

SpC

48

C.1

SPECIAL
COLLECTIONS

RESEARCH REPORT
BUREAU OF ECONOMIC ANALYSIS
SEAS TOWER BUILDING
1401 K ST., N.W.
WASHINGTON, D.C. 20330



FOREIGN BUSINESS INVESTMENTS

in the

UNITED STATES

U.S. DEPARTMENT OF COMMERCE
OFFICE OF BUSINESS ECONOMICS



SpC
48

FOREIGN BUSINESS INVESTMENTS in the UNITED STATES

A Supplement to the Survey of Current Business

REFERENCE ROOM
BUREAU OF ECONOMIC ANALYSIS
BE-16 TOWER BUILDING
1401 K ST., N.W.
WASHINGTON, D.C. 20230

U.S. DEPARTMENT OF COMMERCE

Luther H. Hodges
Secretary

OFFICE OF BUSINESS ECONOMICS

M. Joseph Meehan
Director

By

Samuel Pizer & Zalie V. Warner

Balance of Payments Division
Office of Business Economics

For sale by the Superintendent of Documents, U.S. Government Printing Office

1962

Washington 25, D.C. - Price 40 cents

Foreword

This report is the first comprehensive study in some twenty years of foreign investments in the United States taking the form of controlling interests in U.S. business firms—usually termed direct investments.

Data obtained for the census year, 1959, have been carried back to 1950 and forward through 1961, to give a view of the growth in value and earnings of the enterprises, to show the development of investments by the various foreign countries in the major industries, and to evaluate the data on capital flows and income distributions so as to improve current measures in the OBE's balance-of-payments accounts.

Additional facts have been obtained which for the first time give a well-rounded presentation of the place of these foreign-controlled enterprises in the United States economy in terms of their output, expenditures, tax payments, assets employed and use of United States as well as foreign financing.

This report is a companion volume to the 1960 study, *U.S. Business Investments in Foreign Countries*. Together, these studies provide an extensive panorama of the place of international business investments in the economy of the United States, and a basis for analysis of the economic relationships between the United States and foreign countries. The measures provided by both of these detailed surveys are regularly carried forward in summary and updated form by articles that appear in the *SURVEY OF CURRENT BUSINESS*.

The facts brought out by these reports, and the regular questionnaire surveys for which they provide benchmarks, form an important part of the basic information required by all those concerned with the analysis of the changing situation in our balance-of-payments accounts and of the evolution of the world economy.



M. JOSEPH MEEHAN, Director,
Office of Business Economics.

Acknowledgments

In the preparation of the forms and regulations necessary to carry out this census, and in the interpretation of particular reports and tabulations, the Office of Business Economics has depended on the assistance and cooperation of the companies called upon to file the basic reports, and we wish to express our sincere appreciation for their very helpful response in this survey and in our continuing work on the balance-of-payments accounts.

Planning and overall preparation of the census and this report were carried out in the Balance of Payments Division, of which Walther Lederer is Chief, by and under the general direction of Samuel Pizer, Assistant Chief of the Division. Zalie V. Warner of the International Investments Section was directly in charge of the design of the reporting system and tabulation and evaluation of the data, and shares responsibility for the results presented herein. Economists carrying out the responsible work of editing and analyzing the reports and preparing drafts of portions of the final report were Bertil Renborg (especially the finance-insurance section) and James Lopes (especially sales and capital flows); much of the difficult work of preparing the final tabulations and detailed breakdowns was performed by Verna E. Moore. At various stages in the progress of the census other members of the International Investments Section of the Balance of Payments Division assisted in the editing and tabulations.

Chart presentations and supervision of the preparations for printing were in charge of Billy Jo Dawkins, graphics specialist of the Office of Business Economics, assisted by Edith W. Willis.

CONTENTS

Foreword	III
Acknowledgments	IV
Summary Highlights	1
Text—Profile of the Investments	
Background and Growth.....	3
Investments by Countries.....	4
Investments by Industry.....	7
Financial Structure of Investments.....	11
Capital Inflows.....	14
Earnings and Output.....	17
Income Paid Out.....	19
Reinvested Earnings Finance Growth.....	21
Sales and Revenues.....	21
Expenses and Taxes.....	23
Comparison with U.S. Investments Abroad.....	25
Methods and Statistics	
Methodology—Coverage, classifications, and definitions.....	26
List of tables—Detailed results of census.....	32

Summary Highlights

- (1) Foreign direct business investments in the United States have risen substantially in the postwar years, reaching a book value of over \$7 billion by the end of 1961, compared with \$3.4 billion in 1950. At the end of 1961 comparable U.S. direct investments abroad were valued at about \$35 billion.
- (2) Annual growth in the value of foreign direct investments here since 1950 has averaged \$365 million, comprising primarily capital inflows averaging \$150 million annually and reinvested earnings averaging \$175 million. For the 2 most recent years, 1960-61, the averages were \$105 million and \$210 million, respectively, indicating that there has not yet developed any persistent uptrend in the amounts being invested in United States industrial facilities by foreign firms.
- (3) European investors hold the principal share of the investments, accounting for over \$5 billion in 1961, or 70 percent of the total. This proportion has increased slightly since 1950, but is about the same as the prewar share. Nearly half of the European investment here is held in the United Kingdom, with large amounts also held in the Netherlands and Switzerland. Canadian direct investments here valued at about \$2 billion rank next to the British holdings, and account for about one quarter of the total.
- (4) Manufacturing facilities are foremost, accounting for \$2.8 billion or almost two-fifths of the total. Investments in facilities producing food, alcohol beverages and tobacco account for 38 percent of the

manufacturing total, followed by chemicals (19 percent) and machinery (14 percent). The proportion for investment in foods and beverages has increased strongly since the 1930's while the share of chemicals and textiles has been reduced.

Finance and insurance investments rank next, with about \$2.0 billion. Petroleum investment is also large at \$1.3 billion at the end of 1961.

- (5) Assets of the foreign direct investment concerns were \$8.4 billion at the end of 1959, the year covered in detail by the census, exclusive of the financial and insurance enterprises. Gross fixed assets were \$6.3 billion, before deducting depreciation reserves of \$2.9 billion. Of the \$3.4 billion of net fixed assets, \$1.4 billion were in the petroleum industry and \$1.2 billion in manufacturing.

Current assets of \$4.4 billion were centered in the receivables and cash holdings of the manufacturing and trading companies.

- (6) Of the \$8.4 billion of assets, foreign investors supplied \$5 billion of the funds required and United States residents \$3.4 billion. United States residents held 60 percent of the \$4 billion of liabilities of the enterprises, while of the equity capital (including branch accounts) foreign investors held 80 percent.
- (7) Nearly half of the foreign-controlled enterprises were established or acquired prior to 1941, but these account for almost 80 percent of the accumulated investment.
- (8) Capital inflows from abroad for investment in these enterprises have averaged about

\$150 million annually since 1950, with a moderate tendency to rise over the period. About 55 percent of the inflow for the 1950-61 period came from Europe, rising to about 80 percent of the total in 1959-61. Manufacturing investments accounted for about half of the inflow; the inflow for petroleum was very small.

- (9) Earnings of the foreign-owned United States enterprises have ranged generally between \$300 million and \$425 million per year since 1950, with no clear upward trend. The overall performance for the period has about paralleled that of all United States corporate profits.

Income distributed abroad in the form of dividends, interest and branch profits remained close to \$200 million a year from 1950 through 1957, and then rose to a rate of about \$230 million per year.

- (10) About two-thirds of the foreign share of the earnings of United States *corporations* controlled abroad was retained in the United States in the 1950-61 period. Of \$4 billion added to the value of the for-

ign investments here over this period, nearly \$2 billion came out of undistributed subsidiary earnings.

- (11) Total receipts from sales and other revenues of the foreign-controlled companies in the census year 1959 amounted to \$8.1 billion (excluding finance, insurance, and distribution enterprises).

Sales of manufactures aggregated \$5.1 billion, of which the largest items were food products and beverages (\$2.3 billion) and chemicals and related products (\$0.9 billion). Sales of the petroleum industry were \$2.4 billion.

- (12) The overall balance-of-payments effect of these direct foreign investments in the United States is comparatively minor. On the average, income paid abroad exceeds capital inflows by some \$50 million annually, which is offset to some extent by the production in the United States of goods and some services which might otherwise have been imported. In 1960-61 net payments abroad rose to over \$100 million annually.

Background and Growth of Investments

Foreign investors have maintained substantial investments in the United States throughout our history, contributing not only financial resources but also the technical knowledge and discoveries on which many of our major industries are based. Most of this contribution to our development is no longer apparent as foreign investment here, mainly because (a) the original founders of the enterprises or their successors settled in the United States, (b) ownership passed to Americans as domestic industry became sufficiently large to absorb by purchase or merger the foreign-owned sector, (c) some enterprises eventually went out of business during depressions or because their products were outmoded, (d) the foreign owners were forced to liquidate because of financial difficulties at home or because the heirs of the original founders did not wish to continue such operations, and (e) investments of enemy aliens were confiscated in wartime.

The foreign-controlled enterprises that are currently active in the United States, therefore, do not represent adequately the influence of foreign investors in the development of the United States economy, nor the crucial impact of skilled workmen, engineers, and managers immigrating from abroad.

A significant characteristic of the international industrial investments of the present century, as distinguished from earlier investments, is that they are not accompanied to

the same extent by the emigration of owners and labor force, and the investors are predominately large publicly owned corporations not so likely voluntarily to relinquish a foreign business for the causes mentioned above.

Direct and portfolio investments

The major emphasis of foreign investment here has been on portfolio investments rather than the control and operation of industrial enterprises. Up to 1914 foreign holdings were concentrated in railroad bonds, amounting to \$2.4 billion, about double the value of direct investments at that time. These bonds were nearly entirely liquidated during and after World War I, and were replaced by growing holdings of United States corporate stocks.

In 1919, as shown in the first chart, foreign direct investments here were about \$1 billion, while long-term portfolio investments exceeded \$2 billion. By 1929 direct investments had advanced only moderately, while portfolio investments had nearly doubled through acquisitions of corporate stocks increasing rapidly in market values. Over the entire period from 1929 through 1950 there was little change in the value of foreign portfolio investments in the United States, with losses in market values earlier in the period, and some liquidations in the war and early postwar years, offset by rising market values after the war.

In the 1950's controls on international capital

transfers from the major European financial centers were gradually relaxed and sizable purchases of United States corporate stocks began. Together with further appreciations of market values, the aggregate of foreign holdings of these securities reached \$11.7 billion at the end of 1961, four times the 1950 amount. Holdings by foreigners of other long-term portfolio assets such as bonds, real estate, and miscellaneous loans, totaled an estimated \$2.6 billion at the end of 1961.

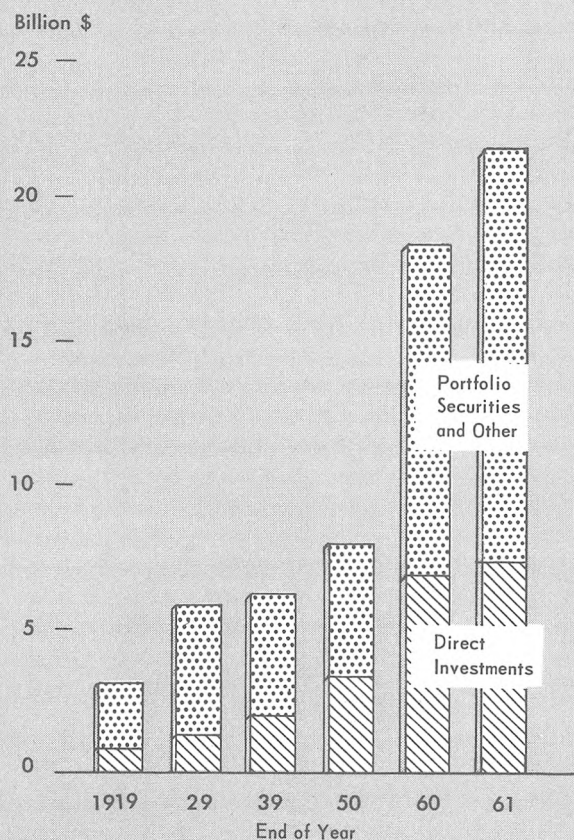
The new survey reveals that the book value of foreign direct investments doubled between 1950 and 1960, reaching a total of \$6.9 billion

in 1960 and rising further to over \$7 billion by the end of 1961.

Between 1941 and the end of 1950 foreign direct investments here increased by an average of about \$100 million annually. Capital inflows from most countries were prevented by exchange controls during the war and earlier postwar years, and direct investments then valued at over \$150 million were vested from enemy owners by the Alien Property Custodian.

After 1950 the amounts invested were much larger—from 1950 through 1961 growth averaged \$365 million annually, with only moderate deviations from year to year. Capital inflows averaged \$150 million annually in the period—in only 2 years, 1956 and 1959, did they exceed \$200 million. Reinvested earnings averaged \$175 million in the period, and there were also some upward revaluations of assets. A sustained increase in the rate of flow of foreign industrial capital to the United States has not yet developed, although there has been evidence of increased interest by European companies. The Department of Commerce, and various States, are now developing programs to bring opportunities here to the attention of foreign industrialists and other investors.

FOREIGN LONG-TERM INVESTMENTS IN THE UNITED STATES, BY TYPE, SELECTED YEARS, 1919-61
STRONG POSTWAR EXPANSION



Note: Direct investments at book value; portfolio securities at market value

U.S. Department of Commerce, Office of Business Economics

Investment By Countries

European investors have been the principal source of foreign direct investments in the United States, accounting for some two-thirds of the total since 1937, and probably for a larger share in earlier periods, although actual data are not available. Canadian investments made up most of the remainder, while investments from other areas are still comparatively minor.

British holdings largest

Residents of the United Kingdom have traditionally held a major share of foreign direct investments here. As shown in the first of the detailed tables in the statistical section of this report, British investments have risen from a 1941 total of \$0.7 billion to \$2.2 billion at the end of 1960, and during 1961 the total rose further to about \$2.5 billion.

In the decade from 1950 through 1960, about half of the increase of over \$1 billion in United Kingdom investments resulted from retained earnings; the inflow of capital from the United Kingdom amounted to about one-third, and the balance was accounted for by the increase in the market value of securities held by insurance companies. Half of the reinvested earnings of \$520 million in this period were in the petroleum industry, largely attributable to the British interest in a large international oil company. Even though retained earnings provided the major increase in investments in this decade, the inflow of capital amounted to over \$300 million, about two-thirds for manufacturing and one-third for finance and insurance. Amounts for all other industries were negligible.

British insurance companies have long had worldwide prominence and have been established in this country for many years, mainly in the fire, marine, and casualty field. They account for about 40 percent of the total United Kingdom investment, or a little over \$1 billion. The other important sector for direct investments by the United Kingdom is manufacturing, in which some of the larger investments are in the production of textiles, tobacco products, pulp and paper, tires, and phonograph records. Manufacturing investments of \$750 million represent some 30 percent of the total United Kingdom investment.

Detailed breakdowns for 1959, the year covered by the comprehensive survey, show that the total United Kingdom direct investment of \$2.2 billion was largely concentrated in a few United States companies. Half of the 314 United Kingdom controlled enterprises accounted for investments of almost \$2 billion, or 90 percent of the total. These were companies in the petroleum and manufacturing industries and insurance and finance. In contrast there were 123 trading companies with direct investments of only \$122 million.

It is also noteworthy that the bulk of United Kingdom investments were in companies established before World War II, a very few from that time to 1950, after which there was a greater increase. Excluding trading companies, there were 142 companies established before 1941 with an investment value of \$1.8

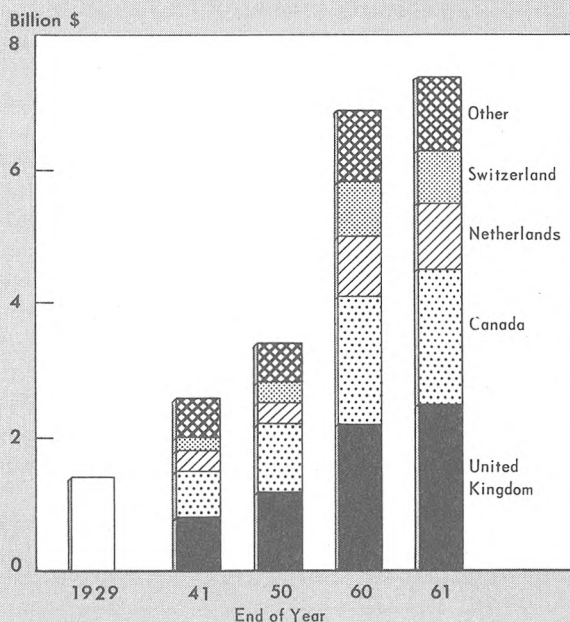
billion or more than 80 percent of the total for the United Kingdom. From 1941 to 1950 there were only 10 nontrading companies established with an investment value of \$7 million in 1959, and in the 10 years after 1950 there were 39 companies established with an investment value of \$229 million.

Other European Investments

Continental European countries had a combined direct investment of \$2.6 billion in the United States at the end of 1961, about 2½ times the 1950 amount. Netherlands companies had a substantial part of this total, with petroleum investments predominating. Other sizable Netherlands investments here are in manufacturing, particularly in artificial fibers, chemicals, and electronics. Swiss interests are also substantial, accounting for a large part of the investments in food products and chemicals

FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES

- Have More Than Doubled in Postwar Period
- Over Half Held by Canada and the United Kingdom



U.S. Department of Commerce, Office of Business Economics

and pharmaceuticals, and also for a sizable share of the total for the insurance industry.

In the case of Belgium and France, investments are sizable but growth has been relatively slow. German and Italian interests here were taken over during the war, but by the end of 1960 Italian investments greatly exceeded earlier amounts, while German investments, though expanding, were still substantially under the 1941 amounts, especially in the manufacturing industries.

United States investors have a somewhat larger share in enterprises established by these Continental European countries, than in the case of United Kingdom or Canadian enterprises. This is reflected in the breakdown by percentages of ownership given in table 5, especially for the manufacturing industry.

Joint ownership with American companies offers the advantages of interchange of technical information, easier access to capital markets, and experience in United States production and marketing methods. Nevertheless, as with United States investments abroad, most of the investment is still in tightly controlled organizations. The large United States share in the petroleum industry relates primarily to a large company with considerable amounts of its stock owned by the public here and abroad.

The major share of direct investments from the continental European countries is in a relatively small number of large companies purchased or established before 1941. About one-half of the companies established since the war by investors in these European countries are trading companies which require less capital and often act only as agents for a foreign producer. The survey recorded 263 companies purchased or established since the war with total investments of \$525 million in 1959, in contrast to 188 companies established before 1941 with a total foreign investment of \$1.8 billion. More than half of the new companies were established by continental European countries other than the Netherlands and Switzerland.

Canadian holdings

Canadian direct investments in the United States have ranked next in size to those of the

United Kingdom since the early part of this century. They accounted for about one-quarter of the total in 1941, and that proportion was maintained in 1960 when the total was \$1.9 billion. By 1961, the total had reached about \$2 billion.

Investments here by Canada have several special characteristics. The largest foreign direct investment in utilities in the United States arises from the extension into the United States of the major Canadian railroads, and sizable investments are connected with the United States branches of Canadian life insurance companies and banks.

About \$300 million of the Canadian direct investments are owned by Canadian companies controlled in the United States. This includes most of the petroleum investments. In addition, many of the Canadian companies with large holdings, although not controlled in the United States, have substantial amounts of their stock owned in the United States.

Almost half of the Canadian investment is in manufacturing, concentrated in the production of a limited number of products. Companies producing alcoholic beverages accounted for more than half of the Canadian manufacturing investment, and there are also sizable investments for the production of farm machinery and fabricated metals. The branch lines in the United States of the two large Canadian railroads represent an investment of more than \$350 million, and the investment in the petroleum industry is almost \$200 million, more than half of which is in pipelines extending into the United States. The Canadian interest in the net assets of United States insurance enterprises represents an investment of over \$150 million.

Nine-tenths of the value of Canadian direct investments consists of enterprises which are branches or in which 95 percent or more of the voting stock is Canadian owned. This degree of ownership of voting stock is consistent for all industries except transportation and trade. In the former there is considerable United States ownership of the common stock of the United States subsidiaries of the Canadian railroads. In the trade category there is an extensive United States interest in the common stock of certain large food distributors.

Other Areas

Direct investments in the United States from other areas are comparatively small. The principal investment by Latin America, is in trading companies. Japanese direct investments in the United States now are considerably larger than ever before; manufacturing investments of some size have been established, while some old trading and financial firms have returned and new ones are being initiated.

Investments By Industry

Foreign capital participated extensively in the early development of the natural resources and transportation facilities of the United States, but most of these holdings have since given way to domestic ownership, as described earlier in this report. Thus, some of the important early investments were in land and cattle companies, mining (especially copper), canals, and railroads. In other industries, notably manufacturing and finance-insurance, foreign interests established early in our history have been maintained and show a steady growth, and new enterprises are frequently introduced. A more recent development has been the influx of foreign capital into the development of urban commercial property and suburban shopping centers.

Manufacturing investments lead

Many foreign manufacturing companies, principally European and a few Canadian firms with a leading position in their industries through patents, production techniques, or extensive experience, long ago established production facilities in the United States. A wide range of commodities has been involved, including many chemicals, artificial fibers, specialty food products and beverages, textiles, paper products, and many types of machinery.

