9.3	6.2	—1.1
Bonds, mortgages and debentures	138.8	38.5	40.8	1.7	—	57.8
Intercompany accounts	357.6	—11.0	161.8	43.2	71.3	92.4
Manufacturing, total	3,595.9	1,812.4	677.8	909.1	7.5	189.1
Common stock	1,151.9	456.7	256.7	369.3	2.7	66.5
Preferred stock	100.3	72.4	12.4	14.8	—	.7
Capital surplus	111.0	80.6	9.3	20.6	—	.5
Earned surplus	1,437.0	935.4	162.0	279.3	.7	59.6
Surplus reserves	205.1	53.3	18.1	128.8	—	4.9
Bonds, mortgages and debentures	142.0	137.7	.7	3.4	—	.3
Intercompany accounts	445.7	177.4	168.7	64.1	3.6	31.9
Transportation, communication and public utilities, total	1,028.8	260.9	711.6	11.8	6.9	37.7
Common stock	316.3	85.1	207.6	9.4	.4	13.8
Preferred stock	71.6	1.1	67.0	(1)	—	3.5
Capital surplus	16.1	7.3	7.1	1.1	—	.8
Earned surplus	90.3	27.8	47.5	—9	4.2	11.7
Surplus reserves	5.7	3.0	—3.9	3.9	(1)	2.7
Bonds, mortgages and debentures	256.5	106.0	146.4	—	—	4.0
Intercompany accounts	226.7	11.3	212.2	.4	2.0	.9
Trade, total	578.1	211.4	147.4	164.1	4.0	51.0
Common stock	181.3	35.8	58.0	71.3	3.0	13.1
Preferred stock	7.1	4.1	2.5	.4	(1)	.5
Capital surplus	14.6	11.8	.4	1.9	—	.6
Earned surplus	229.6	106.4	51.2	33.4	.8	37.8
Surplus reserves	33.8	1.4	4.6	27.1	.1	.6
Bonds, mortgages and debentures	.2	.2	(1)	(1)	—	—
Intercompany accounts	121.6	49.0	35.5	23.9	(1)	13.2
Finance and insurance, total	195.1	127.1	35.5	26.6	.4	5.5
Common stock	63.2	29.8	17.2	12.9	.1	3.2
Preferred stock	4.2	.7	(1)	2.9	—	.5
Capital surplus	25.9	18.7	6.9	.1	—	.1
Earned surplus	87.2	40.2	40.0	6.4	.3	.3
Surplus reserves	11.6	1.7	1.1	8.8	—	(1)
Bonds, mortgages and debentures	1.4	1.4	(1)	(1)	—	—
Intercompany accounts	63.5	41.5	19.1	1.5	(1)	1.3
Miscellaneous, total	181.5	66.1	26.4	68.0	.7	20.2
Common stock	50.2	22.9	9.3	14.1	.3	3.6
Preferred stock	3.9	2.9	.3	.6	(1)	—
Capital surplus	5.3	3.7	1.4	.2	—	(1)
Earned surplus	51.9	24.9	6.3	13.1	.2	7.4
Surplus reserves	5.2	.3	.1	3.9	(1)	.8
Bonds, mortgages and debentures	2.6	.9	—	.2	—	1.5
Intercompany accounts	42.4	5.9	7.5	22.4	.1	6.4

1. Less than \$50,000.

NOTE.—Detail of United States direct investments in allied foreign corporations will not add to totals because of the treatment of secondary allied foreign corporations. (See methodology.) Detail is shown only for primary allied foreign corporations, but includes the primary's investment in the secondary as part of the United States investment in the primary. However, in the total column the primary's investment in the secondary has been deducted from the United States investment in the primary and appears in the area and industry in which the secondary operates. Detail for "all industries" does not add to totals because when the above adjustments were made, the data were converted at official rates, while aggregate figures were converted at computed average rates. (See methodology.)

Appendix Table 10.—Investments by reporters, nonaffiliated United States and nonaffiliated foreign owners, 1950, by country

[Millions of dollars]

Countries	United States investments			Foreign investments in marketable securities
	Total	Reporters	Nonaffiliated United States owners	
All areas, total	11,788.0	10,667.5	1,120.5	2,348.7
Canada, total	3,579.2	2,810.1	769.1	1,010.6
Latin American republics, total	4,735.2	4,488.5	246.7	303.4
Argentina	355.6	354.1	1.4	26.9
Bolivia	10.8	10.8	—	8.9
Brazil	644.2	644.0	.1	62.2
Chile	540.1	529.0	11.2	41.6
Colombia	193.4	193.2	.2	18.6
Costa Rica	60.0	60.0	—	2.8
Cuba	642.4	552.6	89.8	49.3
Dominican Republic	105.7	105.7	—	.9
Ecuador	14.2	10.8	3.5	2.1
El Salvador	18.5	18.5	—	.3
Guatemala	105.9	104.8	1.1	2.2
Haiti	12.7	5.7	7.0	(1)
Honduras	61.9	61.9	—	(1)
Mexico	414.5	401.7	12.8	60.4
Nicaragua	9.0	9.0	—	.4
Panama	348.0	253.5	94.5	4.9
Peru	144.5	143.7	.9	7.2
Uruguay and Paraguay	61.0	61.0	—	1.2
Venezuela	993.0	968.8	24.2	13.4
Western Europe, total	1,720.2	1,686.0	34.3	448.6
Austria	13.2	13.1	.2	1.6
Belgium	64.9	64.8	(1)	6.4
Denmark	31.6	31.6	—	4.2
Eire	5.3	5.3	—	.1
Finland	8.6	8.6	—	.9
France	217.1	216.1	1.0	28.2
Germany	204.3	203.4	.9	43.0
Greece	5.9	5.9	—	.6
Italy	62.6	62.4	.2	19.8
Netherlands	84.4	84.4	—	18.1
Norway	24.3	24.3	—	3.1
Portugal	16.0	16.0	—	.3
Spain	30.7	30.7	—	18.6
Sweden	57.8	57.7	.1	26.5
Switzerland	25.1	25.1	—	1.3
Turkey	15.8	15.8	—	.6
United Kingdom	847.0	815.4	31.6	275.2
Other countries	5.5	5.3	.3	.1
Western European dependencies, total	435.3	435.2	.1	167.3
Western Hemisphere:				
Bahamas	11.3	11.3	—	(1)
British Guiana	31.4	31.4	—	—
Trinidad	14.0	14.0	—	.2
Other British	9.8	9.8	—	.7
Other European	64.9	64.9	—	—
Africa:				
British West Africa	10.5	10.5	—	1.3
Other British	30.4	30.3	(1)	74.3
Belgian Congo	8.2	8.2	—	.5
French North Africa	14.5	14.5	—	1.3
Other French	16.9	16.9	—	.2
Portuguese and Spanish	3.7	3.7	—	.3
Other areas:				
Other British dependencies	190.0	189.9	.1	88.5
Other European dependencies	29.7	29.7	—	—
Other countries, total	1,318.1	1,247.7	70.4	418.8
Egypt	39.3	39.2	(1)	1.4
Liberia	82.0	23.5	58.4	.7
Union of South Africa	140.1	137.3	2.8	43.4
Other countries in Africa	6.8	6.8	—	.2
India	37.7	37.7	—	1.8
Indonesia	58.2	58.2	—	—
Israel	14.8	14.0	.8	14.1
Japan	18.6	18.6	—	4.1
Pakistan	7.8	7.8	—	.2
Philippine Republic	149.2	141.2	8.0	15.5
Other countries in Asia	538.1	537.9	.2	302.5
Australia	200.8	200.8	(1)	34.8
New Zealand	24.8	24.7	.1	.3

1. Less than \$50,000.

NOTE: The investments of nonaffiliated United States and foreign owners include only stocks, bonds, mortgages, long-term notes, and similar securities and do not include current liabilities owed to foreigners or to nonaffiliated United States owners.

Appendix Table 11.—Investments by reporters, nonaffiliated United States and nonaffiliated foreign owners, 1950, by area and industry

[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries:						
Total United States investments	11,788.0	3,579.2	4,735.2	1,720.2	435.3	1,318.1
Reporters	10,667.5	2,810.1	4,488.5	1,686.0	435.2	1,247.7
Nonaffiliated United States owners	1,120.5	769.1	246.7	34.3	.1	70.4
Foreign investments in marketable securities	2,348.7	1,010.6	303.4	448.6	167.3	418.8
Agriculture:						
Total United States investments	589.0	20.5	519.6	.8	9.4	38.7
Reporters	540.3	14.8	477.4	.8	9.4	38.0
Nonaffiliated United States owners	48.7	5.7	42.2			.8
Foreign investments in marketable securities	19.8	.1	16.6	.4		2.7
Mining and smelting:						
Total United States investments	1,128.5	334.3	628.4	20.9	88.4	56.5
Reporters	856.1	82.9	616.2	20.9	88.4	47.8
Nonaffiliated United States owners	272.4	251.4	12.3			8.7
Foreign investments in marketable securities	315.8	159.8	31.4	5.7	74.8	44.0
Petroleum:						
Total United States investments	3,390.3	418.3	1,407.8	424.1	296.0	844.1
Reporters	3,179.5	344.4	1,328.9	424.1	295.9	786.2
Nonaffiliated United States owners	210.8	74.0	78.9		(1)	57.9
Foreign investments in marketable securities	759.2	268.9	8.2	74.9	90.7	316.5
Manufacturing:						
Total United States investments	3,831.4	1,896.6	779.8	932.5	8.9	213.6
Reporters	3,483.2	1,585.2	768.1	907.8	8.9	213.2
Nonaffiliated United States owners	348.2	311.4	11.7	24.7		.4
Foreign investments in marketable securities	863.0	433.3	104.7	293.5	.9	30.5
Transportation, communication, and public utilities:						
Total United States investments	1,424.9	284.4	1,041.5	27.3	18.1	53.6
Reporters	1,214.2	165.1	950.2	27.3	18.1	53.6
Nonaffiliated United States owners	210.6	119.3	91.3			(1)
Foreign investments in marketable securities	246.7	98.1	125.9	9.3	.5	12.9
Trade:						
Total United States investments	762.2	239.8	242.5	185.5	13.1	81.4
Reporters	751.1	238.9	242.0	176.0	13.0	81.3
Nonaffiliated United States owners	11.1	.9	.5	9.5	.1	.1
Foreign investments in marketable securities	60.1	6.8	10.2	38.2	.3	4.6
Finance and insurance:						
Total United States investments	424.7	313.2	71.1	37.3	.2	2.9
Reporters	417.7	312.0	67.3	37.3	.2	.9
Nonaffiliated United States owners	7.0	1.2	3.9			2.0
Foreign investments in marketable securities	52.9	31.9	4.2	15.9		1.0
Miscellaneous:						
Total United States investments	237.1	72.0	44.5	92.0	1.2	27.4
Reporters	225.5	66.8	38.6	91.9	1.2	26.9
Nonaffiliated United States owners	11.7	5.2	5.9	.1		.5
Foreign investments in marketable securities	31.3	11.8	2.3	10.7	(1)	6.6

1. Less than \$50,000.

NOTE.—The investments of nonaffiliated United States and foreign owners include only stocks, bonds, mortgages, long-term notes and similar securities and do not include current liabilities owed to foreigners or to nonaffiliated United States owners.

Appendix Table 12.—Direct investments abroad, 1929, 1936, 1943, and 1950 by country

[Millions of dollars]

Country	1929	1936	1943	1950
All areas, total	7,527.7	16,690.5	7,861.6	11,788.0
Canada, total	2,010.3	1,951.6	2,377.6	3,579.2
Latin American republics, total	3,461.9	2,803.0	2,721.2	4,735.2
Argentina	331.8	348.3	380.1	355.6
Bolivia	61.6	18.3	13.2	10.8
Brazil	193.6	194.3	232.7	644.2
Chile	422.6	483.7	328.3	540.1
Colombia	124.0	107.5	117.0	193.4
Costa Rica	22.2	13.3	30.4	60.0
Cuba	919.0	666.3	526.3	642.4

Appendix Table 12.—Direct investments abroad, 1929, 1936, 1943, and 1950 by country—Continued

[Millions of dollars]

Country	1929	1936	1943	1950
Latin American republics—Continued				
Dominican Republic	69.3	40.7	70.5	105.7
Ecuador	11.8	4.9	10.8	14.2
El Salvador	29.5	17.2	14.9	18.5
Guatemala	70.0	50.4	86.9	105.9
Haiti	14.2	9.7	14.1	12.7
Honduras	71.5	36.4	37.0	61.9
Mexico	682.5	479.5	286.3	414.5
Nicaragua	13.0	4.5	4.0	9.0
Panama	28.5	26.7	110.3	348.0
Peru	123.7	96.1	70.8	144.5
Uruguay and Paraguay	40.5	19.0	14.8	61.0
Venezuela	232.5	186.3	372.8	993.0
Western Europe, total	1,352.8	1,258.7	2,044.5	1,720.2
Austria	14.3	5.7	40.4	13.2
Belgium	64.2	34.9	62.9	64.9
Denmark	15.8	13.8	21.9	31.6
Eire	2.1	.3	4.7	5.3
Finland	1.0	1.6	5.9	8.6
France	145.0	145.7	167.4	217.1
Germany	216.5	227.8	512.8	204.3
Greece	5.1	8.5	9.6	5.9
Italy	113.2	70.2	85.0	62.6
Netherlands	43.2	18.8	59.6	84.4
Norway	23.0	26.7	30.1	24.3
Portugal	11.5	5.7	13.9	16.0
Spain	72.2	80.5	124.1	30.7
Sweden	19.2	25.5	32.8	57.8
Switzerland	16.8	8.6	43.7	25.1
Turkey	8.5	13.7	25.5	15.8
United Kingdom	485.2	474.1	518.8	847.0
Other countries	495.6	396.4	285.4	5.5
Western European dependencies, total	169.0	170.1	231.8	435.3
Western Hemisphere:				
Bahamas	(†)	(†)	17.6	11.3
British Guiana	(†)	(†)	2.9	31.4
Trinidad	(†)	(†)	(†)	14.0
Other British	21.9	(†)	16.1	9.8
Other	35.0	44.0	40.6	64.9
Africa:				
British West Africa	(†)	(†)	5.4	10.5
Other British	(†)	(†)	21.5	30.4
Belgian Congo	(†)	(†)	3.9	8.2
French North Africa	3.2	1.0	8.3	14.5
Other French	6.6	17.8	3.0	16.9
Portuguese and Spanish	9.0	10.5	1.9	3.7
Other areas:				
Other British	7 27.1	23.7	29.5	190.0
Other European	10 66.0	9 73.0	8 81.1	29.7
Other countries, total	534.0	481.0	486.5	1,318.1
Egypt	6.5	8.3	16.8	39.3
Liberia	(†)	(†)	17.5	82.0
Union of South Africa	11 76.8	55.1	49.9	140.1
Other countries in Africa	(†)	(†)	1.1	6.8
India	32.7	29.7	41.3	37.7
Indonesia	(†)	(†)	(†)	58.2
Israel	13 7.0	12 29.6	6.3	14.8
Japan	60.7	46.7	32.9	18.6
Pakistan	(†)	(†)	(†)	7.8
Philippine Republic	79.9	92.2	94.6	149.2
Other countries in Asia	18 121.1	15 108.4	14 98.3	538.1
Australia	17 149.2	89.0	114.1	200.8
New Zealand	(†)	22.0	13.7	24.8

1. Includes \$26.2 million shown as "International."

2. Includes Eastern Europe of \$259.0 million, Yugoslavia, Luxembourg, and Liechtenstein.

3. Includes Eastern Europe of \$93.2, and Yugoslavia.

4. Includes Eastern Europe of \$88.7 million and Yugoslavia.

5. Includes British West Africa, Italian Africa, and Liberia.

6. Includes French Africa and "Other Africa."

7. Includes British Malaya, Siam, and French Indo-China.

8. Includes Netherlands East Indies, French Oceania, French Asia, and Portuguese Asia.

9. Includes Netherlands Indies, French Indo-China, and Siam.

10. Includes Netherlands East Indies only.

11. Includes all British Africa (East, South, and West).

12. Includes Cyprus, Iraq, Palestine, and Syria.

13. Includes Palestine, Syria, and Cyprus.

14. Includes Arabia and British Arabia, Iran, Burma, Iraq, Syria, Thailand, and China.

15. Includes Arabia, Iran, and China.

16. Includes China and Iraq.

17. Includes New Zealand.

(†) Not shown separately.

