TABLE 16. *Direct U.S. foreign investment: Capital outflow and net return thereon, 1954–60*

[In millions]

Year	Capital outflow	Returns	Balance
1954	−$664	+$1,725	+$1,061
1955	−779	+1,978	+1,199
1956	−1,859	+2,120	+261
1957	−2,058	+2,313	+255
1958	−1,094	+2,198	+1,104
1959	−1,204	+2,138	+934
1960 [1]	−1,114	+2,208	+1,094

[1] Annual estimate based on figures for 1st 9 months.

Direct private U.S. investments are concentrated in Canada, Latin America and Western Europe. In other areas direct investments are small, except in certain petroleum-producing areas. Direct investment in manufacturing enterprises is concentrated in Canada and Western Europe.

One of the reasons for the increase in direct foreign investment in the past few years has been the formation of the European Common Market by Belgium-Luxembourg, the Netherlands, France, West Germany, and Italy. The recent formation of the European Free Trade Association by the United Kingdom, Norway, Sweden, Denmark, Switzerland, Austria, and Portugal should provide additional incentives to U.S. private investors. Table 17 shows the destination of new direct investment by geographical regions.

Outstanding U.S. direct investments, by industry and area in 1959, are shown in table 18. Table 19 shows outstanding U.S. Government credits and claims, also by regions. Together, they amounted to over $48 billion.

TABLE 17.—*New direct private investments, by geographical regions, 1956–60*

[In millions]

	1956	1957	1958	1959	1960 [1]
Western Europe	$486	$254	$173	$439	$518
Canada	542	584	398	427	385
Latin America	592	1,090	325	193	63
All others	239	130	198	145	148
Total	1,859	2,058	1,094	1,204	1,114

[1] Annual rate based on 1st 9 months.

Source: "Balance of Payments, Statistical Supplement" and "Survey of Current Business."