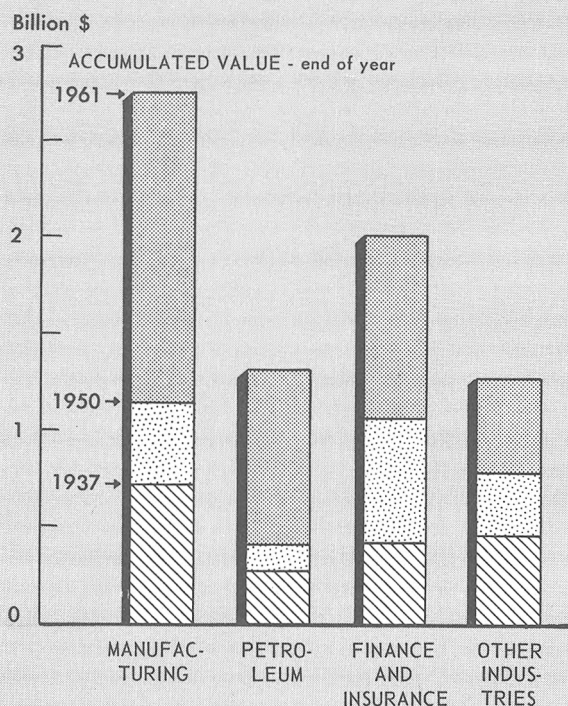
The contribution of foreign manufacturing enterprise to the United States economy has been mainly to widen the spectrum of products available, occasionally introducing products of considerable importance. Foreign-controlled enterprises now do not weigh heavily, in the

aggregate, in any major branch of United States manufacturing.

Over time, the commodity composition of the manufacturing investments has changed considerably. Food products and beverages are now the largest group but ranked third in the 1930's, while textile products, which were then the largest group, now account for under 10 percent of the total. Chemicals and related products have been a major field for investment for many years, while the relative importance of investments in pulp and paper production has increased.

Foreign direct investments in United States manufacturing facilities greatly exceed those in any other industry, amounting to \$2.8 billion by the end of 1961. Over \$1.6 billion of this investment was accumulated after 1950, representing about 40 percent of total additions to

FOREIGN DIRECT INVESTMENTS IN THE
UNITED STATES, BY INDUSTRY,
1937, 1950, 1961



U.S. Department of Commerce, Office of Business Economics

Foreign direct investments in U.S. manufacturing by major product group, 1937 and 1959

[Values in millions of dollars]

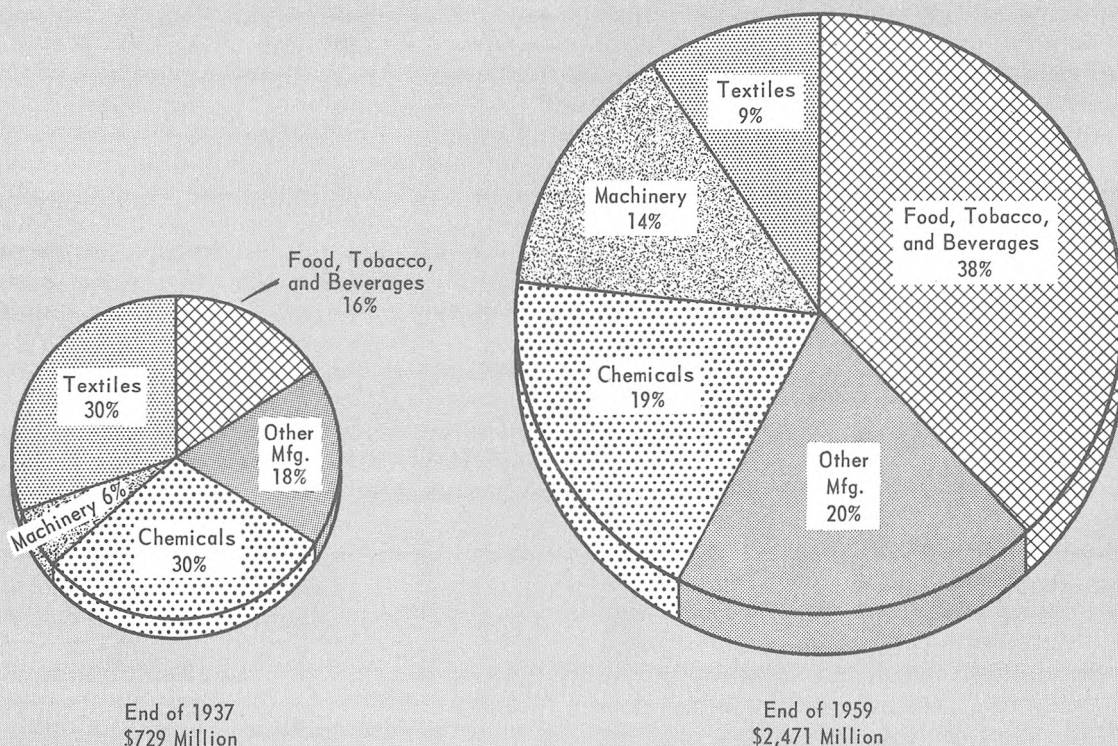
Product groups	1959		1937	
	Value	Percent of total	Value	Percent of total
All Manufacturing	2,471	100	729	100
Food products, tobacco, and beverages.....	931	38	116	16
Chemicals and allied products.....	465	19	220	30
Primary and fabricated metals.....	125	5	43	6
Machinery except electrical.....	275	11	32	4
Electrical machinery.....	83	3	12	2
Textiles.....	216	9	217	30
Other.....	376	15	89	12

foreign direct investments here. The gain of \$1.6 billion was about evenly divided between capital inflows and reinvested earnings of existing enterprises.

About 250 United States manufacturing companies controlled abroad were covered in the survey for 1959, although the total number of individual companies was somewhat larger since only the United States primary parent companies are included in this count. By number, about half of these firms were established prior to 1941, and these accounted for four-fifths of the total invested. Some 90 firms were established after 1949, resulting in the investment of about \$400 million.

FOREIGN DIRECT INVESTMENTS IN U.S. MANUFACTURING, 1937 and 1959

- Share of Food Products and Beverages Shows Largest Gain
- Textiles and Chemicals Reduced



These investments tend to be closely held abroad, with 90 percent of the investment in firms in which the proportion of controlling interest held abroad is 95 percent or more.

Canadian investment large

Canada has the largest stake in United States manufacturing with almost \$1 billion invested at the end of 1961, an advance of about \$500 million since 1950. Over half of the total is in companies producing alcoholic beverages, with sizable investments also in the production of machinery and fabricated metals, mainly nickel.

Nearly all of the Canadian investments are in wholly owned subsidiaries, and over \$800 million is in companies established before 1941. However, of the 62 firms in this category covered in the survey, 30 were established after 1950 and accounted for \$76 million of the investment.

The United Kingdom has the next largest investment in manufacturing in the United States, amounting to \$750 million at the end of 1961. These investments cover a relatively broad group of products, ranging from food and tobacco products through various kinds of machinery, rubber products, and paper and pulp.

Some 67 enterprises were covered in the 1959 survey, of which 47 companies, accounting for 80 percent of the investment, were established before 1941. However, 15 companies established after 1950 accounted for a large part of the manufacturing investment, mainly because of a large venture in the production of pulp and paper.

Other countries

Manufacturing investments from Switzerland are also sizable, exceeding \$400 million. These investments are mainly in the production of chemicals and pharmaceuticals, as well as in several companies producing well known food specialties. The Netherlands investment in United States manufacturing is concentrated in a few companies producing electrical machinery, chemicals, artificial fibers, and foodstuffs.

Sweden's manufacturing investment here of a little over \$100 million is connected mainly with a few companies producing machinery. German

manufacturing investments are now comparatively small, with substantial investments—especially in the chemical industry—having been seized by the United States Government in both world wars.

Countries in other areas have invested only minor amounts in manufacturing in the United States, with much of the relatively small total associated with a venture in pulp and paper.

Petroleum and mining

Foreign petroleum investments in the United States consist mainly of the British-Dutch interest in a major integrated company, the extension of Canadian pipelines into the United States, and a few smaller distributing and producing companies. Mining investments by foreigners are valued at less than \$100 million, although earlier in the history of the United States a sizable amount of foreign capital entered this industry. Investments in agriculture are now also quite small.

Although over \$900 million was added to foreign petroleum investments in the United States from 1950 through 1961—raising the total from about \$400 million to over \$1.3 billion—only about one-tenth of this amount represented capital inflows. Most of the inflow was connected with the financing of the extensions into the United States of Canadian pipelines, and this indebtedness is now being amortized.

Since the major petroleum enterprise is jointly owned abroad, an allocation was made which results in the larger part of the investment being included under the Netherlands and the remainder under the United Kingdom.

Most of the small mining investment represents British holdings in the extraction and processing of borax and potash. There are also small Canadian investments in coal mining.

The recorded foreign investment in agricultural properties is only about \$30 million but it is possible there are sizable holdings of commercial farms, as well as urban real estate, unreported in the survey.

Finance and insurance

Foreign direct investments in finance and insurance in 1960 of \$1.8 billion, more than one

quarter of total direct investments, were primarily in insurance, which accounted for \$1.4 billion. The remaining amount of \$400 million was invested in banks (\$158 million) and other finance companies (\$237 million). The latter are mainly companies holding securities for their foreign owners.

Investments in fire, marine, and casualty insurance companies of \$1.3 billion accounted for 90 percent of all insurance investments and three-quarters of this amount represented the ownership of United Kingdom investors. The remaining one-quarter was primarily Swiss investments.

The investments in life insurance companies of \$145 million were principally in branches of Canadian life companies operating in the United States.

In the decade following 1950 the investment in insurance companies increased by about \$600 million—from close to \$800 million to \$1.4 billion. All except a small amount (\$45 million) represented expansion of foreign interests in fire, marine, and casualty companies. However, only about half of the increase represented additional capital provided by the parent organizations and the remainder represented increases in the market value of securities held, except for \$67 million of undistributed earnings of subsidiaries. Moreover, the capital inflow largely represented the increase in net branch assets derived from earnings.

The 1959 survey included 17 foreign-owned life insurance companies in the United States; 12 of these were Canadian and accounted for most of the foreign investment in these companies. There were 114 fire, marine, and casualty companies—68 for the United Kingdom, 16 for Switzerland, and a few companies for each of several other European countries, Japan and New Zealand.

Foreign insurance companies operate in the United States, with minor exceptions, either as branches or through corporations in which the stock is 100 percent owned by the foreign investors.

Banking and other finance

The foreign investment in banking operations in the United States, as shown in table 8,

represents as closely as can be determined the value of banking facilities and structures, including investments made out of undistributed profits. It does not include deposits or other money market assets in the United States for which these United States branches, and a few subsidiaries, provide a channel.

The liquid dollar assets of these organizations are included in the data on international banking assets and liabilities of the United States, rather than as part of our direct investment position. In 1959, as shown in table 11 total current assets of these banking enterprises exceeded \$3 billion, most of which is offset by short-term banking liabilities to foreigners.

Of the total banking investment of \$158 million in 1960, the Canadian share was \$47 million, United Kingdom \$21 million, Switzerland \$19 million and all other countries \$71 million, the largest amounts of the latter held by France, Belgium, and Japan.

Financial investments other than insurance companies and banks, amounting to \$237 million, were for the most part in companies holding securities for their foreign owners. There were also several security brokers and dealers included. Investors in Canada and Belgium held about half of the foreign interests in these financial companies, with the former interests being mainly in security brokers and dealers and the latter interest in holding companies. The Netherlands and Switzerland also held investments of this type.

Other industries

Foreign investments in trade and distribution in the United States are quite substantial, totaling over \$600 million. About 440 enterprises in this category were covered in the survey, nearly half of them, accounting for one-third of the investment, were established after 1949.

Most of these companies distribute products of their foreign parent organizations, while others distribute the products of foreign-owned manufacturing plants in this country, or are otherwise engaged in general exporting and importing and domestic distribution. Some of the larger investments are Canadian interests in food chains, and United Kingdom and other

European interests in distributors of foreign cars.

Investment in other industries included transportation and utilities, which in 1959 amounted to \$400 million. All except about \$50 million were investments of the two principal Canadian railroads in their branch lines in the United States. The remaining \$50 million was principally investments in air lines and steamship companies.

Financial Structure of Investments

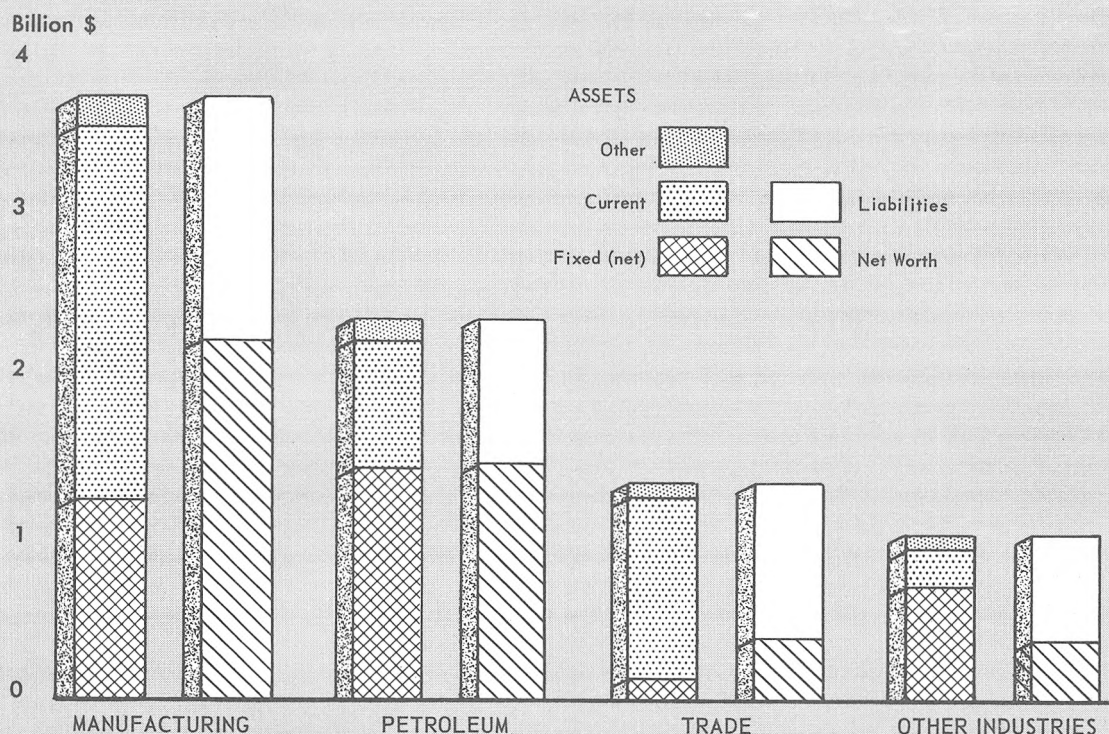
Total assets of the enterprises in the United States that are controlled abroad were \$8.4 billion at the end of 1959, the year covered by the complete survey. This is after consolidating domestic subsidiaries, and is exclusive of

financial and insurance enterprises. Gross fixed assets were \$6.3 billion, reduced to \$3.4 billion when depreciation reserves are deducted. Thus, net fixed assets were a little over 40 percent of total consolidated assets.

Of the net fixed assets, \$1.4 billion were employed in the petroleum industry and \$1.2 billion in manufacturing. These amounts represent roughly 6 percent of the overall net fixed assets of the petroleum industry (integrated companies) and 2 percent of such assets employed in other manufacturing industries. The foreign-controlled companies had somewhat lower ratios of net fixed assets to total assets than all domestic corporations in these industries.

Current assets of \$4.4 billion were centered in the receivables and cash assets of the manufacturing and trading companies.

ASSETS AND CAPITAL STRUCTURE OF DIRECT INVESTMENT ENTERPRISES,* END OF 1959



*Excludes finance and insurance. Intercompany Investments (\$1.2 billion) are eliminated from net worth.

U. S. Department of Commerce, Office of Business Economics

Country allocation

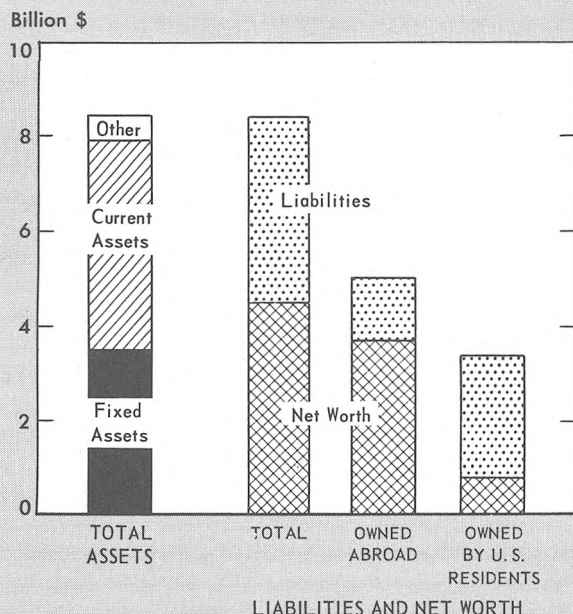
The distribution by country of balance sheet assets, liabilities and net worth, as given in table 9, is different from the allocation used in determining the amount invested by each country. This is so because when an enterprise is owned in more than one foreign country, the assets are not arbitrarily allocated but are included instead under the country of principal ownership. Moreover, the balance sheets are not subdivided as between the United States and foreign share of capital employed.

Of the \$8.4 billion of assets employed at the end of 1959, as defined above, about \$2.5 billion is recorded for Canada, about \$2.4 billion for the Netherlands, and \$1.4 billion for the United Kingdom. The remainder relates primarily to Switzerland and other European countries.

ASSETS AND OWNERSHIP OF FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES,*

End of 1959

- Current Assets Make Up More Than Half of Total
- U.S. Residents Own Substantial Minority Share



*Not including finance and insurance

U.S. Department of Commerce, Office of Business Economics

About half of the assets of Canadian-controlled enterprises are in manufacturing, and other major portions are in the fixed assets of the railroad lines operated here, the petroleum pipelines, and enterprises in trade and distribution. Assets of the Netherlands-controlled enterprises are very large since they include a major petroleum company as well as sizable manufacturing interests.

The United Kingdom-controlled companies show up mainly in the manufacturing category, although the petroleum industry would also be large if it were not for the allocation procedure described above.

Foreign and United States ownership

Foreign investors had an investment of nearly \$5 billion in these enterprises (finance and insurance excluded) at the end of 1959, and United States residents had provided \$3.4 billion of the capital employed. Total liabilities of the companies were \$4 billion, mainly short-term, and some 60 percent of this was owed to United States residents.

Of the nearly \$4½ billion equity investment in capital stock, surplus, and home office accounts (after consolidating subsidiaries), the foreign share was over 80 percent, however, and the United States equity ownership was mainly confined to minority interests in a few large petroleum and manufacturing enterprises (see table 10).

Similarity to United States foreign investments

This structure of ownership is quite similar to that for United States direct investments abroad, which obtained 40 percent of their invested funds in the countries where they were located. The foreign share was also mainly in the form of debt, with the proportion of equity ownership by minority stockholders abroad aggregating only about 20 percent of the total equity investment.

As shown in the following table, about 80 percent of the foreign ownership is in the form of equity holdings (including branch accounts), and this proportion also held in 1934. However, over the intervening years, the importance of earned surplus in the total was greatly expanded while the share of stock outstanding

declined sharply. This shift reflects the extent to which the growth in foreign direct investments here is built upon the reinvested earnings of old-established companies.

Financial structure of foreign direct investments in the United States, 1934 and 1959

[Amounts in billions of dollars]

Net worth and liabilities	1959		1934	
	Amount	Percent	Amount	Percent
Total investment	6.6	100	1.5	100
Common stock.....	1.1	16	.7	47
Preferred stock.....	.1	2	.1	7
Surplus.....	2.9	44	.4	26
Branch accounts.....	1.2	18	NSS	NSS
Net worth	5.3	80	1.2	80
Short-term debts and intercompany accounts..	.6	9	.1	7
Long-term debt.....	.7	11	.1	6
Other and unclassified.....			.1	7
Liabilities	1.3	20	.3	20

NSS—Not shown separately

Viewing the capital structure of the foreign ownership of various industries, as given in table 8, for the petroleum industry nearly 80 percent of the investment is in accumulated surplus and about 10 percent each in capital stock and debt. About half the capital employed in this industry is derived from United States sources (table 10), mainly as short- and long-term debt.

The foreign capital employed in the manufacturing enterprises is also largely equity capital, but the proportion held as capital stock is considerably larger. Funds from United States sources accounted for about one-third of the total financing in the manufacturing enterprises. In trade and distribution enterprises, the United States and foreign share of financing was nearly equal, with most of the debt derived from United States sources.

Finance and insurance

The balance sheets of the financial and insurance concerns (table 11) reflect their function

of gathering in savings and liquid assets and reinvesting them. Total assets of the life insurance enterprises—\$2 billion at the end of 1959—are nearly matched by their liabilities and reserves established to cover their obligations to United States (and to a minor extent foreign) policy holders. Thus, the foreign investment in these companies amounts to only about \$150 million. Since the reserve requirements of the superintendents of insurance are very conservative, however, the foreign equity is a minimum.