NOTE.—The 1943 total reported in the Treasury publication was adjusted to exclude nonprofit organizations and was adjusted upward by \$653 million, entirely in Canada, to make it comparable with estimates for prior years and the census totals for 1950. This change adds to the 1943 data the United States equity in certain Canadian companies in which American stockholders owned more than 50 percent of the voting securities, but in which no one stockholder owned a reportable interest.

Data for 1929, 1936, and 1943 from the following publications:

1929—American Direct Investments in Foreign Countries, U. S. Department of Commerce Trade Information Bulletin No. 731, U. S. Government Printing Office, Washington, 1930.

1936—American Direct Investments in Foreign Countries—1936, U. S. Department of Commerce Economic Series No. 1, U. S. Government Printing Office, Washington, 1938.

1943—Census of American-Owned Assets in Foreign Countries, U. S. Treasury Department, Office of the Secretary, U. S. Government Printing Office, Washington, 1947, (Data as of May, 1943).

Appendix Table 13.—*Direct investments abroad, 1929, 1936, 1943,¹ and 1950, by area and industry*

[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics ²	Western Europe ³	Other countries ⁴
All industries:					
1929	7,527.7	2,010.3	3,518.7	1,352.8	645.9
1936	6,690.5	1,951.6	2,847.0	1,245.0	646.9
1943	7,861.6	2,377.6	2,798.1	2,025.0	660.6
1950	11,788.0	3,579.2	4,735.2	1,720.2	1,753.4
Agriculture:					
1929	880.2	20.7	816.9		42.6
1936	481.8	10.4	400.4		71.0
1943	502.7	34.3	384.6	5.1	78.7
1950	589.0	20.5	519.6	.8	48.1
Mining and smelting:					
1929	1,185.1	400.0	732.0	(6)	53.1
1936	1,032.0	238.8	708.2	43.0	42.0
1943	972.6	383.5	404.9	148.7	35.5
1950	1,128.5	334.3	628.4	20.9	144.9
Petroleum:					
1929	1,117.0	55.0	616.7	231.0	214.3
1936	1,074.0	108.1	452.6	274.9	238.4
1943	1,392.7	161.1	617.6	369.9	244.1
1950	3,390.3	418.3	1,407.8	424.1	1,140.1
Manufacturing:					
1929	1,813.2	819.5	231.0	628.9	133.9
1936	1,709.7	799.0	191.8	611.4	107.5
1943	2,276.1	940.6	325.6	878.4	131.4
1950	3,831.4	1,896.6	779.8	932.5	222.5
Transportation, communication, and public utilities:					
1929	1,609.8	541.5	887.1	145.4	35.8
1936	1,640.1	519.9	937.1	91.0	92.1
1943	1,389.6	358.2	874.7	110.8	45.8
1950	1,424.9	284.4	1,041.5	27.3	71.7
Trade:					
1929	367.9	37.9	119.2	138.8	72.0
1936	390.9	78.5	100.0	144.1	68.3
1943	653.7	127.7	143.1	290.0	92.8
1950	762.2	239.8	242.5	185.5	94.5
Miscellaneous:⁷					
1929	554.7	136.0	115.8	208.7	94.1
1936	361.7	196.8	56.9	80.4	27.6
1943	674.2	372.3	47.6	222.1	32.2
1950	661.8	385.2	115.6	129.3	31.7

1. 1943 figures as of May 31, 1943.

2. Western European dependencies in the Western Hemisphere included in Latin American republics in 1929, 1936, and 1943; included in "other countries" in 1950.

3. Turkey included in Europe in 1929 and 1950; included in "other countries" in 1936 and 1943.

4. Other countries includes Western European dependencies in the Western Hemisphere in 1950; includes Turkey in 1936 and 1940.

5. Includes \$26.2 million shown as "International."

6. Included in miscellaneous.

7. Includes finance, insurance, and miscellaneous in 1950, 1942, and 1936; excludes insurance in 1929.

NOTE.—For source of 1929, 1936, and 1943 data, see table 9.

Appendix Table 14.—*Direct investments in manufacturing enterprises abroad, 1929, 1936, 1940, and 1950, by subindustry*

[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics ¹	Western Europe ²	All other countries ³
Manufacturing, total:					
1929	1,813.2	819.5	231.0	628.9	133.9
1936	1,709.7	799.0	191.8	611.4	107.5
1940	1,925.6	943.4	209.5	639.4	133.2
1950	3,831.4	1,896.6	779.8	932.5	222.5
Food:					
1929	221.9	53.3	121.8	38.4	8.4
1936	220.0	83.4	73.9	47.0	15.7
1940	245.1	109.5	61.9	56.5	17.2
1950	483.2	226.5	158.2	64.4	34.2
Paper and allied products:					
1929	278.9	278.9	(†)	(†)	(†)
1936	268.9	268.9	(†)	(†)	(†)
1940	307.9	307.9	(†)	(†)	(†)
1950	377.8	367.5	4.5	5.0	.8
Chemicals and allied products:					
1929	138.2	44.8	23.9	57.7	11.7
1936	205.0	99.0	27.2	70.9	7.9
1940	220.6	86.3	64.5	52.0	17.9
1950	512.2	198.3	205.0	74.3	34.6
Rubber products:					
1929	60.0	47.5		12.5	
1936	62.5	30.3	7.4	16.4	8.4
1940	63.5	26.8	12.2	15.7	8.9
1950	181.6	59.0	60.3	30.7	31.6
Primary and fabricated metals:					
1929	149.6	88.4	3.3	51.4	6.4
1936	184.9	96.7	5.0	80.2	3.0
1940	186.5	119.2	3.1	60.9	3.3
1950	385.2	248.7	21.7	111.2	3.7
Machinery (except electrical):					
1929	185.0	68.2	8.3	70.2	38.3
1936	158.9	53.8	5.3	93.8	6.0
1940	193.4	81.0	4.0	93.6	14.8
1950	420.4	203.8	13.0	175.0	28.6
Electrical machinery, equipment and supplies:					
1929	258.9	55.9	6.7	164.0	32.3
1936	182.5	41.0	13.7	110.8	17.0
1940	213.8	68.7	7.5	119.8	17.8
1950	386.5	140.5	78.9	152.8	14.2
Motor vehicles and motor vehicle equipment:					
1929	183.8	69.3	31.1	83.4	
1936	206.2	42.0	17.2	115.7	31.3
1940	283.1	62.0	21.9	159.9	39.3
1950	485.2	160.0	83.0	191.5	50.8
All other manufacturing:					
1929	337.0	113.1	35.8	151.4	36.7
1936	220.8	84.0	42.0	76.6	18.2
1940	211.7	82.0	34.6	81.1	14.0
1950	599.2	292.3	155.3	127.5	24.0

1. Western European dependencies in the Western Hemisphere included in Latin American republics in 1929, 1936, and 1940; included in "all other" in 1950.

2. Turkey included in Europe in 1929 and 1950; included in "all other" in 1936 and 1940.

3. All other includes Western European dependencies in the Western Hemisphere in 1950; includes Turkey in 1936 and 1940.

†Not shown separately.

Source: U. S. Department of Commerce, Office of Business Economics. Data for 1929 and 1936 from sources named in table 9. Data for 1940 from *American Direct Investments in Foreign Countries—1940*, U. S. Department of Commerce, Economic Series No. 20, U. S. Government Printing Office, Washington: 1942.

Appendix Table 15.—Direct investments abroad, 1950, number of units and value by period of establishment ¹

[Millions of dollars]

Country	Total		1930 and prior		1931-1945		1946 and later	
	Number	Value	Number	Value	Number	Value	Number	Value
All areas, total	6,954	11,350.9	2,438	6,460.9	2,419	3,013.0	2,097	1,877.1
Agriculture	165	587.4	60	254.9	57	247.1	48	85.3
Mining and smelting	235	1,090.5	85	821.6	64	163.4	86	105.5
Petroleum	561	3,251.3	136	1,303.0	188	1,088.4	237	859.9
Manufacturing	2,259	3,683.0	897	2,346.0	816	988.4	546	348.7
Transportation, communication and public utilities	492	1,370.2	189	986.0	134	179.8	169	204.5
Trade	1,646	742.0	610	433.6	550	195.6	486	112.7
Finance and insurance	528	414.2	218	255.1	167	47.7	143	111.4
Miscellaneous	1,068	212.4	243	60.8	443	102.6	382	49.0
Canada	1,884	3,540.7	791	2,331.4	614	786.3	479	423.1
Latin American republics, total	1,901	4,516.6	521	2,633.4	782	1,168.8	598	714.4
Argentina	199	335.3	61	229.8	107	101.2	31	4.2
Bolivia and Ecuador	52	24.8	12	12.2	21	6.4	19	6.2
Brazil	225	628.7	56	374.0	98	171.5	71	83.3
Chile	77	534.7	34	462.3	34	47.9	9	24.5
Colombia	143	158.0	29	96.7	75	48.0	39	13.3
Costa Rica and Nicaragua	44	65.8	14	13.5	18	50.4	12	1.9
Cuba	279	610.0	104	367.0	96	164.1	79	79.0
Dominican Republic and Haiti	48	112.3	14	26.4	20	79.3	14	6.7
Guatemala	31	103.7	11	98.1	10	1.5	10	4.1
Honduras and El Salvador	39	76.6	14	66.2	14	9.9	11	.4
Mexico	367	400.2	97	238.0	134	105.0	136	57.2
Panama	119	344.5	16	16.2	39	75.1	64	253.3
Peru	85	113.7	26	102.6	35	7.4	24	3.7
Uruguay and Paraguay	62	57.5	13	20.1	31	12.2	18	25.2
Venezuela	131	950.8	20	510.3	50	289.0	61	151.4
Western Europe, total	2,019	1,625.2	844	1,081.4	594	353.8	581	190.0
Austria	79	13.2	23	4.1	24	2.9	32	6.3
Belgium	109	63.9	48	38.2	30	19.8	31	5.9
Denmark and Norway	78	54.4	39	38.0	24	14.1	15	2.4
France	250	205.3	110	77.2	63	96.4	77	31.7
Germany	309	193.9	146	148.3	42	23.5	121	22.0
Italy	87	62.3	30	27.5	21	19.8	36	15.0
Netherlands	114	71.7	41	24.8	39	10.0	34	36.9
Portugal	34	14.3	10	8.1	15	5.0	9	1.2
Spain	62	30.4	34	18.1	18	8.4	10	3.9
Sweden	58	56.2	24	30.2	21	22.9	13	3.1
Switzerland	93	24.9	29	14.6	30	7.9	34	2.4
United Kingdom	650	798.2	285	629.9	231	118.5	134	49.9
Other countries	96	36.7	25	22.6	36	4.6	35	9.5
Western European dependencies, total	296	391.0	77	141.6	128	199.0	91	50.5
Western Hemisphere	87	94.5	28	73.2	39	19.4	20	1.9
Africa	90	78.5	18	16.9	40	51.7	32	10.0
Other areas	119	218.0	31	51.5	49	128.0	39	38.7
Other countries, total	854	1,277.3	205	273.1	301	505.1	348	499.1
Egypt	36	38.7	10	12.5	19	23.5	7	2.7
Union of South Africa	117	131.0	23	40.6	40	39.7	54	50.7
Other Africa	30	88.8	6	8.6	8	5.7	16	74.5
India and Pakistan	92	41.0	16	16.3	35	7.4	41	17.4
Indonesia	35	58.2	13	14.7	12	32.8	10	10.6
Japan	55	18.6	9	2.5	13	8.2	33	7.9
Philippine Republic	122	146.3	40	90.1	37	33.2	45	23.0
Other Asia	158	552.8	25	12.9	41	270.0	92	269.8
Australia	157	185.8	48	67.0	68	82.2	41	36.6
New Zealand	52	16.1	15	7.7	28	2.4	9	6.0

1. Includes primary foreign corporations and branches only.

Appendix Table 16.—Total assets and liabilities of United States direct-investment enterprises, 1950, by country

[Millions of dollars]

