

L.N. II. 21.

BALANCES OF PAYMENTS

1937

LEAGUE OF NATIONS
GENEVA
1938

Published previously :

REVIEW OF WORLD TRADE, 1937

(Ser. L.o.N. P. 1938.II.A.5.)

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(Ser. L.o.N. P. 1938.II.A.19.)

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ECONOMIC INTELLIGENCE SERVICE

BALANCES OF PAYMENTS

1937

LEAGUE OF NATIONS

Geneva

1938



Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL
1938. II.A.18

PREFACE

This volume contains statements showing the international payments of thirty-three countries in recent years, supplemented by such information as is available concerning the outstanding foreign assets and liabilities of these countries. These national statements are preceded by a brief general summary of the evidence they furnish. No analysis is made, however, of the trade in goods, which is dealt with in two other annual publications of this Service : *Review of World Trade* and *International Trade Statistics*. Reference may also be made to *Money and Banking, 1937/38, Vol. I, Monetary Review*, for information concerning the relationship between monetary events and such international transactions as the movement of gold and short-term capital.

The majority of the statements for individual countries given in this volume were compiled on the basis of a special form sent out to States Members of the League of Nations ; other statements have in most cases been re-arranged, so as to permit of comparison between at least the principal groups of items considered in that form. In order to enable the reader to follow the changes which have taken place in the volume and the nature of the transactions considered, figures for the last four or five years are shown, when available, and the balances of the chief groups of items for the whole series of years for which comparable data exist are given in summary tables after the detailed accounts.

In order to facilitate the utilisation of the information on international transactions contained in earlier editions of this publication, an index is given this year of the countries dealt with in them.

A. LOVEDAY,

*Director of the Financial Section and
Economic Intelligence Service.*

League of Nations,
Geneva.

November 1938.

CHAPTER I

The first part of the book is devoted to a general survey of the history of the subject. It begins with a brief account of the early attempts to explain the origin of life, and then proceeds to a more detailed examination of the various theories which have been advanced. The author discusses the evidence in support of each theory, and attempts to show which is the most probable. The chapter concludes with a summary of the main points.

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Note : Les pays sont classés dans l'ordre alphabétique français. Les années indiquées en regard de chaque pays se réfèrent aux relevés de la balance des paiements qui figurent en détail dans les éditions dont il s'agit. Lorsque les relevés ne sont pas complets, les années sont inscrites en petits caractères. Si l'on désire des renseignements pour une année déterminée, il y a lieu d'utiliser de préférence l'édition la plus récente qui contient des données relatives à cette année, car fréquemment des révisions sont effectuées après que les chiffres aient été publiés pour la première fois. Cependant, les notes explicatives concernant les méthodes employées, etc., sont généralement la plus complètes dans la première édition dans laquelle on étudie l'année en question.

