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UNITED STATES PROGRAMS AND ACTIVITIES CONTRIBUTING TO THE INDUSTRIALIZATION OF DEVELOPING COUNTRIES

Presented by the Government of the United States

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SUMMARY

Submitted by the Government of the United States

* This paper is a summary of the document by the same name issued as ID/CONF.1/G.45.

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1. The United States' own early economic development is an example of the way in which developing countries rely upon the developed nations to assist them in industrializing. Subsequently as the industrialization advanced, it has been able in turn to make substantial contributions to the economic growth of the developing countries.

Forms of United States support for industrialization

2. The more important types of United States contribution to the industrialization of developing countries are:

I. Bilateral economic assistance

- Technical assistance
  - Training
  - Consultation and advisory services
- Financial assistance
  - Project loans
  - Programme loans
  - Intermediate credit institutions

II. Export-Import Bank financing of capital equipment and projects

III. U.S. Assistance through contributions to multilateral organizations.

- UNIDO
- United Nations Development Programme
- World Bank Group
- Regional development banks

IV. Special U.S. governmental incentives and promotional programmes to stimulate further increases in the flow of private capital to the developing countries

V. Direct private investments in industrial enterprises in developing countries.

United States commercial policy

3. U.S. commercial policy contributes indirectly to industrialization in two principal ways, through its effect upon the exports of the developing countries:

(a) By providing liberal access to the U.S. market for primary commodities, which account for 80 - 85 per cent of the developing countries' export earnings,

(b) By supporting regional trading arrangements between developing

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countries in order to permit the establishment in these markets of industries capable of competing with industries based in developed countries.

Major forms of bilateral economic assistance

4. Since 1948, the United States, in addition to assistance through private channels, has made contributions to the industrialization of developing countries under a programme of bilateral economic assistance. This programme is administered primarily by the U.S. Agency for International Development (A.I.D.) and its predecessors. This assistance can be divided into two major types, technical assistance and financial assistance.

Technical assistance

5. The Agency for International Development provided many kinds of technical assistance to meet high priority needs of the industrial sector and improve the quality of output and the marketing of products. Such assistance also helps to mobilize domestic financial resources for industrial investment.

6. A major feature of the technical assistance programme is training specialists and administrators in developing countries by sending American technical experts to advise them and by providing for training of developing country specialists in the United States and other countries.

7. Some 500 A.I.D.-financed technicians are now providing assistance in the manufacturing and mining sectors, 450 are working in transportation, and more than 250 are engaged in the development of co-operatives. In order to make available high-caliber specialists in a wide variety of fields, A.I.D. continues to increase its use of private American skills and talents. Experts from American universities, business firms, labour unions, co-operatives and non-profit organizations now account for more than 40 per cent of the A.I.D. technicians overseas. Other U.S. Government agencies including the Department of Agriculture, Labour and Commerce also supply specialized personnel needed to undertake technical assistance programmes.

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Financial assistance

8. The second major type of bilateral assistance to the developing countries is financial assistance.

9. One form of financial assistance consists of project and programme loans to the developing countries at low interest rates, with repayment extending over a relatively long period. U.S. assistance for high priority capital projects contributes both directly and indirectly to industrial development. A.I.D. provides the necessary financing on favourable terms for a wide variety of industrial projects including fertilizer plants, steel mills and cement plants.

10. Programme loans, initiated in 1964, make available large sums of dollars and local currency to finance the development plans of the developing countries. In 1966, A.I.D. authorized a total of $822 million in programme loans to thirteen countries. Indications are that as economic planning competence increases in the developing countries, programme loans will become increasingly more important as a tool to support sound country plans.

11. Another significant phase of the bilateral assistance programme is the establishment of intermediate credit institutions. These institutions provide capital to small and medium-sized enterprises in the developing countries at reasonable interest rates for medium and long-term financing. Since 1958, 104 intermediate credit institutions have been organized in forty-three countries.

Export-Import Bank

12. The U.S. Export-Import Bank was established in 1934. While the Bank was primarily set up to finance the foreign trade of the United States, it has not only financed large amounts of capital equipment through exporter credits for industrial projects in developing countries, but has extended comprehensive project loans for many major industrial projects.

Assistance through multilateral organizations

13. Through its contributions to various United Nations organisations, the United States plays an active role in furthering the efforts of developing countries toward industrialization.

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14. The United States contributes 32 per cent of all funds UNIDO receives out of the U.N. budget and approximately 40 per cent of all funds UNIDO obtains through its participation in the U.N. Development Programme. In addition, in 1966 the U.S. contributed through the U.N. Development Programme $2.0 million to a programme of Special Industrial Services to be executed by UNIDO.

Encouraging increase of private foreign investment

15. In addition to this direct financial and technical support contributed by the United States Government under its bilateral assistance programmes, the United States has adopted various measures to stimulate an increased flow of private financial and technical support for industrialization of the developing countries. These include direct promotional efforts to encourage an increased flow of private investment, as well as a system of financial incentives and guarantees designed to make foreign industrial investment financially more attractive to American firms.

16. Direct private investment from foreign sources offers the greatest single promise for a major acceleration in foreign industrial development for the resources from private sources exceed those of governmental assistance programmes. Furthermore, such investments facilitate the transfer of industrial know-how. The United States has exempted investments by American firms in the developing countries from the measures which have been taken for balance of payments reasons in recent years to moderate the flow of U.S. investment to the industrialized countries.

17. The United States Government has set up special programmes to implement the U.S. policy of encouraging private investments in the developing countries. Arrangements have been made to guarantee U.S. foreign investment, provide pre-investment surveys, inform U.S. business concerning the opportunities for investing in developing countries, assist U.S. companies which seek to make investments in developing countries.

18. In less than ten years the value of United States private direct investments in manufacturing establishments in the developing countries more than doubled. At the same time, the returns on U.S. direct investment in the manufacturing in the developing countries over the past several years appear to have been quite moderate.

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I. Summary of United States Programs and Activities Contributing to Industrialization of Developing Countries

A. The overview

(1.) In the modern world it has been usual for the economic and industrial development of developing countries to benefit from technical and financial support from more developed nations. This support has taken the form of imports of both capital and technical know-how. The United States' own development is an example of this process. Large investments in United States industry were made by the more advanced nations of Western Europe to which the United States was also heavily indebted for management and for scientific support. At a later stage U.S. industrial development reached the point at which the United States in its turn began to contribute significantly to the industrialisation of other regions of the world.

(2.) At the outset, this contribution was made entirely through private channels, in the form of investments in productive enterprises in developing countries, including joint ventures and licensing agreements and portfolio investment.

(3.) In 1948, the United States Government embarked on a major program of bilateral economic assistance which further increased the U.S. contribution to industrial development of foreign countries -- a program which is still in progress. This assistance program, administered by the U.S. Agency for International Development and its predecessors, contributes massively to industrialisation in the developing areas of the world. The direct contribution of this program is in two principal forms, technical assistance and financial assistance.