Area and country	Current assets		Fixed assets	Other assets	Total assets	Liabilities		Net assets		Total assets	
	Total	Due from United States companies				Total	To United States owners	Total	Foreign ¹	Foreign corporations	Branches
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
All areas, total	12,036.8	248.5	8,860.0	1,295.1	22,191.9	10,463.6	2,132.9	11,728.3	13,612.7	15,456.8	6,735.0
Canada, total	4,300.5	106.0	2,161.2	296.8	6,758.5	3,168.4	686.0	3,590.1	4,170.1	5,330.8	1,427.7
Latin American republics, total	3,008.1	99.8	3,939.4	449.9	7,397.5	3,283.2	921.4	4,114.3	4,935.9	4,045.6	3,351.9
Argentina.....	359.1	7.6	215.6	50.7	625.4	368.7	109.6	256.7	358.7	476.7	148.7
Bolivia.....	22.3	2.0	8.4	3.0	33.7	21.2	.9	12.5	11.4	10.6	23.2
Brazil.....	736.4	3.9	355.3	50.0	1,141.7	601.0	155.5	540.7	692.3	702.4	439.2
Chile.....	194.5	5.9	454.4	25.6	674.5	205.4	95.5	469.1	558.7	325.3	349.2
Colombia.....	157.9	2.2	166.0	34.6	358.5	147.2	16.4	211.3	225.5	178.4	180.1
Costa Rica.....	12.3	.....	50.6	5.3	68.1	12.9	4.9	55.2	60.1	19.9	48.2
Cuba.....	526.8	8.5	568.6	79.2	1,174.7	569.2	73.5	605.5	670.5	527.4	647.3
Dominican Republic.....	22.9	9.5	70.1	28.3	121.3	12.4	6.7	108.9	106.1	73.5	47.7
Ecuador.....	5.0	.4	8.6	6.8	20.3	5.2	.9	15.1	15.6	8.7	11.6
El Salvador.....	5.2	.....	17.6	.4	23.1	4.1	.....	19.0	19.0	3.3	19.8
Guatemala.....	12.3	.4	98.2	6.9	117.4	15.0	4.7	102.4	106.7	21.2	96.1
Haiti.....	6.0	.....	7.9	1.6	15.6	6.2	3.2	9.4	12.6	14.0	1.5
Honduras.....	10.4	2.3	50.0	12.3	72.7	12.8	5.9	59.9	63.5	28.1	44.7
Mexico.....	355.2	29.1	385.5	36.5	777.2	380.8	137.9	396.4	505.2	666.0	111.2
Nicaragua.....	6.6	.....	3.7	.4	10.7	1.4	-.1	9.3	9.2	3.9	6.8
Panama.....	96.2	18.1	322.1	39.3	457.6	303.8	202.1	153.8	337.8	348.0	109.7
Peru.....	104.2	7.3	102.8	20.1	227.1	64.2	6.1	162.9	161.7	144.3	82.8
Uruguay and Paraguay.....	51.7	.5	19.6	2.9	74.2	42.9	17.3	31.3	48.1	53.7	20.5
Venezuela.....	323.0	2.1	1,034.4	46.2	1,403.6	508.9	80.2	894.7	972.8	440.2	963.4
Western Europe, total	2,889.8	21.9	1,133.0	364.2	4,393.0	2,398.2	192.5	1,994.8	2,165.4	3,830.1	562.9
Austria.....	14.5	.4	13.3	1.3	29.0	15.9	1.5	13.1	14.2	22.7	6.3
Belgium.....	91.4	4.3	30.1	9.8	131.3	63.1	7.7	68.2	71.6	117.1	14.2
Denmark.....	34.3	.2	16.9	5.9	57.1	23.0	2.8	34.1	36.7	50.4	6.7
Eire.....	11.4	.2	4.7	.9	16.9	3.1	.1	13.8	13.8	15.7	1.2
Finland.....	12.4	.....	5.8	.6	18.8	12.7	4.2	6.1	10.3	17.8	1.1
France.....	296.4	.5	141.7	40.2	478.3	271.5	29.7	206.8	236.0	408.0	70.3
Germany.....	258.7	.2	152.1	25.0	435.8	217.6	28.7	218.2	246.7	375.1	60.7
Greece.....	4.6	.....	2.5	1.0	8.1	1.7	(2)	6.4	6.4	1.9	6.2
Italy.....	135.6	.1	62.9	114.0	312.6	242.0	7.8	70.6	78.3	310.0	2.6
Netherlands.....	103.0	.8	64.7	8.2	175.9	84.5	3.8	91.4	94.4	168.2	7.7
Norway.....	33.8	1.1	13.9	2.0	49.8	35.8	13.2	14.0	26.1	49.0	.8
Portugal.....	19.0	1.5	4.6	2.2	25.9	9.0	1.1	16.9	16.5	13.0	12.9
Spain.....	36.8	.3	19.5	4.9	61.1	23.4	6.8	37.7	44.2	58.2	2.9
Sweden.....	98.2	1.8	26.3	36.1	160.5	82.9	7.4	77.6	83.2	159.2	1.3
Switzerland.....	50.1	.6	11.9	5.4	67.4	44.6	5.6	22.8	27.8	60.2	7.2
Turkey.....	16.1	.3	4.2	.3	20.6	3.9	.....	16.7	16.4	1.7	18.9
United Kingdom.....	1,669.7	9.7	560.2	105.6	2,335.6	1,257.9	69.0	1,077.7	1,137.0	1,994.6	341.0
Other countries.....	3.8	.....	3.7	.8	8.3	5.7	3.1	2.6	5.7	7.3	1.0
Western European dependencies, total	385.6	14.7	359.3	68.4	814.3	355.9	104.3	458.4	548.0	650.9	163.4
Western Hemisphere:											
Bahamas.....	41.8	10.6	2.7	2.3	46.8	25.0	7.9	21.8	19.1	44.7	2.1
British Guiana.....	17.5	.....	12.5	1.2	31.2	7.2	2.9	24.0	26.9	30.7	.5
Trinidad.....	4.7	.....	11.8	1.7	18.2	2.4	.2	15.8	16.0	9.3	9.0
Other British.....	7.8	.....	15.1	1.8	24.7	10.7	.3	14.0	14.3	12.5	12.1
Other European.....	38.3	1.3	51.2	2.9	92.5	27.4	1.0	65.1	64.8	91.8	.8
Africa:											
British West Africa.....	11.3	.....	3.6	1.3	16.2	5.2	.....	11.0	11.0	6.6	9.6
Other British.....	72.7	.....	41.5	.1	114.3	36.4	1.1	77.9	79.0	112.6	1.7
Belgian Congo.....	12.6	.....	4.9	1.2	18.6	7.9	1.3	10.7	12.0	12.9	5.7
French North Africa.....	17.1	.7	10.2	1.1	28.4	10.9	.2	17.5	17.0	20.3	8.1
Other French.....	19.3	.....	2.5	.5	22.3	5.0	(2)	17.3	17.3	3.0	19.3
Portuguese and Spanish.....	5.8	.....	.7	.7	7.1	.7	.1	6.4	6.5	3.7	3.4
Other areas:											
Other British.....	129.0	2.1	193.5	20.0	342.4	169.1	62.8	173.3	234.0	251.6	90.8
Other European.....	8.8	.....	9.1	33.5	51.5	48.1	26.4	3.4	29.8	51.4	.1
Other countries, total	1,451.7	6.1	1,261.1	115.7	2,828.6	1,257.8	228.6	1,570.8	1,793.3	1,599.4	1,229.1
Egypt.....	35.7	.3	25.1	.7	61.5	35.8	15.4	25.7	40.8	36.6	24.9
Liberia.....	9.2	.....	79.3	2.8	91.4	78.1	69.1	13.3	82.4	87.3	4.1
Union of South Africa.....	128.1	.2	90.0	12.1	230.2	82.4	37.5	147.8	185.1	222.3	7.9
Other countries in Africa.....	2.7	.....	4.8	.3	7.9	1.0	(2)	6.9	6.9	.5	7.4
India.....	77.4	.1	14.4	7.8	99.5	58.6	2.9	40.9	43.7	53.9	45.6
Indonesia.....	68.4	.3	46.8	4.6	119.8	80.6	20.4	39.2	59.3	110.4	9.4
Israel.....	29.7	.....	21.7	1.5	53.0	24.4	2.2	28.6	30.8	45.3	7.7
Japan.....	405.2	.2	21.3	2.4	428.8	405.7	.4	23.1	23.3	54.9	373.9
Pakistan.....	17.9	.....	1.0	.4	19.3	11.4	.4	7.9	8.3	5.3	13.9
Philippine Republic.....	243.4	4.0	102.2	11.5	357.1	218.3	24.2	138.8	159.0	151.9	205.3
Other countries in Asia.....	128.6	.....	752.5	47.4	928.5	51.7	.4	876.8	877.2	421.6	506.9
Australia.....	269.0	.9	91.8	22.5	383.3	189.2	53.4	194.1	246.6	362.6	20.7
New Zealand.....	36.4	.1	10.1	1.7	48.2	20.6	2.3	27.6	29.8	46.8	1.4

1. Foreign net assets are calculated as total assets adjusted to exclude current assets due from United States companies less liabilities adjusted to exclude liabilities to United States owners including bonds, mortgages, debentures, and notes held in the United States.

2. Less than \$50,000.

NOTE.—Intercompany accounts between primary and secondary companies have been eliminated. Current accounts due from United States owners and liabilities to United States owners are with foreign corporations only.

Appendix Table 17.—Total assets and liabilities of United States direct-investment enterprises, 1950, by area and industry

[Millions of dollars]

Area and industry	Current assets		Fixed assets	Other assets	Total assets	Liabilities		Net assets		Total assets	
	Total	Due from United States companies				Total	To United States owners	Total	Foreign ¹	Foreign corporations	Branches
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)
All areas, total	12,036.8	248.5	8,860.0	1,295.1	22,191.9	10,463.6	2,132.9	11,728.3	13,612.7	15,456.8	6,735.0
Agriculture	248.4	25.7	402.4	105.9	756.6	187.8	61.6	568.8	604.7	468.3	288.3
Mining and smelting	699.5	29.2	888.7	101.5	1,689.6	385.3	78.5	1,304.3	1,353.6	1,140.9	548.7
Petroleum	1,968.3	102.6	3,221.9	305.0	5,495.1	2,010.2	599.0	3,484.9	3,981.3	3,683.8	1,811.4
Manufacturing	4,435.7	40.1	2,014.7	340.8	6,791.2	2,912.9	627.8	3,878.3	4,466.0	6,428.9	362.4
Transportation, communication, and public utilities	296.6	17.5	1,845.7	74.5	2,216.7	1,094.4	500.7	1,122.3	1,605.5	1,657.9	558.8
Trade	1,017.7	21.7	215.6	92.4	1,325.7	615.1	143.6	710.6	832.5	1,035.9	289.8
Finance and insurance	3,148.7	2.6	13.4	199.6	3,361.7	2,983.4	67.5	378.3	443.2	572.1	2,789.5
Miscellaneous	221.9	9.0	257.6	75.6	555.1	274.5	54.0	280.6	325.6	469.0	86.1
Canada, total	4,300.5	106.0	2,161.2	296.8	6,758.5	3,168.4	686.0	3,590.1	4,170.1	5,330.8	1,427.7
Agriculture	8.3	.4	15.4	1.1	24.8	8.8	5.0	16.0	20.6	21.4	3.3
Mining and smelting	263.5	2.2	250.2	54.1	567.8	87.4	18.7	480.4	496.9	535.1	32.7
Petroleum	385.9	69.0	315.6	52.4	753.9	279.9	96.5	474.0	501.5	685.2	68.8
Manufacturing	1,877.7	19.9	988.7	112.6	2,979.1	1,157.2	335.0	1,821.9	2,137.0	2,884.5	94.5
Transportation, communication, and public utilities	57.8	2.5	450.3	16.5	524.7	282.2	119.8	242.5	359.8	501.1	23.6
Trade	242.2	7.5	74.1	21.3	337.6	139.9	56.7	197.7	246.9	307.5	30.1
Finance and insurance	1,401.4	1.5	2.0	23.2	1,426.6	1,152.7	44.4	273.9	316.8	261.3	1,165.3
Miscellaneous	63.7	3.0	64.8	15.5	144.0	60.2	9.8	83.8	90.6	134.7	9.3
Latin American republics, total	3,008.1	99.8	3,939.4	449.9	7,397.5	3,283.2	921.4	4,114.3	4,935.9	4,045.6	3,351.9
Agriculture	207.1	22.5	351.1	97.8	655.9	143.2	42.8	512.7	533.0	379.3	276.7
Mining and smelting	273.6	25.4	480.7	35.4	789.7	205.3	34.1	584.4	593.1	292.7	497.0
Petroleum	468.3	13.9	1,334.8	87.2	1,890.2	649.9	216.5	1,240.3	1,442.9	1,039.3	1,039.3
Manufacturing	815.5	10.8	391.4	82.6	1,289.5	578.4	180.2	711.1	880.5	1,123.7	165.8
Transportation, communication, and public utilities	185.8	12.4	1,292.2	47.0	1,525.1	763.5	371.0	761.6	1,120.2	1,039.7	485.4
Trade	321.4	11.2	58.0	34.4	413.8	200.9	46.7	212.9	248.4	254.9	158.9
Finance and insurance	692.2	.7	8.3	53.7	754.2	703.8	19.8	50.4	69.5	63.4	690.8
Miscellaneous	44.1	2.8	23.0	11.8	79.0	38.3	10.3	40.7	48.2	41.0	38.0
Western Europe, total	2,889.8	21.9	1,139.0	364.2	4,393.0	2,398.2	192.5	1,994.8	2,165.4	3,830.1	562.9
Agriculture	1.1	.2	.2	.5	1.8	.6	(2)	1.2	1.2	1.8	.2
Mining and smelting	22.1	.2	11.0	1.2	34.3	20.8	9.8	13.5	23.1	33.1	1.2
Petroleum	542.6	6.3	361.3	42.0	945.9	493.9	51.2	452.0	496.9	915.5	30.4
Manufacturing	1,409.5	8.3	522.5	131.5	2,063.5	958.9	75.8	1,104.6	1,172.1	2,006.1	57.5
Transportation, communication, and public utilities	23.9	2.5	23.0	4.7	51.6	15.9	2.9	35.7	36.1	35.7	16.0
Trade	309.1	2.3	69.9	30.9	409.9	199.6	26.2	210.3	234.2	369.4	40.5
Finance and insurance	491.8	.4	2.3	117.0	611.1	563.3	1.9	47.8	49.3	221.4	389.7
Miscellaneous	89.7	2.0	148.8	36.5	275.0	145.1	24.6	129.9	152.5	247.2	27.8
Western European dependencies, total	386.6	14.7	359.3	68.4	814.3	355.9	104.3	458.4	548.0	650.9	163.4
Agriculture	5.9	.5	9.5	1.7	17.0	6.6	.2	10.4	10.6	11.7	5.4
Mining and smelting	104.7	1.3	68.0	6.5	179.2	51.5	13.7	127.7	140.1	161.6	17.6
Petroleum	189.8	13.1	252.8	58.1	500.7	230.2	84.4	270.5	341.8	426.9	73.8
Manufacturing	10.1	.2	9.0	.7	19.8	12.6	3.8	7.2	10.8	13.4	6.4
Transportation, communication, and public utilities	13.4	.2	16.4	.3	30.2	3.4	2.0	26.8	28.8	18.6	11.6
Trade	26.0	.1	1.8	.9	28.6	14.4	.1	14.2	14.2	16.2	12.5
Finance and insurance	35.8	(2)	(2)	.1	35.9	35.6	(2)	.3	.3	.4	35.4
Miscellaneous	.9	(2)	1.8	.2	2.9	1.6	.1	1.3	1.4	2.1	.7
All other countries, total	1,451.7	6.1	1,261.1	115.7	2,828.6	1,257.8	228.6	1,570.8	1,793.3	1,599.4	1,229.1
Agriculture	26.0	2.9	26.3	4.9	57.2	28.5	13.7	28.7	39.5	54.2	3.0
Mining and smelting	35.7	.1	78.7	4.2	118.6	20.2	2.2	98.4	100.5	118.5	.2
Petroleum	381.7	.3	957.4	65.3	1,404.4	356.4	150.4	1,048.0	1,198.1	805.2	599.1
Manufacturing	322.9	1.0	103.2	13.3	439.4	205.8	33.1	233.6	265.7	401.2	38.1
Transportation, communication, and public utilities	15.6	.2	63.7	5.9	85.2	29.3	5.1	55.9	60.8	62.9	22.4
Trade	118.9	.5	11.8	4.9	135.7	60.3	13.8	75.4	88.7	87.9	47.8
Finance and insurance	527.6	.8	.8	5.6	533.9	527.9	1.3	6.0	7.3	25.6	508.3
Miscellaneous	23.4	1.2	19.2	11.6	54.3	29.3	9.1	25.0	32.9	44.0	10.3

1. Foreign net assets are calculated as total assets adjusted to exclude current assets due from United States companies less liabilities adjusted to exclude liabilities to United States owners including bonds, mortgages, debentures, and notes held in the United States.

