The increase in Government investment since 1956 can be explained largely by U.S. Government credits for the disposal of agricultural products.

The larger part of the earnings received from U.S. investments abroad are on direct investment. Receipts on portfolio investments are only about one-fourth as large. Table 15 shows the source of receipts on foreign investments, together with payments remitted to holders of foreign investments in the United States. The last column of the table shows the excess of earnings on U.S. investments abroad over remittances on foreign investments in the United States.

TABLE 14.—*U.S. private and governmental outflows of capital, 1950–60*

[In millions]

	Private				Government			
	Direct	Other long term	Short term	Total private	Long term	Repayments	Short term	Net
1950	$621	$495	$149	$1,265	$414	−$295	$37	$156
1951	528	437	103	1,068	458	−305	3	156
1952	850	214	94	1,158	847	−429	2	420
1953	721	−185	−167	369	716	−487	−11	218
1954	664	320	635	1,619	306	−507	108	−93
1955	779	241	191	1,211	383	−416	343	310
1956	1,859	603	528	2,990	545	−479	563	629
1957	2,058	859	258	3,175	993	−659	624	958
1958	1,094	1,444	306	2,844	1,272	−647	341	966
1959	1,204	845	96	2,145	1,016	−997	335	[1] 354
1960 [2]	1,114	859	817	2,790	1,060	−581	517	996

[1] Not including the $1,375,000 increase in the U.S. subscription to the International Monetary Fund.
[2] Annual figures based on official figures for 1st 9 months.

TABLE 15.—*U.S. receipts and payments on capital investment, 1950–60*

[In millions]

	Receipts				Payments on foreign investments in the United States [1]	Net receipts over payments
	Total	On direct investments [1]	On portfolio investments	On U.S. Government credits		
1950	$1,593	$1,294	$190	$109	$345	$1,248
1951	1,882	1,492	192	198	355	1,527
1952	1,828	1,419	205	204	390	1,438
1953	1,910	1,419	216	252	450	1,460
1954	2,227	1,725	230	272	419	1,808
1955	2,444	1,978	260	274	502	1,942
1956	2,611	2,120	297	194	580	2,031
1957	2,881	2,313	363	205	653	2,228
1958	2,922	2,198	417	307	676	2,246
1959	2,948	2,138	467	343	822	2,126
1960 [2]	2,976	2,208	499	269	938	2,038

[1] Not including undistributed profits of subsidiaries.
[2] Annual figures based on official figures for 1st 9 months.

Source: Survey of Current Business, December 1960.

Considering direct private investment only, returns in the form of earnings have been greater than the net outflow of capital in all years, including 1956 and 1957 (table 16). The capital position of the United States with respect to the balance of payments, however, is affected by all capital investments and earnings thereon, not by direct investments alone.