(4.) A third major channel for such support has been the program of the United States Export-Import Bank which was established in 1934. While the Export-Import Bank was primarily established to finance United States foreign trade, it has not only financed large amounts of capital equipment through exporter credits for industrial projects in developing countries, but has extended project loans for many major industrial projects.

(5.) In addition to this direct financial and technical support given under its assistance programs, the United States has adopted various measures to stimulate an increased flow of private financial and technical support for industrialization of the developing countries. These include direct promotional efforts to encourage an increased flow of private investment, as well as a system of financial incentives and guarantees designed to make foreign industrial investment financially more attractive to American firms.

(6.) The United States places great emphasis upon these efforts to increase the private sector's contribution to industrialization of developing countries for two reasons. The first is that the resources potentially available from private sources far exceed those of governmental assistance programs, and an increased role by private investment therefore offers the greatest single promise for a major acceleration in foreign industrial development. The other reason is that direct foreign private investment automatically facilitates the transfer of the know-how which is just as vital to successful industrialisation as the capital and equipment itself.

(7.) Because of the importance it attaches to this objective, the United States has taken special care to ensure that investments by American firms in the developing countries are wholly exempt from the measures which have been taken in recent years to moderate the flow of U.S. investment to the industrialised countries of the world, as part of the United States program to reduce its balance-of-payments deficit.

(8.) All of these programs have the objective to assist nations to maintain their independence and become self-supporting. To attain these goals, industrial development plans should take into account all of the factors that contribute to growth: capital formation, the development of sound modern credit and financial institutions, the contribution of private enterprise, skilled male and female workers, managerial skills, and the creation of necessary motivation and incentives.

B. U.S. commercial policy

(9.) The indirect role of commercial policy in contributing to industrialisation is a factor worth noting. U.S. commercial policy affecting the exports of the developing countries includes two principal elements: (1) liberal access to the U.S. market and (2) support of regional trading arrangements between developing countries.

(10.) 1. Market access. The U.S. maintains zero or very low import duties on primary commodities, which account for 80-85 percent of the developing countries' export earnings. The U.S. has been the leading proponent of multilateral reduction of trade barriers, notably in the GATT. The U.S. maintains relatively few quantitative restrictions on imports and, in those cases where such restrictions have been found to be necessary, efforts are made to lessen the impact on developing countries.

(11.) The result of this general policy of minimum restrictions on access to the U.S. market is reflected in trade statistics: U.S. imports from the developing countries have been rising without interruption throughout the post-World War II era. In 1966, the U.S. imported goods valued at $7.8 billion from the developing countries. The U.S. alone imports about 40 percent of all manufactured products exported by all developing countries combined. The percentage of total U.S. imports of manufactures which originate in the developing countries (about 12 percent) is higher than that of any other industrialized country.

(12.) 2. Regional trading arrangements. U.S. commercial policy recognizes that the national markets of many developing countries are too small in terms of effective purchasing power to permit the establishment in those markets of industries capable of competing with industries based in the developed countries. Therefore, the U.S. has encouraged the formation by the developing countries of free trade areas and customs unions which are recognized by GATT as justifying exceptions from the most-favored-nation rule. Thus, the U.S. has supported the Central American Common Market and the Latin American Free Trade Association, as well as more recently the proposed establishment of a Latin American Common Market.

II. U.S. Bilateral Assistance

A. Contribution to the industrialization process in the developing countries

(13.) Through their own efforts and with assistance from the United States and other developed countries and international organizations, the nations of Africa, Asia, the Middle East and Latin America have increased their industrial output at an average annual rate of more than 6% since 1950. This section discusses in general terms the U.S. economic programs contributing to industrialization in the developing countries.

B. Principles of U.S. economic assistance

(14.) The Agency for International Development (A.I.D.) is responsible for carrying out the U.S. foreign economic assistance program. The principles which guide this program result from some twenty years of experience with foreign assistance starting with postwar programs of relief and reconstruction. As the largest single supplier of economic assistance the U.S. maintains A.I.D missions in most of the recipient countries and makes a continuing study of each country's needs. A system of country programming has evolved in which account is taken of the effectiveness with which the country can use available resources -- both internal and external -- to promote economic and social development, the country's priority needs and the availability to the country of other suitable external resources. These factors which largely determine the countries eligible for development assistance and the amounts and kinds of aid they receive derive from the basic objective of assisting countries to become economically viable. This aid is most effective in bringing about the transition from economic dependence or stagnation to self-sustaining growth if it is concentrated in countries that are making a determined effort to achieve economic and social development. There it serves as a catalytic agent which permits the mobilisation of a much larger development effort. Self-help is therefore the dominant theme of U.S. assistance efforts.

C. Types of economic assistance and their contribution to industrialization

(15.) Since the beginning of the foreign aid program in 1948, the U.S. has provided on a bilateral basis over $65 billion in economic assistance. The assistance takes a variety of forms and most of it contributes to industrialisation, either directly or indirectly.

(16.) Of major importance is U.S. financing of general import programs in developing countries. Through this type of assistance A.I.D. makes available to developing countries materials and machinery necessary to sustain and modernize existing industrial facilities and to increase industrial capacity. Financing of general import programs now accounts for nearly half of all A.I.D. bilateral assistance.

(17.) U.S. assistance for high priority capital projects also contributes significantly to industrial development both directly and indirectly. A.I.D. provides the necessary financing on very favorable terms for a wide variety of industrial projects including fertiliser plants, steel mills and cement plants.

In addition, since 1958 loans and technical assistance have helped to establish 56 industrial development banks in 39 countries which since 1965 have made over three thousand sub-loans to borrowers for new or expanded industrial ventures.

(18.) A major share of A.I.D. project assistance has been for expanding and improving the basic infrastructure essential for industrial development. Most important has been financing of power, communication and transportation facilities. In these areas alone assistance has amounted to nearly $2 billion during the past ten years.

(19.) A.I.D. provides local currency financing as well as dollar financing to developing countries. The large majority of the local currency has been generated under the Food for Freedom program whereby agricultural commodities are sold to developing countries for their own currency and the local currency proceeds of the sales are loaned or granted to the country for development purposes. Although the imports which generate these currencies add to the country's total resources the local currencies collected do not represent resources additional to the original imports. They are, however, a claim against domestic resources and if used judiciously are a non-inflationary source of investment funds. Moreover, this program enables the recipient country to allocate a larger share of its own free foreign exchange for necessary imports other than food.

(20.) One important use of the local currency in the industrial sector has been loans to various types of financial institutions providing working, medium-term and long-term capital for industrial enterprise. Also, local currency loans are available to U.S. companies and their affiliates making high priority investments in developing countries. Such investments can have an important demonstration effect on the modern industrial sector in developing countries and in many cases they are undertaken as joint ventures with host country entrepreneurs.