The assets of the foreign-controlled insurance companies operating in the fire, marine, and casualty fields totaled \$2.7 billion, mainly invested in securities and mortgages. Foreign equity in these concerns is much larger, over \$1.2 billion; this reflects in part the fact that these companies have had substantial underwriting profits and earnings on their investments which have been retained in the United States, but it also reflects an adjustment of their reserves for unearned premiums to indicate more accurately than the convention statements their actual liability with respect to their insurance in force. The effect of this adjustment, using a 60 percent ratio of unearned premium reserves, was to add some \$160 million to the foreign equity at the end of 1959.

For banks, as mentioned above, only capital which might be considered permanently employed here is counted as direct investment, although this can only be approximated. Therefore, only about \$150 million is included as a direct investment although total assets of these foreign-controlled banking institutions amounted to \$3.8 billion in 1959. Of this total, \$3.3 billion is classified as current investment, with the remainder including securities, loans, and banking premises.

Form of organization

Of the 1,170 foreign-controlled enterprises covered in the survey, 1,006 were United States-incorporated subsidiaries, and these accounted for over 80 percent of the amount invested from abroad (table 4). Unincorporated branches here of foreign companies are significant only in the finance and insurance categories, where this

form of organization is usually necessary because the full resources of the parent are to some extent involved.

In other industries, about 10 percent of the manufacturing investment is held in the branch form, but this includes certain large enterprises owned through United States trustees or holding companies abroad.

Largely because of tax advantages in the mining and petroleum industries, a larger propor-

tion of United States direct investments abroad is organized as branches.

The average investment in the 235 manufacturing subsidiaries was about \$9 million, and for the 425 trading and distribution subsidiaries the average investment was somewhat over \$1 million. An overall average for all companies would be misleading because of the very large investment in a few companies.

Period of establishment

Not quite half of the direct-investment enterprises were established or acquired prior to 1941 (table 7), but these account for nearly 80 percent of the accumulated investment. Over 80 percent of the investment in manufacturing, petroleum, and finance is in these older enterprises.

The number of new firms established in the 1950-59 period was quite large; about 470 were counted in the survey even though quite small newly organized companies were not included. However, the average investment in the group established since 1949 is still relatively small. The largest number of firms organized in this period, some 200, were trading establishments and there were about 90 in manufacturing.

A high proportion of the investments by the United Kingdom and other European countries is in the older establishments. For Canada there was considerable investment activity throughout the postwar period, while for the rest of the world an exceptionally high proportion dates after 1949.

Capital Inflows

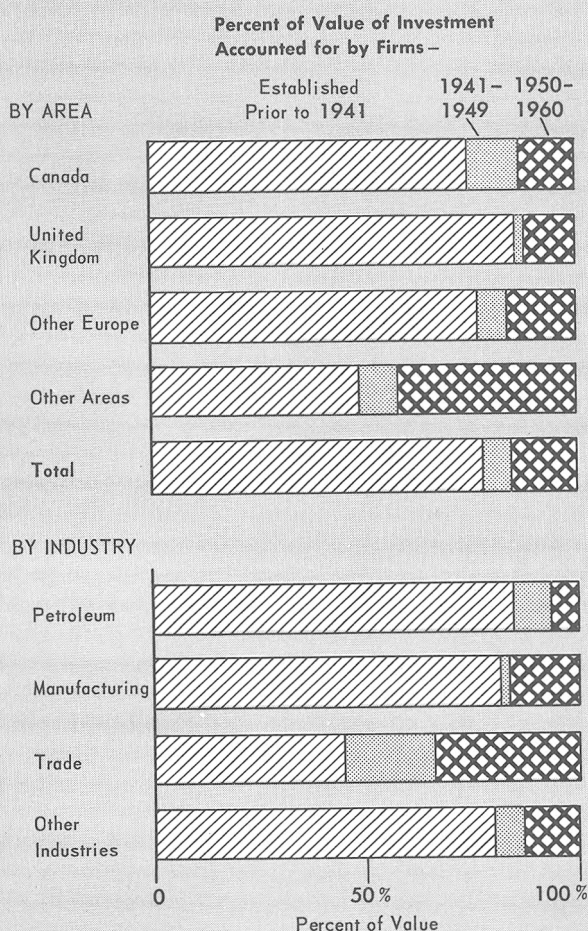
Inflows of foreign capital for direct investment in the United States have tended to rise somewhat since 1950, although the movement from year to year has been irregular.

About 55 percent of the 12-year capital inflow came from Europe, and about 80 percent of the 1959-61 inflow. Over 35 percent of the inflow since 1950 has come from Canada, but with a considerable falling off in 1959-61.

Capital inflows from Europe have totaled nearly \$1 billion since 1950, with about 40 percent coming from the United Kingdom and 60

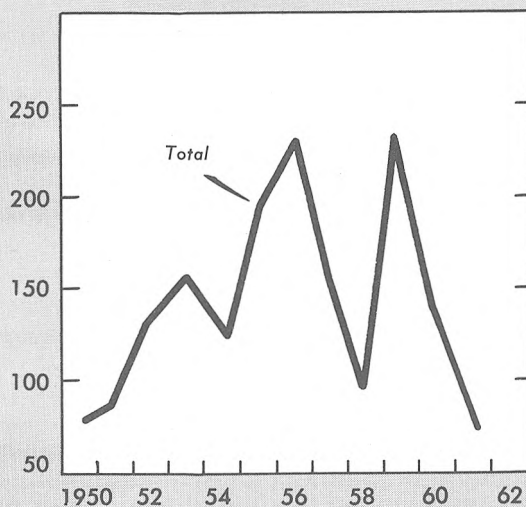
FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES, BY PERIOD OF ESTABLISHMENT

Four-Fifths of the Value of Investments Is in Firms Established by 1941



CAPITAL INFLOWS FOR FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES 1950-61

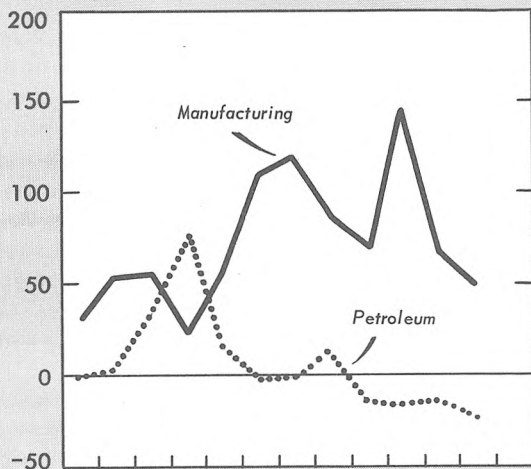
Million \$



BY INDUSTRY

Manufacturing Inflows Show
Irregular Movement

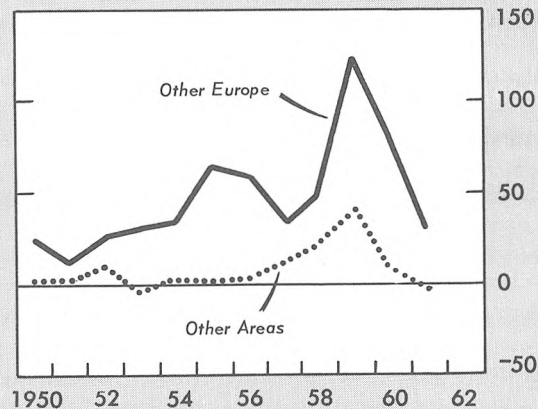
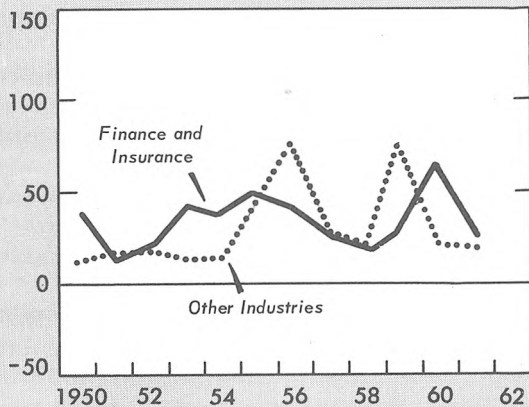
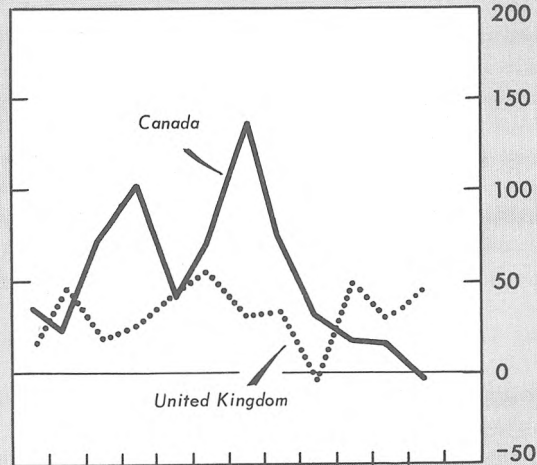
Million \$



BY AREA

Inflows From Canada and Continental
Europe Down From Postwar Peaks

Million \$



percent from continental Europe. The inflow from Switzerland over the period amounted to \$213 million (table 12), and the Netherlands contributed over \$75 million. The inflow from the continental European countries has been quite substantial since 1955.

Inflow largest for manufacturing

Half of the capital inflow for direct investments in the United States since 1950 has been for manufacturing enterprises. Inflows for this industry registered highs of over \$100 million annually in 1955 and 1956, and again in 1959.

In the earlier pair of years most of the incoming funds were to old-established Canadian and United Kingdom investments. In 1959, a record inflow of \$145 million for manufacturing occurred as inflows of this type were combined with large inflows for newer investments in several branches of manufacturing, including larger inflows from continental Europe.

Petroleum investments in the United States by foreign companies have involved very little capital inflow since 1950. The largest flows were from Canada in the 1952-54 period when connecting pipelines were being financed. These investments are being amortized and there have been net outflows since 1959.

Sizable capital inflows for the insurance industry reflect primarily the retention here of branch profits. Variability in the capital flow results mainly from the sharp swings in earnings in some years.

For the "other" industries taken together there is no evident trend in capital inflows, although peaks of about \$75 million were registered in 1956 and again in 1959. In the former year there were large Canadian investments in retail trade, while much of the increase in the inflow in 1959 was connected with wholesale distribution of automobiles and other products.

Earnings and Output

Earnings of foreign-owned United States enterprises have ranged generally between \$300 million and \$425 million since 1950, with no consistent upward movement. Somewhat improved earnings after 1958 brought the overall trend for the period in line with the behavior of all United States corporate profits. The accompanying chart illustrates this relationship for the manufacturing segment (including petroleum), but also shows that year-to-year fluctuations are not closely related.

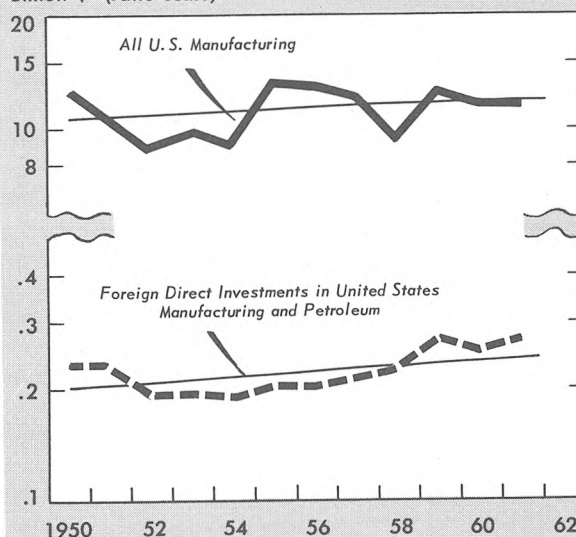
Both for all United States corporate enterprises and the foreign-owned share, a decline in the ratio of profits to capital employed is evident. United States direct investments abroad had a generally better earnings result, as discussed on page 25.

In general, the foreign-controlled manufacturing enterprises appeared to have a lower ratio of earnings to invested capital than all United States manufacturing enterprises in 1959, both in total and for major products. The gap is reduced somewhat when the comparison is made with United States manufacturing companies in a like size bracket, but a considerable difference remains. For the petroleum industry, however, the ratio of earnings to investment is quite similar for the United States industry as a whole and the foreign-controlled portion.

TREND OF PROFITS, 1950-61, FOREIGN DIRECT INVESTMENTS COMPARED WITH ALL U.S. MANUFACTURING

- Overall 1950-61 Trend Similar
- Diverse Annual Changes Reflect Difference In Industry Composition

Profits After Taxes
Billion \$ (ratio scale)



U.S. Department of Commerce, Office of Business Economics

U.S. and foreign share

In addition to the foreign equity in the earnings of these enterprises, a sizable amount accrued to United States minority interests. In 1959, for instance, aggregate earnings of the enterprises (after taxes) were \$474 million, of which the foreign share was \$415 million and the United States share \$59 million. United States minority interests in the petroleum industry accounted for most of this, as shown in table 17, with \$8 to \$9 million each in manufacturing and trade.

Most of the United States share of earnings was derived from the European-controlled petroleum companies, and from a large participation in Canadian-controlled trade and distribution enterprises.

Manufacturing earnings largest

Earnings of manufacturing companies have shown the strongest gains in recent years, and have been greater in most years than those of any other major industry. However, aggregate earnings of the foreign investments in manufacturing in relation to the amounts invested appear to be somewhat lower than for all domestic manufacturing, at least in recent years. Within the aggregate individual companies have had extremely varied results.

Nearly one-third of the earnings in this industry were derived from the production of food and beverages, about evenly divided in 1959 between Canadian and European-controlled

companies. Earnings on the European investments in the chemical industry accounted for one-fifth of the total, and earnings in the "other" groups including textiles, tires, and glass were also substantial. For the machinery group the overall European earnings experience was adversely affected by the large losses of one company. Canadian earnings were sizable in several industry groups, including primary metal fabrication included under "other".

Investments in the petroleum industry produce nearly one-third of the earnings of foreign direct investments in the United States. Since 1950, there has been only a slight upward trend for this industry, primarily reflecting the experience of a single large company.

Finance and insurance—About one-quarter of the earnings of foreign direct investments here is derived from banking institutions, securities dealers, holding companies, and insurance organizations. Banking institutions, largely the United States branches or agencies of major Canadian and European banks, have shown a gradually rising trend in earnings since 1950, as funds employed in the United States have risen considerably. By 1959 earnings of these institutions had reached \$35 million, and in 1961 they reached close to \$40 million. Earnings of securities dealers and holding companies are estimated at about \$15 million.

Insurance organizations, which account for over half the earnings of this industry grouping, have shown a rather erratic performance in the years since 1950. Life insurance companies generally showed relatively small earnings, averaging about \$4 to \$5 million annually, principally because of the high reserves required to be established against premium income. However, in 1961 earnings were stepped up due to profit taking on security sales. The fire, marine, and casualty companies show much higher earnings on the average, but in a few years, notably 1957 and 1958, underwriting losses almost wiped out earnings. Earnings for these companies are raised somewhat in these statistics by more liberal treatment of reserve requirements than is provided for by supervisory authorities.

Earnings of all other industries combined contributed less than 10 percent of the total

Earnings¹ of direct investments in United States manufacturing by product groups, 1959

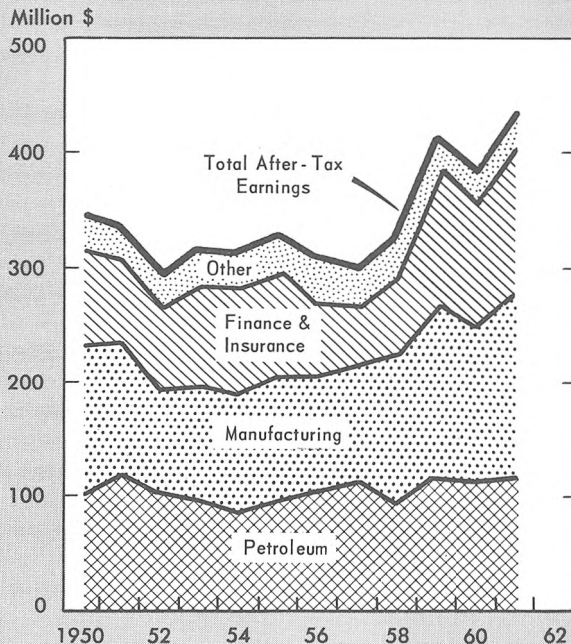
[Millions of dollars]

Product groups	Total	Canada	Europe	Other
All products	161	62	97	3
Food and beverages.....	53	27	26	-----
Paper and related products.....	16	12	4	-----
Chemicals.....	37	2	34	1
Machinery.....	19	12	7	-----
Other.....	36	9	26	2

¹ Including U. S. minority interests.

EARNINGS OF FOREIGN DIRECT INVESTMENTS In the United States

- Manufacturing and Petroleum Relatively Steady
- Finance and Insurance Show Gains



U.S. Department of Commerce, Office of Business Economics

in the 1950-60 period. Trade and distribution investments show annual earnings of about \$25 million, mining and smelting about \$10 million, and the utilities component has incurred deficits in the railroad component more than offsetting ocean shipping profits.

Income Paid Out

Income distributed in the form of dividends, interest, and branch profits to the foreign owners of direct investments in the United States held steady at a little less than \$200 million per year from 1950 through 1957, and then rose sharply to about \$250 million in 1960.

Of the principal industries shown in the accompanying chart, petroleum accounted for about 15 percent of total distributions for the 1950-61 period, in large part dividends of one company.

636351 O-62-4

Manufacturing investments, which generate over one-quarter of the income paid out, have shown a fairly regular, though slow, rising tendency. A sharp drop in 1954 reflected an unusually high proportion of retained earnings.

Large distributions by financial enterprises

By far the highest portion of income entering the balance-of-payments accounts, over 40 percent, is associated with the finance and insurance industry. Income paid by this industry very largely takes the form of branch profits and interest (table 18), and a large share of the branch profits is retained in the United States rather than remitted abroad.

The insurance component of this industry did not increase its earnings or income payments over the 1950-60 period as a whole, with a considerable slump in 1956-58 followed by a recovery to earlier levels. However, in 1961 income payments were the highest for any year since 1950 due to profits by insurance branches on security sales. Foreign-owned banking and other financial enterprises scored quite consistent advances over the period, however, and with the exception of 1961, account for considerably larger income distributions than the insurance component. This experience is consistent with the notable increase in the amount of foreign capital employed in the United States through the United States branches or agencies of foreign banks.

European income largest

Over 60 percent of the direct-investment income in the 1950-61 period was paid by European-controlled enterprises in the United States, and over 35 percent by enterprises controlled in Canada. The Canadian share has tended to rise, as shown in the chart, with the Canadian total more than doubling in the period, while payments to Europe in recent years are not much larger than a decade ago.

Most of the growth in income payments to Canada is derived from the expansion of the finance and insurance enterprises. For Europe, the manufacturing segment has shown some expansion of income payments, but the important investments in petroleum and in fi-

nance and insurance have not increased their income distributions, which were quite low in most years of the 1950's.

Total income payments to Europe in the 1950-61 period amounted to about \$1.5 billion. Of this the United Kingdom received about \$0.7 billion, the Netherlands \$0.4 billion, and Switzerland \$0.2 billion. Annual receipts by all other countries have now reached about \$25 million.

Types of income payments

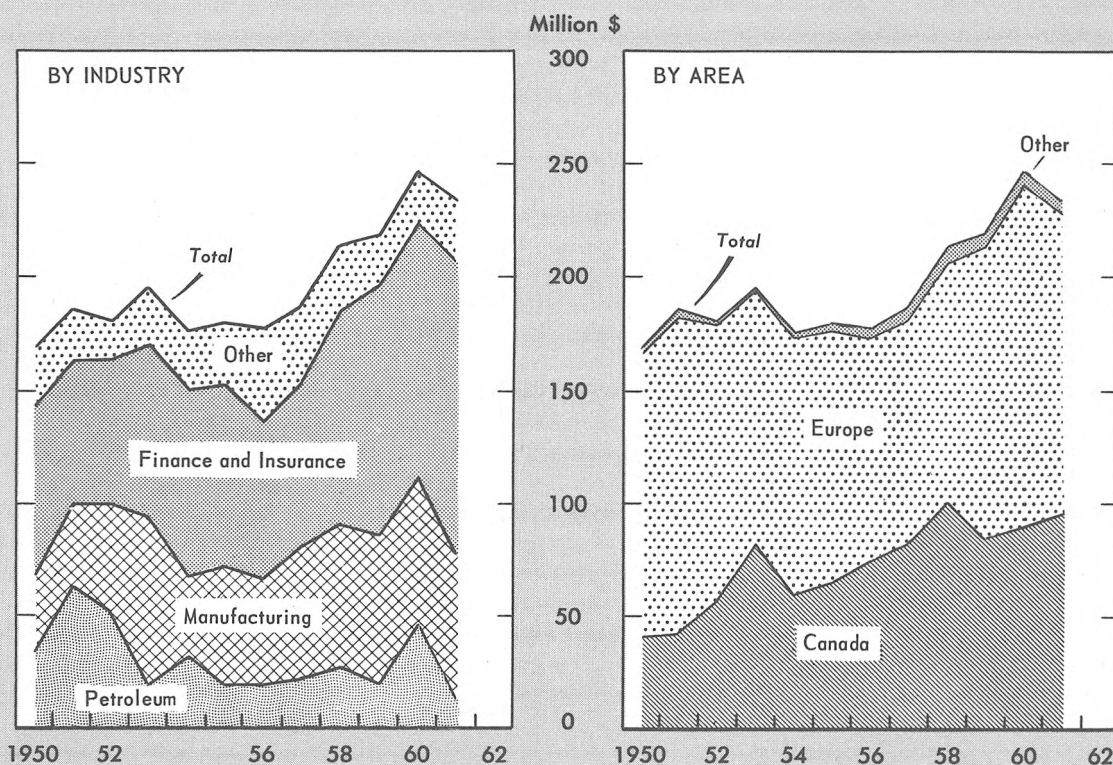
A breakdown of income payments by type for 1959 (table 19), shows that dividends were largest, accounting for \$93 million of a total of \$219 million, followed by branch profits (\$85 million) and interest (\$41 million). Both dividends and branch profits have risen somewhat

in recent years, after a considerable period when no upward tendency was evident.

