FOREIGN INVESTMENT IN U.S. INDUSTRY

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ISSUE DEFINITION

Although the total amount of foreign direct investment (hereinafter called FDI) in the U.S. is small relative to U.S. direct investment abroad, it is growing rapidly and may have a large effect on some industries and geographic areas of the U.S.

The two main issues raised by FDI in the U.S. are first, shall Congress require more extensive data collection efforts than are already underway, and second, should laws be enacted to limit foreign direct investment in the U.S. These two issues turn in substantial measure on whether the benefits of additional data collection and/or restrictions on FDI in the U.S. exceed the costs.

The purpose of this issue brief is to inform Congress of the legislative history of the issue, the magnitude and distribution of FDI in the U.S., the existing data collection efforts, the potential implications for the U.S., the motivations for FDI in the U.S., and U.S. policy regarding FDI. The data in this issue brief refer to all foreign direct investment in the U.S.; however, the discussion excludes for the most part those issues related to FDI in U.S. farmland, which is the topic of IB78064.

BACKGROUND AND POLICY ANALYSIS

Foreign investment is often divided into two categories, namely, (1) direct investment where the investor exercises considerable control over the enterprise in which the investment has been made, and (2) portfolio, or indirect, investment where the investor has little or no such control. The International Investment Survey Act of 1976 defines direct investment as ownership or control, directly or indirectly, by one person (defined as an individual, association, corporation, governmental body, etc.) of 10% or more of the voting securities of a corporation or an equivalent interest in an unicorporated enterprise, and portfolio investment as any investment other than direct investment, including ownership of debt obligations. Except where data are not separated in the Historical Perspective section below, this issue brief is concerned only with direct investment and not with portfolio investment, since direct investment is currently of most concern.

HISTORICAL PERSPECTIVE

U.S. economic development was stimulated by foreign capital, primarily British, French, Dutch, and Spanish. In the early 1800s, U.S. railroads and canals were financed largely by federal and state securities sold abroad and by 1854 foreign investors held about one-half of the existing federal and state securities.

Foreign investment in U.S. real estate and private industry (especially communications, utilities, and industrial corporations) became substantial toward the end of the 1800s, followed by large foreign investment in petroleum around 1900-1905. By 1914 total foreign investment in the U.S. (including portfolio and direct investment as well as loans) was estimated to be about $7 billion, compared with U.S. investment abroad of about $3.5 billion. However, because loans to foreigners increased and total foreign investment in the U.S. declined during World War I to about $4 billion by 1919, the U.S. became a net creditor (in international investment) -- a position it still maintains.

LEGISLATIVE HISTORY

Foreign direct investment in the U.S. increased very gradually until it was about $7.6 billion in 1962, but then almost doubled in the next decade, reaching $14.9 billion at the end of 1972. By the early 1970s, the increase in Japanese foreign direct investment and the potentially high level of OPEC's investable funds led to Congressional and public concern about the extent and effect of present and future FDI in the U.S. The previous survey of FDI was conducted in 1959 and although the data were annually updated and published in the Survey of Current Business, they were thought to be insufficient. In the 93rd and 94th Congresses, 70 bills and resolutions were introduced ranging from those restricting or prohibiting certain foreign direct investment at one extreme to those authorizing studies to obtain more information. For example: one group of bills established a national foreign investment control commission to prohibit or restrict foreign persons from acquiring domestic securities deemed vital to the economic security and national defense of the U.S.

Extensive policy review by the Administration in 1974 and 1975 and Congressional hearings were undertaken. In general, the Administration's position was that the existing restrictions on foreign direct investment were sufficient. However, both the Administration and Congress agreed that more extensive, timely data were necessary to make informed analyses of the issue.

While no restrictive laws were passed, the Foreign Investment Survey Act of 1974 (P.L. 93-479) became law on Oct. 26, 1974. Under this Act, the Secretary of Commerce was directed to conduct a comprehensive, overall study of foreign direct investment in the U.S. while the Secretary of Treasury was authorized to do the same for foreign portfolio investment in the U.S. Civil penalties were included for failure to provide information, and the Secretaries of Commerce and Treasury were required to submit an interim report by October 1975 and a full report by April 1976. Three million dollars was authorized to be appropriated to carry out the Act.

Since under the Foreign Investment Survey Act of 1974 the Commerce and Treasury Secretaries' authority to collect information expired when the study was completed, the International Investment Survey Act of 1976 (P.L. 94-472) was enacted on Oct. 11, 1976. Under this act, the President is directed to set up a regular and comprehensive data collection program and to conduct periodic benchmark surveys on direct and portfolio investment, both by foreigners in the U.S. and by U.S. investors abroad. The President is also directed to conduct a study of the feasibility of establishing a system to monitor foreign direct investment in agricultural, rural, and urban real property in the U.S. and to submit the findings to Congress by October 1978. The President delegated the responsibility for the direct investment studies to the Bureau of Economic Analysis of the U.S. Department of Commerce. Civil penalties are included for failure to provide information and authorizations for appropriations of $1 million for fiscal year 1978 and $1 million for fiscal year 1979 were made.

Of the 34 bills and resolutions introduced in the 95th Congress regarding FDI in the U.S., 17 focused on foreign investment in U.S. farmland. One of these bills, S. 3384, became P.L. 95-460 on Oct. 14, 1978 (discussed more fully in Issue Brief 78064). The remaining 17 bills either restricted foreign ownership of some types or amounts of securities or resources, required improved disclosure of beneficial owners, or amended the International Survey Act of 1976.

The Domestic and Foreign Investment Improved Disclosure Act (Title II of S. 305), which became P.L. 95-213 on Dec. 19, 1977, requires expanded disclosure to the SEC of beneficial owners (both foreign and domestic) of more than 5% of specified kinds of securities. On Sept. 22, 1978, the Amendments to the International Investment Survey Act of 1976 (P.L. 95-381) were approved. These amendments increased the appropriation authorization from $1 million to $4 million for the fiscal year ending Sept. 30, 1979, extended the date for submission of the findings of the feasibility study regarding the monitoring of agricultural, rural, and urban real property to October 1979, established a requirement for an interim report on the feasibility study to be submitted by October 1978, and made other minor changes.

In the 96th Congress, 25 bills relating to FDI in U.S. industry were introduced. Of these, 11 pertained to equalizing tax treatment (especially the capital gains tax) between foreign and domestic investors, 7 were concerned with improved data reporting and/or restrictions on FDI, authorized appropriations to carry out the International Investment Survey Act of 1976, and 2 were aimed at stimulating FDI in U.S. industry.