(21.) Recognizing that private foreign investment can play a significant role in the industrialization process, A.I.D. also administers a wide range of [illegible], investment survey and investment risk sharing programs which are specifically designed [illegible] encourage U.S. private investment in developing countries.

(22.) In addition to financial programs supporting the industrialization efforts of developing countries. A.I.D. provides many kinds of technical assistance to meet high priority needs of the industrial sector. Programs of technical assistance to specific industries, investment promotion and financial institutions, productivity centers, trade unions and associations, research institutions and managerial and vocational training schools help increase industrial productivity, improve quality of output and marketing of products and help to mobilize domestic financial resources for industrial investment. A major focus of the technical assistance program is training the needed specialists and administrators in developing countries by sending abroad American technical experts to advise them and by providing for training of host country specialists in the U.S. and other countries. Local institutions in the fields of labor management relations, industrial safety and hygiene in-plant skills training, and recruitment of the right man for the right job are other examples of A.I.D. technical assistance in support of industrial development. Technical assistance frequently is extended in connection with financing of capital projects for project planning, surveys, feasibility studies and training of key country personnel involved in the management and operation of the facility.

(23.) Some 500 A.I.D.-financed technicians are providing assistance in the manufacturing and mining sectors, 450 are working in transportation, and more than 250 are engaged in the development of cooperatives. In order to make available high-caliber specialists in a wide variety of fields A.I.D. continues to increase its use of private American skills and talents. Experts from American universities, business firms, labor unions, cooperatives and non-profit organizations now account for more than 40% of the A.I.D. technicians overseas. Other U.S. Government agencies including the Departments of Agriculture, Labor and Commerce also supply specialized personnel needed to undertake technical assistance programs.

D. Increased emphasis on agriculture and agro-industry

(24.) In response to the growing food crisis in the less developed world, the U.S. is placing greater emphasis on assistance to increase agricultural output. To this end a larger share of the financial and human resources available to A.I.D. for support of industrialization will be devoted to impproving and expanding the industrial capacity of developing countries (a) to produce the agricultural inputs (e.g., fertilizers, pesticides and agricultural machinery and implements) necessary for increasing agricultural production, and (b) to refine and process agricultural products so as to reduce losses in the market process and to increase their nutritional value. The U.S. Department of Agriculture and other U.S. agencies are helping to encourage private agricultural business investment in less developed countries to further accelerage the progress which is being made. A.I.D. has established a high priority on agro-industrial projects as an official part of its private investment support programs.

E. Kinds of programs

1. Technical assistance

(a) Training

(25.) A.I.D. sponsored development training programs are directly related to the achievement of U.S. and developing countries goals. Training is usually one part of an integrated project. On occasion, however, it may be the sole element of a project designed to provide current and future human resource requirements of priority needs. The A.I.D. Missions together with the cooperating countries develop the scope and determine the time required to complete the training as well as the number of individuals to be trained.

(26.) The cooperating country is expected to pay a pre-negotiated "fair-share" of the cost of every A.I.D. training project.

(27.) A.I.D. does not follow any one training method or procedure. Some programs can best be achieved through planned observation, particularly for experienced technical persons who do not need long programs. These "observation" visits, either by individuals or in groups, may include visits to industrial plants, banks, labor organizations, businesses, governmental agencies, universities and other organizations to increase technical skills and knowledge. Sometimes the tours result directly or indirectly in long-term business relationships.

(28.) A.I.D. also offers to provide academic study in the U.S. in those fields where adequate training is not available in the cooperating country. Degree training is not normally approved unless it is essential to the position for which the participant is being trained.

(29.) On-the-job training programs are offered in many fields of activity within government or private industrial organizations.

(30.) During the eleven year period of 1956-1966, 62,620 foreign participants were brought to the U.S. for training, of this, 17,710 (or 28%) received training in the fields of industry, transportation, housing food technology, and atomic energy. During the Marshall Plan Program in Europe nearly 100% of the participants received training in these same activity fields. Today's program in contrast to the Marshall Plan is one of building basic structures such as the agricultural sector rather than one of updating technical and production knowledge and rebuilding.

(31.) The actual cost of the participant training program is difficult to measure. The 1964 budget gives some idea of the importance given the participant training as related to the total AID program. Obligations for participant training were approximately fifty million dollars in fiscal year 1964.

(32.) Most U.S. industrial and commercial and labor organizations which cooperate in providing time and staff or a specified number of hours and days do not charge AID for the training they provide to AID foreign participants. One organization that has cooperated in the program for a number of years stated: "Foreign participants stimulate the feeling among our employees that they are a part of the world community and that is why we keep our doors open to them."

(33.) Many U.S. governmental agencies assist in the participant training effort in the industrial development area. These include the Departments of Commerce, Labor, Interior, Transportation, Housing and Urban Development, Defense, the Atomic Energy Commission, and many other agencies and bureaus of the U.S. Government.

(34.) No way is known of estimating with precision either the monetary value or other values of contributions made by the American public. The assistance of many high business officials or other leaders, who help in the programming, could not be purchased. A dollar sign cannot be placed on the value of the hospitality offered in many American homes. The cost to contributing organizations of uncompensated technical training alone has been roughly estimated to exceed $10 million, of which more than $4 million comes from private industry, with perhaps a half million from organized labor and much of the remainder from educational institutions, foundations and state and local government agencies.

(35.) A considerable amount of "Local" or "In-Country" training takes place in the host country or a "Third Country" which often is within the same region as the host country. During 1966, there were 4,901 arrivals in the U.S., and there were 2,312 (nearly ½ of the U.S. arrivals) trained in a third country under AID sponsorship.

(36.) The following are typical of the training programs offered in industrial development areas for developing countries:

(1) Studies on the formation and flow of capital.

(37.) The typical program consists of an opportunity to study and observe the sources of capital, how savings are accumulated, how they are translated into investment capital and then channeled into the production of goods and services that people want and need. This includes contacts and visits to saving banks, insurance companies, stock exchanges, investment trusts and the like. The program often includes seminars at a university to explore the basic principles that are applicable regardless of the country and the level of development. The participants are shown the manner in which the U.S. attacks problems of its own under-developed areas. Other study programs might include: credit and financial management, development loan financing, organization of investment trusts, securities markets and their regulations, small business development, insurance and investment and tourism.

(38.) (2) Top management studies. These studies are planned and organized to attract the participation of industrialists of the highest possible level and often include government officials and educators of comparable stature.

(39.) These studies stress the close liaison and cooperation among industry, government and educational institutions and the modern management concepts and those aspects of human relations and social responsibility that tend to account for the high productivity that is typical of industry and commerce in the United States.

(40.) Groups of participants are brought into contact with industry, commercial and research organizations, trade associations and selected schools of business administration. Their studies may include: executive development, decision making by top management, business administration, human relations, inventory control and management, operation research, standardization, simplification and specialization, and long range planning.