2. Less than \$50,000.

NOTE.—Intercompany accounts between primary and secondary companies have been eliminated. Current accounts due from United States owners and liabilities to United States owners are with foreign corporations only.

Appendix Table 18.—*Net earnings and foreign income taxes, 1950, for foreign corporations and branches, by country*

[Millions of dollars]

Country	Net earnings before taxes			Foreign income taxes			Net earnings after taxes		
	Total	Branches	Foreign corporations	Total	Branches	Foreign corporations	Total	Branches	Foreign corporations
All areas, total	3,056.6	904.8	2,151.8	1,039.5	239.5	800.0	2,017.1	665.3	1,351.8
Canada, total	880.7	16.9	863.8	346.6	8.5	338.1	534.1	8.4	525.7
Latin American republics, total	905.4	513.8	391.6	251.0	150.3	100.8	654.3	363.5	290.8
Argentina	22.3	2.4	19.9	6.9	1.4	5.5	15.4	1.1	14.3
Bolivia	7.6	5.5	2.1	1.2	.6	.6	6.4	4.8	1.6
Brazil	124.7	55.3	69.4	22.3	13.5	8.8	102.4	41.8	60.6
Chile	77.3	65.3	12.0	35.0	32.7	2.3	42.3	32.6	9.7
Colombia	43.8	12.6	31.2	24.7	6.0	18.7	19.0	6.6	12.4
Costa Rica	15.3	14.7	.6	2.3	2.2	.1	13.0	12.4	.6
Cuba	84.0	23.6	60.4	22.2	7.3	14.9	61.8	16.3	45.5
Dominican Republic	19.6	11.6	8.0	2.5	1.5	1.0	17.0	10.2	6.8
Ecuador	2.9	2.1	.8	.4	.3	.1	2.5	1.8	.7
El Salvador	1.4	.8	.6	.2	.1	.1	1.2	.7	.5
Guatemala	11.4	10.3	1.1	.4	.1	.3	11.0	10.1	.9
Haiti	2.9	.3	2.6	.9	.1	.8	2.1	.2	1.9
Honduras	19.4	17.3	2.1	2.8	2.5	.3	16.6	14.8	1.8
Mexico	83.8	14.2	69.6	31.6	4.8	26.8	52.1	9.4	42.7
Nicaragua	.9	.4	.5				.9	.4	.5
Panama	28.3	8.8	19.5	1.9	1.5	.4	26.4	7.3	19.1
Peru	31.6	10.8	20.8	7.6	4.0	3.6	24.0	6.8	17.2
Uruguay and Paraguay	9.4	2.9	6.5	1.9	1.2	.7	7.5	1.7	5.8
Venezuela	318.8	254.9	63.9	86.2	70.5	15.7	232.6	184.4	48.2
Western Europe, total	585.2	29.7	555.6	278.3	9.3	269.0	306.9	20.4	286.5
Austria	4.0	.9	3.1	.9	.3	.6	3.1	.6	2.5
Belgium	21.7	1.3	20.4	6.7	.4	6.3	15.1	.9	14.2
Denmark	4.6	.1	4.5	2.7	(1)	2.7	1.8	.1	1.7
Eire	1.8	.1	1.7	.9	(1)	.9	.9	(1)	.9
Finland	1.6	.1	1.5	1.2		1.2	.4	.1	.3
France	47.4	.9	46.5	14.7	.5	14.2	32.7	.4	32.3
Germany	62.1	2.0	60.1	35.0	.4	34.6	27.2	1.6	25.6
Greece	.4	.3	.1	(1)	(1)	(1)	.3	(1)	(1)
Italy	11.0	.1	10.9	3.3	.1	3.2	7.7	(1)	7.7
Netherlands	32.1	2.0	30.1	11.3	.4	10.9	20.8	1.6	19.2
Norway	2.0	.3	1.7	1.3	.1	1.2	.7	.2	.5
Portugal	3.2	2.8	.4	.4	.2	.2	2.8	2.5	.3
Spain	5.8	(1)	5.8	1.7	(1)	1.7	4.1	(1)	4.1
Sweden	11.1	.8	10.3	2.8		2.8	8.2	.8	7.4
Switzerland	7.0	2.1	4.9	1.7	.3	1.4	5.3	1.8	3.5
Turkey	2.0	2.0	(1)	.4	.4	(1)	1.5	1.6	-.1
United Kingdom	367.3	14.0	353.3	193.0	6.2	186.8	174.2	7.7	166.5
Other countries	.2	.1	.1	(1)	(1)	(1)	.2	.1	.1
Western European dependencies, total	165.0	58.6	106.4	27.5	6.6	20.9	137.5	52.0	85.5
Western Hemisphere:									
Bahamas	(1)	-.4	.4				(1)	-.4	.4
British Guiana	2.5	(1)	2.5	.1		.1	2.5	(1)	2.5
Trinidad	1.0	(1)	1.0	.3	(1)	.3	.7	(1)	.7
Other British	1.3	.1	.4	.4	.1	.3	.9	(1)	.9
Other European	12.7	.1	12.6	3.5	(1)	3.5	9.2	.1	9.1
Africa:									
British West Africa	3.2	1.9	1.3	1.9	.9	1.0	1.3	1.0	.3
Other British	23.3	.1	23.2	13.4		13.4	9.8	.1	9.7
Belgian Congo	2.0	1.4	.6	.1	.1	.1	1.9	1.2	.7
French North Africa	3.4	.4	3.0	.9	.1	.8	2.5	.3	2.2
Other French	5.1	4.4	.7	.4	.4	(1)	4.6	4.0	.6
Portuguese and Spanish	1.2	.9	.3	.2	.1	.1	1.0	.8	.2
Other areas:									
Other British	109.1	49.8	59.3	6.2	4.9	1.3	102.9	44.8	58.1
Other European	.2	(1)	.2	(1)		(1)	.2	(1)	.2
Other countries, total	520.3	285.9	234.5	136.0	64.9	71.2	384.3	221.0	163.3
Egypt	4.3	1.6	2.7	.3	.2	.1	4.0	1.4	2.6
Liberia	16.5	.2	16.3	1.5	(1)	1.5	14.9	.2	14.7
Union of South Africa	38.1	1.1	37.0	10.6	.3	10.3	27.5	.8	26.7
Other countries in Africa	.4	.4		.1	.1		.4	.3	.1
India	23.7	10.3	13.4	10.4	4.5	5.9	13.3	5.8	7.5
Indonesia	58.5	3.5	55.0	22.6	1.3	21.3	35.9	2.2	33.7
Israel	1.9	1.0	.9	.8	.6	.2	1.1	.4	.7
Japan	4.4	1.8	2.6	1.7	.2	1.5	2.7	1.6	1.1
Pakistan	3.5	2.5	1.0	2.1	1.3	.8	1.5	1.2	.3
Philippine Republic	47.4	22.8	24.6	6.7	3.4	3.3	40.7	19.4	21.3
Other countries in Asia	260.8	236.7	24.1	52.1	51.8	.3	208.7	184.9	23.8
Australia	53.5	3.6	49.9	22.6	.9	21.7	30.8	2.7	28.1
New Zealand	7.5	.3	7.2	4.6	.1	4.5	2.9	.1	2.8

1. Less than \$50,000.

NOTE.—Net earnings include the net profits of foreign branches of United States corporations plus the net earnings of foreign corporations applicable to stockholders. Both are stated before charges for depletion, contingency reserves, and profit or loss resulting from exchange

revaluations, but after depreciation and amortization charges. For conversion of these data into United States dollars see methodology. The amount of net earnings of branches shown in this table is larger than that shown in appendix tables 24 and 28 because it includes certain branch profits allocated to foreign partners of the United States parent companies.

Appendix Table 19.—*Net earnings and foreign income taxes, 1950, by area and industry*
[Millions of dollars]

Industry	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries:						
Net earnings before taxes.....	3,056.6	880.7	905.4	585.2	165.0	520.3
Foreign income taxes.....	1,039.5	346.6	251.0	278.3	27.5	136.0
Net earnings after taxes.....	2,017.1	534.1	654.3	306.9	137.5	384.3
Agriculture:						
Net earnings before taxes.....	152.9	2.0	118.0	.4	5.8	26.8
Foreign income taxes.....	31.7	.6	23.0	.2	1.7	6.3
Net earnings after taxes.....	121.2	1.4	95.1	.2	4.1	20.4
Mining and smelting:						
Net earnings before taxes.....	299.5	112.3	128.8	3.3	39.2	15.9
Foreign income taxes.....	108.5	32.4	54.0	.8	18.1	3.1
Net earnings after taxes.....	191.0	79.9	74.8	2.5	21.0	12.8
Petroleum:						
Net earnings before taxes.....	986.9	50.3	387.2	102.5	109.8	337.1
Foreign income taxes.....	276.1	26.4	112.2	50.7	6.3	80.5
Net earnings after taxes.....	710.8	23.9	275.0	51.8	103.5	256.6
Manufacturing:						
Net earnings before taxes.....	1,229.6	593.7	158.5	380.0	1.7	95.6
Foreign income taxes.....	502.6	245.0	38.2	182.6	.5	36.3
Net earnings after taxes.....	727.0	348.7	120.3	197.4	1.2	59.3
Transportation, communication and public utilities:						
Net earnings before taxes.....	72.7	20.6	44.4	.3	.5	6.8
Foreign income taxes.....	18.1	8.6	8.7	.1	.1	.6
Net earnings after taxes.....	54.6	12.0	35.7	.2	.4	6.2
Trade:						
Net earnings before taxes.....	195.3	46.3	41.7	74.1	5.1	28.0
Foreign income taxes.....	69.6	17.6	10.7	33.2	.5	7.6
Net earnings after taxes.....	125.6	28.7	31.0	40.9	4.6	20.4
Finance and insurance:						
Net earnings before taxes.....	65.5	32.4	16.6	7.5	2.7	6.3
Foreign income taxes.....	13.2	7.8	2.6	1.5	.3	1.1
Net earnings after taxes.....	52.2	24.6	13.9	6.0	2.4	5.2
Miscellaneous:						
Net earnings before taxes.....	54.3	23.1	10.0	17.2	.2	3.7
Foreign income taxes.....	19.6	8.2	1.5	9.4	(¹)	.5
Net earnings after taxes.....	34.7	14.9	8.5	7.9	.2	3.2

1. Less than \$50,000.

NOTE.—In this table, earnings include the net profits of branches of United States corporations, plus the net profits applicable to common stock of foreign corporations.