Two laws were passed relating to FDI in the 96th Congress. Section 23 of Public Law 96-72 (the Export Administration Act of 1979), which became law on Sept. 29, 1979, authorized appropriations of $4.4. million for the fiscal year ending Sept. 30, 1980 and $4.5 million for the fiscal year ending Sept. 30, 1981 to carry out the International Investment Survey Act of 1976. The Foreign Investment in Real Property Tax Act of 1980, Subtitle C of Public Law 96-499 (H.R. 7765) was passed on Dec. 5, 1980. Subtitle C amended the Internal Revenue Code of 1954 so that the gain or loss of a nonresident alien individual or a foreign corporation from the disposition of a U.S. real property interest is treated as if the foreign investor were engaged in a trade or business within the U.S. and as if such gain or loss were connected with such trade or business. Reporting requirements and penalties for failure to comply were established.

A series of hearings on the operations of Federal agencies in monitoring, reporting, and analyzing foreign investments in the United States were held by the Commerce, Consumer and Monetary Affairs Subcommittee of the House Committee on Government Operations in 1978 and 1979. In a subsequent report, published in 1980, "The Adequacy of the Federal Response to Foreign Investment in the United States," it is argued that the current data collection efforts are inaccurate and incomplete, present policies and foreign investment restrictions are inappropriate, and the Committee on Foreign Investment in the U.S. does not adequately perform the functions assigned to it.

THE DATA

Although data on FDI in the U.S. are collected by many government agencies, they are compiled, analyzed, and made public only by the Bureau of Economic Analysis (BEA) and the Office of Foreign Investment in the U.S. (OFIUS), both of which are units of the Department of Commerce.

Four studies by BEA are the main sources for comprehensive data. The first, a nine-volume study "Foreign Direct Investment in the United States," conducted by the Department of Commerce in compliance with the Foreign Investment Study Act of 1974 (P.L. 93-479), contains the most comprehensive data. This study, hereinafter called the 1974 Benchmark Survey, was based on a complete survey of foreign ownership of U.S. firms as of 1974, and indicated that foreign companies do not hold a large share of any of the major sectors of the U.S. economy and that FDI is generally beneficial to the U.S. Secondly, BEA publishes an annual article in the Survey of Current Business which, based on a sample of firms, updates the latest Benchmark data on FDI; the most recent article was published in the August 1982 issue of the Survey of Current Business. Third, selected data on the operations of U.S. affiliates of foreign companies are given in an annual sample survey, beginning in the July 1980 issue of the Survey of Current Business with the most recent data in the May 1981 issue. Fourth, data from a new BEA survey on U.S. Business Enterprises Acquired or Established by Foreign Direct Investors were published in the January 1981, August 1981, and June 1982 issues of the Survey of Current Business. Date in the third and fourth sources are not directly comparable with each other or with data in the first two sources.

Almost all of the numerical data in this issue brief are from the BEA's 1974 Benchmark Survey or from various issues of the Survey of Current Business, since these are the only comprehensive sources for data. As mentioned earlier, however, the accuracy and completeness of some of these data have been severely questioned by the House Government Operations Committee in its report entitled "The Adequacy of the Federal Response to Foreign Investment in the United States."

The OFIUS has published several studies on foreign investment which, in addition to providing lists of FDI in the U.S., also give breakdowns by country source, industry, State, and type of investment. However, the data are based on reports of Federal agencies (often in connection with regulatory procedures), newspapers, standard business reports, etc., and the coverage is not as complete as in the 1974 Benchmark Survey or the Survey of Current Business articles.

Another source of data is a quarterly report entitled "Announcements of Foreign Investment in U.S. Manufacturing Industries," published by the Conference Board in New York City. The list of announcements (which is based on published sources and consequently not complete), includes the domicile of the foreign company, the firm undertaking the investment, and a description of the investment, although no totals for foreign investment in the U.S. are given.

Overall magnitude and recent growth

As of Dec. 31, 1981, the FDI position in the U.S. (book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates) was $89.8 billion, up from $68.4 billion at the end of 1980 and $54.5 billion at the end of 1979 -- annual growth rates of 26% in 1980 and 31% in 1981. By comparison, the U.S. direct investment position abroad, which increased 15% in 1980 and 5% in 1981, was $227.3 billion at the end of 1981. Thus, while FDI in the U.S. is small relative to U.S. direct investment abroad, it is growing at a higher rate.

The FDI position can change in the following three ways: (1) Through net capital inflows (termed "equity and intercompany account inflows" in the statistics); (2) through reinvestment of earnings; and (3) by valuation adjustments if, for example an investor changes his country of residence from the U.S. to a foreign country or vice versa).

TABLE 1
FOREIGN DIRECT INVESTMENT (FDI) IN THE U.S.
(billions of dollars)

	1976	1977	1978	1979	1980	1981	Jan. - March 1982
FDI position on Dec. 31	30.8	34.6	42.5	54.5	68.4	89.8	
Annual Percent increase in FDI position	11.2%	12.3%	22.8%	28.2%	25.5%	31.3%	
Annual change in FDI position due to --							
Net capital inflows	2.7	2.1	5.3	7.9	7.5	17.2	0.3
Reinvested earnings	1.6	1.6	2.6	4.0	6.2	4.1	0.7
Valuation adjustment	-1.2	0.1	0.0	0.1	0.2	0.1	N.A.
Total Annual Change	3.1	3.8	7.9	12.0	13.9	21.4	N.A.

N.A. Not Available

Source: Ned G. Howenstine and Gregory G. Fouch. Foreign Direct Investment in the United States in 1981. Survey of Current Business, v. 62, August 1982, p. 31. Russell C. Krueger. U.S. International Transactions, First Quarter 1981. Survey of Current Business, v. 62, June 1982, p. 45.

The unusually large negative valuation adjustment of $-1.2 billion in 1976 was primarily due to the reclassification of a large investment from U.K. to U.S. ownership. Excluding the valuation adjustment gives a better idea of the investment decisions of foreigners. Net capital inflows increased substantially in 1981 and were the main cause of the increase in the FDI position in 1981.

Which foreign countries are investing the most?

At the end of 1981, the total FDI position was $89.8 billion: parent firms in the Netherlands held the largest amount ($20.2 billion), followed by the U.K. ($15.2 billion), Canada (12.2 billion), Germany ($7.1 billion), Japan ($6.9 billion), France ($5.8 billion) and Switzerland ($4.4 billion). To discern which countries were leading when measured by new investment, the countries were ranked also by the total of their net capital inflows and reinvested earnings during 1980. Total net capital inflows and reinvested earnings in 1981 were $21.3 billion: of this, the Netherlands accounted for the largest share ($3.7 billion), followed by the U.K. ($3.3 billion), France ($2.9 billion), Japan ($2.7 billion) and Canada ($1.7 billion).