(41.) (3) Commercial bank studies. As a result of studies in this area, many bankers have returned home with new ideas, enlarged horizons and further enlightened concepts of the opportunities offered by industrial development and social progress. The diversified contacts with the banking community in the United States have made them aware of the contributions which can accrue as a result of modern concepts in such things as the free exchange of credit information, installment credit, business forecasting, small business forecasting, insured deposits, and enlarged roles and responsibilities generally for the commercial community. Meetings and visits to United States banks, government agencies and international banking institutions round out the study.

(42.) Group or individual studies of the following subjects are made because they are essential to industrial development of the less developed countries: transportation, power, public utilities and services, communications, fertilizers, agricultural machinery, housing, water resources, mining and institution building. These may also include the following additional sub-areas: Transportation--aviation, highways, rivers and harbors, railroads, etc; Communication--radio, telephone, postal service, telegraph, etc; Mining and Minerals--geology, petroleum extraction, coal mining, mineral mining, etc; Agriculture--irrigation, research, distribution systems, etc; Housing--construction, urban planning, water supply, sanitation, mortgages, cooperative housing, hospitals, schools, etc.

(43.) The above training programs are typical of technical studies directly related to the industrial development of a nation and which often play a key role in attaining the goals and objectives of the free countries of the world.

(44.) (b) Consultative and advisory assistance. The U.S. bilateral program, conducted with the cooperation and participation of many private corporations, institutions professional and trade associations as well as of federal, state and municipal government agencies, the American trade union movement, and private citizens, provides various kinds of overseas assistance. Such assistance frequently begins with helping developing countries, at their request, to prepare specific requests for project assistance. Help in analyzing the character and content of assistance is available on a day-to-day informal basis from the regular professional staff personnel of A.I.D. Missions located in developing countries with which the U.S. has bilateral economic assistance agreements. Their staff personnel may assist in the selection of, and arrangements for, individual experts, contractors and other sources of U.S. assistance. They may also assist in helping to see that the maximum benefits are received by the developing country in the performance of the project assistance.

(45.) (1) Kinds of project assistance includes: feasibility studies to identify appropriate areas for development; pre-investment studies to establish the suitability and conditions of proposed investments; advisory and consultative services concerned with the establishment or further improvement of developing country institutions; and advisory and training services directed to the development or execution of training programs in the developing country or in other overseas locations; and advisory and technical services for the solution of specific problems in the developing country.

(46.) (2) Functional areas of assistance include: Manufacturing, process and service-type enterprises, including new and existing facilities. Public and private institutions and organizations concerned with the development of industrial resources including: raw materials, manpower at all levels, selection, operation, maintenance and repair of machinery and equipment, research facilities, programs and organizations, marketing and semi-manufactured products, establishment of quality and other standards, training in high level technical, managerial and entrepreneurial skills and concepts.

(47.) (3) Development Resources Referral Service. This service, available from A.I.D. through its Missions abroad or through developing country missions in Washington, identifies and assists in harnessing non-AID resources available to developing countries. Its services include:

Identifying U.S. non-federal sources of assistance to developing countries;

Receiving requests for assistance which is proposed to be provided by U.S. non-federal sources without A.I.D. financing;

Acting as a broker in matching requests for assistance with U.S. non-federal sources of assistance; and administering the Catalog of Investment Information and Opportunities, the Industry Profiles, and other publications for U.S. businessmen.

(48.) (4) The International Executive Service Corps is financed in part by A.I.D. as a private non-profit U.S. institution, provides high quality U.S. management and technical executives to businesses in the developing countries who need this kind of help but who cannot afford it. In the past three years, about 190 technical transfer type projects were carried out in 38 countries. About 350 new projects have been started so far in 1967.

(49.) (5) Voluntary non-profit agencies. There are close to 500 voluntary and non-profit private agencies in the U.S. whose resources are now being tapped for assistance to the developing countries. It is estimated that about $750 million worth of assistance will be available from these sources when fully organized.

2. Financial assistance

(50.) (a) A.I.D. loans to capital projects. A.I.D. makes project loans for infrastructure facilities which provide basic support for industrial development. A.I.D. also makes project loans for income producing facilities.

(51.) It is the policy of the U.S. with respect to income producing projects to encourage free enterprise in less developed countries and participation by private enterprises.

(52.) Capital activities may be financed by development loans for the purpose of promoting economic development of less developed countries and areas. Emphasis is usually placed on projects designed to develop economic resources and increase productive capacity.

(53.) The financing of private capital projects by A.I.D. depends upon the non-availability of such financing from other free world sources on reasonable terms. It depends also on a reasonable promise of host country contributions to the development of economic resources, the increase of productive capacity, and the extent of the self-help element in the project. In addition, it is required that such projects be consistent with, and related to, other development activities being undertaken or planned, and their contributions to realizable long-range overall country objectives.

(54.) Through loans to private entities, A.I.D. encourages industrialization and the various services related to the transfer of technology, management, equity capital, goods and services. A.I.D. is interested in financing sound projects with or without private U.S. participation, except in the case of projects financed by U.S. owned local currencies which require U.S. approval. The latter type of currencies is generated through U.S. Public Law 480 Agreements, and particularly through the media of "Cooley" funds which requires certain percentages of the agreements to be set aside specifically for loans to private industry. During the past six years, A.I.D. has financed loans amounting to about $775 million for projects worth an estimated $2 billion. About two-thirds of these A.I.D. loans were made to industrial projects, and about one-third to other borrowers including utilities, education, public administration, etc. As a result, a wide range of primary and advanced private and mixed capital industries has been financed in about fifty developing countries.

(b) Program loans

(55.) In 1964, A.I.D. began a new approach in assisting the less-developed countries to establish more permanency in long-range planning for economic and social development. This is the "Program Loan", which is designed to make available large sums of dollars or local currency for enhancing the host government's own development plans based on priority needs. Primarily sector-oriented, it include the fields of agriculture, education, health, industrial raw materials, and capital equipment procurement for building up the country's ability to generate foreign exchange. Rather than release funds for specific projects, as such, their purpose is institution building geared to the flow of capital throughout the economy for the improvement of living standards in terms of real wealth resulting in more food, more and better housing, greater literacy, better health, and more opportunity for employment. The priorities established by a host country's long-range plan determine the uses to which the Program Loan is applied. Large infrastructure project loans previously granted or underway are not necessarily included as a part of this type of loan, particularly in the more "advanced developing countries.

(56.) A.I.D. Program Loans, by no means, meet the entire financial needs of a country, but by adding assistance from other sources such as international banks and funds from private sources, serve as seed capital to start the money-flow where it is most critically needed. Given sound institutions to work through, the Program Loan has proven an effective method for improving agricultural production, housing starts and completions, small and medium-sized industry expansion, supplying much-needed commodities, and the training of leaders and teachers in education and health.