Appendix Table 21.—*United States share in undistributed profits, 1950, by area and industry*

[Millions of dollars]

Industry	All areas, total	Canada	Latin American Republics	Western Europe	Western European dependencies	Other countries
All industries, total.....	474.8	146.0	109.1	151.3	-3.0	71.4
Agriculture.....	23.6	.9	14.2	(¹)	.5	7.9
Mining and smelting.....	32.6	17.7	4.1	2.0	2.4	6.5
Petroleum.....	74.2	19.7	14.0	32.1	-6.5	14.9
Manufacturing.....	266.3	85.2	49.4	100.7	-.2	31.2
Transportation, communication, and public utilities.....	16.2	2.9	8.6	.3	(¹)	4.3
Trade.....	43.7	12.4	12.0	13.3	1.0	4.9
Finance and insurance.....	10.3	2.6	5.6	1.9	(¹)	.1
Miscellaneous.....	7.9	4.5	1.1	.8	-.1	1.6

1. Less than \$50,000.

Appendix Table 20.—*United States share in undistributed profits, 1950, by country*
[Millions of dollars]

Country	Total	Country	Total
All areas, total.....	474.8	Western Europe—Continued	
Canada.....	146.0	Turkey.....(¹)	
Latin American republics.....	109.1	United Kingdom.....	68.7
Argentina.....	12.4	Other countries.....	.1
Bolivia.....	.7	Western European dependencies.....	-3.0
Brazil.....	35.8	Western Hemisphere:	
Chile.....	-.3	Bahamas.....	.3
Colombia.....	6.3	British Guiana.....	2.2
Costa Rica.....	.5	Trinidad.....	.6
Cuba.....	16.2	Other British.....	.1
Dominican Republic.....	2.8	Other European.....	-1.0
Ecuador.....	.4	Africa:	
El Salvador.....	.2	British West Africa.....	.3
Guatemala.....	.6	Other British.....	.6
Haiti.....	1.5	Belgian Congo.....	.1
Honduras.....	.6	French North Africa.....	1.6
Mexico.....	14.6	Other French.....	.1
Nicaragua.....	.3	Portuguese and Spanish.....(¹)	
Panama.....	11.7	Other areas:	
Peru.....	6.1	Other British.....	-7.9
Uruguay and Paraguay.....	2.5	Other European.....	.1
Venezuela.....	-3.8	Other countries.....	71.4
Western Europe.....	151.3	Egypt.....	1.5
Austria.....	1.4	Liberia.....	3.2
Belgium.....	6.8	Union of South Africa.....	11.7
Denmark.....	-.2	Other countries in Africa.....(¹)	
Eire.....	.9	India.....	1.0
Finland.....	.2	Indonesia.....	8.9
France.....	23.4	Israel.....	.2
Germany.....	24.0	Japan.....	.4
Greece.....	.1	Pakistan.....	.1
Italy.....	6.7	Philippine Republic.....	11.4
Netherlands.....	9.1	Other countries in Asia.....	15.5
Norway.....	2.1	Australia.....	16.4
Portugal.....	.1	New Zealand.....	1.1
Spain.....	2.3		
Sweden.....	5.0		
Switzerland.....	.5		

1. Less than \$50,000.

Appendix Table 22.—*United States share in net earnings, 1950, by area, industry, and type of foreign organization*
[Millions of dollars]

Area and type of foreign organization	All areas, total	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total.....	1,765.9	445.2	615.5	264.7	100.3	340.1
Foreign corporations.....	1,142.3	433.6	255.6	242.8	48.8	161.4
Branches.....	623.5	11.6	359.9	21.9	51.5	178.7
Agriculture, total.....	115.1	1.4	89.4	.1	4.1	20.2
Foreign corporations.....	59.4	1.1	34.2	.1	4.1	19.9
Branches.....	55.7	.3	55.1	-.1	-.1	.3
Mining and smelting, total.....	147.9	52.1	68.5	3.1	14.6	9.6
Foreign corporations.....	89.8	52.3	18.0	2.9	7.1	9.5
Branches.....	58.1	-.2	50.5	.2	7.5	.1
Petroleum, total.....	626.6	16.5	274.2	41.7	73.9	220.2
Foreign corporations.....	242.9	32.4	73.0	38.6	34.8	64.1
Branches.....	383.6	-15.9	201.2	3.1	39.2	156.1
Manufacturing, total.....	637.3	300.7	106.1	171.9	1.2	57.3
Foreign corporations.....	597.5	294.6	85.4	165.7	1.3	50.5
Branches.....	39.7	6.2	20.7	6.2	-.1	6.8
Transportation, communication, and public utilities, total.....	41.3	8.8	26.3	.3	.3	5.6
Foreign corporations.....	33.7	9.5	18.3	.3	.2	5.4
Branches.....	7.6	-.6	8.0	(¹)	.1	.2
Trade, total.....	116.6	29.1	28.8	34.7	3.8	20.1
Foreign corporations.....	81.5	24.3	16.8	29.1	1.3	9.9
Branches.....	35.1	4.8	12.0	5.6	2.5	10.2
Finance and insurance, total.....	50.4	23.6	14.3	5.6	2.1	4.9
Foreign corporations.....	16.9	7.5	6.9	2.3	(¹)	.2
Branches.....	33.5	16.1	7.4	3.3	2.1	4.7
Miscellaneous, total.....	30.7	12.9	8.0	7.3	.2	2.3
Foreign corporations.....	20.5	11.9	3.0	3.8	-.1	1.9
Branches.....	10.1	.9	5.0	3.5	.3	.4

1. Less than \$50,000.

NOTE.—In this table, net earnings of foreign corporations is the amount of net earnings applicable to the common stocks held by United States interests.

Appendix Table 23.—United States share in net earnings and net receipts of income, 1950, by country and industry

(Millions of dollars)

Country	Total		Agriculture		Mining and smelting		Petroleum		Manufacturing		Transportation, communication, and public utilities		Trade		Finance and insurance		Miscellaneous	
	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income	Net earnings	Income
All areas, total	1,765.9	1,293.6	115.1	91.2	147.9	111.9	626.6	554.9	637.3	357.1	41.3	44.0	116.6	72.1	50.4	40.0	30.7	22.5
Canada, total	445.2	293.7	1.4	.7	52.1	31.0	16.5	-3.4	300.7	210.6	8.8	9.1	29.1	16.8	23.6	20.9	12.9	8.0
Latin American republics, total	615.5	522.3	89.4	75.6	68.5	64.4	274.2	261.9	106.1	54.6	26.3	33.2	28.8	17.0	14.3	8.5	8.0	6.9
Argentina	17.0	5.8	(1)	(1)	(1)	(1)	(1)	(1)	14.2	3.7	(2)	.3	.7	-.1	1.1	.8	.1	.1
Bolivia	2.8	2.1	(1)	(1)	2.2	2.0	(1)	(1)	(1)	(1)	(2)	(2)	.4	(2)	(1)	(1)	(1)	(1)
Brazil	96.3	61.5	(1)	(1)	(1)	(1)	27.5	24.7	46.6	21.7	6.2	5.9	10.5	5.1	3.9	3.2	.7	.6
Chile	36.6	41.1	(1)	(1)	33.9	38.0	(1)	(1)	2.4	2.5	(1)	(1)	1.3	1.2	.3	.3	(1)	(1)
Colombia	15.5	9.6	(1)	(1)	(1)	(1)	4.0	-.1	3.9	2.2	1.9	1.8	1.4	1.2	1.0	1.1	.1	.1
Costa Rica	13.0	12.7	(1)	(1)	(1)	(1)	.2	.1	(2)	(2)	.1	.3	.1	.1	(1)	(1)	(2)	(2)
Cuba	55.5	42.8	31.3	20.6	(-)	(1)	1.9	1.5	6.9	5.4	9.0	9.7	4.2	3.4	(1)	(1)	.8	.9
Dominican Republic	17.0	14.2	11.1	11.2	(1)	(1)	(1)	(1)	1.0	(1)	1.4	.2	.1	.1	(1)	(1)	2.5	2.5
Ecuador	2.4	2.0	(1)	(1)	(1)	(1)	(1)	(1)	.1	.1	.3	.4	.5	.2	(1)	(1)	(2)	(2)
El Salvador	1.0	.8	(1)	(1)	(1)	(1)	.4	.2	(1)	(1)	.6	.5	.1	.1	(1)	(1)	(1)	(1)
Guatemala	10.8	10.4	(1)	(1)	(1)	(1)	.3	.1	(1)	(1)	2.4	2.2	.2	.1	(1)	(1)	(1)	(1)
Haiti	2.1	.7	1.6	.4	(1)	(1)	(1)	(1)	(1)	(1)	.2	.1	(1)	(1)	(1)	(1)	(1)	(1)
Honduras	16.1	15.2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.5	.5	(1)	(1)	(1)	(1)	(1)	(1)
Mexico	42.5	28.6	.1	(2)	21.7	17.9	.1	.4	17.4	8.4	-.8	.4	2.7	.7	.6	.5	.8	.3
Nicaragua	.8	.5	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)
Panama	25.2	18.3	(1)	(1)	(1)	(1)	10.6	4.7	.1	.1	5.2	6.8	.9	.2	2.3	.5	(1)	(1)
Peru	21.4	14.7	(1)	(1)	7.2	8.4	(1)	(1)	2.6	2.4	(1)	(1)	1.5	.7	(1)	(1)	.1	(2)
Uruguay and Paraguay	7.5	5.0	(1)	(1)	(1)	(1)	.6	.8	4.8	3.6	-.5	(2)	.8	.5	1.8	.1	.1	(2)
Venezuela	232.0	236.1	(1)	(1)	(1)	(1)	219.3	225.7	5.0	4.2	1.8	.7	3.4	3.4	.7	-.2	2.5	2.3
Western Europe, total	264.7	110.5	.1	(2)	3.1	1.3	41.7	9.0	171.9	68.9	.3	(2)	34.7	21.0	5.6	3.7	7.3	6.5
Austria	2.8	1.4	(1)	(1)	(1)	(1)	(1)	(1)	.7	.2	(1)	(1)	.3	.1	(1)	(1)	(2)	(2)
Belgium	14.5	5.6	(1)	(1)	(1)	(1)	1.6	.5	10.1	3.4	(2)	(2)	2.6	1.5	-.2	(1)	(2)	(2)
Denmark	1.5	1.7	(1)	(1)	(1)	(1)	.3	.3	.9	1.0	(1)	(1)	.3	.3	(1)	(1)	(2)	(2)
Eire	.9	.1	(1)	(1)	(1)	(1)	.2	(2)	(1)	.8	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Finland	.4	.2	(1)	(1)	(1)	(1)	.1	(2)	(1)	(1)	(1)	(1)	.1	(2)	(1)	(1)	.1	.1
France	30.6	6.1	(1)	(1)	.4	.1	8.0	1.3	20.5	4.1	(2)	(2)	1.2	.1	.5	.5	(2)	(2)
Germany	26.6	2.6	(1)	(1)	(1)	(1)	5.2	.1	18.1	1.4	(2)	(2)	2.2	.5	.6	.1	.3	.6
Greece	.6	.5	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.5	.4	(1)	(1)	.1	(2)
Italy	8.4	1.8	(2)	(2)	(1)	(1)	1.5	-.1	4.8	1.1	(2)	(2)	.4	.1	1.2	.3	.5	.4
Netherlands	14.6	5.4	(1)	(1)	(1)	(1)	6.4	2.1	2.3	.7	(1)	(1)	4.7	1.5	.3	.3	.8	.8
Norway	2.6	.7	(1)	(1)	(1)	(1)	.7	.1	.7	.1	.2	(1)	.1	(2)	(1)	(1)	.2	.2
Portugal	2.9	2.8	(1)	(1)	.1	.1	1.9	1.8	(2)	.1	(1)	(1)	.8	.6	(1)	(1)	.1	.1
Spain	2.5	.3	(1)	(1)	(1)	(1)	.6	(2)	1.6	.3	(1)	(1)	.4	.1	(1)	(1)	-.1	(2)
Sweden	7.3	2.2	(1)	(1)	(1)	(1)	2.0	.3	4.2	1.1	(1)	(1)	.3	.1	(1)	(1)	.8	.8
Switzerland	4.8	3.5	(1)	(1)	(1)	(1)	.2	.1	4.6	2.9	(1)	(1)	.2	(2)	(2)	(2)	-.3	.5
Turkey	2.4	2.5	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1.1	1.1	(1)	(1)	(1)	(1)
United Kingdom	141.2	73.0	(1)	(1)	.2	.1	11.5	.8	102.6	52.6	(2)	(2)	19.3	14.5	2.7	2.2	4.8	2.8
Other countries	.2	.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	.1	(1)	(2)	(2)
Western European dependencies, total	100.3	97.7	4.1	3.6	14.6	12.2	73.9	75.3	1.2	1.1	.3	.3	3.8	2.9	2.1	2.1	.2	.2
Western Hemisphere:																		
Bahamas	(2)	-.3	(1)	(1)	(1)	(1)	-.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
British Guiana	2.4	.2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Trinidad	.9	.3	(1)	(1)	(1)	(1)	.8	.3	(2)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(2)	(2)
Other British	.4	.3	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(2)	(2)	(1)	(1)	(2)	(2)
Other European	9.2	9.8	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Africa:																		
British West Africa	1.3	1.0	(1)	(1)	(1)	(1)	1.0	1.0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other British Africa	3.5	2.8	(1)	(1)	2.4	2.0	(1)	(1)	(1)	(1)	(1)	(1)	.4	.2	(1)	(1)	(1)	(1)
Belgian Congo	1.5	1.4	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
French North Africa	2.3	.6	(1)	(1)	(1)	(1)	2.2	.7	(1)	(1)	(1)	(1)	.1	-.1	(2)	(2)	(2)	(2)
Other French Africa	4.6	4.5	(1)	(1)	(1)	(1)	4.4	4.4	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Portuguese and Spanish Africa	.7	.7	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other areas:																		
Other British dependencies	73.3	76.2	(1)	(1)	(1)	(1)	56.0	59.3	1.3	1.1	(2)	(2)	2.2	2.3	2.0	2.0	.1	.1
Other European dependencies	.2	.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other countries, total	340.1	269.4	20.2	11.3	9.6	2.9	220.2	212.0	57.3	22.0	5.6	1.3	20.1	14.4	4.9	4.9	2.3	.7
Egypt	4.0	2.3	(1)	(1)	(1)	(1)	1.4	.9	1.9	.8	(1)	(1)	.5	.5	(1)	(1)	(2)	(2)
Liberia	15.0	12.1	(1)	(1)	(1)	(1)	3.1	1.8	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Union of South Africa	27.5	13.3	(1)	(1)	7.2	1.5	6.3	6.5	11.9	4.4	(1)	(1)	1.9	.8	(1)	(1)	.1	.1
Other countries in Africa	.4	.3	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
India	13.9	11.5	(1)	(1)	(2)	(2)	(1)	(1)	6.2	4.1	.1	.1	1.2	.7	(1)	(1)	(2)	(2)
Indonesia	36.0	27.1	(1)	(1)	(1)	(1)	(1)	(1)	5.5	1.4	(1)	(1)	.3	.2	(1)	(1)	.3	.1
Israel	.8	.7	(1)	(1)	(1)	(1)	.6	.6	-.1	-.1	(2)	(2)	(2)	(2)	(1)	(1)	.1	.1
Japan	2.0	1.6	(1)	(1)	(1)	(1)	(1)	(1)	1.4	1.0	(1)	(1)	(2)	(2)	(1)	(1)	(2)	(2)
Pakistan	1.5	1.3	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.7	.7	(1)	(1)	(2)	(2)
Philippine Republic	39.2	27.6	2.2	.9	(1)	(1)	(1)	(1)	6.3	3.5	5.2	1.2	10.9	8.5	(1)	(1)	.3	.2
Other countries in Asia	169.1	159.4	(1)	(1)	(1)	(1)	166.3	157.7	(1)	(1)	.2	(2)	1.4	1.4	(2)	(2)	1.1	.1
Australia	27.9	10.6	(1)	(1)	1.1	.6	(1)	(1)	21.8	5.6	(1)	(1)	2.3	1.2	.5	.4	.3	(2)
New Zealand	3.0	1.5	(1)	(1)	(1)	(1)	(1)	(1)	2.4	1.2	(1)	(1)	.8	.3	(1)	(1)	(2)	(2)

1. Included in totals.
2. Less than \$50,000.

NOTE.—Net earnings includes the net profits of branches of United States corporations, plus the United States share in net earnings of foreign corporations applicable to common stockholders. Income includes branch profits, preferred and common dividends, and interest.