The direct investment of members of the Organization of Petroleum Exporting Countries (OPEC) is quite small. At the end of 1981, the FDI position in the U.S. by OPEC countries was $3.5 billion, an increase of $2.9 billion from 1980.

In the data given in the above two paragraphs, investments were classified by the country of the first company outside the U.S. In some cases, the country of the first company outside the U.S. differs from the country of the ultimate beneficial owner.

The results of a recent survey by BEA, published in the June 1982 issue of the Survey of Current Business, indicate that when investment outlays are classified by the country of ultimate beneficial owner, a somewhat different distribution emerges. By far the most important difference is that, when classified by ultimate beneficial owner, 1981 investment outlays by the Netherlands and the Netherlands Antilles were far smaller,than when classified by the country of first foreign parent. Also, classification by ultimate beneficial owner resulted in substantially greater investment outlays by Canada and the U.K.

In which industries are foreigners investing?

Of total FDI in the U.S. of $89.8 billion at the end of 1981, by far the largest industrial category was manufacturing ($29.5 billion), followed by petroleum ($17.8 billion), and trade ($17.7 billion). When measured by new investment during 1980, the ranking of industries remained the same; investment in manufacturing was $4.3 billion, investment in petroleum $3.1 billion and investment in trade $2.4 billion. Of the manufacturing category in 1981, the chemical and allied products industry is by far the largest subgroup when ranked by the amount of FDI, but machinery is first when ranked by new investment.

Where, geographically, in the U.S. do foreigners prefer to invest?

The most recent data available on the geographical distribution of foreign direct investment are given in an article by Jane Snedden Little entitled "Foreign Direct Investment in the United States: Recent Locational Choices of Foreign Manufacturers," in the November/December 1980 issue of the New England Economic Review. Regions were ranked by several different criteria for 1978-79, such as number of foreign constructions and acquisitions per thousand manufacturing employees. By this criteria, and also when ranked by the number of foreign constructions per thousand manufacturing employees, the New England region ranked first, followed by the Southeast region. This represents a change from the 1975-77 period, when the Mid-Atlantic region was first, the Southeast second, and New England third, when ranked by the number of foreign constructions and acquisitions per thousand manufacturing employees.

The New England and Southeast regions are attractive to foreign investors mainly because of their proximity to U.S. markets and to the home country, the availability, cost, quality and attitude of labor, and their pleasant environments. It appears that degree of unionization, financial aid and tax incentives are not important factors in choice of location.

Another finding of this study is that in making locational decisions, foreign investors put more emphasis on certain characteristics, such as relatively low wage rates and proximity to the home country, than do domestic investors. To some extent, foreign investors tend to invest where others of their nationality have either migrated or invested earlier.

Sources of Funds for FDI in U.S. in 1979

As reported by BEA in the August 1981 issue of the Survey of Current Business, U.S. funds financed $3.7 billion, or 37%, of total investment outlays of $9.9 billion by foreign investors in 1980. This compares with U.S. financing of 48% in 1979, which included a large petroleum acquisition by a U.S. affiliate with U.S.-source funds.

Of U.S.-source funds of $3.7 billion, the largest amount ($2.3 billion) was borrowed from unaffiliated U.S. persons. Second in importance was internally generated funds of U.S. affiliates making investments of $0.7 billion.

Foreign source funds of $6.2 billion were obtained mostly from the following: $1.9 billion from internally generated funds of foreign direct investors making investments, $3.3 billion from funds supplied by foreign direct investors to U.S. affiliates making investments and $0.8 billion from funds borrowed from unaffiliated foreigners.

It should be noted that all funds were classified by the immediate source and not the ultimate source.

Data on U.S. Affiliates of Foreign Companies

Since data on U.S. affiliates of foreign companies include transactions and positions between the U.S. affiliates and both the foreign parent company and others, they are not comparable to data for FDI that includes transactions and positions between the U.S. and foreign residents.

As of Dec. 31, 1979, assets of U.S. affiliates of foreign companies were $241.2 billion. These affiliates accounted for a relatively large share of U.S. merchandise trade, but a small share of the total U.S. economy when employment and landownership were the criteria. The distribution of assets of U.S. affiliates by foreign countries of parent firms and by industries is very similar to that for FDI. Of the 1.6 million persons employed by U.S. affilitates nationally, California, New York and New Jersey had the largest number.

Liabilities of U.S. affiliates were $152.7 billion at the end of 1979. Of $49.3 billion in long-term debt, $38.4 billion, or 78%, was to U.S. firms and banks.

Why do foreigners invest in the United States?

According to the 1974 Benchmark Survey, the large market size and the economic stability of the United States are two of the most important reasons why foreigners invest in the U.S. The large U.S. market, unified by a common language and tastes, is perceived as offering better opportunities for future growth and profits than the European market, where the large growth rates of the post-war era are slowing down. Also, the trend toward government participation in the economy is thought to be progressing slower in the U.S. than abroad, and overall, the private enterprise system preferred by foreign investors is regarded as healthier here.

Two other important reasons mentioned in the 1974 Benchmark Survey are the growth in corporate capacity to finance FDI in the U.S. through retained earnings, borrowing, or issuing equities and the desire to diversify, both by product line and geographically.

Recently, unit labor cost developments, adjusted for changes in exchange rates, have become more favorable in the U.S. than in many countries abroad. Also, labor unions in the United States are considered more flexible and less interested in participating in management decisions than they are abroad.

Another important factor is the desire to gain access to U.S. technological developments, managerial skills, and marketing techniques. The proximity to large U.S. capital markets for future financing needs, relatively low prices for shares of U.S. companies, the elimination of transportation costs (particularly important in the chemical and heavy machinery industries), the possibility of vertical integration to secure raw material supplies, and relatively low U.S. tax rates are all of varying significance to different industries.

Although avoiding tariff and non-tariff barriers has always been an important motivation, the more recent trend toward increasing protectionism within the United States may be encouraging more foreign investment. For example, U.S. restraints on Japanese TV exports to the U.S. was probably a factor in the Japanese TV-manufacturing investment in the United States.

The non-discriminatory attitude of the U.S. government regarding foreign investment as well as the incentives offered by many state governments may be important. Also, the U.S. is considered politically more stable, and the fear of terrorism, a common factor abroad, is largely absent in the U.S.