(57.) An important element of the Program Loan also is the agreement by the developing country government to undertake domestic programs of improvement and modernization in such areas as tax reform, land legislation, investment and incentive laws, management improvement, initiation of private sector programming, etc.

(58.) In 1966, A.I.D. authorized a total of $822 million in Program Loans to 13 countries. The growing number of valid country plans gradually evolving over the past three years has strengthened host country economic positions. Indications are that as economic planning competence increases in the less-developed countries, the Program Loan will become increasingly more important as a tool in support of sound country plans.

(c) Intermediate credit institutions

(59.) Since 1958, A.I.D. and its predecessor agencies (particularly the Development Loan Fund) have provided seed-capital loans in dollars and local currency for the establishment of 104 intermediate credit institutions in 43 countries. (Intermediate credit institutions are financial organizations established to provide capital to small and medium sized entrepreneurs at reasonable interest rates for medium and long-term financing in less developed countries.) Since its inception, approximately $1.5 billion of seed capital loans have been disbursed by A.I.D. to these credit institutions. Since A.I.D. took over this function in 1962, nearly one-half billion dollars has been authorized in the areas of industry, agriculture, housing and cooperatives, mainly for private sector development. Since the inception of the program under the Development Loan Fund in 1951, it is estimated that about 75,000 sub-loans have been made to small and medium size enterprises. Many of the older intermediate credit institutions have repaid the original loans and have become self-sustaining institutions. The original borrowers consist of government, mixed, and private entities. A.I.D.'s policy is to involve gradually more private capital in this type of financing.

(60.) The basic principle for A.I.D.'s financing of intermediate credit institutions is to help provide seed-capital for the creation of a self-generating flow of capital for long term sub-loans at reasonable interest rates to the small entrepreneur. A.I.D. is helping to build banking institutions because sub-loans of this type are not ordinarily available in the usual commercial banking channels in the developing countries.

(61.) Regional development banks, such as the Central American Bank for Economic Integration, the Inter-American Development Bank, the African and Asian Banks, etc., have become important resources for program and project financing on an integrated basis. Other development banks such as the International Bank for Reconstruction and Development (IBRD), Atlantic Community Development Group for Latin America (ADELA), International Finance Corporation, and several private financing institutions, have entered this field over the past five years.

3. Commodity loans, Export-Import Bank

(62.) Founded in 1934, the Export-Import Bank, more popularly known as Eximbank, is an independent corporate agency of the United States Government. Its function is to assist in financing the export trade of the United States. The Bank serves this purpose by making loans directly to overseas buyers of American goods and services; by guaranteeing and insuring short and medium term export transactions; and by discounting export debt obligations held by commercial banks.

(63.) Eximbank derives its funds from capital stock, from borrowing either from the U.S. Treasury or the private capital market, and from retained earnings. All of the Bank's $1 billion of capital stock is held by the U.S. Treasury and the Bank may borrow from the Treasury up to $6 million.

(64.) The Bank has raised funds in the private market through the sale of participations in its loan portfolio, and the Attorney General of the United States has ruled that Eximbank guarantee of such participations, as well as other undertakings of the Bank, constitutes a general obligation of the United States Government backed by its full faith and credit. The retained earnings of the Bank, which constitute a reserve for possible losses, are slightly in excess of $1 billion. This reserve has been accumulated by the Bank after payment of all its operating expenses, including interest on funds borrowed, and payment of dividends over the years of some $500 million to the United States Treasury.

(65.) Eximbank is authorized to have outstanding loans, guarantees, and insurance of up to $9 billion. During its life, Eximbank's net authorization for loans, guarantees, and insurance have aggregated over $17 billion.

III. U.S. Contributions to Multilateral Organizations

A. United Nations Industrial Development Organization

(66.) The U.S. contributes 32% of all funds UNIDO receives out of the UN budget and approximately 40% of all funds UNIDO obtains through its participation in the UN Development Program. In addition, in 1966 the U.S. contributed through the UN Development Program $2.0 million to a program of Special Industrial Services to be executed by UNIDO.

B. UNDP/Special Fund and Technical Assistance

(67.) In addition to its bilateral programs for industrial development, the United States contributes to the United Nations Development Program (UNDP) which provides certain technical and pre-investment assistance in this field in response to requests from the less-developed countries. The United States contributes annually to the UNDP by matching, on a 40% basis, the contributions of other governments. In 1967, the United States has pledged to contribute to the UNDP on such a matching basis up to a maximum of $70 million.

C. World bank group

(68.) 1. International Bank for Reconstruction and Development (IBRD) The U.S. subscription amounts to $6,360 million of which ten percent has been paid in and 90 percent is subject to call to meet obligations of the Bank. Total subscriptions amount to $22,624 million. As of December 31, 1966, the IBRD committed $1,569.1 million for industry or 15 percent of total commitments.

(69.) 2. International Development Association (IDA) The U.S. subscription and supplementary resources total $632.29 million of which $528.29 million has been paid in and $104 million is due on or before November 8, 1967. Total subscriptions and supplementary resources amount to $1,768 million. As of December 31, 1966, IDA committed $501.3 million for industry or 30 percent of total commitments.

(70.) 3. International Finance Corporation (IFC) The U.S. subscription is $35.2 million all of which has been paid in. Total subscriptions amount to approximately $100 million. IFC investments as of December 31, 1966, totalled $203.6 million of which $184.7 million was for industry and $18.9 million for development finance companies.

D. Regional development banks

(71.) 1. Inter-American Development Bank (IDB) U.S. subscriptions and contributions to the IDB's ordinary capital resources, Fund for Special Operations, and Social Progress Trust Fund have amounted to $2,186.76 million out of a total of $3,794.47 million. The industrial and mining sector has received $401.8 million of IDB commitments out of a total of $1,913 million as of the end of 1966.

(72.) 2. African Development Bank The U.S. has offered the Bank technical assistance and funds to finance feasibility studies. In addition, the U.S. also has indicated its willingness to consider loans for capital projects and to participate in joint projects. To date only a short-term consultant has been requested and discussions are currently underway for U.S. financing of two studies in the fields of transportation and power. A loan has been authorised for the Government of Kenya for two road projects in which the Bank is also participating. Also, consideration is being given to the Bank's request for a U.S. contribution to a multilateral special fund which the Bank plans to establish as a "soft-loan" window.

(73.) 3. Asian Development Bank (ADB) The U.S. subscription to the authorised capital of the Bank ($1 billion, one half callable) is $200 million to be paid in five equal installments. The paid-in part of the first installment has ben provided by the U.S. Government, $10 million in cash and $10 million in letters of credit. Consideration is being given to contributing to certain contemplated special funds, which would be administered by the Bank, if the Congress approves the President's request for $200,000 for such purposes.