Appendix Table 24.—*Net receipts of income, 1950, by area, type of income, and industry*

[Millions of dollars]

Industry and type of payment	Total all areas	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	1,293.6	293.7	522.3	110.5	97.7	269.4
Common dividends	614.1	263.8	137.1	86.3	46.2	80.7
Preferred dividends	8.1	3.8	2.6	1.2	—	.5
Branch profits	623.5	11.6	359.9	21.9	51.5	178.7
Interest	47.8	14.6	22.6	1.0	.1	9.5
Agriculture, total	91.2	.7	75.6	(1)	3.6	11.3
Common dividends	33.5	.2	19.1	(1)	3.6	10.6
Preferred dividends	1.3	(1)	1.0	—	.3	—
Branch profits	55.7	.3	55.1	—	—	.3
Interest	.7	.2	.4	—	.1	—
Mining and smelting, total	111.9	31.0	64.4	1.3	12.2	2.9
Common dividends	51.4	30.0	13.1	.9	4.7	2.8
Preferred dividends	.9	.8	.1	—	—	—
Branch profits	58.1	—	50.5	.2	7.5	.1
Interest	1.4	.4	.7	.2	—	.1
Petroleum, total	554.9	—3.4	261.9	9.0	75.3	212.0
Common dividends	157.1	10.8	57.4	5.8	36.2	47.0
Preferred dividends	.2	(1)	.1	—	—	—
Branch profits	383.6	—15.9	201.2	3.1	39.2	156.1
Interest	13.9	1.6	3.2	.1	—	8.9
Manufacturing, total	357.1	210.6	54.6	68.9	1.1	22.0
Common dividends	302.8	194.3	31.6	60.9	1.1	15.0
Preferred dividends	3.8	2.4	.2	1.2	—	.1
Branch profits	39.7	6.2	20.7	6.2	—	6.8
Interest	10.7	7.7	2.2	.7	.1	.1
Transportation, communication and public utilities, total	44.0	9.1	33.2	(1)	.3	1.3
Common dividends	16.1	6.0	9.0	(1)	.2	.8
Preferred dividends	1.0	.1	.8	—	—	.1
Branch profits	7.6	—	8.0	(1)	.1	.2
Interest	19.3	3.6	15.5	—	—	.2
Trade, total	72.1	16.8	17.0	21.0	2.9	14.4
Common dividends	35.4	11.2	4.3	15.4	.3	4.1
Preferred dividends	.7	.3	.4	(1)	—	(1)
Branch profits	35.1	4.8	12.0	5.6	2.5	10.2
Interest	.9	.5	.2	(1)	(1)	.1
Finance and insurance, total	40.0	20.9	8.5	3.7	2.1	4.9
Common dividends	5.8	4.6	.8	.3	—	.1
Preferred dividends	(1)	(1)	—	(1)	—	—
Branch profits	33.5	16.1	7.4	3.3	2.1	4.7
Interest	.7	.3	.4	(1)	—	.1
Miscellaneous, total	22.5	8.0	6.9	6.5	.3	.7
Common dividends	12.0	6.9	1.8	2.9	(1)	.4
Preferred dividends	.1	.1	—	(1)	—	—
Branch profits	10.1	.9	5.0	3.5	.3	.4
Interest	.2	.1	.1	(1)	—	—

1. Less than \$50,000.

Appendix Table 25.—*Royalties and fees received from direct investments abroad, 1950, by country*

[Millions of dollars]

Country	Total	Country	Total
All areas, total	125.7	Western Europe—Continued	
Canada	23.5	Turkey	0.2
Latin American republics	44.8	United Kingdom	8.6
Argentina	5.7	Other countries	(1)
Bolivia	(1)	Western European dependencies	9.5
Brazil	12.1	Western Hemisphere:	
Chile	2.4	Bahamas	.1
Colombia	4.1	British Guiana	.1
Costa Rica	.3	Trinidad	.2
Cuba	2.8	Other British	.2
Dominican Republic	3.7	Other European	(1)
Ecuador	.2	Africa:	
El Salvador	.1	British West Africa	.1
Guatemala	.3	Other British	—
Haiti	.1	Belgian Congo	(1)
Honduras	(1)	French North Africa	—
Mexico	2.6	Other French	.2
Nicaragua	.1	Portuguese and Spanish	(1)
Panama	.6	Other areas:	
Peru	1.9	Other British	8.5
Uruguay and Paraguay	2.7	Other European	(1)
Venezuela	5.1	Other countries	29.7
Western Europe	18.0	Egypt	—
Austria	(1)	Liberia	(1)
Belgium	1.1	Union of South Africa	1.0
Denmark	.2	Other countries in Africa	(1)
Eire	(1)	India	1.8
Finland	—	Indonesia	1.5
France	3.7	Israel	.3
Germany	1.2	Japan	2.3
Greece	(1)	Pakistan	.4
Italy	.9	Philippine Republic	9.8
Netherlands	.6	Other countries in Asia	10.0
Norway	—	Australia	2.4
Portugal	.1	New Zealand	.2
Spain	.2		
Sweden	.3		
Switzerland	.6		

1. Less than \$50,000. NOTE.—These data exclude film rentals.

Appendix Table 26.—*Net capital movements, 1950, by area, industry, and type of investment*

[Millions of dollars; inflow (—)]

Industry	All areas	Canada	Latin American republics	Western Europe	Western European dependencies	Other countries
All industries, total	621.2	286.9	40.2	119.1	13.9	161.2
Foreign corporations	429.8	215.6	45.9	103.1	1.5	63.7
Branches	191.4	71.3	—5.7	16.0	12.4	97.4
Agriculture, total	—9.0	1.6	—6.8	.1	(1)	—3.9
Foreign corporations	—10.0	1.4	—7.1	.1	—	—4.3
Branches	1.0	.1	.3	—	.1	.4
Mining and smelting, total	87.0	28.5	29.4	.1	13.1	15.9
Foreign corporations	33.4	11.3	—3.9	—	10.2	15.9
Branches	53.6	17.2	33.3	.2	2.8	(1)
Petroleum, total	248.0	121.8	—68.6	73.1	—5.7	127.4
Foreign corporations	185.9	94.7	—10.1	70.4	—12.0	42.9
Branches	62.1	27.2	—58.5	2.7	6.3	84.4
Manufacturing, total	192.2	87.7	64.0	31.9	2.8	5.9
Foreign corporations	171.0	79.9	53.9	29.1	1.8	6.4
Branches	21.2	7.8	10.2	2.8	1.0	—
Transportation, communication and public utilities, total	—2.0	—5.5	—3.2	4.0	1.8	.9
Foreign corporations	—12.0	—5.0	—8.7	—	1.4	.9
Branches	10.0	—	5.5	4.6	.4	(1)
Trade, total	68.4	31.8	18.4	7.4	2.0	8.9
Foreign corporations	48.6	22.8	17.6	7.8	.2	.2
Branches	19.9	9.0	.8	—	1.8	8.7
Finance and insurance, total	25.3	12.7	5.8	4.5	—	2.4
Foreign corporations	7.8	3.1	2.1	2.0	—	.5
Branches	17.5	9.6	3.7	2.5	—	1.9
Miscellaneous, total	11.3	8.4	1.1	—2.0	.1	3.7
Foreign corporations	5.2	7.4	2.1	—5.6	.1	1.2
Branches	6.1	.9	—1.0	3.6	(1)	2.6

1. Less than \$50,000.

Appendix Table 27.—Net capital movements, 1950, by country and industry

[Millions of dollars; inflow (-)]

Country	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Transportation, communication and public utilities	Trade	Finance and insurance	Miscellaneous
All areas, total	621.2	-9.0	87.0	248.0	192.2	-2.0	68.4	25.3	11.3
Canada, total	286.9	1.6	28.5	121.8	87.7	-5.5	31.8	12.7	8.4
Latin American republics, total	40.2	-6.8	29.4	-68.6	64.0	-3.2	18.4	5.8	1.1
Argentina	15.0	(1)	(1)	(1)	1.4	-2.7	-3.6	-1.3	.3
Bolivia	-2		.2		(1)	.1	-6	(1)	(1)
Brazil	19.8	(1)	(1)	4.3	17.3	-4.4	.7	2.8	-9
Chile	21.8		17.2	(1)	.2	(1)	3.5	-3	-1
Colombia	-6.6	(1)	(1)	-12.9	7.3	(2)	-1.5	.3	-6
Costa Rica	1.7	(1)		-1	(2)	(2)	.1		(1)
Cuba	6.8	-5.6	(1)	.2	4.0	4.6	3.1	(1)	.4
Dominican Republic	1.3	-5		(1)	.1	-7	.3	(1)	1.2
Ecuador	1.6	(1)		(1)	(2)	.2	.4	.1	(2)
El Salvador	-1		(1)	-1	(1)	.1	(2)	(1)	(1)
Guatemala	1.0	(1)	(1)	.2	(1)	.4	.9	(1)	
Haiti	-2.7	-2.9		(1)	(1)	(2)	(1)		(1)
Honduras	.7	(1)	(1)	(1)	(1)	-7	(1)	(1)	(1)
Mexico	24.5	-3	-8.1	4.5	23.3	-2.0	5.2	(2)	1.8
Nicaragua	-5	(1)	(1)	(1)	(1)	.2	-2		
Panama	-5	(1)		-6.7	(2)	1.3	.6	3.7	(1)
Peru	-8.6	(1)	2.9	(1)	2.6	(1)	2.0	(1)	.1
Uruguay and Paraguay	4.2			.6	4.0	(2)	.5	-1.0	.1
Venezuela	-39.1	(1)	(1)	-67.5	3.8	.4	6.8	1.2	-1.5
Western Europe, total	119.1	.1	.1	73.1	31.9	4.0	7.4	4.5	-2.0
Austria	.7		(1)	(1)	.2	(1)	.3		(2)
Belgium	3.2			2.2	-4	-1	1.1	(2)	.3
Denmark	2.4			2.4	-3	(1)	.1	(1)	.1
Eire	.1			(2)	(2)	(2)	(1)		(1)
Finland	.6			.4	(1)	(1)	.1	(1)	(2)
France	9.2		(2)	2.9	5.1	.4	-1	1.0	-1
Germany	7.3	(2)	(1)	2.5	-1	1.4	.1	.8	2.6
Greece	.7		(1)	(1)		(1)	.5	(1)	(2)
Italy	19.3			20.0	.1	.1	.5	.2	-1.2
Netherlands	17.8	(1)	(1)	16.1	.4	(2)	1.1	.2	-1
Norway	.1		(1)	-2	-1	(2)	.3	(1)	(2)
Portugal	2.1		.1	.6	.1	.1	1.1		.1
Spain	1.5	(1)	(1)	1.4	(2)	(1)	(2)	(1)	.1
Sweden	1.6			2.5	-1.0	(1)	1.5	(1)	-1.4
Switzerland	1.6			.9	1.0	(2)	-3	(2)	-1
Turkey	-5			(1)	(1)	(1)	-1.5	(1)	(1)
United Kingdom	48.5		-1	20.8	23.5	1.9	2.4	2.4	-2.3
Other countries	3.0			(1)	(1)	(2)	(1)	(2)	(2)
Western European dependencies, total	13.9	(2)	13.1	-5.7	2.8	1.8	2.0	-1	.1
Western Hemisphere:									
Bahamas	3.4	(1)		1.8		(1)	(1)	(1)	(1)
British Guiana	.3		(1)	(1)		(1)	(1)		
Trinidad	.8			.2	(1)	(1)	.3		.1
Other British	.9	(1)	(1)	(1)	.6	-2	.1	(1)	(2)
Other European	.5		(1)	(1)	(1)	(1)	(1)	(1)	(1)
Africa:									
British West Africa	2.7	(1)		2.4	(1)	(1)	(1)		
Other British	.4		.1	(1)		(1)	.3		
Belgian Congo	1.5	(1)	(1)	(1)	(1)	(1)	(1)		(1)
French North Africa	1		(1)	.5	(1)	.1	.3	.1	-1
Other French	2.0	(1)	(1)	1.5		(1)	(1)		
Portuguese and Spanish	.8	(1)	(1)	(1)		(1)	(1)		
Other areas:									
Other British	-3.2	(1)	10.2	-15.9	2.3	.1	.1	(1)	.1
Other European	3.5			(1)		(1)	(1)		
Other countries, total	161.2	-3.9	15.9	127.4	5.9	.9	8.9	2.4	3.7
Egypt	-7			-4	-9	(1)	.6	(1)	(2)
Liberia	31.5	(1)	(1)	30.0		(2)	(1)	(1)	(1)
Union of South Africa	23.3		14.2	10.4	-1.4	(1)	.3	(1)	-1
Other countries in Africa	1.5			(1)			(1)		(1)
India	10.0		(2)	(1)	2.8	(2)	.3	(1)	.1
Indonesia	-12.5	(1)		(1)	-1.1	(1)	-2	(1)	1.9
Israel	1.5	(1)		-4	.5	.1	.1	(1)	.8
Japan	7.4			(1)	.1	.2	.3	(1)	.1
Pakistan	2.1			(1)	(1)	(1)	2.5	.1	(2)
Philippine Republic	5.8		(1)	(1)	-9	.6	1.9	(1)	.5
Other countries in Asia	66.3	(1)	(1)	65.2	(1)	.1	.6	(2)	.4
Australia	24.2		.8	(1)	6.2	(1)	2.6	.2	.1
New Zealand	.7		(1)	(1)	.6	(1)	-1	(1)	(2)

1. Included in totals.

2. Less than \$50,000.

A SUPPLEMENT TO THE SURVEY OF CURRENT BUSINESS

Appendix Table 28.—Summary area and country tables, 1950, by industry

(Millions of dollars)