The 1977-79 depreciation of the U.S. dollar in the foreign exchange markets provided an added stimulus to foreign investment in the U.S. By making investment in the U.S. cheaper in terms of foreign currencies, a dollar depreciation increases the purchasing power of foreign firms that want to invest here. Also, if the dollar appreciates in the future, the future income earned on FDI in the U.S. and sent abroad will be worth more in units of foreign currencies; thus, if foreigners, perceive the dollar as undervalued, they see this as an added incentive to invest in the U.S.

IS FDI BENEFICIAL OR HARMFUL TO THE UNITED STATES?

It is virtually impossible to estimate the net effect of FDI on the U.S. economy, since many factors are involved. For example, the effect depends on (1) whether the foreign investment results in a net addition to U.S. domestic investment or substitutes for U.S. domestic investment; (2) whether or not the U.S. is operating at or near full employment when the foreign investment is undertaken: (3) whether the funds for the investment are obtained from abroad or in U.S. financial markets: and (4) whether the short-run effects are being considered.

In the following discussion, a <u>foreign investment</u> is defined as the amount of money involved in the acquisition of U.S. productive facilities or the construction or expansion of productive facilities in the U.S. by foreign entities. <u>U.S. domestic investment</u> is defined as the construction or expansion of productive facilities in the U.S. by both U.S. and foreign entities.

<u>Effect on investment, GNP, jobs and prices</u>

Probably the most important effect of foreign direct investment on the U.S. economy is its impact on U.S. domestic investment, jobs, real GNP, and prices.

In general, as long as there are unused resources in the economy, an increase in U.S. domestic investment (whether from U.S. or foreign sources) results in an increase in U.S. productive capacity, new jobs, higher local, State, and Federal tax revenues, and an increase in real GNP by more than the increase in U.S. domestic investment due to the "ripple" effects on the economy. If the economy is at full employment, an increase in U.S. domestic investment will tend to increase prices more than jobs and real GNP, at least in the short run.

Whether or not a foreign investment ultimately increases U.S. domestic investment beyond what it would have been in the absence of the foreign investment (i.e., results in a net addition to U.S. domestic investment) depends partially on whether the foreign investment is an acquisition of a U.S. firm, or represents new construction or expansion of facilities. Foreign investments that involve new construction or expansion of facilities always result in a net addition to U.S. domestic investment; however, in some cases, construction or expansion by a foreign firm may cause a U.S. firm to reduce its planned investment expenditures and consequently the inflow of foreign investment is ultimately offset by a decline in planned investment by a U.S. firm. On the other hand, a foreign acquisition of a U.S. firm is not itself a net addition to U.S. domestic investment; however, if the funds received by the U.S. selling company are reinvested in plant and equipment elsewhere in the U.S., a net addition to U.S. domestic investment ultimately occurs. On balance, it is likely that foreign direct investment increases U.S. domestic investment beyond what it would have been in the absence of the foreign investment, with a beneficial effect on jobs, real GNP, and tax revenues.

Effect on U.S. balance of payments and the international value of the dollar

In general, a foreign direct investment in the U.S. is beneficial to the U.S. balance of payments and the international value of the dollar if the net effect of all transactions connected with it results in an increase in the demand for dollars on the foreign exchange market, causing the dollar to appreciate, or depreciate less rapidly. However, if a foreign direct investment leads to a net outflow of U.S. dollars, it is harmful to the U.S. balance of payments and the dollar, since it adds to the supply of dollars on the foreign exchange market and causes the dollar to depreciate, or appreciate less rapidly.

In the short run, a foreign direct investment is beneficial to the U.S. balance of payments if the funds for the investment are transferred to the United States from abroad. However, if the funds are borrowed in the U.S. financial markets, or represent reinvestment of earnings, there is no effect on the U.S. balance of payments or the dollar.

In the long run, the foreign direct investment will be beneficial to the U.S. balance of payments and the dollar to the extent that (1) U.S. imports are displaced by goods produced in the U.S. by foreign investors or (2) U.S. exports increase due to the production in the U.S. and shipment abroad of goods that were formerly produced in the foreign country. On the other hand, the long-run effect on the balance of payments and the dollar will be harmful to the extent that (1) payments are made abroad of dividends, interest, royalties, and fees or (2) the foreign investment is a sales outlet for a foreign firm (which results in higher U.S. imports). U.S. imports increase if capital equipment for use in the new plant is imported into the United States from abroad. However, if the capital equipment is paid for by the foreign parent company (instead of the U.S. subsidiary) the import increase is offset by an investment inflow and there is no net effect on the U.S. balance of payments.

Technology Transfers

Foreign direct investment leads to both technology inflows and technology outflows; some foreign investment may introduce superior technology or invigorate an old firm, while in other cases foreign firms acquire U.S. companies primarily to obtain the benefit of their technology. According to the 1974 Benchmark Survey, the net effect of technology transfers has been an inflow in the area of product and process technology, while in the realm of management and marketing techniques, technology outflows have exceeded technology inflows.

Other factors

Other possible implications of FDI include its effect on competition among firms within the U.S., its effect on U.S. capital markets, the national security, the concern regarding foreigners' gaining control of raw materials or other strategic supplies, and its effect on some localities in the U.S.

In general, foreign direct investment is likely to enhance competition by bringing new firms into an industry. This is especially true if the U.S. industry is dominated by a few large firms and the new foreign firm is both large and dynamic. However, a small foreign firm entering a U.S. industry dominated by a few large firms or an industry which already has a large number of firms would have a negligible influence on the degree of competition.

Domestic borrowing by foreign-owned firms has the same effect on U.S. credit markets as does domestic borrowing by U.S. firms; the demand for funds increases and, to the extent that money markets become tighter, interest rates tend to rise. At present and in the foreseeable future, the amount of domestic borrowing by foreign-owned firms is small relative to the size of U.S. capital markets and its impact is minimal. And, if domestic borrowing by foreign-owned firms increases substantially, it may not create additional problems since presumably the Federal Reserve System could take this as well as other factors into account when determining its policy regarding the supply of money.

Concern is sometimes expressed that FDI threatens the U.S. national security and might impede U.S. access to its own strategic supplies. However, foreign-owned firms have to obey the same U.S. laws as domestic firms. Strict federal controls over management of foreign-owned assets in the U.S., and in an extreme case expropriation of foreign-owned assets, is always possible.