Income paid by the manufacturing and petroleum industries is predominantly in the form of dividends. For the financial and insurance investments branch profits are the main type of income, and there are also substantial interest payments to foreigners.

In addition to payments abroad classified as income, the foreign direct investments in the United States pay sizable amounts of fees and royalties to their parent companies and others abroad. Payments of fees in 1959 totaled \$25 million, with the largest part going to Canadian head offices of insurance and banking establishments. Royalties amounted to \$12 million, mainly paid by European-controlled manufacturing companies. These figures do not

INCOME PAID ABROAD^{1/} BY DIRECT INVESTMENTS IN THE UNITED STATES, 1950-61



^{1/} Includes dividends, interest, and branch profits

U.S. Department of Commerce, Office of Business Economics

cover the much larger amounts of royalties paid by United States industry to nonaffiliated foreign companies.

Reinvested Earnings Finance Growth

Nearly two-thirds of the foreign share of the earnings of direct-investment corporations in the 1950-61 period has been retained in the United States for further investment. This proportion is considerably higher than that for United States industry as a whole, and has been the most important source of financing for the growth of these foreign investments in the United States.

Of approximately \$4 billion added to the value of foreign direct investments over this period, nearly \$2 billion came out of undistributed subsidiary earnings. Petroleum distributions have averaged less than 30 percent of earnings; this industry has reinvested about \$0.9 billion since 1950, while capital inflows have been quite small (see chart).

Manufacturing companies have gradually increased the proportion of earnings paid out as dividends, although over the past decade distributions have averaged about 35 percent of earnings. For this industry reinvested profits and capital inflows have been nearly equal as sources of funds for expansion.

Most of the investment in the finance and insurance category takes the form of branches, so that corporate earnings and undistributed profits are relatively small. However, a large part of the branch profits is retained in the United States but is accounted for as capital inflows rather than reinvested profits. In the "other" industry category, mainly mining and trading companies, nearly half of the relatively small corporate earnings are reinvested.

Sales and Revenues

Total sales and revenues reported by the foreign-controlled companies in 1959 were \$8.1 billion (excluding finance, insurance, and dis-

tribution). Income from other sources was minor.

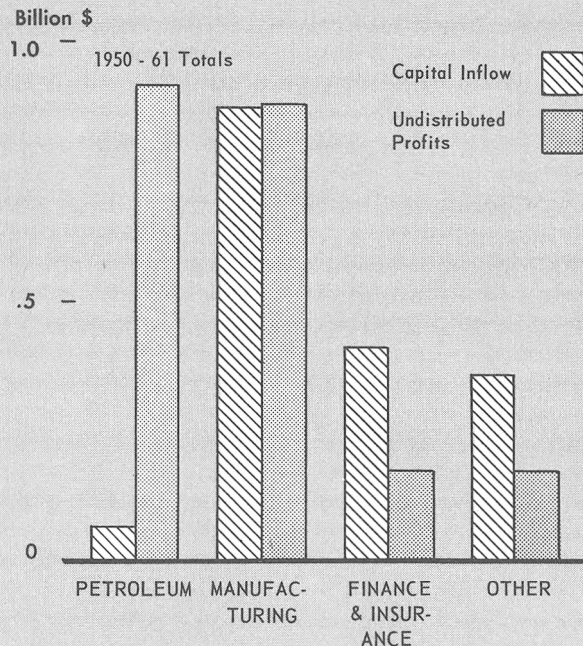
Sales of the petroleum companies were \$2.4 billion, very largely by one large company with a sizable participation in the domestic industry.

Manufacturing sales largest

Manufacturing companies had sales of \$5.1 billion, of which the largest components were \$2.3 billion in food products and beverages and \$0.9 billion in chemicals and related products. In the aggregate, these amounts are quite small proportions of total domestic corporate sales, although in a few specific products, such as alcoholic beverages, the share of these companies may be of some importance.

Sales of the Canadian-controlled manufacturing companies exceeded \$2 billion, of which the food and beverage category (very largely alcoholic beverages) contributed \$1.4 billion, and sales of fabricated metals and farm equipment were also large. The largest part of the

ADDITIONS TO DIRECT INVESTMENTS IN THE UNITED STATES — CAPITAL INFLOW AND UNDISTRIBUTED PROFITS, 1950-61



sales by United Kingdom companies was also under the heading of food and beverages, although the largest single component is tobacco products. Much of the United Kingdom output is in the "other" category, comprising such items as paper, rubber products, and textiles.

Manufacturing sales by plants owned in other European countries were quite large. The Netherlands-controlled companies had sales of nearly \$0.8 billion, with a large share in the total for chemicals (including soaps and pharmaceuticals) and electrical equipment. Production by companies controlled in Switzerland was mainly in foodstuff specialties and chemicals, with smaller amounts in electrical machinery and appliances, textiles, and footwear.

Other industry sales

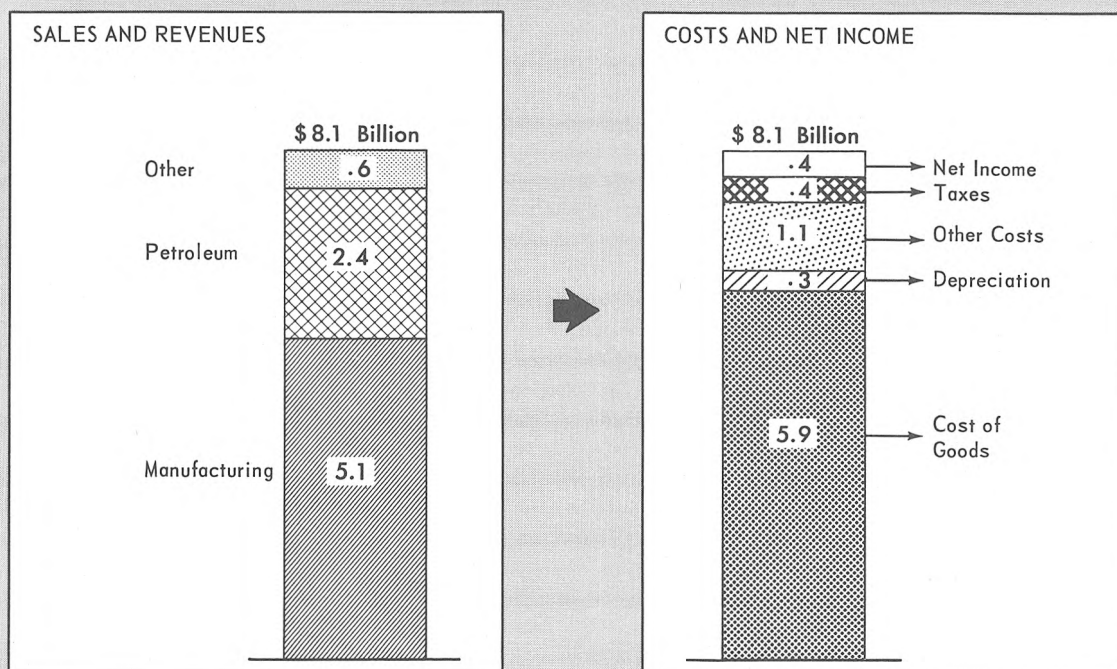
Gross revenues of the foreign-owned public utilities and transportation companies in the United States amounted to \$355 million in 1959.

A major portion of the industry sales, some 63 percent, resulted from operations of the Canadian companies, particularly the railroads, which accounted for half of the total industry revenues. Canadian companies operating in the distribution of electrical power in the United States also had sizable revenues. Other transportation revenues of about \$100 million largely represented the interests of the United Kingdom and Netherlands in steamship companies organized in the United States.

Mining company sales of a little over \$100 million in 1959, were mainly associated with Canadian interests in coal production and British investments in the mining and processing of borax and potash.

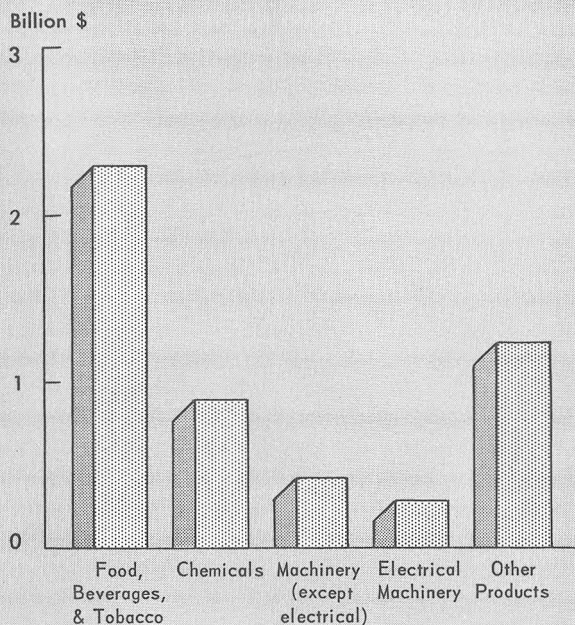
Trading and distribution enterprises controlled abroad reported sales of \$4.3 billion in 1959, about evenly divided between enterprises engaged mainly in domestic distribution and those active in international trade. Of the

SALES, COSTS, AND INCOME OF DIRECT INVESTMENT ENTERPRISES, 1959



Note: Excludes finance, insurance, and trade

**SALES OF MANUFACTURED PRODUCTS BY
DIRECT INVESTMENT ENTERPRISES, 1959**



U.S. Department of Commerce, Office of Business Economics

former, the largest component was sales of over \$1 billion by the Canadian-controlled food distributors in the United States, and large sales by sugar brokers and agents with head offices in Panama.

About \$1.5 billion of the sales of the European trading establishments were connected with international shipments. Nearly half of this in 1959 represented sales of imported automobiles.

Finance and insurance

A detailed breakdown of the income and expenditures of insurance and financial enterprises (table 16), shows the substantial size of these operations. The insurance companies

had earned premiums of \$1.4 billion in 1959, and about \$150 million of income from investments. Most of the premiums earned were in the fire, marine, and casualty field, with European companies predominating, and were approximately matched by the combined total of underwriting expenses and losses incurred. For the life insurance companies, mainly Canadian, a large offset to the premiums earned was the required increase in reserves.

Banking institutions had gross income of over \$100 million, primarily from interest and dividends shared about equally between Canadian and European entities. Operating expenses for this industry include interest paid to head offices and others abroad on funds employed in the United States.

Other income of financial enterprises was mainly fees and commissions connected with dealing in securities.

Expenses and Taxes

About three-quarters of the sales proceeds in 1959 (excluding trade, finance, and insurance) were used to cover the cost of goods sold (table 13). These outlays were largest in manufacturing operations, and a large part of the "other" and unallocated expenses in this industry probably could be included under this heading.

Depreciation (including minor amounts for depletion) amounted to \$340 million, with two-thirds reported for the petroleum enterprises and about \$90 million for manufacturing.

The other major type of expenditure by the direct investment companies is income and other taxes amounting to \$425 million in 1959. Manufacturing companies paid nearly \$170 million of the \$223 million of income taxes paid, and more than half of the indirect taxes. Petroleum company payments of income taxes were relatively low.

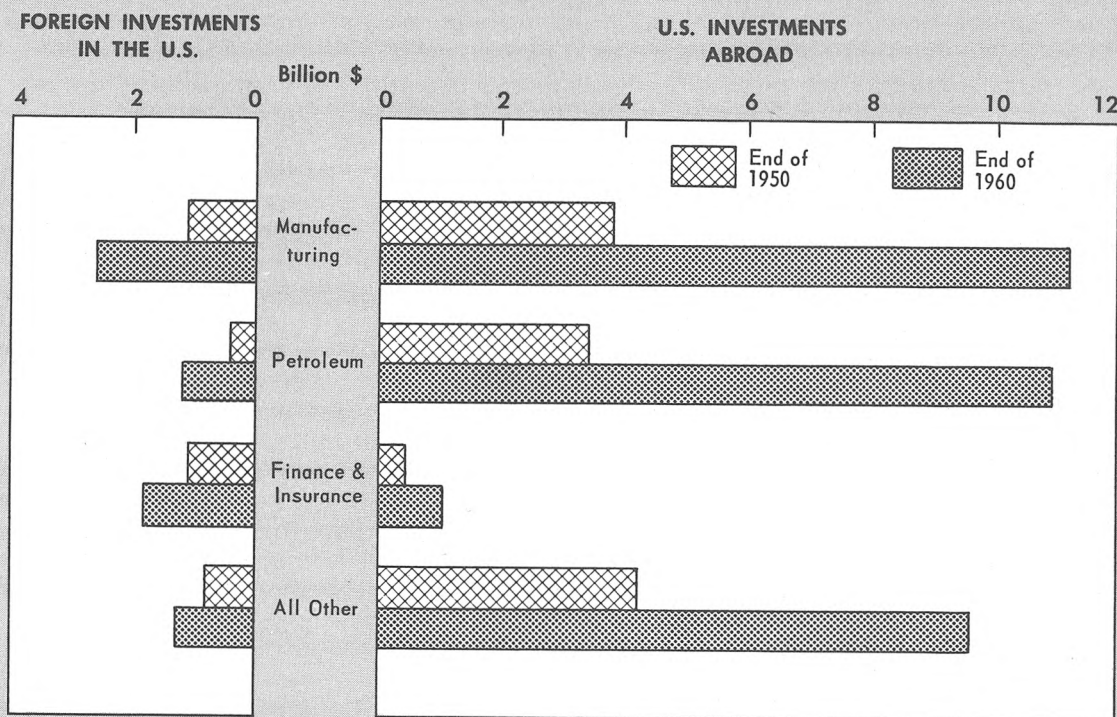
Comparison With United States Investments Abroad

There are striking differences both in size and effect between foreign direct investments in the United States and the same category of United States investments abroad. United States investments abroad are approximately five times as large, and have tripled since 1950, compared to a little more than doubling of foreign direct investments here.

Investments in resource development and related processing facilities make up nearly one-half of United States direct investments abroad, but account for less than one-fifth of the foreign investment here. On the other hand, the foreign investment in United States financial and insurance enterprises greatly exceeds comparable United States investments abroad.

COMPARISON OF DIRECT INVESTMENTS—

- FOREIGN INVESTMENTS Here About One-Fifth of U.S. Investments Abroad
- Growth of Foreign Investments Here Less Than in U.S. Investments Abroad



U.S. Department of Commerce, Office of Business Economics

A comparatively small number of European countries, and Canada, account for nearly all foreign direct investments here, while United States companies have invested in a wide range of countries. More recently, however, the interchange of direct investments between the United States and the industrialized countries has become a larger proportion of the total.

In the 2 most recent years, 1960-61, the flow of direct investment capital from the United States to Europe totaled \$1.6 billion out of a total outflow of \$3.2 billion, while the inflow to the United States of direct investment capital amounted to \$190 million out of a total of \$214 million.

While this inflow from Europe accounts for almost 90 percent of the total, it amounts to only a minor offset to the amounts going to Europe. The potential flow in both directions is certainly large under conditions of sustained growth, rising incomes, advancing economic integration, and reasonable political stability. However, major United States corporations command much greater capital resources than their European counterparts, as is emphasized by one large United States direct investment made in the United Kingdom in 1960 which was about as large as the total inflow from the United Kingdom since 1950.

Earnings abroad rise faster

Earnings of foreign direct investments in the United States, at \$385 million in 1960, were not much more than one-tenth of the amount earned by foreign subsidiaries and branches of United States companies. Moreover, while earnings abroad have doubled since 1950, lagging somewhat behind the growth of investments, earnings on foreign direct investments in the United States have increased only slightly. These differences in earnings in part reflect the varying industry composition of the investments, but also appear to be in line with the general profits experience of industry abroad as compared with United States industry.

Balance-of-payments effects

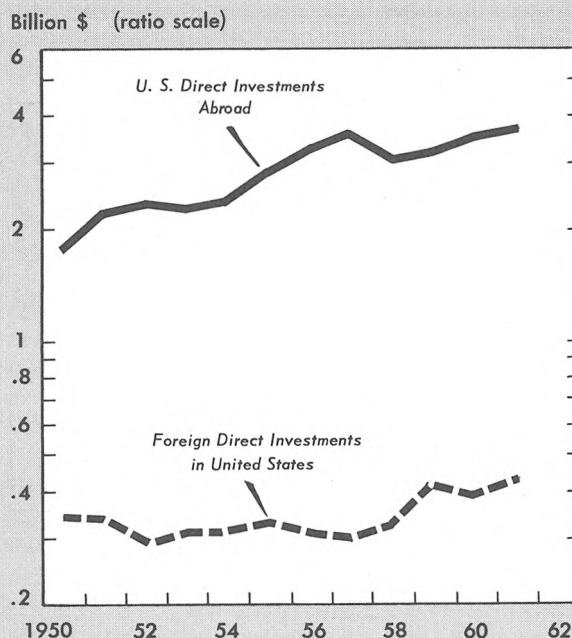
The impact of foreign direct investments in the United States on our balance of payments is relatively minor. Payments of dividends, in-

terest, and branch profits have tended to rise moderately since 1950, and on the average have exceeded capital inflows by about \$50 million annually. In 1960-61, however, the gap averaged about \$130 million per year. In addition, payments of fees and royalties are currently at a rate of about \$40 million a year.

Offsetting these outlays, there is some savings on United States imports to the extent foreign-owned plants here produce items which otherwise might be brought in from abroad. On the whole, however, the effects of these investments on our international transactions are small when compared to the results of the foreign operations of United States companies. Moreover, the latter typically also have a sizable impact on the domestic economies of the countries in which they are located, as is shown in the companion report, *United States Business Investments in Foreign Countries*.

COMPARISON OF EARNINGS OF FOREIGN INVESTMENTS HERE WITH U.S. INVESTMENTS ABROAD

Earnings of U.S. Investments Abroad Show Stronger Growth Since 1950



U.S. Department of Commerce, Office of Business Economics

METHODOLOGY

Sources and Coverage

The basic data for this study were derived from reports (Survey of Foreign Business Investments in the United States, BE-145) filed with the Department of Commerce by enterprises in the United States in which there was a foreign interest of 25 percent or more. Reports were required by law under section 8 of the Bretton Woods Agreements Act (59 Stat. 515, 22 U.S.C. 286f). Announcement of the survey was made in the *FEDERAL REGISTER*, which was legal notification that filing of reports was mandatory, and the reporting requirements were publicized in newspapers, business periodicals and trade and Government publications. Forms and instructions were mailed directly to lists of companies developed from tax records, news reports, previous census studies, and records of the Balance of Payments Division.

In general, a report was required for every United States business enterprise, including real estate investments, in which, as of December 31, 1959, a foreign person or organization owned 25 percent or more of the voting stock, and for similar interests in noncorporate enterprises. A report was required both when the 25 percent foreign interest was direct in a United States primary organization or was indirect in a subsidiary of a primary organization called a secondary organization.

The basic information required by the reports consisted of accounting statements, including balance sheets, profit and loss statements, statements of income payments, a reconciliation of surplus, and a schedule breaking down the investment in the enterprise by type and country of residence of the investors. There was also an identification section which, for the reporter, included name, address, type of organization and business. This section also included a schedule identifying the owners of the voting stock (or of similar noncorporate interests) and giving their addresses and percent of ownership. Subsidiaries of the reporter were identified, as well as other United States affiliates, in order to obtain coverage of all companies in an affiliated group.

There were certain exemptions from filing a report as follows: (a) if the value of total assets was less than \$50,000 a report was required only for information identifying the reporter (b) reports were not required from religious bodies, charitable organizations or other nonprofit organizations in the United States (c) reports were not required in connection with real or personal property acquired for personal use or occupancy.

The coverage is believed to be quite complete for substantial industrial investments. However, there are probably many small trading organizations and holdings of real estate not

covered. The extent of these investments is not believed to be significant.

It should be noted that this survey does not cover portfolio foreign holdings of United States corporate securities, or other miscellaneous investments here.

Definitions

Direct foreign investments in the United States included the following United States business enterprises for which reports were required:

1. A United States corporation in which 25 percent or more of the voting stock was owned directly or indirectly by a foreign person or organization.

2. Branches of foreign corporations resident in the United States, i.e., unincorporated permanent business establishments in the United States of foreign corporations.

3. Partnerships and proprietorships resident in the United States in which 25 percent or more ownership was held by a foreign person or organization.

4. United States enterprises held as part of an estate or trust created under the laws of the United States in which foreign beneficial owners held an interest of 25 percent or more.

5. Real estate and other real property, including leaseholds, acquired for commercial purposes, in which an interest of 25 percent or more was held by a foreign person or organization.