Item	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Finance, insurance, and miscellaneous	Other industries	Total	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Other industries
	All areas									Canada						
Total assets	22,191.9	756.6	1,689.6	5,495.1	6,791.2	2,216.7	1,325.7	3,916.8		6,758.5	567.8	753.9	2,979.1	524.7	337.6	1,595.4
United States investments, total	11,788.0	589.0	1,128.5	3,390.3	3,831.4	1,424.9	762.2	661.8		3,579.2	334.3	418.3	1,896.6	284.4	239.8	405.7
Foreign corporations, stock and surplus (including secondary companies)	6,589.3	296.8	597.9	1,417.8	3,008.2	545.6	456.3	266.7		2,578.5	285.7	333.1	1,497.4	143.5	162.2	156.5
Foreign corporations, other (bonds, notes, intercompany accounts)	1,884.3	35.9	49.3	496.4	587.7	483.2	121.8	109.9		580.0	16.5	27.5	315.1	117.3	49.2	54.3
Branches	3,314.4	256.3	481.3	1,476.1	235.5	396.1	184.1	285.2		420.7	32.1	57.7	84.1	23.6	28.4	194.9
Foreign investments in securities and surplus	2,348.7	19.8	315.8	759.2	863.0	246.7	60.1	84.2		1,010.6	159.8	268.9	433.3	98.1	6.8	43.7
Net earnings after foreign income tax	2,017.1	121.2	191.0	710.8	727.0	54.6	125.6	86.9		534.1	79.9	23.9	348.7	12.0	28.7	40.9
United States share of net earnings	1,765.9	115.1	147.9	626.6	637.3	41.3	116.6	81.1		445.2	52.1	16.5	300.7	8.8	29.1	37.9
Total United States income receipts	1,293.6	91.2	111.9	554.9	357.1	44.0	72.1	62.5		293.7	31.0	-3.4	210.6	9.1	16.8	29.6
Dividends	622.2	34.8	52.3	157.3	306.6	17.1	36.1	17.9		267.6	30.8	10.8	196.7	6.1	11.5	11.8
Interest	47.8	.7	1.4	13.9	10.7	19.3	.9	.9		14.6	.4	1.6	7.7	3.6	.5	.6
Branch profits	623.5	55.7	58.1	383.6	39.7	7.6	35.1	43.6		11.6	-2	-15.9	6.2	-6	4.8	17.3
United States share in undistributed profits of foreign corporations	474.8	23.6	32.6	74.2	266.3	16.2	43.7	18.2		146.0	17.7	19.7	85.2	2.9	12.4	8.0
Direct investment capital movements, total (inflow (-))	621.2	-9.0	87.0	248.0	192.2	-2.0	68.4	36.6		286.9	28.5	121.8	87.7	-5.5	31.8	22.7
Foreign corporations	429.8	-10.0	33.4	185.9	171.0	-12.0	48.6	13.0		215.6	11.3	94.7	79.9	-5.0	22.8	11.9
Branches	191.4	1.0	53.6	62.1	21.2	10.0	19.9	23.6		71.3	17.2	27.2	7.8	-4	9.0	10.6
	Latin American republics									Western Europe						
Total assets	7,397.5	655.9	789.7	1,890.2	1,289.5	1,525.1	413.8	833.2		4,393.0		945.9	2,063.5		409.9	973.7
United States investments, total	4,735.2	519.6	628.4	1,407.8	779.8	1,041.5	242.5	115.6		1,720.2		424.1	932.5		185.5	178.1
Foreign corporations, stock and surplus (including secondary companies)	1,805.1	251.2	187.8	357.3	508.3	353.0	112.0	35.4		1,429.9		355.1	841.7		140.2	93.0
Foreign corporations, other (bonds, notes, intercompany accounts)	821.6	20.3	8.7	202.6	169.4	358.6	35.5	26.6		170.6		44.9	67.5		23.9	34.3
Branches	2,108.5	248.1	431.9	847.9	102.1	329.9	95.0	53.6		119.7		24.1	23.3		21.4	50.8
Foreign investments in securities and surplus	303.4	16.6	31.4	8.2	104.7	125.9	10.2	6.5		448.6		74.9	293.5		38.2	42.0
Net earnings after foreign income tax	654.3	95.1	74.8	275.0	120.3	35.7	31.0	22.4		306.9		51.8	197.4		40.9	16.8
United States share of net earnings	615.5	89.4	68.5	274.2	106.1	26.3	28.8	22.3		264.7		41.7	171.9		34.7	16.4
Total United States income receipts	522.3	75.6	64.4	261.9	54.6	33.2	17.0	15.4		110.5		9.0	68.9		21.0	11.5
Dividends	139.7	20.1	13.2	57.5	31.8	9.8	4.7	2.6		87.5		5.8	62.1		15.4	4.1
Interest	22.6	.4	.7	3.2	2.2	15.5	.2	.5		1.0		.1	.7		(1)	.2
Branch profits	359.9	55.1	50.5	201.2	20.7	8.0	12.0	12.4		21.9		3.1	6.2		5.6	7.0
United States share in undistributed profits of foreign corporations	109.1	14.2	4.1	14.0	49.4	8.6	12.0	6.7		151.3		32.1	100.7		13.3	5.0
Direct investment capital movements, total (inflow (-))	40.2	-6.8	29.4	-68.6	64.0	-3.2	18.4	6.9		119.1		73.1	31.9		7.4	6.7
Foreign corporations	45.9	-7.1	-3.9	-10.1	53.9	-8.7	17.6	4.2		103.1		70.4	29.1		7.8	-4.2
Branches	-5.7	.3	33.3	-58.5	10.2	5.5	.8	2.7		16.0		2.7	2.8		-4	10.9
	Western European dependencies									Other countries						
Total assets	814.3		179.2	500.7	19.8	30.2	28.6		55.8	2,828.6	118.6	1,404.4	439.4	85.2	135.7	645.3
United States investments, total	435.3		88.4	296.0	8.9	18.1	13.1		10.8	1,318.1	56.5	844.1	213.6	53.6	81.4	69.0
Foreign corporations, stock and surplus (including secondary companies)	250.8		59.6	171.3	3.8	4.9	4.1		7.0	525.1	54.3	200.9	156.9	32.8	37.9	42.3
Foreign corporations, other (bonds, notes, intercompany accounts)	89.6		12.4	71.3	3.6	2.0	(1)	.3		222.4	2.1	150.2	32.2	4.9	13.2	20.0
Branches	94.9		16.4	53.4	1.5	11.2	9.0	3.5		570.6	.1	493.0	24.5	15.9	30.3	6.7
Foreign investments in securities and surplus	167.3		74.8	90.7	.9	.5	.3	(1)		418.8	44.0	316.5	30.5	12.9	4.6	10.3
Net earnings after foreign income tax	137.5		21.0	103.5	1.2	.4	4.6		6.7	384.3	12.8	256.6	59.3	6.2	20.4	28.8
United States share of net earnings	100.3		14.6	73.9	1.2	.3	3.8		6.4	340.1	9.6	220.2	57.3	5.6	20.1	27.4
Total United States income receipts	97.7		12.2	75.3	1.1	.3	2.9		6.0	269.4	2.9	212.0	22.0	1.3	14.4	16.9
Dividends	46.2		4.7	36.2	1.1	.2	.3		3.6	81.2	2.8	47.0	15.1	.9	4.1	11.4
Interest	.1				.1		(1)			9.5	.1	8.9	.1	.2	.1	.2
Branch profits	51.5		7.5	39.2	-1.1	.1	2.5		2.3	178.7	.1	156.1	6.8	.2	10.2	5.4
United States share in undistributed profits of foreign corporations	-3.0		2.4	-6.5	-2	(1)	1.0		.4	71.4	6.5	14.9	31.2	4.3	4.9	9.6
Direct investment capital movement, total (inflow (-))	13.9		13.1	-5.7	2.8	1.8	2.0		(1)	161.2	15.9	127.4	5.9	.9	8.9	2.2
Foreign corporations	1.5		10.2	-12.0	1.8	1.4	.2		(1)	63.7	15.9	42.9	6.4	.9	.2	-2.6
Branches	12.4		2.8	6.3	1.0	.4	1.8		(1)	97.4	(1)	84.4	-5	(1)	8.7	4.9

See footnotes at end of table. Where no figures are shown for a given industry, the figures are included in the "other industries" column. When a complete industry breakdown is given, no entries are made in the "other industries" column.

Appendix Table 28.—Summary area and country tables, 1950, by industry—Continued

[Millions of dollars]

Item	Total	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Other industries	Total	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Finance, insurance, and miscellaneous	Other industries
Argentina								Australia							
Total assets.....	625.4			255.9	113.2	55.5	200.8	383.3	27.3		216.9		24.9	7.3	106.9
United States investments, total.....	355.6			161.1	76.9	34.9	82.7	200.8	11.1		97.6		13.9	8.0	70.2
Foreign corporations, stock and surplus (including secondary companies).....	218.7			124.6	36.9	10.7	46.5	137.4	(2)		82.7		6.1	(2)	34.8
Foreign corporations, other (bonds, notes, intercompany accounts).....	102.0			27.6	37.2	8.6	28.6	52.4	(2)		10.1		1.9	(2)	35.2
Branches.....	34.9			8.9	2.8	15.6	7.6	11.0	(2)		4.8		5.9	(2)	.2
Foreign investments in securities and surplus.....	26.9			19.0	6.0	1.0	.9	34.8	10.0		14.9		3.9	6.0	
Net earnings after foreign income tax.....	15.4			13.8	.1	.7	.8	30.8	2.0		22.7		2.9	1.1	2.1
United States share of net earnings.....	17.0			14.2	(1)	.7	2.1	27.9	1.1		21.8		2.3	.8	1.9
Total United States income receipts.....	5.8			3.7	.3	—1	1.9	10.6	.6		5.6		1.2	.4	2.8
Dividends.....	3.5			2.1	.3	(1)	1.1	6.6	(2)		4.0		.5	(2)	1.5
Interest.....	1.0			.7	.1	(1)	.2	1.3	(2)		(1)		(1)	(2)	1.2
Branch profits.....	1.3			.9	—2	—1	.7	2.7	(2)		1.5		.7	(2)	
United States share in undistributed profits of foreign corporations.....	12.4			11.3	—1	.8	.4	16.4	(2)		15.0		.9	(2)	—1
Direct investment capital movements, total [inflow (—)].....	15.0			1.4	—2.7	—3.6	19.9	24.2	.8		6.2		2.6	.3	14.3
Foreign corporations.....	22.9			2.9	—1.2	—1	21.3	20.3	(2)		5.0		.2	(2)	14.3
Branches.....	—7.9			—1.5	—1.5	—3.5	—1.4	3.9	(2)		1.2		2.4	(2)	(1)
Belgium, Netherlands, and Luxembourg								Brazil							
Total assets.....	312.3		127.1	101.8		58.4	25.0	1,141.7		139.2	432.9	222.5	114.3		232.7
United States investments, total.....	153.0		60.0	60.8		23.8	8.4	644.2		112.4	284.5	137.6	72.6		37.1
Foreign corporations, stock and surplus (including secondary companies).....	136.2		61.6	53.3		17.4	3.9	295.3		13.7	168.4	68.8	33.8		10.6
Foreign corporations, other (bonds, notes, intercompany accounts).....	8.9		—1.6	5.7		3.2	1.6	151.6		4.2	70.0	64.7	8.3		4.4
Branches.....	7.9			1.8		3.2	2.9	197.3		94.5	46.1	4.1	30.5		22.1
Foreign investments in securities and surplus.....	24.5		12.6	8.0		3.6	.3	62.2		1.5	12.2	40.0	4.2		4.3
Net earnings after foreign income tax.....	35.9		12.0	14.0		8.3	1.6	102.4		27.6	49.9	9.1	10.4		5.4
United States share of net earnings.....	29.1		8.0	12.4		7.4	1.3	96.3		27.5	46.6	6.2	10.5		5.5
Total United States income receipts.....	11.0		2.6	4.1		3.0	1.3	61.5		24.7	21.7	5.9	5.1		4.1
Dividends.....	8.7		2.6	4.1		2.0		16.1		.4	10.9	2.9	1.6		.3
Interest.....	(1)		(1)			(1)	(1)	4.2			.9	3.3	(1)		
Branch profits.....	2.2			(1)		1.0	1.2	41.2		24.3	9.9	—4	3.5		3.9
United States share in undistributed profits of foreign corporations.....	16.0		5.1	6.6		4.2	.1	35.8		2.5	23.6	3.1	5.1		1.5
Direct investment capital movements, total [inflow (—)].....	23.7		18.1	3.0		2.2	.4	19.8		4.3	17.3	—4.4	.7		1.9
Foreign corporations.....	23.5		18.1	3.0		1.9	.5	7.3		—1.4	12.3	—7.2	3.6		
Branches.....	.2			(2)		.3	—1	12.5		5.6	5.1	2.7	—2.9		2.0
Chile								Colombia							
Total assets.....	674.5	401.7		48.5		29.0	195.2	358.5		171.7	63.4	46.5			26.9
United States investments, total.....	540.1	350.6		29.0		14.5	146.0	193.4		111.6	24.8	29.2			27.8
Foreign corporations, stock and surplus (including secondary companies).....	132.8	(2)		27.5		13.8	(2)	61.2		32.0	15.8	5.3			8.1
Foreign corporations, other (bonds, notes, intercompany accounts).....	89.7	(2)		.3		—3.3	(2)	14.1		6.4	4.0	4.2			—5
Branches.....	317.6	(2)		1.2		4.0	(2)	118.1		73.2	5.0	19.7			20.2
Foreign investments in securities and surplus.....	41.6	18.4		14.4		(1)	8.8	18.6			13.4	4.7			.5
Net earnings after foreign income tax.....	42.3	34.9		4.4		1.8	1.2	19.0		4.1	6.2	2.6			6.1
United States share of net earnings.....	36.6	33.9		2.4		1.3	—1.0	15.5		4.0	3.9	1.9			5.7
Total United States income receipts.....	41.1	33.0		2.5		1.2	4.4	9.6		—1	2.2	1.8			5.7
Dividends.....	4.9	(2)		2.2		1.0	(2)	2.9		.3	1.1	.3			1.2
Interest.....	3.6	(2)		(1)		(2)	(2)	.5		(1)		.3			.2
Branch profits.....	32.6	(2)		.3		.2	(2)	6.3		—3	1.1	1.2			4.3
United States share in undistributed profits of foreign corporations.....	—3	(2)		—4		(1)	(2)	6.3		4.0	1.7	.4			.2
Direct investment capital movements, total [inflow (—)].....	21.8	17.2		.2		3.5	.9	—6.6		—12.9	7.3	(1)			—1.0
Foreign corporations.....	5.2	(2)		.3		4.6	(2)	—2.0		—8.2	6.1	.3			—2
Branches.....	16.6	(2)		—1		—1.1	(2)	—4.6		—4.8	1.2	—3			—7

See footnotes at end of table. Where no figures are shown for a given industry, the figures are included in the "other industries" column. When a complete industry breakdown is given, no entries are made in the "other industries" column.