IV. Encouraging Increase of Private Investments

A. A.I.D. activities to encourage increase of private investments

(74.) (1) Guaranty programs. In addition to making loans for private projects in the developing countries, A.I.D. issues insurance contracts guaranteeing U.S. firms against some of the political risks and, in certain cases, a portion of the business risks, of new investment in developing countries. Under Section 221 through 224 of the U.S. Foreign Assistance Act, Congress authorized three types of investment guaranty programs: (1) specific political risk guarantees against inconvertibility of foreign currency, loss of expropriation or confiscation, and loss due to war, revolution or insurrection; (2) extended risk guarantees which can be covered up to 75% of both political and business risks; and, (3) extended risk guarantees covering up to 100% of losses on certain kinds of housing projects.

(75.) A.I.D.'s program for guaranteeing overseas U.S. private investment has continued to expand during the past three years. There are 75 Agreements between A.I.D. and the governments of the developing countries, to promote overseas U.S. investments particularly in joint-ventures with corresponding indigenous private sector investors. During the past three years specific risk guarantees have been approved covering potential investments of over $2 billion. Extended risk guarantees since 1961 have covered an estimated investment of over $600 million. Many other U.S. overseas investments have been made through private equity or guarantee sources which are not included in the above A.I.D. guarantees estimates.

(76.) (2) Pre-investment surveys. Under Section 231 of the Foreign Assistance Act, A.I.D. may pay up to 50% of the cost of undertaking pre-investment surveys in developing countries. If after the survey the investor decides not to proceed with the project, A.I.D. will reimburse him up to 50% of the agreed survey costs in exchange for a professionally acceptable report of the survey. If however, he decides to invest in the project, A.I.D. makes no payment and the investor retains full rights to the information derived from the survey.

(77) Under this program, A.I.D. has financed partially about 249 studies by potential private U.S. investors at a cost of about $3.8 million. Of these 249 surveys, about 33 have resulted in investments in the developing countries and the remaining surveys are available for any future investor wishing to use them.

(78.) (3) Information services. An Information Center has been established for U.S. business firms and potential investors which advises and supplies economic, investment and pre-feasibility reports to the interested businessman. Through the Catalog of Investment Information and Opportunities, over 1,600 reports are available to potential investors.

(79.) A series of about 400 Industry Profiles also are available for the establishment of small and medium-sized industries in the less developed cpuntries. The Industry Profiles provide basic technical and economic data on selected industrial plants of stated annual capacities. Two hundred and fifty industries are now covered, and one hundred and fifty more are being added. Each one provides essential information on small or medium-sized plants in a specific industry. (In addition, other special reports on private sector resources, plans, methods and programs geared to investor use are available in the Development Resources Referral Service in the A.I.D. Office of Private Resources.)

(80.) Each profile discusses succinctly the features of the industry and its marketing problems, shows the approximate amount of capital needed to establish a plant of specified capacity, and gives an estimate of annual costs, by categories, of running the plant at full capacity. Each profile also provides a plant layout and supplementary reference information on technical journals, articles, books, patents, and the like. It is not, however, intended to act as a substitute for a definitive feasibility study.

(81.) In 1967, the Inter-American Investment Promotion Center opened its doors in New York City. It was established by A.I.D. with cooperation with Latin American countries. The Center brings together information including studies, U.S. potential investors, and Latin American businessmen to increase the amounts and kinds of desirable investments in Latin America. Almost every country in Latin America has one or more banks affiliated with the Center.

B. U.S. Department of Commerce activities to encourage increase of private investments

(82.) The United States Department of Commerce in collaboration with the Agency for International Development actively seeks to increase the flow of U.S. private capital to the developing countries through a comprehensive program to offer assistance to U.S. and developing country businessmen. The program has three key phases: (1) informing U.S. business as a whole concerning the opportunities for investing in developing countries, (2) assisting individual U.S. companies which seek to make investments in developing countries, and (3) assisting enterprises in developing countries which seek U.S. partners.

(83.) (1). Informing U.S. business. Informing U.S. business of the potential advantages which may accrue from investing in the developing countries is an important aspect of the Commerce Department's programs. Lack of business understanding about the growing markets, increasing industrialization, and investment potential presented by the developing countries limit U.S. business interest in such investments. Many business firms have overlooked the idea of investing in developing countries for lack of such information. Information designed to encourage business' interest in the developing countries is disseminated through the Commerce Department's widely-read weekly magazine, International Commerce, through other economic publications, through the activities of its investment and licensing specialists, through personal contact with businessmen via the Commerce Department's 42 field offices located in major U.S. business cities, and through talks given by Commerce Department officials to meetings of businessmen all over the United States. Emphasis is placed on the changes taking place in the developing countries, and on specific examples of mutually beneficial investments that have been undertaken by U.S. businessmen in the developing countries.

(84.) (2) Assisting U.S. business firms. U.S. firms interested in making an investment in a developing country or searching for a country in which to locate an investment or for a partner, or licensee, have available from the Department of Commerce a wealth of useful information. This includes a broad range of background information concerning the basic economic structure of the developing countries. Such information is furnished through the Commerce Department's economic and commercial publications and surveys, through its extensive information files, and through other sources gathered by the Department, such as the Catalog of Investment Information and Opportunities which contains studies conducted under the auspices of A.I.D. and international agencios.

(85.) After the U.S. company has narrowed its study to a few possible locations, the Department of Commerce can supply detailed marketing information to assist the company in its choice of final location. This information can be interpreted and related to the specific needs of the company by the Department's industry and country analysts. Additional information can be supplied, including the specific tax laws, and investment incentives of the various developing countries. The Department will also put the company in communication with the investment development offices of the developing countries in which the firm is interested, if the countries maintain such offices in the United States. In situations where there is no such office in the United States, the Department can arrange for the company to talk with the Washington representatives of the countries concerned and to communicate with planning or development offices in the developing country itself. Thus the Department by drawing on its own sources, on other U.S. Government agencies, on private U.S. and foreign sources and on sources in the developing countries, makes certain that the U.S. company interested in making an investment in a developing country receives all available information to evaluate and initiate an investment.

(86.) If the U.S. company is searching for a partner or a licensee in a developing country, the Department of Commerce is able to offer assistance through various techniques, officially identified as Trade Lists, Trade Contact Surveys, World Trade Directory Reports on specific foreign firms, and specific foreign firms, and specific investment opportunities in which a party in a developing country with a definite project in mind has expressed interest in obtaining U.S. private capital or a U.S. partner. Both U.S. Foreign Service posts and visiting Department of Commerce Trade and Investment Missions strive to gather such investment opportunities and report them to the Department. If potential partner for the U.S. company cannot be found in the Department's files of known investment opportunities, an attempt can be made to find one.

If a U.S. Trade and Investment Mission is scheduled to visit the developing country in which the U.S. company is interested, a resumé of the company's proposal can be carried by the Mission and will be discussed with businessmen in the developing country.