United States person or organization means:

(1) Any individual ordinarily resident in the United States; (2) any corporation, business enterprise, estate, trust, or other organization, created or organized under the laws of the United States, or any State, territory, district, or possession thereof; (3) any other entity resident in the United States, including branches of foreign organizations, real property, leaseholds, sole proprietorships, and partnerships.

United States means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and any territory or possession of the United States.

Foreign person or organization means any

person or organization subject to the jurisdiction of a country other than the United States and ordinarily residing outside the United States.

Parent or parent organization means the person or organization which directly owned 25 percent or more of the voting stock of a United States corporation or similar interests in non-corporate enterprises. There were in a few cases more than one foreign parent organization, and sometimes both a foreign and United States parent organization.

Country of foreign parent organization means the country of residence of the foreign parent organization. When there was more than one foreign parent organization the country classification was made according to the parent holding the major interest.

In a limited number of reports the indicated foreign parent was an intermediary or holding company and the beneficial interest was held by another foreign person or organization in another country. In such cases the reporter was required to furnish the identity and location of the beneficial owner and the country classification was made accordingly. However, in a few cases the beneficial owner could not be identified and in such cases the foreign parent was classified according to the country of the intermediary.

Affiliates includes (1) any persons or organizations and business enterprises are affiliates of each other if such persons or organizations hold an interest of 10 percent or more in the voting stock of a business enterprise or of similar interests in a noncorporate enterprise (2) any group of persons who ordinarily exercise their voting rights in a business organization as a unit (3) certain related individuals (4) estates or trusts for the benefit of or created by persons, are affiliates of such persons and of each other (5) nominees, representatives, or intermediaries are affiliates of their principals and of each other.

Accounting Schedules

Reporters were required to provide accounting data which included, for the year 1959, a statement of income and earned surplus and a

statement of dividends, fees and branch earnings paid or credited to foreign parents and affiliates. Also, for the years ending 1958 and 1959, a balance sheet was provided including a schedule showing the amount of liabilities due to and net worth (stock, surplus, equity in branches or the home office account) owned by the foreign parent, other foreign affiliates and other foreign persons, by country, and by United States persons. Data entered in the schedules were book values appearing in the accounts of the reporter.

Insurance companies, both life and fire, marine and casualty, were given the option, in place of accounting schedules, to provide the annual reports for 1958 and 1959 which they were required to furnish state insurance authorities. The accounting schedules in these reports, while complete, differ from the accounts structure shown in the schedules of the standard report form. Partly for this reason, and also because of the basic difference in the nature of the business of insurance, banking and finance companies, data for these industries are often shown separately and excluded from certain tables showing details of other types of reporters.

An adjustment was made in the unearned premium reserve of fire, marine and casualty insurance companies because such accounts were expressed very conservatively in accordance with the requirements of the insurance commissions. Such insurance companies are required to charge to expense the initial cost of writing an insurance policy when incurred rather than charging such costs to expense over the life of the policy which would be normal accounting practice. The adjustment was made by deducting 40 percent of the unearned premium reserve and adding this amount to surplus for each year ending 1958 and 1959. If the unearned premium reserve increased over the year, 40 percent of the increase was added to earnings. Likewise, if there was a decrease, 40 percent of the decrease was deducted from earnings. The adjustment was made only when earnings were affected by \$50,000 or more.

Deposits of foreign banks and affiliates with their United States branches and subsidiaries as well as deposits of the latter with their foreign affiliates were eliminated from the reports of United States banks. Such deposits are reported on Treasury Foreign Exchange Forms B-1 and B-2 as short-term assets and liabilities of the United States, and therefore would be duplicated if considered part of the direct investment of foreigners in the United States.

In a few instances a United States reporter was primarily an intermediary, holding interests in foreign affiliates for its foreign parent. To the extent such holdings were not foreign investments in the United States, nor United States investments in foreign countries, but investments between the residents of two foreign countries, the reports of these holding companies were adjusted to exclude such investments, as well as income transfers.

Balance sheets

Reporters were required to provide a balance sheet for the years ending 1958 and 1959, or nearest fiscal years, which included only major items for assets, liabilities and net worth. Included among the assets were current assets, investments in and advances to United States affiliates and to foreign affiliates, plant and equipment and associated reserves, and other assets. In connection with investments in and advances to foreign affiliates, this item included only investments in those foreign affiliates in which the reporter held an interest of 25 percent or more, and regarded as United States direct business investments abroad. Investments in these foreign affiliates were reported in a recent study by the Department of Commerce, *United States Business Investments in Foreign Countries*. Any investments in foreign affiliates in which reporters held less than a 25 percent interest were included in "other" assets.

All liabilities were distributed as between short-term and long-term, including reserves. When reports gave figures for "other" liabilities these were combined with short-term when it could be determined they represented obliga-

tions of a short-term nature, such as current accounts payable and reserves set up to pay short-term obligations; the remainder was included under long-term debt.

Net worth as reported included common and preferred stock, surplus and surplus reserves, home office accounts of branches, and ownership accounts of other nonincorporated reporters.

A schedule was furnished by each reporter as of the end of each year showing for each item of liabilities and net worth the amount due to or owned by certain classes of creditors and owners, namely, foreign parent, other foreign affiliates, and other foreign persons by country, and United States parent, other United States affiliates and other United States persons. This schedule provided data required to show the investment in foreign-owned United States companies as of the end of 1958 and 1959, according to the above categories, and also gave a basis for determining the capital invested during 1959 for these same categories by differencing the amount of the investments (except earned surplus) for each year end. In a very few cases an adjustment was made to reduce the amount of capital invested when surplus was converted into stock during the year.

Capital inflows from abroad, therefore, represent the increase in the foreign ownership of debt, capital stock, or branch-home office accounts during the year, after eliminating any bookkeeping adjustments.

When a United States company and its subsidiaries furnished separate reports rather than a consolidation it was necessary to adjust the balance sheet of the parent company to reflect the investment in its subsidiaries as shown on the latter's books. Often the investment by the parent company in stock of subsidiaries was shown at a nominal amount or at cost and excluded any surplus. Therefore, the item "Investment in and advances to United States affiliates" shown in the assets of the parent's balance sheet was increased in accordance with amounts shown on the report of the subsidiaries. To offset this increase in the assets the surplus account was increased by the same amount.

Reports which included consolidated statements of a United States parent organization and its United States subsidiaries were accepted if all such companies were in the same industry. These were consolidations of all of the accounts of these companies, except inter-company accounts, which were eliminated in accordance with usual accounting practice.

When separate reports were filed for a United States parent organization (primary) and subsidiaries (secondaries), they were not consolidated in deriving balance sheet summaries, so that investments in secondaries appear among the assets, with equivalent duplications in the liabilities and net worth accounts. This did not affect the valuation of the foreign investment in the enterprises.

Profit and loss accounts

Reporters were required to provide a schedule of income showing major items, including net sales or revenue, dividends and interest according to source (United States affiliates, foreign affiliates, and other sources) and other income. The cost and expense items shown were cost of goods and services sold, depreciation of plant and equipment, depletion, United States income taxes, other United States taxes, and other expenses.

It was not feasible to apportion the individual items in the income statement by country of the investors. However, net income was apportioned according to the percent of foreign and United States ownership of the common stock of the reporter. For secondaries this percent ownership was calculated by applying the percent of foreign ownership in the primary to its percent ownership in its subsidiary or secondary. For branches, of course, the entire net income was attributable to the foreign owner. Undistributed income was apportioned in the same manner as net income.

Dividends and interest reported by primaries as received from United States affiliates were eliminated to avoid duplication.

Classification By Country

Each reporter or foreign-owned United States company was classified by the country of the foreign parent organization. Secondary reporters or subsidiaries of the primary organization were given the same country classification as the primary. Balance sheet and income data were attributed to the country of the principal foreign parent organization, since it is not possible to allocate individual assets or income and expense items. However, the foreign liabilities and net worth could be broken down to show each country of ownership, and this was also done for the foreign share of income and undistributed profits.

The major areas for classification were Canada, United Kingdom, other Western Europe, Latin American Republics, Asia, Africa, and Australia. The investment was generally quite small for countries in Asia, Africa or Latin America. For this reason, and because the limited number of investments prevents publication owing to the disclosure of individual reports, the country and industry detail is somewhat limited.

In a few cases, the country of foreign beneficial ownership could not be determined.

Classification By Industry

The Standard Industrial Classification issued by the Bureau of the Budget was the basic guide used for classifying reporters by industry. However, certain departures were made in connection with grouping certain industries into major divisions. This change in grouping consisted, for the most part, in shifting certain industries to major divisions on the basis of their relationship or integration of operations. For example, reporters engaged in petroleum production and others engaged in petroleum refining were classified under Petroleum as a major industrial

division, whereas the SIC has no such classification and production is included under Mining and refining under Manufacturing. Similarly other integrated operations of oil companies were included under Petroleum. Also, smelting and refining operations were shifted from Manufacturing to Mining and termed Mining and Smelting.

Frequently a reporter was engaged in more than one business activity, especially in those cases where the report furnished was a consolidation of several companies in different lines of business. Such a report was classified according to the basic activity involved.

Reporters who were primarily holding companies of United States operating companies were classified according to the industry of the operating companies.

Comparison With Previous Estimates

Prior to the present complete survey, estimates for the postwar values, capital flows, earnings, and income payments of foreign direct investments in the United States were based on the valuation benchmark for 1941 provided by the Treasury Department's *Census of Foreign-Owned Assets in the United States*, carried forward largely on the basis of quarterly questionnaires filed by a sample group of these foreign-controlled companies.

The following table shows comparative data for principal items in 1959.

The new value established for 1959 is \$1.4 billion higher than the prior estimate. Over the period since the Treasury census this represents an average annual understatement of the increase in investment of about \$75 million. Based on the new survey, revised estimates of capital flows, undistributed profits, and increased market values of insurance company

holdings of securities have been carried back annually to 1950. These suggest that of the accumulated difference of \$1.4 billion, about

Comparison of survey data and previous estimates of foreign direct investments in the United States, selected items, 1959

[Millions of dollars]

	Total	Canada	Europe	Latin America	Other
Value of investments					
Previous estimates.....	5,220	1,688	3,280	139	113
Survey.....	6,604	1,896	4,452	129	127
Capital inflows					
Previous estimates.....	84	-8	72	1	19
Survey.....	235	19	174	15	29
Undistributed profits					
Previous estimates.....	197	65	128	(*)	4
Survey.....	233	46	185	2	1
Income payments					
Previous estimates.....	220	64	149	(*)	6
Survey.....	219	84	129	(*)	6

*Less than \$500,000.

\$0.6 billion represents understatement of capital inflows and \$0.3 billion the understatement of undistributed profits. No account had been taken of the unrealized gain on securities held by insurance companies, which appears to have amounted to \$0.3 billion over the period. The remaining difference is unexplained, but may have occurred prior to 1950.

As shown in the table, there was a very large difference between the old and revised estimates for capital inflows in 1959. That year appears to have been unusual in respect to the number of enterprises established here, and the amounts involved. Discrepancies are not so large in earlier years, at least on the average, and similar activity is not evident since 1959.

The new survey data also revealed somewhat larger earnings and undistributed profits, particularly for Europe, than had previously been estimated on the basis of the questionnaire sample. For income payments, i.e., dividends, interest and branch profits, there was little overall difference, although there were some offsetting differences among areas.

LIST OF TABLES

Table	Page
1. Value of Foreign Direct Investments in the United States by Area and Industry, Selected Years, 1937-61.....	34
2. Value of Foreign Direct Investments in the United States, by Industry and Country, 1959.....	35
3. Value of Foreign Direct Investments in the United States, by Area and Industry, 1950-61.....	36
4. Number and Value of Foreign Direct Investments in the United States by Industry, Area and Type of Organization, 1959.....	37
5. Value of Foreign Direct Investments in the United States, by Industry, Country, and Percent of Foreign Ownership, 1959.....	38
6. Number and Value of Foreign Direct Investments in the U.S., by Period of Establishment, by Area and Industry, 1959.....	40
7. Number and Value of Foreign Direct Investments in U.S. Manufacturing, by Period of Establishment, by Area and by Major Product Group, 1959.....	41
8. Value of Foreign Direct Investments in the United States, by Type of Investment, Area, and Industry, 1959.....	42
9. Total Assets, Liabilities and Net Worth of Foreign Direct-Investment Enterprises in the United States by Area and Industry, 1959.....	44
10. Value of Investments by U.S. Residents in Foreign Direct-Investment Enterprises in the United States, by Type and Industry, 1959.....	46
11. Total Assets, Liabilities and Net Worth of Foreign Direct-Investment Enterprises in the U.S. in Finance and Insurance, by Type of Enterprise and Area, 1959.....	47
12. Capital Flow to Foreign Direct Investments in the United States, by Area and Industry, 1950-61.....	48
13. Sales, Expenses and Net Income of Foreign Direct-Investment Enterprises in the United States, by Country and Industry, 1959.....	49
14. Sales of Manufactures by Foreign Direct-Investment Enterprises in the United States, by Major Product and Country, 1959.....	50
15. Sales, Expenses, and Net Income of Foreign Direct-Investment Enterprises in the United States in Trade and Distribution, by Country, 1959.....	50

16. Income and Expenditures of Foreign Direct-Investment Enterprises in the United States in Finance and Insurance, by Area and Type of Enterprise, 1959-----	51
17. Foreign and United States Share of Net Income of Foreign Direct-Investment Enterprises in the United States, by Industry and Country, 1959-----	52
18. Income and Other Payments of Foreign Direct Investments in the United States to Foreign Investors, by Type of Payment, Area, and Industry, 1959-----	53
19. Income and Other Payments of Foreign Direct Investments in the United States to Foreign Investors, by Type and Country, 1959--	54
20. Net Income of Foreign Direct Investments in the United States, by Area and Industry, 1950-61-----	55
21. Income Paid to Foreign Owners of Direct Investments in the United States, by Area and Industry, 1950-61-----	56
22. Foreign Share of Undistributed Profits of Direct-Investment Enterprises in the United States, by Area and Industry, 1950-61... ..	57
23. Foreign Share of Undistributed Profits of Foreign Direct-Investment Enterprises in the United States, by Country and Industry, 1959_	58
24. Reconciliation of Data on Income of Foreign Direct-Investment Enterprises in the United States, by Area, 1959-----	58

Table 1.—Value of foreign direct investments in the United States by area and industry, selected years, 1937–61

[Millions of dollars]

Area and industry	1961	1960	1959	1950	1941	1937
By area						
All areas, total	7,392	6,910	6,604	3,391	2,312	1,882
Canada.....	1,989	1,934	1,896	1,029	530	463
Europe, total.....	5,129	4,707	4,452	2,228	1,569	1,337
United Kingdom.....	2,484	2,248	2,167	1,168	712	833
Other Europe, total.....	2,644	2,459	2,285	1,059	857	504
Belgium.....	151	157	153	(¹)	83	71
France.....	175	168	161	(¹)	100	57
Germany.....	120	103	84	(¹)	105	55
Italy.....	89	71	58	(¹)	10	12
Netherlands.....	1,023	947	892	334	336	179
Sweden.....	176	166	154	(¹)	34	30
Switzerland.....	830	773	716	348	138	74
Other countries.....	80	74	67	377	51	26
Japan.....	92	88	80	(²)	35	41
Other areas.....	182	181	176	134	178	41
By industry						
All industries, total	7,392	6,910	6,604	3,391	2,312	1,882
Mining and smelting.....	85	88	87	(³)	33	24
Petroleum.....	1,325	1,238	1,184	405	222	283
Manufacturing.....	2,754	2,611	2,471	1,138	714	729
Transportation and utilities.....	405	408	402	(³)	439	266
Trade.....	652	634	614	(³)	206	119
Finance and insurance.....	2,025	1,810	1,734	1,065	521	412
Other industries.....	146	121	112	784	177	49

¹ Included in other countries.² Included in other areas.³ Included in other industries.

NOTE.—Estimated values of foreign direct investments in the United States for earlier dates are given in *America's Stake in International Investments*, by Cleona Lewis, Brookings Institution, 1938; earlier valuations include \$1,300 million for 1914 and \$900 million for 1919.

Source: 1937—Foreign Long-Term Investments in the United States 1937–39, U.S. Department of Commerce.

1941—Census of Foreign-owned assets in the United States, U.S. Treasury Department.

Table 2.—Value of foreign direct investments in the United States, by industry and country, 1959

[Millions of dollars]

Area and country	All industries	Petroleum	Manufacturing	Transportation and utilities	Trade	Finance and insurance	Miscellaneous
All areas, total	6,604	1,184	2,471	402	614	1,734	199
Canada	1,896	207	907	354	143	227	¹ 59
Europe, total	4,452	972	1,501	32	365	1,451	² 131
United Kingdom.....	2,167	316	698	(*)	122	927	103
Other Europe, total.....	2,285	656	801	32	243	523	28
Belgium.....	153	(³)	6	5	27	(³)	115
Denmark.....	30	-----	(³)	8	3	11	8
Finland.....	4	-----	-----	-----	4	-----	-----
France.....	161	(³)	49	(³)	43	49	20
Germany.....	84	-----	25	-----	35	20	4
Italy.....	58	-----	17	(*)	30	10	1
Netherlands.....	892	607	197	2	35	42	9
Norway.....	12	-----	(³)	5	2	(³)	5
Sweden.....	154	(*)	104	10	20	(³)	20
Switzerland.....	716	-----	395	-----	35	280	5
Other.....	18	-----	(³)	(³)	7	1	10
Eastern Europe.....	3	-----	(*)	-----	3	-----	-----
Latin American Republics, total	129	4	10	13	80	19	43
Argentina.....	20	-----	(³)	(³)	19	-----	1
Brazil.....	8	-----	(³)	-----	6	(³)	2
Chile.....	10	-----	(³)	-----	(⁴)	-----	10
Mexico.....	15	(³)	(*)	(³)	(⁴)	(³)	15
Panama.....	20	-----	(³)	(³)	13	(³)	7
Uruguay.....	44	-----	4	-----	33	7	-----
Venezuela.....	9	(³)	(³)	(³)	-4	(³)	13
Other.....	3	-----	(*)	-----	(⁴)	(³)	3
Western Hemisphere Dependencies, total	8	-----	(*)	-----	2	-----	6
Bahamas.....	6	-----	(*)	-----	(*)	-----	6
British Guiana.....	1	-----	-----	-----	1	-----	-----
Africa, total	8	-----	3	(*)	5	-----	(*)
Union of South Africa.....	5	-----	(*)	(*)	4	-----	(*)
Other.....	3	-----	2	-----	1	-----	-----
Asia, total	97	-----	49	(³)	18	26	(*)
Hong Kong.....	5	-----	(³)	-----	(*)	(³)	5
Japan.....	80	-----	(³)	(³)	12	16	51
Philippines.....	2	-----	(*)	(*)	1	(*)	-----
Other.....	10	-----	(³)	(³)	4	(³)	6
Australia and New Zealand, total	14	-----	1	-----	1	12	-----

* Less than \$500,000.

¹ Includes \$26 million in mining and smelting and \$6 million in agriculture.

² Includes \$61 million in mining and smelting for the United Kingdom and \$27 million in agriculture for the United Kingdom and Netherlands.

³ Included in miscellaneous.

⁴ Includes agriculture.

