

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, July 30, 1958

SURVEY OF FOREIGN INVESTMENTS

To the Member Bank Addressed:

There is enclosed for your information a reprint pertaining to the survey of foreign investments announced in the July 1958 issue of the *Federal Reserve Bulletin*.

You will note that certain fiduciaries, as well as owners of foreign investments, are required to furnish reports to the United States Department of Commerce.

Yours very truly,

WATROUS H. IRONS

President

Enclosure

Survey of Foreign Investments

A second postwar survey of American business investments abroad is now being undertaken by the Office of Business Economics of the United States Department of Commerce, it was announced today.

United States business firms and other United States residents having investments in foreign branches, subsidiaries and associated companies as of December 31, 1957, are being asked to file returns by August 31, 1958.

Information to be collected in the new survey will provide a complete measure of the size and composition of these investments. At the time of the last Commerce survey in 1950, United States private direct foreign investments had a book value of about \$12 billion. Since that time, it is estimated that this amount has approximately been doubled.

Data to be developed will show in detail the way this growth has been distributed among countries and industries, and will provide basic statistics for the compilation and understanding of the balance of payments between the United States and foreign countries. These statistics are essential for programming the foreign operations of the United States Government, and provide basic guides for the many firms that now have or are contemplating the establishment of productive facilities abroad.

The information collected will include payments in foreign countries for wages, taxes and materials, gross investment expenditures and sources of financing, total output broken down to show local sales and exports to the United States and other countries, imports, earnings and income remittances, and employment provided to United States and local personnel. It is expected that these statistics will greatly enhance the understanding here and abroad of the constructive role of United States private foreign investments in economic de-

NOTE.—Release to morning papers, June 30, 1958, by the Office of Business Economics, U. S. Department of Commerce.

velopment, and may thereby foster the freer flow of sound capital investment among nations.

This survey is mandatory, and reports must be filed by those persons and business concerns having the type of foreign business investments mentioned above and specified in more detail in the instructions available with reporting forms. In general, reports are required from each United States resident having a direct interest of at least 10 per cent—or in conjunction with United States or foreign affiliates, an interest of at least 25 per cent—of the voting securities, or other certificates of ownership, of a foreign business organization. Such foreign organizations may take the form of direct proprietorships, partnerships, foreign branches, or foreign-incorporated enterprises.

Completed reports are to be filed by August 31, 1958, with the Office of Business Economics, United States Department of Commerce, Washington 25, D. C. Additional information and copies of the forms and instructions may be obtained from that Office or from Commerce Department field offices throughout the United States.

Details of the survey will be published in the Federal Register dated Tuesday, July 1, 1958.

In the case of banks or others acting as trustees or administrators of estates, the following section of the instructions should be noted:

"2. Estates and trusts.—Direct foreign investments held by a domestic estate or trust, i.e., an estate or trust created under the laws of the United States or any subdivision thereof, shall be reported by the fiduciary and not by a beneficiary. Such property must be reported whether or not any beneficiary is subject to the laws of the United States or any subdivision thereof. Any trust actually created in the United States even though the trust instrument provides that the trust shall be subject to the laws of a foreign country must report."

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