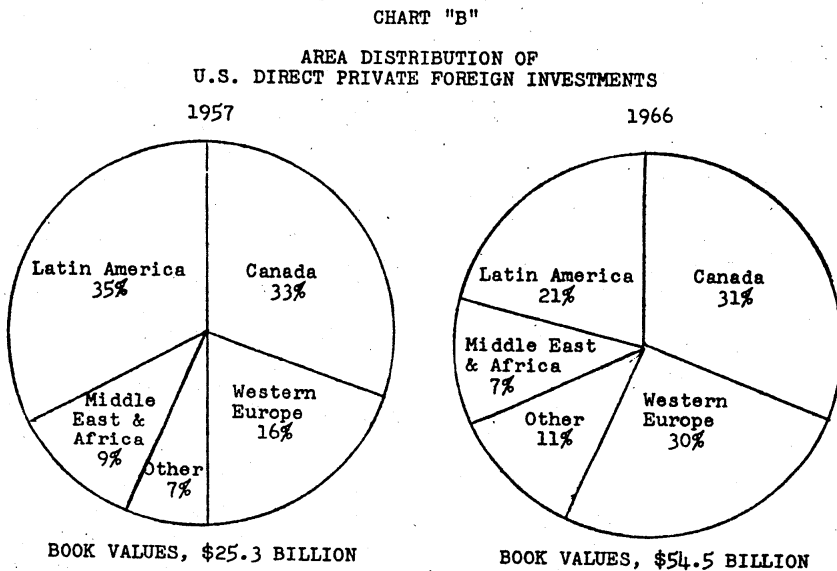


Direct foreign investment is ownership of 25 percent or more of a business and usually important management participation. Private direct foreign investments abroad in 1966 totaled \$54.5 billion.

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



In Chart "B" comparing the area distribution of direct private foreign investment for 1957 with 1966 we find that considerable went into Western Europe, with a 14 percent increase, so the investment flow is to the developed countries of Western Europe, while the less developed and under developed countries in Latin America, Africa and the Middle East dropped considerably in investments to their areas. And this happened despite the emphasis, stated in the 1958 hearings, on the necessity of changing the private investment pattern to encourage more flow to Latin America, Middle East and Africa to deter the Soviet economic offensive in those areas.