Table 3.—Value of foreign direct investments in the United States, by area and industry, 1950-61

[Millions of dollars]

Area and industry	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
All areas, total	3,391	3,658	3,945	4,251	4,633	5,076	5,459	5,710	6,115	6,604	6,910	7,392
Petroleum.....	405	466	552	706	776	853	937	1,043	1,099	1,184	1,238	1,325
Manufacturing.....	1,138	1,274	1,377	1,451	1,582	1,759	1,940	2,083	2,232	2,471	2,611	2,754
Finance and insurance.....	1,065	1,105	1,170	1,219	1,371	1,499	1,534	1,496	1,660	1,734	1,810	2,025
Other industries.....	784	814	846	875	904	965	1,048	1,088	1,124	1,215	1,251	1,286
Canada	1,029	1,109	1,218	1,350	1,427	1,542	1,690	1,773	1,835	1,896	1,934	1,989
Petroleum.....	56	62	90	168	192	196	200	211	214	207	203	194
Manufacturing.....	468	525	592	611	651	711	775	816	863	907	932	975
Finance and insurance.....	153	150	149	162	168	179	196	208	222	227	246	274
Other industries.....	352	372	387	409	416	456	519	538	536	556	553	546
Europe, total	2,228	2,410	2,575	2,751	3,049	3,369	3,598	3,753	4,070	4,452	4,707	5,129
Petroleum.....	349	404	462	538	584	657	737	832	885	972	1,028	1,125
Manufacturing.....	669	747	782	836	925	1,040	1,155	1,248	1,332	1,501	1,611	1,708
Finance and insurance.....	870	912	977	1,014	1,158	1,272	1,289	1,238	1,384	1,451	1,504	1,690
Other industries.....	340	347	354	363	382	400	417	435	469	528	564	604
United Kingdom	1,168	1,273	1,345	1,422	1,590	1,749	1,833	1,881	2,024	2,167	2,248	2,484
Petroleum.....	95	118	137	163	180	204	227	271	283	316	339	381
Manufacturing.....	337	388	395	419	460	510	566	611	640	698	722	750
Finance and insurance.....	554	583	626	647	751	836	841	794	889	927	953	1,091
Other industries.....	182	184	187	193	199	199	199	205	212	225	234	260
Netherlands	334	376	423	480	533	613	681	747	816	892	947	1,023
Petroleum.....	226	257	289	333	364	411	461	512	553	607	639	693
Manufacturing.....	44	54	68	80	98	127	142	155	176	197	213	231
Finance and insurance.....	34	34	34	35	36	37	38	39	41	42	42	43
Other industries.....	30	31	32	32	35	38	40	41	46	46	53	56
Switzerland	348	369	390	415	466	522	557	576	636	716	773	830
Manufacturing.....	204	215	224	237	257	282	304	324	344	395	427	433
Finance and insurance.....	147	155	165	176	201	223	230	223	261	280	300	345
Other industries.....	-3	-1	1	2	8	17	23	29	31	40	46	52
Other	377	392	417	434	460	485	527	549	594	677	739	791
Petroleum.....	28	29	36	42	40	42	49	49	49	49	50	51
Manufacturing.....	84	90	95	100	110	121	143	158	172	210	249	294
Finance and insurance.....	135	140	152	156	170	176	180	182	193	201	209	211
Other industries.....	131	133	134	136	140	146	155	160	180	218	231	235
Other areas	134	139	152	150	157	165	171	184	210	256	269	274
Petroleum.....										4	7	6
Manufacturing.....	1	2	3	4	6	8	10	19	37	63	68	71
Finance and insurance.....	42	43	44	43	45	48	49	50	54	57	60	61
Other industries.....	92	95	105	103	106	109	112	115	119	131	134	136

Table 4.—Number¹ and value of foreign direct investments in the United States by industry, area and type of organization, 1959

[Amounts in millions of dollars]

Area and type of organization	All industries total		Petroleum		Manufacturing		Transportation and Utilities		Trade		Finance and Insurance		Miscellaneous ²	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
All areas, total	1,170	6,604	58	1,184	251	2,471	66	402	442	614	250	1,734	103	199
Subsidiaries.....	1,006	5,374	52	1,178	235	2,199	56	399	428	596	143	812	92	190
Branches.....	164	1,229	6	6	16	272	10	3	14	18	107	922	11	9
Canada	259	1,896	39	207	62	907	25	354	45	143	58	227	30	59
Subsidiaries.....	218	1,714	36	206	59	907	(³)	(³)	(³)	(³)	31	62	25	53
Branches.....	41	182	3	1	3	(*)	(³)	(³)	(³)	(³)	27	165	5	6
Europe, total	765	4,452	19	972	168	1,501	36	32	321	365	159	1,451	62	131
Subsidiaries.....	664	3,431	16	967	158	1,230	29	38	310	349	95	718	56	128
Branches.....	101	1,021	3	5	10	271	7	-6	11	16	64	733	6	3
United Kingdom.....	314	2,167	11	316	67	698	9	(*)	123	122	80	927	24	103
Subsidiaries.....	256	1,593	(³)	(³)	62	646	(³)	(³)	116	118	39	408	23	103
Branches.....	58	574	(³)	(³)	5	52	(³)	(³)	7	4	41	519	1	-----
Netherlands.....	71	892	3	607	10	197	5	2	38	35	10	42	5	9
Subsidiaries.....	62	833	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	6	36	5	9
Branches.....	9	59	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)	4	6	-----	-----
Switzerland.....	130	716	-----	-----	31	395	-----	-----	55	35	31	280	13	5
Subsidiaries.....	120	381	-----	-----	(³)	(³)	-----	-----	(³)	(³)	25	119	11	5
Branches.....	10	335	-----	-----	(³)	(³)	-----	-----	(³)	(³)	6	161	2	(*)
Other.....	250	677	5	49	60	210	22	30	105	173	38	201	20	14
Subsidiaries.....	226	626	4	49	58	209	19	29	103	172	25	154	17	14
Branches.....	24	51	1	(*)	2	1	3	1	2	1	13	47	3	(*)
Latin American Republics	62	129	-----	4 4	11	10	2	13	32	80	12	19	5	3
Subsidiaries.....	59	129	-----	4 4	10	10	2	13	32	80	10	19	5	3
Branches.....	3	(*)	-----	-----	1	(*)	-----	-----	-----	-----	2	(*)	-----	-----
Asia	63	97	-----	-----	5	49	2	3	35	18	19	26	2	(*)
Subsidiaries.....	47	84	-----	-----	4	49	(³)	(³)	(³)	(³)	7	14	2	(*)
Branches.....	16	12	-----	-----	1	-----	(³)	(³)	(³)	(³)	12	12	-----	-----
Other areas	21	29	-----	-----	5	4	1	(*)	9	7	2	12	4	6
Subsidiaries.....	18	17	-----	-----	4	3	1	(*)	9	7	-----	-----	4	6
Branches.....	3	12	-----	-----	1	1	-----	-----	-----	-----	2	12	-----	-----

* Less than \$500,000.

¹ U.S. parent organization and its subsidiaries, if any, are counted as one direct investment in this table.

² Includes Agriculture and Mining and smelting.

³ Not shown separately, included in totals.

⁴ Represents investment by foreign affiliate of a foreign parent organization.

Table 5.—Value of foreign direct investments in the United States, by industry, country and by percent foreign ownership, 1959

[Millions of dollars]

Area, country, and percent of ownership	All industries	Petroleum	Manufacturing	Transportation and utilities	Trade	Finance and insurance	Miscellaneous
All areas, total	6,604	1,184	2,471	402	614	1,734	199
95% or more.....	5,067	255	2,221	323	514	1,646	108
50%-95%.....	1,375	905	203	54	60	69	85
25%-50%.....	162	24	48	25	40	19	6
Canada	1,896	207	907	354	143	227	159
95% or more.....	1,709	206	873	277	97	201	54
50%-95%.....	123	1	26	52	19	23	2
25%-50%.....	64	-----	8	24	27	2	3
Europe, total	4,452	972	1,501	32	365	1,451	2131
95% or more.....	3,150	49	1,290	30	323	1,407	50
50%-95%.....	1,215	900	171	2	30	35	79
25%-50%.....	86	24	39	(*)	12	9	2
United Kingdom	2,167	316	698	(*)	122	927	103
95% or more.....	1,736	20	659	(*)	102	919	36
50%-95%.....	407	296	32	-----	13	(*)	65
25%-50%.....	24	-----	6	-----	7	9	1
Other Europe, total	2,285	656	801	32	243	523	28
95% or more.....	1,414	29	631	30	221	489	14
50%-95%.....	809	603	139	2	17	34	14
25%-50%.....	62	24	33	(*)	5	-----	(*)
Belgium	153	(*)	6	5	27	(*)	115
95% or more.....	122	(*)	4	5	26	(*)	87
50%-95%.....	5	(*)	-----	-----	1	(*)	4
25%-50%.....	26	(*)	2	-----	(*)	(*)	24
France	161	(*)	49	(*)	43	49	20
95% or more.....	107	(*)	17	(*)	41	46	3
50%-95%.....	51	(*)	30	-----	1	3	17
25%-50%.....	4	(*)	1	(*)	2	-----	-----
Germany	84	-----	25	-----	35	20	4
95% or more.....	56	-----	13	-----	27	15	1
50%-95%.....	25	-----	8	-----	9	5	3
25%-50%.....	4	-----	4	-----	-----	-----	-----

See footnotes at end of table.

Table 5.—Value of foreign direct investments in the United States, by industry, country and percent of foreign ownership, 1959—Continued

[Millions of dollars]

Area, country, and percent of ownership	All industries	Petroleum	Manufacturing	Transportation and utilities	Trade	Finance and insurance	Miscellaneous
Europe, total—Continued							
Italy.....	58		17	(*)	30	10	1
95% or more.....	50		11	(*)	27	10	1
50%-95%.....	4		2		2		
25%-50%.....	4		4		(*)		
Netherlands.....	892	607	197	2	35	42	9
95% or more.....	224	18	134	2	33	33	4
50%-95%.....	667	589	63		1	8	5
25%-50%.....	1		1		(*)		
Sweden.....	154	(3)	104	10	20	(3)	20
95% or more.....	121	(3)	73	9	19	(3)	19
50%-95%.....	22	(3)	21	1		(3)	(*)
25%-50%.....	11	(3)	10		1	(3)	(*)
Switzerland.....	716		395		35	280	5
95% or more.....	672		369		32	268	2
50%-95%.....	32		15		2	12	3
25%-50%.....	12		11		1		(*)
Other.....	67		8	13	18	26	1
95% or more.....	62		8	13	16	24	1
50%-95%.....	5		1	(*)	1	1	
25%-50%.....	1			(*)	(*)	(*)	
Latin American Republics	129	4	10	13	80	19	43
95% or more.....	103		5	13	76	9	1
50%-95%.....	18	4	4	(*)	4	3	2
25%-50%.....	9		1		(*)	7	1
Other areas	127		53	3	26	38	6
95% or more.....	106		52	3	19	29	3
50%-95%.....	18		1		7	8	3
25%-50%.....	2		(3)		1	1	(*)

*Less than \$500,000.

¹ Includes \$26 million in mining and smelting and \$6 million in agriculture.

² Includes \$61 million in mining and smelting for the United Kingdom

and \$27 million in agriculture for the United Kingdom and Netherlands.

³ Included in miscellaneous.

⁴ Includes agriculture.

Table 6.—Number ¹ and value of foreign direct investments in the United States, by period of establishment, by area and industry, 1959

[Amounts in millions of dollars]

Area and industry	All Periods		Up to 1941		1941-49		1950-59	
	Number	Value	Number	Value	Number	Value	Number	Value
All areas, total	1, 170	6, 604	529	5, 170	174	464	467	971
Canada.....	259	1, 896	110	1, 418	28	235	121	243
Europe, total.....	765	4, 452	386	3, 628	127	205	252	620
United Kingdom.....	314	2, 167	198	1, 867	33	43	83	257
Netherlands.....	71	892	26	778	21	56	24	59
Switzerland.....	130	716	70	617	18	35	42	63
Other countries.....	250	677	92	366	55	71	103	241
Asia.....	63	97	8	15	2	3	53	79
Other areas.....	83	158	25	109	17	21	41	28
All industries, total	1, 170	6, 604	529	5, 170	174	464	467	971
Petroleum.....	58	1, 184	13	1, 009	5	108	40	67
Manufacturing.....	251	2, 471	128	2, 024	32	46	91	400
Transportation and utilities.....	66	402	39	286	14	88	13	29
Trade.....	442	614	155	275	87	131	200	209
Finance and insurance.....	250	1, 734	160	1, 485	27	85	63	163
Miscellaneous ²	103	199	34	91	9	6	60	103

¹ United States parent organization and its subsidiaries are counted as one direct investment in this table.² Includes agriculture and mining and smelting.

Table 7.—Number ¹ and value of foreign direct investments in United States manufacturing, by period of establishment, by area and by major product group, 1959

[Amounts in millions of dollars]

Area and industry	All Periods		Up to 1941		1941-49		1950-59	
	Number	Value	Number	Value	Number	Value	Number	Value
Area								
All areas, total.....	251	2, 471	128	2, 024	32	46	91	401
Canada.....	62	907	23	820	9	11	30	76
Europe, total.....	168	1, 501	103	1, 201	19	33	46	267
United Kingdom.....	67	698	47	550	5	5	15	143
Sweden.....	16	104	7	85	4	4	5	15
Switzerland.....	31	395	21	374	4	15	6	6
Other.....	54	303	28	191	6	9	20	103
Asia.....	5	49					5	49
Other areas.....	16	14	2	3	4	2	10	9
Industry								
Manufacturing, total.....	251	2, 471	128	2, 024	32	46	91	401
Food products.....	35	931	26	911	4	6	5	13
Chemical and allied products.....	63	465	32	404	5	5	26	56
Primary and fabricated metals.....	19	125	8	92	4	21	7	12
Machinery, except electrical.....	24	275	14	256	6	7	4	11
Electrical machinery.....	16	83	5	16	3	1	8	65
Other manufacturing ²	94	592	43	344	10	6	41	243

¹ United States parent organization and its subsidiaries are counted as one direct investment in this table.

² Includes paper and allied products, rubber products, transportation equipment and miscellaneous.

Table 8.—Value of foreign direct investments in the United States, by type of investment, area, and industry, 1959

[Millions of dollars]

Area and industry	Total investment	Liabilities			Net worth				
		Short-term	Long-term	Total	Common stock	Surplus and surplus reserves	Preferred stock	Home office accounts (branches)	Total
All areas, total	6,604	653	685	1,338	1,076	2,857	103	1,230	5,266
Agriculture.....	34	5	5	10	7	16	(*)	—	23
Mining and smelting.....	87	—3	9	6	5	75	—	1	81
Petroleum.....	1,184	28	99	127	136	914	1	6	1,056
Manufacturing.....	2,471	245	270	515	517	1,110	58	272	1,957
Transportation and utilities.....	402	70	228	298	130	—55	26	3	104
Trade.....	614	263	41	304	130	159	5	18	311
Finance.....	1,734	38	16	54	134	616	7	922	1,679
Insurance.....	1,369	—	—	—	63	437	—	869	1,369
Banking ¹	142	1	5	6	29	56	—	51	135
Other Finance.....	223	37	11	48	42	123	7	3	175
Miscellaneous.....	78	7	17	24	17	23	7	8	54
Canada	1,896	205	460	665	265	708	77	182	1,232
Mining and smelting.....	26	—4	6	2	2	22	—	1	24
Petroleum.....	207	—4	96	92	26	88	(*)	1	115
Manufacturing.....	907	115	119	234	73	559	42	(*)	673
Transportation and utilities.....	354	31	224	256	122	—56	25	7	98
Trade.....	143	60	3	63	22	54	(*)	3	80
Finance, total.....	227	2	4	6	17	34	5	165	221
Insurance.....	144	—	—	—	—	—	—	144	144
Banking ¹	37	(*)	—	(*)	8	10	—	20	37
Other finance.....	45	2	4	6	9	24	5	(*)	39
Miscellaneous ²	33	5	7	12	3	7	5	5	20
Europe, total	4,452	404	157	561	739	2,107	22	1,023	3,891
Agriculture.....	27	1	4	5	5	17	(*)	—	22
Mining and smelting.....	61	1	3	3	3	54	—	—	57
Petroleum.....	972	28	3	32	110	826	(*)	5	941
Manufacturing.....	1,501	126	112	238	431	547	14	270	1,263
Transportation and utilities.....	32	29	1	30	5	1	1	—6	2
Trade.....	365	185	25	210	61	75	3	16	155
Finance.....	1,451	28	5	33	110	573	1	733	1,418
Insurance.....	1,209	—	—	—	63	437	—	709	1,209
Banking ¹	77	(*)	—	(*)	15	39	—	22	77
Other finance.....	164	28	5	33	32	97	1	2	132
Miscellaneous.....	43	5	5	10	13	15	3	3	33
United Kingdom	2,167	145	45	190	375	1,022	5	574	1,976
Mining and smelting.....	61	1	3	3	3	54	—	—	57
Petroleum.....	316	—1	3	2	24	285	(*)	5	314
Manufacturing.....	698	74	28	102	262	278	3	52	596

See footnotes at end of table.

Table 8.—Value of foreign direct investments in the United States, by type of investment, area, and industry, 1959—Continued

[Millions of dollars]

Area and industry	Total investment	Liabilities			Net worth				
		Short-term	Long-term	Total	Common stock	Surplus and surplus reserves	Preferred stock	Home office accounts (branches)	Total
Europe, total—Continued									
United Kingdom—Continued									
Transportation and utilities.....	(*)	7	-1	7	3	-2		-7	-6
Trade.....	122	55	6	62	24	32	1	4	60
Finance, total.....	927	7		7	51	351		519	921
Insurance.....	894				41	337		517	894
Banking ¹	19				5	12		2	19
Other finance.....	14	7		7	4	2		1	7
Miscellaneous ²	42	1	7	8	8	25	1		34
Netherlands.....	892	58	11	69	152	611	1	59	823
Petroleum.....	607	26		26	77	504			581
Manufacturing.....	197	13	3	15	53	86	1	42	182
Transportation and utilities.....	2	1	1	2	(*)	1	(*)	(*)	(*)
Trade.....	35	7	1	8	10	5	(*)	10	26
Finance.....	42	12	4	16	10	10		6	26
Insurance.....	3				3	-2		2	3
Banking and Other finance ¹	38	12	4	16	7	12		4	22
Miscellaneous ²	9	(*)	1	2	2	5			7
Switzerland.....	716	39	68	107	74	192	8	335	609
Manufacturing.....	395	16	64	80	49	88	5	173	316
Trade.....	35	16	3	19	6	9	1		16
Finance.....	280	7	(*)	7	17	95		161	273
Insurance.....	237				12	81		144	237
Banking and Other finance ¹	43	7	(*)	7	6	13		17	36
Miscellaneous.....	5	1	(*)	1	2	(*)	2	(*)	4
Other.....	677	164	34	198	138	282	8	51	479
Petroleum.....	49	4	1	4	9	37		(*)	45
Manufacturing.....	210	24	18	43	67	95	4	1	167
Transportation and utilities.....	30	21	1	21	3	3	1	1	8
Trade.....	173	106	14	121	22	28	1	1	52
Finance.....	201	3		3	33	117	1	47	198
Insurance.....	74				7	21		46	74
Banking and Other finance ¹	127	3		3	25	96	1	1	124
Miscellaneous.....	14	6	1	6	5	2	(*)	(*)	8
Other areas.....	256	45	68	113	72	41	4	25	143
Manufacturing.....	63	4	39	43	14	3	3	1	21
Transportation and utilities.....	16	10	2	12	3	(*)	(*)	1	4
Trade.....	106	18	13	31	46	29	1	-1	75
Finance.....	56	8	8	15	7	9	(*)	24	41
Insurance.....	15							15	15
Banking and Other finance ¹	41	8	8	15	7	9	(*)	9	26
Miscellaneous ³	14	6	5	11	3	(*)			2

*Less than \$500,000.

¹ Excludes (short-term) banking liabilities to and claims on foreign residents regularly reported on Treasury Foreign Exchange Forms B-1 and B-2. The net banking liability of these banking institutions to

foreigners amounted to approximately \$2.7 billion at the end of 1959.

² Includes Agriculture.

³ Includes Agriculture and Petroleum.

Table 9.—Total assets, liabilities and net worth of foreign direct-investment enterprises in the United States by area and industry, 1959 ¹

[Millions of dollars]

Area and industry	ASSETS							LIABILITIES			NET WORTH			
	Cur- rent assets	Invest- ments in United States affili- ates ²	Invest- ments in foreign affili- ates	Fixed assets	Less related reserves	Other assets	Total	Short- term	Long- term	Total	Stock	Surplus and surplus reserves	Home office ac- counts (bran- ches)	Total
All areas, total	4,420	1,244	118	6,258	2,820	377	9,598	2,315	1,709	4,024	1,770	3,498	306	5,574
Agriculture.....	29	3	1	62	22	5	76	23	20	43	11	22	-----	33
Mining and smelting.....	39	57	-----	190	69	20	237	39	41	80	24	132	1	157
Petroleum.....	787	886	84	3,240	1,838	62	3,220	416	486	902	574	1,738	6	2,318
Manufacturing.....	2,301	249	18	1,854	651	150	3,921	817	704	1,521	744	1,383	273	2,400
Transportation and utilities.....	113	15	3	589	135	24	608	134	294	428	206	-29	3	180
Trade.....	1,101	30	9	202	70	88	1,359	844	103	947	175	220	18	412
Miscellaneous.....	51	5	4	122	34	28	176	43	60	103	35	32	6	73
Canada	1,229	38	6	1,673	510	140	2,575	600	754	1,354	405	799	17	1,222
Agriculture.....	3	(*)	-----	7	(*)	(*)	10	5	4	9	2	-1	-----	1
Mining and smelting.....	11	7	-----	67	35	16	66	25	15	40	2	22	1	25
Petroleum.....	56	(*)	-----	328	112	15	288	51	106	157	27	103	1	130
Manufacturing.....	861	11	3	510	178	65	1,272	292	257	549	123	600	(*)	723
Transportation and utilities.....	48	14	2	565	130	17	517	57	287	345	196	-31	7	172
Trade.....	243	4	(*)	141	46	8	350	160	50	210	42	95	3	140
Miscellaneous.....	6	2	(*)	56	9	18	73	10	33	43	12	12	5	30
Europe, total	2,803	1,193	109	4,451	2,285	181	6,453	1,356	860	2,217	1,283	2,663	290	4,236
Agriculture.....	25	2	1	46	20	3	57	15	10	25	7	25	-----	32
Mining and smelting.....	28	51	-----	122	34	4	171	14	26	39	22	109	-----	132
Petroleum.....	730	885	84	2,912	1,726	47	2,933	365	380	745	547	1,635	5	2,188
Manufacturing.....	1,417	238	14	1,267	464	77	2,549	512	384	896	603	778	271	1,653
Transportation and utilities.....	58	1	1	12	3	6	74	66	4	70	7	2	-6	4
Trade.....	504	14	6	39	15	36	584	356	39	395	78	96	16	189
Miscellaneous.....	41	2	4	53	23	9	86	29	18	47	19	17	3	39
United Kingdom	890	67	8	733	265	48	1,481	411	234	645	328	453	55	836
Mining and smelting.....	28	51	-----	122	34	4	171	14	26	39	22	109	-----	132
Petroleum.....	4	-----	-----	24	16	1	13	2	3	5	2	1	5	8
Manufacturing.....	625	8	4	485	167	22	978	215	173	388	257	279	53	589
Transportation and utilities.....	16	(*)	1	3	2	1	19	25	1	25	3	-2	-7	-6
Trade.....	176	5	1	15	7	11	201	123	9	132	31	34	4	69
Miscellaneous ³	40	3	2	83	39	10	100	32	23	55	11	32	-----	44

See footnotes at end of table.