(87.) The Department can also arrange to have the U.S. company's proposal printed in the "Commercial Newsletters" that are distributed to local business communities in many of the developing countries by U.S. Foreign Service posts.

(88.) (3) Assisting enterprises of the developing countries. The Department of Commerce also assists enterprises in the developing countries seeking U.S. capital participation, U.S. partners or U.S. licensors. Once an enterprise in a developing country has made it known to a U.S. Foreign Service post or to a Department of Commerce Trade and Investment Mission that it is searching for some form of U.S. private participation, the enterprise's proposal is sent to the Department in Washington as an investment opportunity.

(89.) The investment opportunity is then widely disseminated to the U.S. business community through Department of Commerce publications. It can also be sent directly to U.S. companies known to be interested in that type of investment opportunity. In some cases it is personally taken by the Commerce Department's field offices to interested U.S. companies. In the near future, moreover, the Department will have finished computerising its records and will be able to communicate each investment opportunity directly to many U.S. companies that operate in areas related to the investment opportunity. The Department's computer files will contain information on many thousands of U.S. companies, listing their product interests, and their investment interests. Using these computer files, the Department will be able expeditiously to match each investment proposal with U.S. companies listed in the files. U.S. companies picked by the computer can then be individually contacted.

(90.) (4) Summary. Through the programs and services outlined above the Department of Commerce can not only design a program likely to lead to investment, but can also supply current and continuing information to businessmen in relation to their foreign investments. The Department of Commerce, through its information gathering system, its educational program, its promotional media, and its consultation services, is able to supplement the availability of private services in the United States and to increase the flow of U.S. private captial in the developing countries. The information files of the Department of Commerce contain probably the United States' largest single resevoir of information needed by businessmen interested in investing abroad.

(91.) C. Department of Labor cooperation.

The Department of Labor provides two types of assistance to developing countries which promote industrialisation and development. DOLITAC (Department of Labor International Technical Assistance Corps) provides technical experts to the governments of the developing countries in the field of labor and manpower, e.g., manpower planning and administration, labor statistics, labor standards, and labor ministries development and administration. These services enhance the ability of developing countries to promote economic development, including industrialisation and labor and manpower needs. The second area in which the Department of Labor provides assistance is the field of information to businessmen on foreign labor conditions. The Bureau of Labor Statistics in its Division of Foreign Labor Conditions publishes studies on labor law and practices in foreign countries and also maintains current files of information on wages, hours, working conditions, labor legislation, trade unions and other matters of direct concern to businessmen who will be employing foreign workers in their overseas organisations. The Department of Labor also trains annually a large number of persons from developing countries in such fields as manpower planning, labor statistics and economics, safety and apprenticeship training.

V. U.S. Direct Private Investment Abroad in Sectors of Major Interest to International Symposium on Industrial Development

(92.) In less than ten years the value of U.S. private direct investments in manufacturing establishments in the developing countries [1/] more than doubled. By the end of 1965, as shown in Table 1, these investments had a book value of $3.4 billion. This sharp gain has been one of the significant factors in the international transactions of the U.S. economy.

A. Rise in U.S. manufacturing investments

(93.) By the end of 1957 manufacturing accounted for 14 percent of total U.S. direct private investments in the developing countries. By the end of 1965, manufacturing had grown to represent more than 20% of this total.

(94.) Many economic and political factors influence the availability of capital for foreign investments. As a result, there is usually considerable fluctuation in the year-to-year level of total new U.S. direct private foreign investments. However, the manufacturing segment of this total U.S. direct investment in developing countries has shown an impressive growth in recent years. From a figure of $185 million in 1957, the annual flow of U.S. direct private investment into manufacturing in the developing countries, as shown in Table 2, rose to over $300 million in 1963 and to more than $500 million in 1965.

(95.) B. Large share of earnings reinvested. U.S. manufacturing affiliates in developing countries make a general practice of reinvesting a large share of their earnings in order to finance new investments in these countries.

1/ Includes all of Latin America, Asia except Japan, Africa except the Union of South Africa, and Oceania except Australia and New Zealand.

As shown in Table 3, these reinvested earnings have accounted for a large share of total new investments.

(96.) While an important share of U.S. new investments in manufacturing in the developing countries is financed from the earnings of U.S. affiliates, there has also been a considerable expansion of direct capital outflows from the United States for such investment. New capital outflows to the developing countries amounted to $302.3 million in 1965. This compares with a figure of $157.6 million in 1962.

(97.) As shown in Table 4, there has been considerable fluctuation in the year-to-year capital outflows from the United States by manufacturing product groups to the developing countries. However, decreases in the net outflow may reflect repayment of debt to the parent company and not a liquidation of the investment. For example, there was a sharp decline in net outflow from the United States in investment in manufacturing of food products in 1964 contrasted with 1963. In 1965, however, there was a sharp increase in the outflow to that industry. On the other hand, since 1962 there has been a consistent rise in the outflow for investment in the manufacturing of chemicals and allied products. In addition, chemicals during this same period accounted for the largest share of the outflow by principal product groups.

(98.) Net capital outflow from the United States and the U.S. share of earnings retained in the developing countries have been an important source to finance plant and equipment expenditures of U.S. manufacturing affiliates in the developing countries. In 1965, for example, by far the major share of such expenditures were financed by capital flows and undistributed earnings.

C. Returns on investment

(99.) The return on U.S. direct investments in manufacturing in the developing countries over the past several years appears to have been moderate. As illustrated, the attached graph, returns to American investors since 1958 from U.S. direct investment in manufacturing in Europe, a developed area, exceeded the returns from U.S. manufacturing investments in the developing countries. Furthermore, with the exception of 1959 and 1960, these returns from the developing countries lagged behind the returns from U.S. domestic manufactures. Preliminary data for 1965 show that the rate of return was 15 percent from U.S. domestic manufacturing, 13.0 percent from Western Europe, and 12.3 percent from the developing countries.

D. Sales expanding

(100.) The contribution made by manufacturing affiliates in the developing countries to the economy of the country can also be measured by the sales of these firms. These concerns produce a wide range of manufactured products needed by the local economy, ranging all the way from basic food products to sophiscated types of machinery. In 1957 sales of the U.S. manufacturing affiliates in developing countries totaled $2.7 billion. By 1965, as presented in Table 5, sales had more than doubled, amounting to $6.2 billion.

(101.) The production of these affiliates not only leads to increased employment, but also supplies goods which would otherwise have been imported. Many of these manufacturing affiliates also produce substantial output for export from the developing countries. Data on this point are available only for sales by U.S. manufacturing affiliates in Latin America... These show that their exports have been increasing steadily during the past several years. As indicated in Table 5, exports of U.S. manufacturing affiliates in Latin America increased about fourfold from 1957 to 1965, representing 7 percent of sales in 1965.

