stricted this trend of decreasing exports, increasing imports, and displacement of American industry and labor will continue.

PRIVATE FOREIGN INVESTMENT

U.S. foreign investment—and, as a substantial part of this category, U.S. private foreign investment—must be given full consideration as an inseparable part of our foreign trade policy. The following chart "A" will serve to show the astounding increases in our U.S. foreign investments; chart "B" the area distribution of U.S. direct private foreign investments; chart "C" the industry distribution of U.S. direct private foreign investments.

(The sources of information for charts A, B, and C were the 1958 hearings by the Subcommittee on Private Foreign Investment, and the Department of Commerce Survey of Current Business, September, 1967.)

U.S. CHART A.—INVESTMENTS ABROAD

[In millions of dollars]

	1950	1957	1966
Total, U.S. investments abroad	32,844	54,215	111,874
Private investments	19,004	36,812	86,235
Long term	17,488	33,588	75,565
Direct	11,788	25,252	54,562
Portfolio	5,700	8,336	21,003
Short term	1,516	3,224	10,670
U.S. Government credits and claims	13,840	17,403	25,639
Long term	13,518	15,548	21,182
Short term	322	1,855	4,457

Mr. SMITH. In chart A we find that total U.S. investment abroad in 1966 has increased by practically four times the 1950 figure of $32.8 billion. The large share of the 1966 total figure is made up of private investments, $86.2 billion of the $111.8 billion total for 1966.

The divisions of private investment are long term meaning a period in excess of 1 year, and short term. The book value of our various short-term private investments at the end of 1966 totaled $10.6 billion.

Long-term private investments can be placed in two categories, portfolio and direct. Portfolio investment largely entails private ownership of foreign government bonds and business securities, with no implication in management decisions. Portfolio investment abroad in 1966 totaled $21 billion.

Direct foreign investment is ownership of 25 percent or more of a business and usually important management participation.

I understand that that figure of 25 percent is somewhat less now and could be as little as 10 percent of participation.

Private direct foreign investments abroad in 1966 totaled $54.5 billion.

In all divisions of private foreign investment, comparing 1950, 1957, and 1966, there have been tremendous increases in the holdings of U.S. companies and private investors abroad.