Table 9.—Total assets, liabilities and net worth of foreign direct-investment enterprises in the United States by area and industry, 1959¹—Continued

[Millions of dollars]

Area and industry	ASSETS							LIABILITIES			NET WORTH			
	Current assets	Investments in United States affiliates ²	Investments in foreign affiliates	Fixed assets	Less related reserves	Other assets	Total	Short-term	Long-term	Total	Stock	Surplus and surplus reserves	Home office accounts (branches)	Total
Europe, total—Continued														
Other Europe, total.....	1,913	1,126	101	3,717	2,020	133	4,972	945	627	1,572	958	2,209	234	3,400
Petroleum.....	726	885	84	2,888	1,710	46	2,920	363	377	740	544	1,635	3	2,180
Manufacturing.....	792	229	10	781	297	55	1,571	297	211	508	346	499	218	1,063
Transportation and utilities.....	42	1	-----	9	2	5	55	41	3	44	5	4	1	10
Trade.....	328	10	5	24	8	25	383	233	30	263	47	61	11	120
Miscellaneous ³	25	1	2	15	3	3	43	12	5	16	14	10	-----	26
Netherlands.....	1,018	904	84	3,086	1,813	65	3,345	498	395	893	658	1,742	53	2,452
Petroleum.....	695	874	81	2,770	1,671	34	2,784	349	345	694	530	1,561	-----	2,090
Manufacturing.....	249	25	3	305	138	20	464	100	42	142	113	166	42	322
Transportation and utilities.....	7	(*)	-----	3	1	(*)	10	8	1	9	(*)	1	(*)	1
Trade.....	56	5	(*)	1	(*)	9	72	38	5	43	12	7	10	28
Miscellaneous ³	10	-----	(*)	7	2	1	15	2	3	5	4	7	-----	11
Switzerland.....	336	193	3	283	71	13	758	123	104	228	136	221	174	531
Manufacturing.....	274	192	3	273	67	8	684	91	98	189	123	199	173	495
Trade.....	57	1	(*)	7	3	5	67	30	5	36	8	23	-----	31
Miscellaneous ³	5	-----	(*)	3	(*)	(*)	8	2	1	3	4	(*)	(*)	5
Other.....	558	29	14	348	136	55	870	325	128	453	164	247	8	418
Petroleum.....	31	11	2	118	38	11	136	13	33	46	14	72	3	90
Manufacturing.....	269	12	4	203	92	27	424	106	71	178	109	135	3	248
Transportation and utilities.....	35	(*)	1	5	1	5	45	34	2	35	5	3	(*)	8
Trade.....	214	3	5	17	4	12	245	164	21	185	28	32	1	61
Miscellaneous ³	11	1	2	5	1	2	20	7	1	8	7	3	-----	11
Latin American Republics	160	11	2	46	14	9	214	113	20	132	49	34	(*)	82
Manufacturing.....	11	(*)	(*)	6	2	2	18	4	3	8	5	5	(*)	10
Trade.....	140	10	2	18	8	5	166	95	7	102	37	28	-----	64
Miscellaneous ⁴	9	1	-----	22	4	3	30	13	10	23	7	1	-----	7
Other areas	229	2	1	88	10	46	356	244	76	319	33	3	1	36
Trade.....	213	1	1	3	1	39	258	233	7	240	18	3	-1	18
Miscellaneous ⁵	14	1	-----	85	10	7	98	12	69	81	15	1	1	17

*Less than \$500,000.

¹ Excludes finance and insurance.

² These investments also included in liabilities and net worth as reported by the affiliates.

³ Includes agriculture.

⁴ Includes transportation and utilities.

⁵ Includes manufacturing and transportation and utilities.

Table 10.—Value of investments by United States residents in foreign direct-investment enterprises in the United States, by type and industry, 1959

[Millions of dollars]

Industry	Total investment	Liabilities			Net worth			
		Short-term	Long-term	Total	Common stock	Surplus and surplus reserves	Preferred stock	Total
All industries, total	6,632	2,619	3,178	5,798	303	501	30	835
Agriculture.....	42	18	15	33	3	7	(*)	10
Mining and smelting.....	87	34	23	56	2	15	14	31
Petroleum.....	1,112	363	374	737	128	247	(*)	375
Manufacturing.....	1,168	551	391	942	75	138	13	226
Transportation and utilities.....	190	61	63	124	46	20	-----	66
Trade.....	654	524	54	578	28	45	2	75
Finance, total.....	3,293	1,036	2,220	3,256	16	20	1	37
Insurance.....	3,172	951	¹ 2,216	3,167	3	1	-----	5
Banking ²	4	-----	1	1	2	1	-----	3
Other Finance.....	118	85	4	89	10	17	1	28
Miscellaneous.....	85	32	39	71	5	9	(*)	14

*Less than \$500,000.

¹ Includes \$480 million for unearned premium reserves of fire, marine and casualty insurance companies, and \$1,736 million for policy reserves, supplementary contracts without life contingencies and policy holders'

dividend accumulations for life insurance companies.

² Excludes short-term liabilities arising from customary banking transactions.

Table 11.—Total assets, liabilities and net worth of foreign direct-investment enterprises in the United States in finance and insurance, by type of enterprise and area, 1959

[Millions of dollars]

Type of enterprise and area	Assets				Liabilities			Net worth			
	Current	Investment in United States affiliates	Other	Total	Short-term	Long-term	Total	Common stock	Surplus and surplus reserves	Home office accounts (branches)	Total
Life insurance											
All areas, total.....	141		1,852	1,993	111	¹ 1,736	1,847	6	16	124	146
Canada.....	136		1,788	1,924	97	¹ 1,703	1,801			124	124
Europe.....	5		63	68	13	² 33	46	6	16		22
Fire, marine, and casualty insurance											
All areas, total.....	326	120	2,223	2,669	841	³ 480	1,320	80	523	745	1,349
Canada.....	4		32	36	7	³ 8	15			21	21
Europe, total.....	320	120	2,173	2,613	830	³ 470	1,300	80	523	709	1,313
United Kingdom.....	230	83	1,572	1,885	573	³ 332	905	54	409	517	980
Switzerland.....	71	33	466	571	216	³ 99	315	14	97	144	255
Other countries.....	19	4	135	158	41	³ 39	80	12	18	48	78
Other areas.....	2		18	20	3	³ 2	5			15	15
Banking											
All areas, total.....	3,290	51	470	3,811	3,660	6	3,665	34	61	51	146
Canada.....	1,694	20	23	1,736	1,699		1,699	8	10	20	37
Europe, total.....	996	31	184	1,212	1,128		1,128	18	43	22	84
United Kingdom.....	315	8	119	442	417		417	8	15	2	25
Other countries.....	681	23	66	770	711		711	10	28	21	59
Other areas, total.....	600		263	863	833	6	838	8	8	9	25
Japan.....	389		253	642	628	5	633	4	2	3	9
Other countries.....	211		10	221	205	1	206	4	6	6	16
Other Finance											
All areas, total.....	197	50	106	353	123	16	138	60	⁴ 152	3	214
Canada.....	39	36	20	94	27	5	33	18	⁴ 42	(*)	61
Europe, total.....	135	14	80	229	77	7	83	39	⁴ 104	2	146
United Kingdom.....	38	2	2	42	26		26	10	5	1	17
Netherlands.....	48	8	3	59	34	4	38	7	14		21
Switzerland.....	28	(*)	3	31	10	(*)	11	6	14	1	21
Other countries.....	22	4	71	97	7	2	9	16	⁴ 70	(*)	87
Other areas.....	23	(*)	6	30	19	4	22	2	5	1	8

* Less than \$500,000.

¹ Life policy reserves, supplementary contracts without life contingencies and policy holders' dividend accumulations.

² Life policy reserves.

³ Reserve for unearned premiums.

⁴ Includes minor amount of preferred stock.

Table 12.—Capital flow to foreign direct investments in the United States, by area and industry, 1950–61

[Millions of dollars; outflow (—)]

Area and industry	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
All areas, total	80	90	131	158	124	197	232	155	98	238	141	73
Petroleum.....	—2	3	34	77	16	—3	—2	14	—13	—16	—15	—24
Manufacturing.....	31	54	55	24	56	109	119	88	70	146	68	50
Finance and insurance.....	39	14	23	43	39	49	41	25	19	29	65	26
Other industries.....	12	17	17	12	13	41	75	28	21	77	22	20
Canada	37	24	74	102	42	73	139	75	31	19	18	—3
Petroleum.....	3	2	25	72	18	—4	—4	—2	(*)	—19	—14	—27
Manufacturing.....	13	10	43	2	11	37	52	40	21	6	—2	17
Finance and insurance.....	14	—2	—2	16	7	12	27	18	11	6	30	7
Other industries.....	7	14	8	12	6	28	64	19	—1	26	4	(*)
Europe, total	41	63	48	60	79	122	90	69	46	174	113	78
Petroleum.....	—5	2	9	4	—2	1	2	16	—13	(*)	—3	3
Manufacturing.....	17	43	11	22	44	72	66	40	34	115	67	31
Finance and insurance.....	25	16	26	28	32	37	12	5	6	21	33	21
Other industries.....	4	1	2	4	5	12	10	8	19	38	16	22
United Kingdom.....	15	48	19	26	44	56	32	34	—4	50	31	46
Petroleum.....	—5	1	3	—2	(*)	(*)	—5	15	—13	—4	—3	3
Manufacturing.....	11	37	(*)	9	20	28	33	20	7	38	13	6
Finance and insurance.....	8	9	16	15	22	26	5	—4	—1	10	17	15
Other industries.....	1	1	(*)	4	2	2	—1	3	3	6	4	21
Netherlands.....	3	4	7	6	8	18	8	4	9	6	4	2
Petroleum.....								(*)	(*)	4		
Manufacturing.....	2	4	6	6	7	16	6	4	7	6	2	2
Finance and insurance.....							(*)		(*)	(*)		(*)
Other industries.....	1	(*)	1	(*)	1	2	2	(*)	2	—4	2	(*)
Switzerland.....	12	6	9	14	14	28	15	9	14	50	35	7
Petroleum.....												
Manufacturing.....	2	1	3	5	10	18	12	8	11	39	20	—6
Finance and insurance.....	10	5	5	9	3	8	2	1	3	9	13	12
Other industries.....	(*)	(*)	1	(*)	1	2	1	(*)	(*)	2	2	1
Other.....	11	5	13	12	13	20	35	22	27	68	43	23
Petroleum.....		1	6	6	—2	1	7	1		(*)	(*)	
Manufacturing.....	2	1	2	2	7	10	15	8	9	32	32	29
Finance and insurance.....	7	2	5	4	7	3	5	8	4	2	3	—6
Other industries.....	2				1	6	8	5	14	34	8	(*)
Other areas	2	3	10	—4	3	2	3	11	21	45	10	—2
Petroleum.....			(*)							4	2	
Manufacturing.....	1	(*)	1	(*)	1	1	1	8	16	25	3	2
Finance and insurance.....	(*)	1	(*)	—1	(*)	(*)	1	2	2	2	3	—2
Other industries.....	1	2	7	—4	2	1	1	1	3	12	2	—2

*Less than \$500,000.

Table 13.—Sales, expenses and net income of foreign-direct investment enterprises in the United States, by country and industry, 1959 ¹

[Millions of dollars]

Area, country and industry	Income					Expenses and taxes						Net In- come ²
	Net sales or revenues	Dividends and interest		Other	Total Income	Cost of goods	Deprecia- tion and depletion	Income taxes	Other United States taxes	Other	Total	
		United States affiliates ²	Other									
All areas, total.....	8,062	48	27	58	8,195	5,926	340	223	202	1,138	7,830	365
Agriculture.....	58	(*)	(*)	1	59	52	2	1	(*)	3	58	1
Mining and smelting.....	122	1	(*)	(*)	123	81	9	5	1	18	115	9
Petroleum.....	2,356	44	14	13	2,427	1,584	224	40	69	313	2,230	197
Manufacturing.....	5,131	3	10	24	5,167	3,891	88	168	118	739	5,004	163
Transportation and utilities.....	355	(*)	1	18	374	294	15	5	13	54	381	-7
Other.....	40	(*)	1	2	44	24	3	2	1	12	42	2
Canada.....	2,512	1	4	11	2,529	2,016	56	66	71	256	2,466	63
Mining and smelting.....	53	1	(*)	(*)	54	41	4	3	1	4	52	2
Petroleum.....	160	(*)	(*)	3	163	97	18	9	5	21	150	13
Manufacturing.....	2,063	(*)	4	5	2,073	1,677	25	54	53	202	2,011	62
Transportation and utilities.....	222	(*)	(*)	2	224	195	9	(*)	12	25	240	-16
Other.....	14	(*)	(*)	1	16	6	1	1	(*)	4	13	3
Europe, total.....	5,483	47	21	45	5,597	3,865	281	155	127	868	5,296	301
Agriculture.....	52	(*)	(*)	1	53	46	2	1	(*)	2	51	2
Mining and smelting.....	69	(*)	(*)	(*)	70	40	5	2		14	63	7
Petroleum.....	2,196	44	14	11	2,265	1,487	206	32	64	291	2,080	184
Manufacturing.....	3,020	3	5	17	3,046	2,179	60	113	61	533	2,947	99
Transportation and utilities.....	118	(*)	(*)	16	135	92	5	6	1	21	125	10
Other.....	28	(*)	(*)	1	29	21	1	1	1	7	30	-1
United Kingdom.....	1,445	1	4	7	1,457	1,094	35	51	57	163	1,401	55
Petroleum.....	9		(*)	1	10	6	(*)	(*)	(*)	1	8	1
Manufacturing.....	1,234	(*)	3	6	1,243	942	21	42	56	139	1,200	42
Other.....	202	(*)	(*)	1	204	147	12	9	1	23	194	12
Other Europe, total.....	4,038	47	18	38	4,141	2,771	245	104	70	705	3,895	246
Petroleum.....	2,185	44	13	10	2,253	1,479	205	31	64	290	2,070	182
Manufacturing.....	1,786	3	3	12	1,803	1,237	39	72	5	394	1,747	56
Other.....	68	(*)	1	17	86	56	1	(*)	(*)	21	79	8
Belgium.....	104	(*)	(*)	(*)	105	92	7	1	2	3	103	2
Manufacturing.....	17		(*)	(*)	17	14	(*)	1	(*)	2	17	(*)
Other.....	86	(*)	(*)	(*)	88	77	7	(*)	2	(*)	86	1
France.....	97	(*)	1	1	100	85	3	3	(*)	5	96	4
Manufacturing.....	92	(*)	(*)	1	93	82	2	3	(*)	4	91	2
Other.....	6		1	(*)	7	3	(*)	(*)	(*)	1	5	2
Netherlands.....	2,919	44	13	15	2,993	1,970	213	67	63	453	2,767	225
Petroleum.....	2,102	44	12	10	2,168	1,405	198	31	63	290	1,987	181
Manufacturing.....	775	1	1	5	782	530	15	36	1	161	743	39
Other.....	42		(*)	1	43	35	(*)	(*)	(*)	2	37	6
Sweden.....	234		1	16	251	139	6	12	1	83	240	11
Manufacturing.....	233		1	1	234	137	5	12	1	68	223	11
Other.....	1		(*)	15	16	1	(*)	(*)	(*)	15	17	(*)
Switzerland.....	543	2	(*)	4	550	379	14	20	3	117	533	17
Manufacturing.....	537	2	(*)	4	544	374	14	20	3	116	527	17
Other.....	6		(*)	(*)	6	5	(*)	(*)	(*)	(*)	6	(*)
Other.....	141	(*)	2	1	143	107	3	1	(*)	45	155	-12
Manufacturing.....	132	(*)	1	1	134	100	3	1	(*)	42	146	-12
Other.....	8	(*)	(*)	(*)	9	7	(*)	(*)	(*)	2	9	(*)
Other areas.....	68	(*)	(*)	2	70	46	4	2	3	14	68	1
Manufacturing.....	47	(*)	(*)	(*)	49	36	2	1	3	5	46	3
Other.....	20		(*)	1	22	10	(*)	(*)	(*)	10	22	-2

*Less than \$500,000.

¹ Excludes trade, finance and insurance.

² Includes \$43 million of dividends paid by subsidiaries to United States parent organizations, representing a duplication of income.

Table 14.—Sales of manufactures by foreign direct-investment enterprises in the United States, by major product and country, 1959

[Millions of dollars]

Area and country	Manufacturing, total	Food products and beverages	Chemicals and allied products	Primary and fabricated metals	Machinery (except electrical)	Electrical machinery	Other manufacturing
All countries.....	5,131	2,299	891	276	432	289	944
Canada.....	2,063	1,353	45	207	238	1	219
Europe, total.....	3,020	946	832	69	189	288	696
United Kingdom.....	1,234	654	78	17	52	52	382
Other Europe, total.....	1,786	292	755	52	137	236	314
Belgium.....	17		(1)			(1)	17
France.....	92	(1)	6	(1)	(*)	(1)	85
Germany.....	47		46				1
Italy.....	67	9	1		(1)		57
Netherlands.....	775	(1)	(1)			(1)	775
Sweden.....	233		(1)	15	123	87	8
Switzerland.....	537	175	285	(1)			77
Other.....	18	1			(1)		17
Other areas.....	47	(*)	13		5		29

*Less than \$500,000.

1 Included in other manufacturing.

Table 15.—Sales, expenses, and net income of foreign direct-investment enterprises in the United States in trade and distribution, by country, 1959

[Millions of dollars]

Area and country	Income				Expenses						Net income
	Net sales or revenue	Dividends and interest	Other	Total	Cost of goods	Depreciation	Income taxes	Other United States taxes	Other	Total	
All countries.....	4,291	6	20	4,317	4,005	16	34	11	214	4,281	36
Canada.....	1,550	(*)	6	1,556	1,447	12	16	3	64	1,541	15
Europe, total.....	1,847	3	10	1,860	1,696	3	16	7	116	1,839	21
United Kingdom.....	717	2	3	722	660	1	7	3	43	716	7
Other Europe, total.....	1,129	1	6	1,137	1,036	2	9	4	72	1,123	14
Belgium.....	79	(*)	1	80	76	(*)	(*)	(*)	4	80	(*)
France.....	263	(*)	1	264	255	(*)	1	1	5	262	2
Germany.....	245	(*)	1	246	229	(*)	4	1	10	244	2
Italy.....	71	(*)	(*)	72	64	(*)	(*)	(*)	7	71	1
Netherlands.....	212	(*)	1	213	204	(*)	1	(*)	7	213	1
Sweden.....	60	(*)	(*)	61	52	(*)	(*)	(*)	8	61	(*)
Switzerland.....	119	(*)	2	121	85	1	2	(*)	25	113	7
Other.....	79	(*)	1	80	73	(*)	(*)	1	6	80	1
Latin American Republics.....	467	1	1	469	451	1	2	(*)	13	468	1
Other areas.....	427	2	4	433	411	(*)	(*)	(*)	21	433	(*)

*Less than \$500,000.

Table 16.—Income and expenditures of foreign direct-investment enterprises in the United States in finance and insurance, by area and type of enterprise, 1959

[Millions of dollars]

Type of enterprise	All areas, total	Canada	Europe				Other areas
			Total	United Kingdom	Switzer- land	Other countries	
Life insurance:							
Income, total.....	369	351	17	(1)	(1)	17	-----
Premiums earned.....	264	249	15	(1)	(1)	15	-----
Investment income.....	77	75	2	(1)	(1)	2	-----
Other.....	27	27	(*)	(1)	(1)	(*)	-----
Costs and expenses, total.....	360	343	17	(1)	(1)	17	-----
Benefit payments and operating expenses.....	244	229	15	(1)	(1)	15	-----
Dividends to policy holders.....	26	25	(*)	(1)	(1)	(*)	-----
United States income taxes.....	6	6	(*)	(1)	(1)	(*)	-----
Increase in reserves for life policies.....	84	81	1	(1)	(1)	1	-----
Net income.....	9	9	(*)	(1)	(1)	(*)	-----
Fire, marine, and casualty insurance:							
Income, total.....	1,243	15	1,222	860	292	70	6
Premiums earned.....	1,156	14	1,137	801	272	64	5
Investment income.....	71	1	69	51	15	4	1
Capital gains.....	7	(*)	6	3	2	1	(*)
Other.....	9	(*)	10	5	3	1	(*)
Costs and expenses, total.....	1,189	14	1,170	821	279	70	6
Underwriting expenses.....	547	7	537	382	124	32	3
Losses incurred.....	627	7	618	427	154	36	3
Investment expenses.....	5	(*)	5	4	1	1	(*)
United States income taxes.....	10	(*)	10	9	(*)	(*)	(*)
Net income.....	54	1	53	38	13	1	(*)
Banking:							
Income, total.....	115	52	44	15	(1)	29	20
Interest and dividends.....	104	50	37	11	(1)	26	17
Other income.....	11	2	7	4	(1)	3	3
Costs and expenses, total.....	80	29	34	11	(1)	22	18
Operating expenses, including depreciation and interest.....	73	26	30	10	(1)	20	17
United States income taxes.....	7	3	4	1	(1)	2	1
Net income.....	35	23	10	3	(1)	7	2
Other Finance:							
Income, total.....	274	230	40	7	5	27	4
Commissions and fees.....	251	222	27	6	2	19	2
Dividends and interest.....	12	2	9	1	1	7	1
From United States affiliates.....	6	1	4	(*)	(*)	4	-----
Other.....	7	1	5	1	1	3	1
Other income.....	10	6	4	(*)	2	1	1
Costs and expenses, total.....	255	226	25	6	3	16	3
Operating expenses including depreciation.....	250	226	23	6	2	14	(*)
United States income taxes.....	5	1	3	(*)	(*)	3	2
Net income.....	19	4	14	1	3	11	1

*Less than \$500,000.