FDI often attracts attention, and sometimes hostility, particularly if it is an acquisition of an existing firm (most people feel more hospitable toward foreign direct investment if it involves the construction or expansion of facilities, especially by former foreign competitors). This might reflect a fear of foreigners themselves, a fear that foreigners are buying domestic firms at uneconomic prices (perhaps overpaying) making it hard for local firms to compete, or a fear that foreign firms will not understand local labor or community needs.

U.S. POLICY REGARDING FDI

With a few exceptions, the U.S. policy on FDI is to accord it equal treatment with domestic investment, i.e., neither to encourage nor to discourage it. For example, President Ford made the following statement at the signing of the Foreign Investment Study Act of 1974:

> As I sign this act, I reaffirm that it is intended to gather information only. It is not in any sense a sign of a change in America's traditional open door policy towards foreign investment. We continue to believe that the operation of free market forces will direct worldwide investment flows in the most productive way. Therefore

> my Administration will oppose any new restriction on foreign investment in the United States except where absolutely necessary on national security grounds or to protect an essential national interest.

This policy was reaffirmed in extensive administrative reviews of FDI in 1975 and 1977 that resulted in the establishment of an interagency Committee on Foreign Investment in the U.S. (CFIUS), under the chairmanship of the Treasury Department. The CFIUS was created to consult with foreign governments concerning potential investments in the U.S., monitor foreign investment trends and make recommendations to the National Security Council and the Economic Policy Group. Another administrative action was the creation of the Office of Foreign Investment in the U.S. in the Commerce Department to collect and analyze data on FDI in the U.S.

The "open-door" policy is consistent with the bilateral treaties of friendship, commerce and navigation between the U.S. any many of its trading partners, and with U.S. obligations under the Code of Liberalization of Capital Movements of the Organization for Economic Cooperation and Development, adopted in June 1976.

One reason for U.S. policy toward FDI is the traditional belief that only in a free market environment (with a free flow of investment funds) can maximum economic efficiency be achieved. Related to this is the recognition of the benefits of FDI for the U.S. economy. Also, since U.S. residents are large direct investors abroad, the principle of equitable treatment for all investors is in the interest of the U.S. Lastly, restrictions on FDI in the U.S. might have adverse foreign policy implications.

The exceptions to the "open-door" policy are federal laws that restrict foreign ownership of firms in national defense industries, certain natural resource sectors of the economy, coastwise and freshwater shipping, domestic radio communications, domestic air transport, acquisition of federal mineral lands, and hydroelectric power. It should again be noted that foreign firms have to obey the same laws and regulations as domestic firms (such as anti-trust laws and SEC regulations).

Although there are some state laws restricting foreign ownership in real estate, banking, and insurance, most states are eager to attract foreign investors. The wide range of incentives to foreign (as well as domestic) investors by many states includes initial financing assistance, working capital loans, tax exemptions or holidays, technical help, and the availability of industrial development bond issues. At least 24 states maintain offices in Europe and seven states maintain offices in Japan to persuade manufacturers to locate plants in their state.

In the spring of 1980, the Carter Administration announced a new policy of encouraging foreign investment in distressed U.S. areas. This policy, which is administered by the International Trade Administration and Economic Development Administration of the Department of Commerce and by the Department of Housing and Urban Affairs, does not reflect any change from the previous policy of neutrality toward foreign investment generally in the U.S., but, instead seeks to encourage foreign investors, once they have decided to invest in the U.S., to consider lecating in distressed U.S. areas. Among other things, under this policy the Federal Government, in cooperation with State and local governments, provides information to foreigners regarding existing incentives to invest in distressed areas.

U.S. policies toward international investment are currently being reviewed by the Reagan Administration. An inter-agency study headed by the Treasury Department on foreign investment in the United States, which includes a review of the role of CFIUS, is underway.

LEGISLATION

P.L. 97-33, S. 1104

Amends the International Investment Survey Act of 1976 to require benchmark surveys of (1) foreign direct investment in the United States covering 1980 and 1987 and every fifth year thereafter; and (2) U.S. direct investment abroad covering 1982 and 1989 and every fifth year thereafter. Requires an annual compilation of current data on U.S. portfolio investment abroad. Requires a report on the cost of compiling data on legislation enacted by certain foreign nations which regulates foreign inward investment in such nations. Authorizes appropriations to carry out such Act. Introduced on May 4, 1981; referred to Senate Committee on Commerce, Science and Transportation, which reported favorably, with an amendment, to Senate, Report No. 97-68, on May 15, 1981; passed Senate with amendment on June 6, 1981; passed House on July 27, 1981, became Public Law 97-33 on Aug. 7, 1981.

P.L. 97-145, H.R. 3567

Section 6 of H.R. 3567 amends section 9 of the International Survey Act of 1976 to authorize appropriations of $3,842,000 for each of the fiscal years 1982 and 1983 to carry out the provisions to this Act. Introduced on May 13, 1981 as clean bill in lieu of H.R. 3134. Referred to House Committee on Foreign Affairs, which held mark-up on May 13, 1981; and reported to House, Report No. 97-57, on May 19, 1981; passed House on June 8, 1981; passed Senate in lieu of S. 1112 with amendment by voice vote on Nov. 12, 1981; House unanimously disagreed with Senate amendments and requested a conference on Nov. 20, 1981. Conference Report no. 97-401 issued Dec. 11, 1981. Became P.L. 97-145 on Dec. 29, 1981 with Section 6 omitted.

H. Con. Res. 49 (Brown, C.)/H. Con. Res. 59 (Brown, C., et.al.)

Requests the Securities and Exchange Commission and the Secretary of Commerce each to report to the Congress on the impact on the U.S. economy of the acquisition of U.S. companies by foreign nationals. H.Con.Res. 49 was introduced on Feb. 3, 1981 and H.Con.Res. 59 was introduced on Feb. 5, 1981. Both bills were referred to the House Committee on Foreign Affairs and the Subcommittee on International Economic Policy and Trade which held hearings on H.Con.Res. 49 on Feb. 23, 1982, and the House Committee on Energy and Commerce and the Subcommittee on Telecommunication, Consumer Protection and Finance, which held hearings on H.Con.Res. 59 on Feb. 26, 1981 and April 2, 1981.

H.Con.Res. 177 (Fithian)

Urges the President to negotiate with Japan concerning the establishment of Japanese auto production facilities in the United States and the use of U.S. parts in Japanese cars. Introduced on Sept. 10, 1981; referred to the House Committee on Ways and Means and the Subcommittee on Trade.

H.R. 1294 (Brooks, et.al.)/S. 289 (Tower, et.al.)

