TABLE 18.—*Distribution of U.S. direct investments, by industry and area, 1959*

[In millions]

	Total	Mining and smelting	Petro- leum	Manu- factur- ing	Public utilities	Trade	Other
Canada	$10,171	$1,090	$2,465	$4,558	$636	$564	$858
Latin America	8,218	1,258	2,963	1,405	1,101	641	850
United Kingdom	2,475	(1)	492	1,607	9	240	126
Other Western Europe	2,825	50	961	1,320	35	341	119
All others	6,046	460	3,542	802	632	253	357
Total	29,735	2,858	10,423	9,692	2,413	2,039	2,310

1 Less than $500,000.

Source: U.S. Department of Commerce, "U.S. Business Investments," 1960, p. 89.

TABLE 19.—*U.S. Government loans and claims, by area, 1959*

[In millions]

Region	Total	Long term	Short term
Western Europe	$9,378	$8,528	$850
Latin America	1,940	1,781	159
Other foreign countries	3,537	2,411	1,126
International institutions	3,476	3,472	4
Total	18,331	16,192	2,139

Source: Survey of Current Business, September 1960.

The U.S. Government has investments of almost $3.5 billion in international institutions, principally the International Monetary Fund and the International Bank for Reconstruction and Development.

It remains to be seen whether the United States is entering a new long-term phase in its international balance-of-payments position. If there is to be a substantial and prolonged increase in the movement of U.S. capital abroad relative to foreign capital invested in the United States, it is to be expected that eventually there will be a changed relationship between merchandise exports and merchandise imports, with the latter expanding in relation to the former as the income on existing investments abroad comes to exceed new capital outflow, allowing of course for unilateral payments in the form of military expenditures and foreign aid grants.

Military Expenditures and Foreign Aid

Unilateral transfers are one-sided transactions by which dollars are given to nationals of another country without there being a quid pro quo in any immediate or tangible form. In a sense, capital investment is a unilateral transfer, except that the funds are sent abroad in the expectation that there will be an inflow of funds in larger amount in the future. Portfolio investment is evidenced by the receipt of a piece of paper known as a security.

The most important unilateral transfers are expenditures for the support of the U.S. Military Establishment abroad and U.S. Government grants for nonmilitary aid.