¹ Included in other countries.

Table 17.—Foreign and United States share of net income of foreign direct-investment enterprises in the United States, by industry and country, 1959

[Millions of dollars]

Area and country	All industries	Petroleum	Manufacturing	Transportation and utilities	Trade	Finance and insurance	Miscellaneous ¹
All areas, total	474	156	161	-7	36	116	12
Foreign.....	415	118	154	-6	27	114	9
United States.....	59	38	8	(*)	9	2	3
Canada	115	13	62	-16	15	37	4
Foreign.....	102	12	58	-16	8	35	3
United States.....	12	(*)	4	(*)	7	1	1
Europe, total	355	143	97	10	21	77	8
Foreign.....	309	106	93	10	18	75	6
United States.....	46	38	3	(*)	2	1	2
United Kingdom.....	160	57	42	6	7	42	6
Foreign.....	140	42	39	6	6	42	5
United States.....	20	15	3		(*)		1
Other Europe, total.....	195	87	54	4	14	34	2
Foreign.....	169	64	54	4	12	33	1
United States.....	26	23	(*)	(*)	2	1	1
Netherlands.....	132	84	37	5	1	5	1
Foreign.....	104	62	31	5	1	4	1
United States.....	28	22	6		(*)	(*)	(*)
Sweden.....	12		11	(*)	(*)	1	(*)
Foreign.....	9		8	(*)	(*)	1	(*)
United States.....	2		2	(*)	(*)	(*)	(*)
Switzerland.....	42		17		7	18	(*)
Foreign.....	39		15		6	18	(*)
United States.....	3		1		1		(*)
Other.....	8	3	-10	(*)	5	10	(*)
Foreign.....	16	2	-1	(*)	5	10	(*)
United States.....	-8	1	-9	(*)	(*)	(*)	(*)
Other areas	4		3	-1	1	3	-1
Foreign.....	4		2	-1	1	2	-1
United States.....	1		1	(*)	(*)	(*)	(*)

*Less than \$500,000.

¹ Includes agriculture and mining and smelting.

Table 18.—Income and other payments of foreign direct investments in the United States to foreign investors, by type of payment, area and industry, 1959

[Millions of dollars]

Area and industry	Income payments				Fees and royalties		
	Total	Dividends	Interest	Branch profits	Total	Fees	Royalties
All areas	219	93	41	85	37	25	12
Mining and smelting	1	1	(*)	(*)	2	2	
Petroleum	20	17	3	(*)	(*)	(*)	
Manufacturing	66	51	7	8	15	5	11
Transportation and utilities	14	2	8	3	1	1	
Trade	8	7	1	(*)	2	1	1
Finance and insurance	110	15	21	74	15	15	
Miscellaneous ¹	1	1	(*)	(*)	(*)	(*)	(*)
Canada	84	24	29	31	18	18	(*)
Mining and smelting	1	1	(*)	(*)			
Petroleum	3		3	(*)	(*)	(*)	
Manufacturing	23	19	4	(*)	1	1	(*)
Transportation and utilities	8	1	8	-1	1	1	
Trade	3	3	(*)	(*)	(*)	(*)	
Finance and insurance	47	1	14	32	14	14	
Miscellaneous ¹	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Europe, total	129	69	7	53	18	6	11
Mining and smelting	(*)		(*)		2	2	
Petroleum	17	17	(*)	(*)	(*)	(*)	
Manufacturing	43	32	3	8	14	3	10
Transportation and utilities	6	1	1	5	(*)	(*)	(*)
Trade	5	4	1	(*)	1	(*)	1
Finance and insurance	57	14	3	40	1	(*)	(*)
Miscellaneous ¹	1	1	(*)	(*)	(*)	(*)	(*)
United Kingdom	64	32	1	30	8	3	5
Mining and smelting	(*)		(*)		2	2	
Petroleum	4	4	(*)	(*)	(*)	(*)	(*)
Manufacturing	20	18	(*)	1	6	1	5
Transportation and utilities	7	1		5	(*)	(*)	
Trade	3	2	(*)	(*)	1	(*)	(*)
Finance and insurance	30	6	(*)	24	(*)	(*)	
Miscellaneous ¹	(*)	(*)	(*)	(*)	(*)	(*)	
Other	66	37	6	23	9	3	6
Petroleum	13	13			(*)	(*)	
Manufacturing	23	14	3	7	8	3	5
Trade	2	2	(*)	(*)	(*)	(*)	(*)
Finance and insurance	27	8	3	16	(*)	(*)	(*)
Miscellaneous ¹	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Other areas	6	(*)	5	1	1	1	(*)
Transportation and utilities	1		(*)	1			
Trade	(*)	(*)	(*)	(*)	1	1	(*)
Finance and insurance	6	(*)	4	1			
Miscellaneous ²	(*)	(*)	(*)	(*)	(*)	(*)	(*)

*Less than \$500,000.

¹ Includes agriculture.

² Includes agriculture and manufacturing.

Table 19.—Income and other payments of foreign direct investments in the United States to foreign investors by type and country, 1959

[Millions of dollars]

Area and country	Income payments				Fees and royalties		
	Total	Dividends	Interest	Branch profits	Total	Fees	Royalties
All areas, total	219	93	41	85	37	25	12
Canada	84	24	29	31	18	18	(*)
Europe, total	129	69	7	53	18	6	11
United Kingdom.....	64	32	1	30	8	3	5
Other Europe, total.....	66	37	6	23	9	3	6
Belgium.....	6	5	(*)	-----	(*)	(*)	(*)
France.....	3	1	(*)	1	1	(*)	(*)
Netherlands.....	32	23	1	8	1	1	(*)
Sweden.....	2	1	(*)	1	1	(*)	1
Switzerland.....	23	5	4	13	5	2	4
Other.....	2	1	(*)	(*)	1	(*)	(*)
Other areas	6	(*)	5	1	1	1	(*)

*Less than \$500,000.

Table 20.—Net income of foreign direct investments in the United States, by area and industry, 1950–61

[Millions of dollars]

Area and industry	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
All areas, total	344	336	294	314	312	329	310	300	326	415	385	435
Petroleum.....	100	119	102	95	84	96	102	111	94	118	114	118
Manufacturing.....	131	114	89	100	105	108	102	103	132	154	135	154
Finance and insurance.....	82	75	77	87	91	92	65	51	67	114	105	132
Other industries.....	31	28	25	30	32	33	41	35	33	30	29	31
Canada, total	98	88	74	85	78	87	75	71	97	102	88	106
Petroleum.....	1	6	3	8	8	8	8	14	14	12	10	18
Manufacturing.....	68	59	49	47	44	46	29	25	43	58	47	44
Finance and insurance.....	18	16	14	18	22	19	26	29	39	35	35	47
Other industries.....	13	7	8	12	4	14	12	3	1	—5	—4	—3
Europe, total	243	246	217	224	231	241	234	225	224	309	290	319
Petroleum.....	99	113	99	87	76	88	94	97	80	106	104	100
Manufacturing.....	63	55	39	52	60	62	72	77	87	93	88	108
Finance and insurance.....	63	58	63	68	68	72	41	21	26	75	65	79
Other industries.....	18	20	16	17	27	19	27	30	31	34	32	32
United Kingdom	114	114	102	107	109	114	103	93	77	140	127	130
Petroleum.....	36	43	36	33	26	29	33	34	28	42	41	39
Manufacturing.....	22	23	15	21	26	31	35	37	38	39	36	39
Finance and insurance.....	43	37	43	45	44	46	20	9	—2	42	35	37
Other industries.....	13	11	8	8	13	8	15	13	13	17	15	15
Netherlands	90	89	78	71	75	83	86	88	91	104	94	101
Petroleum.....	62	70	62	54	50	58	61	63	51	62	61	59
Manufacturing.....	23	13	12	13	19	21	19	19	29	31	28	32
Finance and insurance.....	2	3	2	3	4	3	3	2	4	4	1	3
Other industries.....	3	3	2	1	2	1	3	4	7	7	5	6
Switzerland	22	23	20	28	27	30	29	25	33	39	35	47
Manufacturing.....	13	13	8	14	10	8	10	14	13	15	15	17
Finance and insurance.....	8	7	8	12	12	13	11	2	16	18	14	24
Other industries.....	1	3	4	2	5	9	8	9	4	6	6	6
Other	17	20	17	18	20	14	16	19	23	25	33	42
Petroleum.....	1	(*)	1	(*)	(*)	1	(*)	(*)	1	2	2	2
Manufacturing.....	5	6	4	4	5	2	8	7	7	7	9	20
Finance and insurance.....	10	11	10	8	8	10	7	8	8	11	16	15
Other industries.....	1	3	2	6	7	1	1	4	7	5	6	5
Other areas	4	4	3	3	3	3	2	6	5	4	5	10
Manufacturing.....	1	1	1	1	1	1	1	1	2	2	1	2
Finance and insurance.....	2	2	1	1	1	(*)	—1	3	2	2	3	6
Other industries.....	1	1	1	1	1	2	2	2	1	—1	1	2

*Less than \$500,000.

Table 21.—Income¹ paid to foreign owners of direct investments in the United States, by area and industry, 1950-61

[Millions of dollars]

Area and industry	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
All areas, total	169	186	181	195	176	180	177	187	213	219	247	233
Petroleum.....	34	63	52	19	32	19	19	22	27	20	46	12
Manufacturing.....	34	37	48	75	36	53	48	59	64	66	66	66
Finance and insurance.....	75	63	64	76	83	81	69	73	94	110	112	130
Other industries.....	26	23	18	25	25	27	41	33	28	24	23	25
Canada	41	42	58	82	60	65	75	82	101	84	89	95
Petroleum.....	3	3	1	4	5	3	3	4	14	3	3	3
Manufacturing.....	9	16	31	50	20	31	23	31	24	23	23	22
Finance and insurance.....	21	16	18	20	24	20	29	36	52	47	52	58
Other industries.....	11	7	8	8	11	11	20	11	11	12	11	12
Europe, total	127	141	122	112	113	111	98	99	105	129	154	132
Petroleum.....	34	60	51	15	27	16	16	18	13	17	43	9
Manufacturing.....	25	21	17	25	16	21	25	28	40	43	43	44
Finance and insurance.....	53	43	42	55	56	57	36	31	35	57	55	66
Other industries.....	15	17	12	17	14	16	21	22	17	12	13	13
United Kingdom.....	67	67	65	50	58	58	48	41	43	64	74	60
Petroleum.....	12	21	20	5	9	5	5	5	3	4	15	1
Manufacturing.....	11	9	9	6	5	9	12	12	17	20	20	19
Finance and insurance.....	34	26	31	33	34	32	16	13	14	30	28	30
Other industries.....	10	11	5	6	10	11	15	11	9	10	11	10
Netherlands.....	35	51	37	22	30	22	25	28	31	32	43	27
Petroleum.....	21	39	31	10	18	11	11	12	10	12	27	7
Manufacturing.....	10	7	4	9	9	9	10	11	15	15	15	16
Finance and insurance.....	2	3	(*)	2	3	2	2	2	2	2	1	3
Other industries.....	2	2	2	1	(*)	(*)	2	3	4	1	1	1
Switzerland.....	12	12	13	22	12	18	15	14	19	23	22	28
Petroleum.....	3	4	3	8	(*)	2	2	5	6	6	6	6
Manufacturing.....	8	6	7	12	12	13	10	5	11	15	15	21
Other industries.....	1	2	3	2	(*)	3	3	4	2	1	1	1
Other.....	12	11	7	18	13	13	10	16	12	12	15	17
Petroleum.....	(*)	-----	(*)	(*)	(*)	(*)	(*)	1	(*)	1	1	1
Manufacturing.....	1	1	1	2	2	1	1	(*)	2	2	2	3
Finance and insurance.....	9	8	4	8	7	10	8	11	8	10	12	12
Other industries.....	2	2	2	8	4	2	1	4	2	(*)	(*)	1
Other areas	3	4	2	1	3	3	4	6	6	6	6	6
Finance and insurance.....	3	4	2	1	3	3	4	6	5	6	6	6
Other industries.....	-----	-----	-----	-----	-----	-----	-----	(*)	1	1	(*)	(*)

*Less than \$500,000.

¹ Includes dividends, interest, and branch earnings, after withholding taxes.

Table 22.—Foreign share of undistributed profits of direct-investment enterprises in the United States, by area and industry, 1950–61

[Millions of dollars]

Area and industry	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
All areas, total	190	169	134	163	162	187	167	157	156	233	174	238
Petroleum.....	66	57	51	78	55	80	86	92	70	100	69	110
Manufacturing.....	99	83	50	50	75	66	63	55	78	93	72	94
Finance and insurance.....	11	16	19	19	16	21	10	—2	—6	25	19	21
Other industries.....	12	13	14	16	16	18	8	12	14	16	14	14
Canada	69	59	34	34	37	45	22	17	28	46	34	40
Petroleum.....	1	4	3	6	6	8	8	13	3	12	10	18
Manufacturing.....	60	47	24	17	29	23	12	1	26	38	27	26
Finance and insurance.....	(*)	2	(*)	1	1	2	3	3	—	3	3	3
Other industries.....	8	6	7	10	1	12	—1	(*)	—1	—7	—6	—7
Europe, total	120	107	97	126	123	140	141	136	124	185	136	193
Petroleum.....	65	53	49	72	48	72	78	79	66	87	59	92
Manufacturing.....	39	35	24	32	45	43	49	53	50	53	44	66
Finance and insurance.....	12	13	19	17	16	19	7	—6	—7	23	15	16
Other industries.....	4	6	5	5	15	6	9	10	15	22	19	19
United Kingdom.....	46	47	37	57	52	58	55	53	35	77	49	73
Petroleum.....	23	22	16	28	17	24	28	29	25	39	26	39
Manufacturing.....	12	14	7	15	21	22	23	25	22	20	11	22
Finance and insurance.....	8	10	11	12	10	14	3	—4	—16	12	8	7
Other industries.....	3	1	3	2	4	—2	1	3	4	7	5	5
Netherlands.....	55	38	40	51	45	62	60	61	60	72	51	74
Petroleum.....	41	31	32	44	31	47	50	51	41	50	32	52
Manufacturing.....	13	6	8	6	11	13	9	9	14	15	14	16
Finance and insurance.....	—	—	(*)	1	1	1	1	(*)	2	1	(*)	1
Other industries.....	1	1	—	—	2	1	(*)	1	3	4	5	5
Switzerland.....	12	13	9	12	18	17	19	18	17	21	18	22
Manufacturing.....	10	10	6	8	10	7	10	12	9	12	12	12
Finance and insurance.....	2	1	2	3	3	3	4	(*)	6	4	2	5
Other industries.....	—	2	1	1	5	7	5	6	2	7	4	5
Other.....	6	9	11	6	8	3	7	4	12	15	18	24
Petroleum.....	(*)	(*)	1	(*)	(*)	1	(*)	—1	(*)	(*)	1	1
Manufacturing.....	4	5	3	3	3	1	7	7	5	6	7	16
Finance and insurance.....	2	2	6	1	2	1	—1	—2	1	5	5	3
Other industries.....	—	2	1	2	3	(*)	1	—	6	4	5	4
Other areas	2	2	2	2	2	3	3	4	4	3	4	5
Manufacturing.....	1	1	1	1	1	1	1	1	2	2	1	2
Finance and insurance.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1	1	2	2
Other industries.....	1	1	1	1	1	2	2	2	1	1	1	2

*Less than \$500,000.

Table 23.—Foreign share of undistributed profits of foreign direct-investment enterprises in the United States, by country and industry, 1959

[Millions of dollars]

Area and country	All industries, total	Mining and smelting	Petroleum	Manufacturing	Transportation and utilities	Trade	Finance and insurance	Miscellaneous ¹
All areas, total.....	233	6	100	93	-11	20	25	1
Canada.....	46	2	12	38	-15	5	3	1
Europe, total.....	185	5	87	53	4	14	23	1
United Kingdom.....	77	5	37	20	-1	4	12	(*)
Other Europe, total.....	108	-----	51	33	4	10	9	1
Belgium.....	2	-----	(*)	(*)	(*)	(*)	2	(*)
France.....	3	-----	1	1	-----	1	(*)	(*)
Germany.....	5	-----	-----	1	-----	2	2	(*)
Italy.....	-3	-----	-----	-4	-----	1	(*)	-----
Netherlands.....	72	-----	50	16	5	(*)	(*)	(*)
Sweden.....	8	-----	-----	7	(*)	(*)	(*)	(*)
Switzerland.....	21	-----	-----	12	-----	5	4	(*)
Other.....	1	-----	-----	(*)	(*)	(*)	(*)	(*)
Other areas.....	3	-----	-----	2	(*)	1	1	-1

*Less than \$500,000.

¹ Includes agriculture.**Table 24.—Reconciliation of data on income of foreign direct-investment enterprises in the United States, by area, 1959**

[Millions of dollars]

Net income and undistributed profits	All areas, total	Canada	Europe						Other areas
			Total	United Kingdom	Netherlands	Sweden	Switzerland	Other	
Net income	474	115	355	160	132	12	42	8	4
Less:									
Branch profits.....	85	31	53	30	8	1	13	1	1
Preferred dividends.....	5	3	3	1	(*)	(*)	1	(*)	(*)
Equals: Earnings on common stock.....	384	81	299	129	124	11	29	7	3
U.S. share.....	56	12	44	19	28	2	3	-8	(*)
Foreign share.....	328	69	255	109	96	9	26	15	3
Foreign share	328	69	255	109	96	9	26	15	3
Less:									
Dividends to foreign investors after withholding taxes ¹	90	22	68	32	23	1	5	7	(*)
Withholding taxes.....	4	2	3	1	1	(*)	(*)	(*)	(*)
Equals: Foreign share of undistributed profits.....	233	46	185	77	72	8	21	8	3

*Less than \$500,000.

¹ Difference from dividend total in tables 18 and 19 represents \$3 million of preferred dividends paid abroad.

How's Business?



TO KEEP you up to date on economic conditions the monthly **SURVEY OF CURRENT BUSINESS** offers these features—

The Business Situation

A succinct and timely report—with charts—on significant developments in production, sales, inventories, incomes, prices, and other key areas. The whole range of monthly developments is evaluated to provide a basis for understanding current business trends.

Special Articles

At more length, the critically important developments are analyzed in detail. Staff members relate recent trends to long-range business and government operations, using

background and source materials often not available elsewhere.

Monthly Business Statistics

Among 2,600 different series included each month are: *Economic Indicators* such as national income, international transactions, retail and wholesale sales, manufacturers' orders and inventories; *Industry Data* on production, prices, and shipments in a wide variety of fields such as chemicals, foodstuffs, metals, leather, paper, printing, textiles, and construction.

Fast Weekly Service

A 4-page statistical supplement, giving the latest figures on all important indicators of business activity, is mailed every week, *at no extra charge*, to keep subscribers posted throughout the month.

SURVEY OF CURRENT BUSINESS

Available from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., or from the nearest U.S. Department of Commerce Field Office. Subscription price \$4.00 a year; foreign \$7.50. Single copy 30 cents.

BASIC DATA ON THE UNITED STATES ECONOMY

International Transactions

PUBLICATIONS

SURVEY OF CURRENT BUSINESS four times annually—in the March, June, September, and December issues—provides the latest data on international transactions of the United States, focusing on the balance of payments. In addition, articles in other months are devoted to private investments abroad, travel expenditures, and other aspects of foreign trade. Annual subscription, \$4.00. Single issues 30 cents.

+ + +

U.S. BUSINESS INVESTMENTS in Foreign Countries. A report on the foreign expansion of American industry, providing the basic facts needed to form a clear understanding of the major function, in the world economy, of the spread of U.S. business interests abroad. 147 pp., \$1.00.

+ + +

BALANCE OF PAYMENTS of the United States, 1949–51. Describes the methods and sources employed in establishing these national accounts. 165 pp., \$1.25. More recent data in *March Survey of Current Business* annually, 30 cents.

U.S. INVESTMENTS in the Latin American Economy. A comprehensive study of the role of U.S. industry in the developing countries of Latin America, containing new data on production, foreign exchange, earnings, capital outlays, local expenditures, employment, etc. 194 pp., \$1.75.

+ + +

FOREIGN INVESTMENTS of the United States. Complete results of the fifth periodic census of American direct investments abroad. 61 pp., 50 cents.

+ + +

FOREIGN AID by the United States Government, 1940–51. A complete history of Government expenditures abroad from the beginning of Lend-Lease until after the Korean invasion. 118 pp., \$1.00.

+ + +

BUSINESS STATISTICS, 1961 Biennial Edition. A basic reference volume for businessmen and economists, providing a roundup of the statistics reported in the monthly issues of the *Survey of Current Business*. 340 pp., \$2.00.

Orders may be placed with the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., or the nearest U.S. Department of Commerce Field Office. Check or money order should be sent with orders.