Annex I

Table 1 - Value of U.S. Direct Investments in Manufacturing in Developing Countries at Year End 1957, 1960, 1963, and 1965

(Millions of dollars)

	1957	1960	1963	1965 p/
Latin America 1/	1280	1520	2213	2940
Africa	6	10	19	55
Asia	133	195	185	399
TOTAL	1419	1725	2417	3394

p/ Preliminary
1/ Excludes Cuba

Source: U.S. Department of Commerce

Table 2 - New U.S. Direct Investments 1/ in Manufacturing in Developing Countries, 1957 and 1963-65

(Millions of Dollars)

	Total	Latin America 2/	Other Areas
1957	185	163	22
1963	301	249	52
1964	553	481	72
1965p/	504	426	78

p/ Preliminary
1/ Sum of net capital outflow and undistributed earnings
2/ Excludes Cuba

Source: U.S. Department of Commerce

Table 3 - U.S. Net Capital Outflow to and Share of U.S. Undistributed Earnings of Manufacturing Enterprises in Developing Countries as a Percent of U.S. Direct New Investment, 1957, and 1961-65

	Net Capital Outflow %	Reinvested Earnings %	Total New Investment %
1957	60	40	100
1961	44	56	100
1962	61	39	100
1963	62	38	100
1964	41	59	100
1965p/	60	40	100

p/ Preliminary

Source: U.S. Department of Commerce

Table 4 -- Net Capital Outflows to U.S. Manufacturing Affiliates to Developing Countries, 1962-65 by Industry

(Millions of dollars)

YEAR	Manufacturing Totals	Food Products	Paper & Allied Products	Chemicals & Allied Products	Rubber Products	Primary Fabricated Metals	Machinery Except Electrical	Electrical Machinery	Transportation Equipment	Other Industries
1962	157.6	3.4	.2	48.6	- .1	17.5	8.2	3.2	49.7	26.8
1963	186.7	38.1	6.8	64.6	3.4	8.3	10.1	-11.8	18.1	49.0
1964	189.1	- 3.4	2.6	92.1	8.3	20.8	14.8	- 5.9	30.6	29.1
1965	302.3	47.6	19.3	105.1	-2.8	35.7	5.7	20.0	39.4	32.3

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce

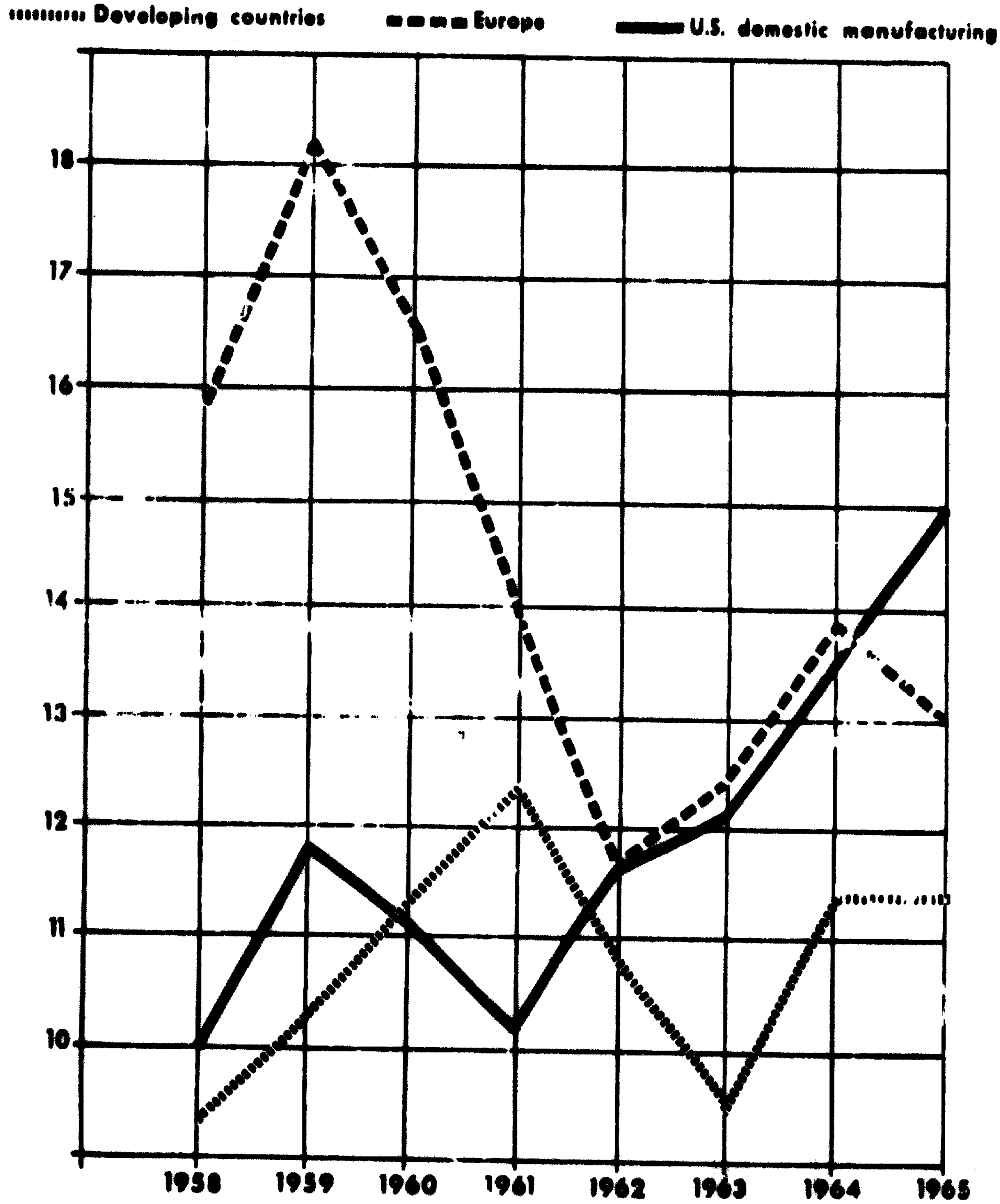
Table 5. -- Sales of U.S. Manufacturing Affiliates in Latin America and Other Developing Countries

1957, 1963, 1964, 1965
(Millions of Dollars)

Year	Developing Countries	LATIN AMERICA Total Sales	Local Sales	Exports to U.S.	Other Exports	Sales of Other Developing Countries
1957	2713	2435	2331	43	61	278
1963	4700	4250	3860	37	353	450
1964	5565	4951	4563	80	308	614
1965	[illegible]	[illegible]	5073	101	310	688

Source: U.S. Department of Commerce

RETURNS ON DIRECT INVESTMENTS IN MANUFACTURING



Note: Return on domestic manufacturing represents net income to net worth at the beginning of the year. Return on direct manufacturing investments in the developing countries and Europe represents the U.S. share of net earnings for the year applied to the book value of these investments at the beginning of the year (net earnings after taxes).

SOURCE: U.S. Department of Commerce

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