Amends the Security Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by either U.S. or non-U.S. persons where such acquisition is financed by either U.S. or non-U.S. lenders. H.R. 1294 was introduced on Jan. 27, 1981and referred to the House Committee on Energy and Commerce and the Subcommittee on Telecommunication, Consumer Protection and Finance, which held hearings on Feb. 26, 1981 and April 2, 1981. S. 289 was introduced on Jan. 27, 1981 and referred to the Senate Committee on Banking, and the Subcommittee on Securities, which held hearings on March 31, 1981. For further action, see H.R. 4145.

H.R. 2826 (Emerson, et al.)

Mineral Lands Leasing Amendment of 1981. Amends the Mineral Lands Leasing Act to prohibit any foreign person from acquiring more than 25% of the voting securities in a U.S. mineral resource corporation and directs the Secretary of the Interior to undertake a study of indirect foreign investment in mineral resources on U.S. land. Introduced on Mar. 25, 1981; referred to Committee on Interior and Insular Affairs and Subcommittee on Mines and Mining, which held hearings on May 7, 1981 and markup on July 16, 1981. Clean bill H.R. 4186 reported in lieu.

H.R. 2879 (Collins)/S. 1436 (D'Amato et al.)

Amends the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by foreign persons where such acquisition is financed by a foreign lender. H.R. 2879 was introduced on Mar. 26, 1981; referred to Committee on Energy and Commerce and Subcommittee on Telecommunications, Consumer Protection and Finance, which held hearings on April 2, 1981. S. 1436 was introduced on June 25, 1981; referred to the Senate Committee on Banking Housing and Urban Affairs and the Subcommittee on Securities, which held hearings on July 8, 1981. S. 1436 with amendments was referred to the full committee on July 30, 1981. For further action, see H.R. 4145.

H.R. 3134 (Bingham)

Section 4 amends the International Investment Survey Act of 1976 to authorize appropriations to carry out such Act. Introduced on Apr. 8, 1981; referred to House Committee on Foreign Affairs and Subcommittee on International Economic Policy and Trade, which held hearings on Apr. 14, 1981 and mark-up on Apr. 28, 1981. (For further action, see H.R. 3567.)

H.R. 3310 (Roe)

Foreign Investment Control Act of 1981. Establishes a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resourced deemed to be vital to the economic security and national defense of the United States. Introduced on Apr. 29, 1981; referred to the House Committee on Energy and Commerce and the Subcommittee on Telecommunications, Consumer Protection and Finance.

H.R. 3311 (Roe)

Creates a Joint Congressional Committee on Foreign Investment Control in the United States upon enactment of the Foreign Investment Control Act of 1981. Directs the committee to study the manner in which the National Foreign Investment Control Commission, established by such Act, fulfills its purposes. Introduced on Apr. 29, 1981; referred to the House Committee on Rules.

H.R. 4033 (Whittaker et al.)/S. 1429 (Kassebaum et al.)

Title I, the Margin Requirements Fairness Act of 1981. Amends the Securities Exchange Act of 1934 to make the margin requirements for domestic purchasers of securities applicable to foreign purchasers of securities in certain significant transactions involving the United States securities markets Title II, the Foreign Energy Investment Act of 1981, establishes a moratorium from July 1, 1981 through March 31, 1982 on certain Canadian investments in U.S. energy resource corporations, and directs that a comprehensive study on foriegn investment in U.S. energy resource corporations be undertaken and completed by March 1, 1982. Introduced June 25, 1981; referred to the House Committee on Energy and Commerce; the Subcommittee on Telecommunications, Consumer Protection and Finance, the Senate Committee on Banking, Housing and Urban Affairs, and the Subcommittee on Securities, which held hearings on July 8, 1981.

H.R. 4145 (Wirth, et al.)

Amends the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. lenders. Introduced July 15, 1981; referred to the Committee on Energy and Commerce; reported to House with amendment, Report no. 97-258 on Sept. 30, 1981; passed House, amended Oct. 13, 1981; referred to Senate Committee on Banking, Housing and Urban Affairs on Oct. 14, 1981.

H.R. 4177 (English)

Amends the Communications Act of 1934 to authorize the Federal Communications Commission to regulate the entry of foreign telecommunications services and carriers into U.S. markets. Introduced on July 16, 1981; referred to House Committee on Energy and Commerce.

H.R. 4186 (Santini, et al.)

Mineral Lands Leasing Amendment of 1981. Amends the Mineral Lands Leasing Act of 1920 to prohibit foreign acquisitions of more than five percent of the voting securities in a U.S. mineral resource corporation (except for agreements prior to July 15, 1981) beginning on July 15, 1981 and ending April 15, 1982 and directs the Secretary of the Interior to undertake a study of indirect foreign investment in mineral resources on lands owned by the U.S. Introduced July 16, 1981 in lieu of H.R. 2826; referred to the House Committee on Energy and Commerce, the Subcommittee on Telecommunications, Consumer Protection and Finance and the House Committee on Interior and Insular Affairs.

H.R. 4225 (Walgreen)

Amends the Communications Act of 1934 to establish certain limitations relating to the ownership of cable television franchises by certain foreign entities. Introduced July 21, 1981; referred to the House Committee on Energy and Commerce.

H.R. 4407 (Schulze)

Amends the Trade Act of 1974 to restrict direct investment within the U.S. by foreign countries that discriminate against U.S. investment abroad. Introduced Aug. 4, 1981; referred to the House Committee on Ways and Means and the Subcommittee on Trade.

H.R. 4930 (Brown)

Amends the Energy Policy and Conservation Act to provide for an evaluation of the effects of acquisitions of domestic petroleum companies by major international energy concerns on the exploration, development, production, refining, transportation, distribution, and marketing of domestic petroleum supplies and to impose a moratorium on such acquisitions until completion and consideration of the evaluation. Introduced Nov. 10, 1981; referred to House Committee on Energy and Commerce and Subcommittee on Fossil and Synthetic Fuels which held hearings on Dec. 10, 1981. Subcommittee markup held on Dec. 15, 1981 and bill was forwarded to Full Committee (Amended). For further action, see H.R. 5274.

H.R. 5274 (Brown, C.)

Provides for congressional evaluation of energy policy by imposing a moratorium on certain acquisitions involving major energy concerns and domestic petroleum companies until June 30, 1982. Introduced Dec. 16, 1981; referred to the House Committee on Energy and Commerce and the House Committee on the Judiciary and Subcommittee on Monopolies and Commercial Law. Passed House Dec. 16, 1981; received in Senate and referred to the Committee on the Judiciary Dec. 22, 1981.