Appendix Table 28.—Summary area and country tables, 1950, by industry—Continued

[Millions of dollars]

Item	Total	Agri- culture	Mining and smelt- ing	Petro- leum	Manu- factur- ing	Transporta- tion, com- munication, and public utilities	Trade	Finance, insurance, and mis- cellaneous	Other indus- tries	Total	Petro- leum	Manu- factur- ing	Transporta- tion, com- munication, and public utilities	Trade	Other indus- tries
	Cuba									Denmark, Norway, and Sweden					
Total assets.....	1,174.7	347.3			89.8	407.5			330.1	267.4	106.6	129.7		13.9	17.2
United States investments, total.....	642.4	262.7			54.2	270.5			55.0	113.7	51.0	38.8		10.1	13.8
Foreign corporations, stock and surplus (including secondary companies).....	306.4	158.1			30.8	85.5			32.0	85.0	36.5	(2)		6.6	(2)
Foreign corporations, other (bonds, notes, intercompany accounts).....	65.1	29.5			10.7	19.5			5.4	20.3	8.2	(2)		3.3	(2)
Branches.....	270.9	75.1			12.7	165.5			17.6	8.4	6.3	(2)		.2	(2)
Foreign investments in securities and sur- plus.....	49.3	12.2			9.0	25.3			2.8	33.8	3.5	28.9		.2	1.3
Net earnings after foreign income tax.....	61.8	36.2			7.9	9.0			8.7	10.7	1.6	7.0		.9	1.2
United States share of net earnings.....	55.5	31.3			6.9	9.0			8.3	11.4	3.0	5.8		.7	1.9
Total United States income receipts.....	42.8	20.6			5.4	9.7			7.1	4.6	.7	2.2		.4	1.3
Dividends.....	22.4	15.1			3.0	.8			3.5	3.2	.7	(2)		.3	(2)
Interest.....	4.2	.2			.1	3.8			.1	.4	.1	(2)		(1)	(2)
Branch profits.....	16.2	5.3			2.3	5.0			3.6	1.0		(2)		.1	(2)
United States share in undistributed profits of foreign corporations.....	16.2	10.5			1.3	3.0			1.4	6.9	2.2	(2)		.3	(2)
Direct investment capital movements, total [inflow (-)].....	6.8	-5.6			4.0	4.6			3.8	4.1	4.7	-1.4		1.9	-1.1
Foreign corporations.....	1.7	-2.3			2.6	-2			1.6	2.5	3.7	(2)		1.9	(2)
Branches.....	5.1	-3.3			1.4	4.8			2.2	1.5	1.0	(2)		(1)	(2)
	France									Germany					
Total assets.....	478.3			164.4	212.2		18.6	64.5	18.6	435.8	76.5	267.5		31.9	59.8
United States investments, total.....	217.1			75.5	114.4		5.0	10.3	11.9	204.3	37.9	122.7		18.8	24.9
Foreign corporations, stock and surplus (including secondary companies).....	177.6			63.0	101.7		4.1	2.8	6.0	154.4	32.1	97.4		16.7	8.2
Foreign corporations, other (bonds, notes, intercompany accounts).....	29.2			12.5	12.6		.7	(1)	3.4	28.5	5.8	19.2		1.7	1.8
Branches.....	10.3				.1		.2	7.5	2.5	21.4		6.1		.4	14.9
Foreign investments in securities and sur- plus.....	28.2			14.0	13.2		.8	(1)	.2	43.0	3.9	27.1		3.4	8.6
Net earnings after foreign income tax.....	32.7			9.8	20.5		1.3	.7	.4	27.2	5.3	19.3		2.4	.2
United States share of net earnings.....	30.6			8.0	20.5		1.2	.5	.4	26.6	5.2	18.1		2.2	1.1
Total United States income receipts.....	6.1			1.3	4.1		.1	.5	.1	2.6	.1	1.4		.5	.6
Dividends.....	5.7			1.3	4.1		.2	(1)	.1	.3	.1	.1		.1	
Interest.....	.1				.1					.1		.1			
Branch profits.....	.3				-1		-1	.5		2.3		1.2		.4	.7
United States share in undistributed profits of foreign corporations.....	23.4			6.4	15.7		1.1	(1)	.2	24.0	5.1	16.8		1.8	.3
Direct investment capital movements, total [inflow (-)].....	9.2			2.9	5.1		-1	1.0	.3	7.3	2.5	-1		.1	4.8
Foreign corporations.....	9.0			2.9	5.1		.1	.8	.1	3.3	2.5	-3		.1	1.0
Branches.....	.2				(1)		-2	.2	.2	4.0		.2		(1)	3.8
	Mexico									Panama					
Total assets.....	777.2		197.7		257.6	214.0		45.4	62.5	457.6	206.8		160.1	13.2	77.6
United States investments, total.....	414.5		120.5		133.0	107.2		29.7	24.1	348.0	180.7		132.5	10.6	24.2
Foreign corporations, stock and surplus (including secondary companies).....	258.2		112.3		76.6	42.0		13.1	14.2	111.8	78.7		26.0	5.4	(2)
Foreign corporations, other (bonds, notes, intercompany accounts).....	108.8		-6.0		48.7	56.8		7.8	1.5	184.0	(2)		74.1	3.4	(2)
Branches.....	47.5		14.2		7.7	8.4		8.8	8.4	52.2	(2)		32.4	1.8	(2)
Foreign investments in securities and sur- plus.....	60.4		7.0		26.8	24.4		1.7	.5	4.9	.7		2.3	1.0	.9
Net earnings after foreign income tax.....	52.1		24.5		21.9	1.0		2.9	1.8	26.4	10.7		6.2	1.0	8.5
United States share of net earnings.....	42.5		21.7		17.4	-8		2.7	1.5	25.2	10.6		5.2	.9	8.5
Total United States income receipts.....	28.6		17.9		8.4	.4		.7	1.2	18.3	4.7		6.8	.2	6.6
Dividends.....	16.9		8.2		7.3	.3		.2	.9	5.6	(2)		3.0	.2	(2)
Interest.....	2.3		.3		.4	1.5		.1		5.2	(2)		2.7		(2)
Branch profits.....	9.5		9.4		.8	-1.4		.5	.2	7.5	(2)		1.1	-1	(2)
United States share in undistributed profits of foreign corporations.....	14.6		3.7		8.3	.3		2.1	.2	11.7	(2)		1.2	.8	(2)
Direct investment capital movements, total [inflow (-)].....	24.5		-8.1		23.3	-2.0		5.2	6.1	-5	-6.7		1.3	.6	4.3
Foreign corporations.....	24.6		-5.7		22.8	-7		3.1	5.1	-1.7	(2)		1.3	.5	(2)
Branches.....	-1		-2.4		.5	-1.3		2.1	1.0	1.2	(2)		(1)	(1)	(2)

See footnotes at end of table. Where no figures are shown for a given industry, the figures are included in the "other industries" column. When a complete industry breakdown is given, no entries are made in the "other industries" column.

Appendix Table 28.—Summary area and country tables, 1950, by industry—Continued

[Millions of dollars]

Item	Total	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Other industries	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Transportation, communication, and public utilities	Trade	Other industries
Peru								Philippine Republic							
Total assets	227.1	67.7		27.7		35.5	96.2	357.1			35.4	31.1	73.4	43.3	173.9
United States investments, total	144.5	55.1		15.8		13.1	60.5	149.2			27.4	23.3	47.1	29.6	21.8
Foreign corporations, stock and surplus (including secondary companies)	100.2	(2)		9.8		9.1	64.8	85.3			(2)	12.9	30.1	15.2	19.4
Foreign corporations, other (bonds, notes, intercompany accounts)	-1.2	(2)		2.4		.9	-6.2	20.2			(2)	3.2	4.9	6.7	(2)
Branches	45.5	(2)		3.6		3.1	1.9	43.7			(2)	7.2	12.1	7.7	(2)
Foreign investments in securities and surplus	7.2			4.4		(1)	2.8	15.5			.3	(1)	10.2	.2	4.8
Net earnings after foreign income tax	24.0	7.2		2.8		1.5	12.5	40.7			10.5	6.3	5.6	11.0	7.3
United States share of net earnings	21.4	7.2		2.6		1.5	10.1	39.2			10.5	6.3	5.2	10.9	6.3
Total United States income receipts	14.7	8.4		2.4		.7	3.2	27.6			10.0	3.5	1.2	8.5	4.4
Dividends	7.9	(2)		1.9		(2)	3.2	7.9			(2)	1.4	.9	2.4	(2)
Interest	.1	(2)		(1)			.1	.3			(2)	(1)	.1	(1)	(2)
Branch profits	6.8	(2)		.4		.5	-1	19.4			(2)	2.1	.2	6.1	(2)
United States share in undistributed profits of foreign corporations	6.1	(2)		-1		.8	6.8	11.4			(2)	2.7	4.1	2.0	(2)
Direct investment capital movements, total [inflow (-)]	-8.6	2.9		2.6		2.0	16.1	5.8			7.6	-9	.6	1.9	-3.4
Foreign corporations	-11.5	(2)		.7		1.1	15.4	-2.8			(2)	.6	.8	-4	(2)
Branches	3.0	(2)		1.9		1.0	-7	8.6			(2)	-1.6	-2	2.4	(2)
Union of South Africa								United Kingdom							
Total assets	230.2	66.4	55.3	76.4		19.4	12.6	2,335.6			272.3	1,204.3	21.2	240.8	597.0
United States investments, total	140.1	32.9	44.9	44.0		13.5	4.8	847.0			123.0	541.8	10.6	102.2	69.4
Foreign corporations, stock and surplus (including secondary companies)	98.6	32.8	24.0	30.9		8.2	2.7	763.0			(2)	510.1	(2)	86.1	51.4
Foreign corporations, other (bonds, notes, intercompany accounts)	37.4	.1	20.9	11.7		2.9	1.8	59.3			(2)	21.2	(2)	11.1	16.3
Branches	4.1			1.4		2.4	.3	24.7			(2)	10.5	(2)	5.0	1.7
Foreign investments in securities and surplus	43.4	30.0		12.5		.1	.8	275.2			16.1	200.3	7.5	29.2	22.1
Net earnings after foreign income tax	27.5	8.7	4.8	12.3		1.5	.2	174.2			16.6	122.9	(1)	25.2	9.5
United States share of net earnings	27.5	7.2	6.3	11.9		1.9	.2	141.2			11.5	102.6	(1)	19.3	7.8
Total United States income receipts	13.3	1.5	6.5	4.4		.8	.1	73.0			.8	52.6	(2)	14.5	5.1
Dividends	12.3	1.5	6.2	4.1		.4	.1	65.1			(2)	48.7	(2)	12.8	2.8
Interest	.3	(1)	.2	(1)		(1)	.1	.1			(2)	.1	(2)	(2)	
Branch profits	.8			.3		.5		7.8			(2)	3.8	(2)	1.7	2.3
United States share in undistributed profits of foreign corporations	11.7	5.6	-1.4	6.4		1.0		68.7			(2)	50.6	(2)	4.8	2.6
Direct investment capital movements, total [inflow (-)]	23.3	14.2	10.4	-1.4		.3	-2	48.5			20.8	23.5	1.9	2.4	-1
Foreign corporations	23.0	14.2	10.4	-1.7		.2	-1	42.6			(2)	22.1	(2)	2.6	-2.4
Branches	.3			.3		.1	-1	5.9			(2)	1.4	(2)	-2	2.3
Venezuela								Sterling Dependencies							
Total assets	1,403.6		1,169.1	42.3	19.7	38.7	133.7	593.8	14.8	162.2	313.7		27.4	22.7	53.0
United States investments, total	993.0		857.1	23.8	10.0	23.6	78.5	297.4	9.1	80.5	175.4		15.4	8.8	8.2
Foreign corporations, stock and surplus (including secondary companies)	163.4		129.6	11.7	8.0	6.7	7.4	170.0	5.8	50.5	100.8		4.9	3.7	4.3
Foreign corporations, other (bonds, notes, intercompany accounts)	78.1		64.9	1.4	.2	7.4	4.2	62.5	.2	13.6	44.4		2.0	(1)	2.3
Branches	751.5		662.6	10.7	1.8	9.5	66.9	64.9	3.1	16.4	30.2		8.5	5.1	1.6
Foreign investments in securities and surplus	13.4		4.3	2.5	4.3	.8	1.5	165.0		74.2	89.2		.5	.3	.8
Net earnings after foreign income tax	232.6		218.5	5.6	2.3	3.6	2.6	118.1	4.0	18.2	87.5		.5	4.1	3.8
United States share of net earnings	232.0		219.3	5.0	1.8	3.4	2.5	81.8	4.0	12.3	58.6		.3	3.3	3.3
Total United States income receipts	236.1		225.7	4.2	.7	3.4	2.1	80.5	3.5	9.7	61.4		.3	2.6	3.0
Dividends	50.8		47.8	.6	.7	.6	1.1	35.2	3.6	2.1	27.8		.2	.3	1.2
Interest	1.0		.7	(1)		.1	.2	(1)						(1)	
Branch profits	184.3		177.2	3.6		2.7	.8	45.3	-1	7.5	33.5		.1	2.2	2.1
United States share in undistributed profits of foreign corporations	-3.8		-6.3	.8	1.2	.1	.4	-3.8	.4	2.6	-7.4		(1)	.7	-1
Direct investment capital movements, total [inflow (-)]	-39.1		-67.5	3.8	.4	6.8	17.4	5.3	(1)	11.0	-11.3		1.7	.9	3.0
Foreign corporations	.8		-5.7	2.8	(1)	3.0	.7	(1)	-1	8.2	-11.6		1.4	(2)	2.1
Branches	-39.9		-61.8	1.0	.4	3.8	16.7	5.3	.1	2.8	.3		.3	.9	.9

1. Less than \$50,000. 2. Included in total.

NOTE.—The difference between United States investments in "foreign corporations, stocks, and surplus" as reported on appendix tables 5 and 6 and as shown on these summaries is caused by the treatment of secondary allied corporations. The breakdown of appendix

tables 5 and 6 includes accounts from the books of primaries only, while the summaries include the investments of secondaries in the areas or countries shown. These totals are derived by deducting from the total United States investments the value of investments in foreign branches, and liabilities of foreign corporations such as bonds, notes, debentures, and advances to United States owners.

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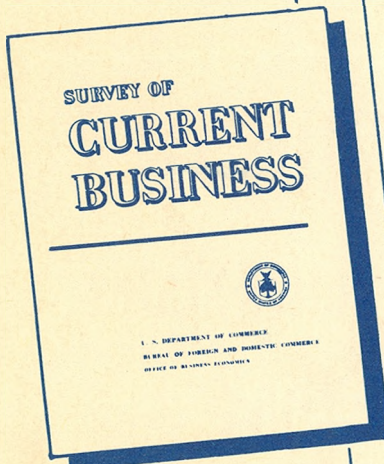
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