H.Res. 433 (Rosenthal)

Declares that the House of Representatives concurs in the public release of certain classified documents dealing with foreign investments and country surpluses of members of the Organization of Petroleum Exporting Countries (OPEC). Introduced Apr. 21, 1982; referred to Committee on Government Operations and Subcommittee on Commerce, Consumer and Monetary Affairs, which held mark-up sessions Apr. 29 and May 6, 1982. Amended resolution forwarded to full committee May 6, 1982.

S. 1687 (Pressler)

Makes a technical amendment to the International Investment Survey Act of 1976 (deletes the word "calendar"). Introduced on Sept. 30, 1981; referred to House Committee on Foreign Affairs; passed House on Oct. 14, 1981; passed Senate on Oct. 16, 1981; became Public Law 97-70 on Oct. 26, 1981.

S. 1926 (Metzenbaum et al.)

Amends the Clayton Act to direct the Secretary of Energy to undertake a comprehensive study of the effects of acquisitions of domestic petroleum companies by major international energy concerns and to report the findings to Congress. Prohibits, between Jan. 1, 1982, and Sept. 30, 1982, any major international energy concern from acquiring more than 5% of a domestic petroleum company. Introduced Dec. 9, 1981; referred to Senate Committee on the Judiciary.

S. 2067 (Symms)

Amends the Trade Act of 1974 to authorize the President to restrict direct investment within the U.S. by a foreign country that unfaily discriminates against U.S. investment or by citizens, nationals, or persons who are organized or existing under the laws of such country. Changes the definition of "commerce" to include investment. Introduced Feb. 4, 1982; referred to Committee on Finance.

S. 2469 (Goldwater et al.)

International Telecommunications Deregulation Act of 1982. Amends the Communications Act of 1934 (with a new Title VI) to provide for improved international telecommunications, and for other purposes. Section 606f of Title VI authorizes the Secretary of Commerce to collect information on, among other things, foreign direct investment in the domestic telecommunications industry. Introduced May 3, 1982; referred to Committee on Commerce and Subcommittee on Communications, which held hearings June 15 and 17, 1982. Ordered to be reported with an amendment in the nature of a substitute favorably Oct. 1, 1982.

S.Res. 317 (Cannon et al.)

Declares it the sense of the Senate that the Interstate Commerce Commission should temporarily refrain from granting applications for motor carrier operating authority filed by foreign companies or by companies controlled by foreign nationals. Introduced on Feb. 10, 1982; referred to Senate Committee on Commerce, Science, and Transportation.

HEARINGS

U.S. Congress. House. Committee on Agriculture. Subcommittee on Family Farms, Rural Development, and Special Studies. Impact on foreign investment in farmland. Hearings, 95th Congress, 2nd session, on H.R. 13128 and related bills. June 20, July 19 and July 28, 1978. 433 p.

----- Committee on Energy and Commerce. Subcommittee on Telecommunication, Consumer Protection and Finance. Acquisition of U.S. Companies by Foreign Nationals. Hearings on H. Con. Res. 59 and H.R. 1294. 97th Congress 1st session, Feb. 26, and April 2, 1981. 277 p.

----- Committee on Foreign Affairs. Subcommittee on International Economic Policy and Trade. International Investment Survey Act Authorization for Fiscal Years 1980 and 1981. Hearing and markup on H.R. 3653, 96th Congress, 1st session, Apr. 26, 1979. 46 p.

----- Committee on Foreign Affairs. Subcommittee on International Economic Policy and Trade. Hearing on H.R. 3134. 97th Congress, 1st session, Apr. 14, 1981. Unpublished.

----- Subcommittee on International Economic Policy and Trade. Hearing on foreign investment in the United States: current

issues, 97th Congress, 2d session, Feb. 23, 1982. Unpublished.

----- Committee on Government Operations. Subcommittee on Commerce, Consumer and Monetary Affairs. Federal response to OPEC investments in the United States. Hearings, 97th Congress, 1st and 2nd sessions.
Part 1 - Overview, hearings on Sept. 22 and 23, 1981. 1165 p.
Part 2 - Investment in Sensitive Sectors of the U.S. Economy: Kuwait Petroleum Corp. Takeover of Santa Fe International Corp., hearings on Oct. 20 and 22, Nov. 24 and Dec. 9, 1981. 693 p.
Part 3 - Saudi Arabian Influence in Whittaker Corp., hearings on Apr. 6, 1982. 213 p.

----- The operations of federal agencies in monitoring, reporting on, and analyzing foreign investments in the United States Hearings, 95th Congress, 2nd session,
Part 1 - Hearing on Sept. 19, 20 and 21, 1978. 531 p.
Part 2 - OPEC investment in the United States, hearings on July 16, 17, 18 and 26, 1979. 476 p.
Part 3 - Examination of the committee on foreign investment in United States, federal policy toward foreign investment, and federal data collection efforts, hearing on July 30, 1979. 1062 p.
Part 4 - Foreign investments in U.S. banks, hearings on July 31 and Aug. 1, 1979. 336 p.
Part 5 - Appendixes. 253 p.

----- Subcommittee on Commerce, Consumer and Monetary Affairs. Hearing on Saudi Arabia influence in Whittaker Corporation. 97th Congress, 2d session, Apr. 1, 1982. Unpublished.

----- Committee on Interior and Insular Affairs. Subcommittee on Mines and Mining. Hearing on H.R. 2826, to provide for a review of the policy relating to mineral leases on public lands (alien ownership). 97th Congress, 1st session, May 7, 1981. Unpublished.

----- Committee on International Relations. Subcommittee on International Economic Policy and Trade. Hearing and Markup on H.R. 12589, 95th Congress, 2nd session, Apr. 25, May 4 and 10, 1978. 33 p.

----- Committee on Interstate and Foreign Commerce. Subcommittee on Consumer Protection and Finance. Reciprocity in investment. Hearings, 96th Congress, 2d session, on H.R. 7791 and H.R. 7750. Aug. 19 and Sept. 9, 1980. 225 p.

----- Committee on Post Office and Civil Service. Subcommittee on Census and Population. Data on foreign ownership of property within the U.S. Hearing, 95th Congress, 1st session on H.R. 7411. July 15, 1977. 48 p.

----- Committee on Ways and Means. Taxation of foreign investor direct and indirect ownership of property in the United States. Hearing, 96th Congress, 1st session, Oct. 25, 1979. 84 p.

U.S. Congress. Senate. Committee on Banking, Housing, and Urban Affairs. Subcommittee on Securities. Hearing on S. 289, a bill to amend the Securities Exchange Act of 1934 to provide margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisitions are financed by non-U.S. leaders. 97th Congress, 1st session. March 31, 1981. Unpublished.

----- Committee on Banking, Housing and Urban Affairs. Subcommittee on Securities. Hearing on S. 1429 and S. 1436, bills imposing uniform margin requirements on loans obtained for the purchase of U.S. securities by foreign persons or corporations. 97th Congress, 1st session, July 8, 1981. Unpublished.

----- Committee on Commerce, Science and Transportation. Authorization for the International Investment Survey Act. Hearing on S. 2928, 95th Congress, 2nd session, Apr. 19, 1978. 114 p.

----- Committee on Commerce, Science and Transportation. Authorize appropriations under the International Investment Survey Act of 1976. Hearing on S. 758, 96th Congress, 1st session, Apr. 11, 1979. 48 p.

----- Subcommittee on Business, Trade and Tourism. International Investment Survey Act Reauthorization. Hearing, 97th Congress, 1st session, April 9, 1981. 17 p.

----- Committee on Finance. Subcommittee on Taxation and Debt Management. Taxation of Foreign Investment in the United States Hearing in S.192 and S.268. June 25, 1979. 260 p.

----- Committee on Foreign Relations. Subcommittee on International Economic Policy. U.S. policy toward international investment. Hearings, 97th Congress, 1st session, July 30, Sept. 28, and Oct. 28, 1981. 600 p.

----- Committee on Foreign Relations. Subcommittee on International Economic Policy. U.S. policy towards international investment. Hearing, 97th Congress, 1st session, July 30, 1981. Unpublished.

A list of hearings on foreign direct investment in the United States in the 93rd and 94th Congresses can be obtained by calling the author (287-7752).

REPORTS AND CONGRESSIONAL DOCUMENTS

U.S. Congress. House. Committee on Energy and Commerce. Uniform Margin Requirements; Report to accompany H.R. 4145 (97th Congress, 1st session, Report no. 97-258) Washington, U.S. Govt. Print. Off., 1981. 31 p.

----- Committee on Foreign Affairs. Export Administration

Amendments Act of 1981 (97th Congress, 1st session, Report no. 97-57) Washington, U.S. Govt. Print. Off., 1981. 15 p.

----- Committee on Foreign Affairs. Subcommittee on Foreign Economic Policy. Direct foreign investments in the U.S. July 7, 1974. Washington, U.S. Govt. Print. Off., 1974. 14 p.
At head of title: 93rd Congress, 2nd session.
Committee print.

----- Committee on Government Operations. The adequacy of the federal response to foreign investment in the United States (96th Congress, 2nd session, Report No. 96-1216) Washington, U.S. Govt. Print. Off., 1980. 217 p.

----- Committee on International Relations. Amendments to International Survey Act of 1976; report to accompany H.R. 12589 including cost estimate of the Congressional Budget Office (95th Congress, 2nd session, Report no. 95-1154) Washington, U.S. Govt. Print. Off., 1978. 6 p.

U.S. Congress. Joint Committee on Taxation. Description of S. 192 and S. 208 relating to tax treatment of foreign investment in the United States, scheduled for a hearing before the Subcommittee on Taxation and Debt Management Generally of the Committee on Finance on June 25, 1979; prepared for the use of the Committee on Finance. Washington, U.S. Govt. Print. Off., 1979. 10 p.

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Committee on Commerce, Science and Transportation. Authorization for the International Investment Survey Act of 1970 (97th Congress, 1st session, Report no. 97-68) Washington, U.S. Govt. Print. Off., 1981. 8 p.

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----- Committee on Commerce, Science and Transportation. International Survey Act of 1976 authorization report to accompany S. 2928 (95th Congress, 2nd session, Report no. 95-863) Washington, U.S. Govt. Print. Off., 1978. 9 p.

U.S. General Accounting Office. Office of the Comptroller General of the United States. Are OPEC financial holdings a danger to U.S. banks or the economy? June 11, 1979. EMD-79-45. 51 p.

U.S. General Accounting Office. Office of the Comptroller General of the United States. Controlling foreign investment in national interest sectors of the U.S.

economy. Oct. 7, 1977. ID-77-18. 82 p.

U.S. General Accounting Office. Office of the Comptroller General of the United States. Foreign direct investment in the United States - the federal role. June 3, 1980. ID-80-24. 83 p.

CHRONOLOGY OF EVENTS

10/26/81 -- A Technical Amendment to the International Investment Survey Act of 1976 (P.L. 97-70) became law.

08/07/81 -- The Amendments to the International Investment Survey Act of 1976 (P.L. 97-33) became law.

12/05/80 -- The Foreign Investment in Real Property Tax Act of 1980, Subtitle C of P.L. 96-499, became law.

09/29/79 -- Section 23 of the Export Administration Act of 1979 (P.L. 96-72), which authorized appropriations for FY80 and FY81 to carry out the International Investment Survey Act of 1976, became law.

10/14/78 -- The Agricultural Foreign Investment Disclosure Act (P.L. 95-460) became law.

09/22/78 -- The Amendments to the International Investment Survey Act of 1976 (P.L. 95-381) became law.

12/19/77 -- Title II of P.L. 95-213 (The Domestic and Foreign Investment Improved Disclosure Act) became law.

10/11/76 -- The International Investment Survey Act of 1976 (P.L. 94-472) became law.

10/26/74 -- The Foreign Investment Study Act of 1974 (P.L. 93-479) became law.

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----- International Trade Administration. Foreign direct investment in the United States; 1979 transactions. Sept. 1980. 40 p.

----- Office of Foreign Investment in the United States. Foreign direct investment in the United States; 1976 transactions -- all forms; 1974-76 acquisitions, mergers and equity increases. Washington, for sale by the Supt. of Docs., U.S. Govt. Print. Off., 1977. 43 p.

U.S. Library of Congress. Congressional Research Service. Foreign investment in U.S. farmland [by] Karla Perri. (Archived -- 12/22/80)
Issue Brief 78064

----- Foreign ownership of property in the United States: federal and state restrictions [by] Howard Zaritsky. Washington, July 11, 1978 (Updated June 23, 1980). 42p.
Report No. 80-105A

----- Reciprocity in foreign trade [by] Alfred Reifman and Raymond Ahearn. Washington, Mar. 23, 1982 (Updated periodically). 20 p.
Issue Brief 82043