Titre du volume →	Mémoire sur les Balances des paiements et sur les Balances du commerce extérieur (Vol. I)			Mémoire sur le Commerce international et sur les Balances des paiements Memorandum on International Trade and Balances of Payments			
	Memorandum on Balance of Payments and Foreign Trade Balances (Vol. I)			Volume I		Volume II	
	1910-1923	1910-1924	1911-1925	1912-1926	1913-1927	1926-1928	1927-1929
	—	—	1926. II. 51 ^I	1927. II. 68 ^I	1928. II. 53 ^I	1929. II. 51 ^{II}	1930. II. 54 ^{II}
Publications de la Société des Nations, Série N° →	—	—	—	—	—	—	—
Pays ↓	Années auxquelles se réfèrent les relevés détaillés contenus dans chaque volume						
Albanie	—	—	—	—	—	—	—
Allemagne	—	—	1924-25	1924-26 I-VI, 27	1924-27	1924-28	1924-29
Argentine (¹).	1918/19-21/22	1918/19-22/23	—	1918/19-24/25	1920/21-25/26	1922/23-27/28	1925/26-28/29
Australie	1921/22	1921/22-23/23	1921/22-24/25	1921/22-25/26	1922/23-26/27	1922/23-27/28	1922/23-28/29
Autriche	—	—	—	1923-24	1923-26	—	1925-28
Belgique	—	—	—	—	—	—	1929
Bésil	—	—	—	—	—	—	—
Bulgarie	—	1923	1924	—	1926	—	—
Canada	—	—	—	—	1920-26	1924-27	1926-29
Chili	—	—	—	—	—	—	—
Chine	—	—	—	—	—	—	—
Mandchourie	—	—	—	—	—	—	—
Chypre	—	—	—	—	—	—	—
Cuba	—	—	—	1925-26	—	—	—
Curaçao	—	—	—	—	—	—	—
Danemark	1922	1923	1923-24	1925-26	1924-27	1925-28	1926-29
Egypte	—	—	—	—	—	—	—
Espagne	—	—	—	—	—	—	—
Estonie	—	—	—	1924-26	1925-27	1925-28	—
Etats-Unis d'Amérique	1919-22	1922-24	1922-25	1923-26	1926-27	1925-28	1926-29
Finlande	1922	1923-23	1922-24	1923-25	1923-26	1924-28	1926-29
France	—	—	1913, 1922-24	1925	1925-27	—	1927-29
Grèce	—	1923	1924	—	1926	—	—
Guatemala	—	—	—	—	—	—	—
Haiti	—	—	—	—	—	—	—
Hongrie	—	1922	1923-24	1926	1926-27	1926-28	1926-29
Inde	1922/23	1923/24	1923/24-24/25	1923-24-25/26	1923/24-26/27	1925/26-28/29	1926/27-29/30
Indes néerlandaises	—	—	—	—	—	1926-27	1925-29
Indochine française	—	—	—	—	—	—	—
Irak	—	—	—	—	—	—	—
Irlande	—	—	1924	1924-25	1924-26	1924-27	1925-28
Islande	—	—	—	—	—	—	—
Italie	1921-22	—	1923-24	1925	—	1925-27	—
Japon	—	—	1923-24	1923-25	1924-25	1924-27	1925-28
Lettonie	—	—	1924	—	1924, 1926	1924-27	1925-28
Lithuanie	—	—	—	1925-26	—	1925-27	1925-28
Mexique	—	—	—	—	—	—	1909/10, 1926
Norvège	1922	1923-24	1923-24	1925-26	1924-27	1925-28	1926-29
Nouvelle-Zélande	—	1922-23	1922-24	1923-25	1923-26	1924-26, 1927/28	1925-26, 1927/28-28/29
Palestine	—	—	—	—	—	—	—
Paraguay	—	—	—	—	—	1926-27	—
Pays-Bas	1920-22	1920-23	—	—	—	—	—
Philippines	—	—	—	—	—	—	—
Pologne	—	1923	—	1923-25	1923-26	1925-28	—
Roumanie	—	1923	1924	—	—	1926-28	—
Royaume-Uni	1907, 1910, 1913, 1920, 1922	1913, 1920, 1922, 1923	1923-25	1924-26	1924-27	1924-29	1926-30
Siam	—	—	1924	1924-25	—	1924-27	1925-27, 1926/27
Suède	1922	1922-24	1922-24	1924-26	1924-27	1925-28	1926-29
Suisse	(²)	1913, 1924	1924-25	1924-26	—	—	—
Surinam	—	—	—	—	1926-27	1925-28	1926-29
Tchécoslovaquie	—	1924	—	—	1925-27	1925-28	1925-29
Turquie	—	—	—	—	—	1926	1926-27
Union Sud-Africaine	1922	1923	1923-24	—	—	1924-27	1925-28
U.R.S.S.	—	—	—	—	—	—	—
Uruguay	—	—	—	—	—	—	1929
Venezuela	—	—	—	—	—	—	—
Yugoslavie	—	—	—	—	1926	1926-27	1926-29

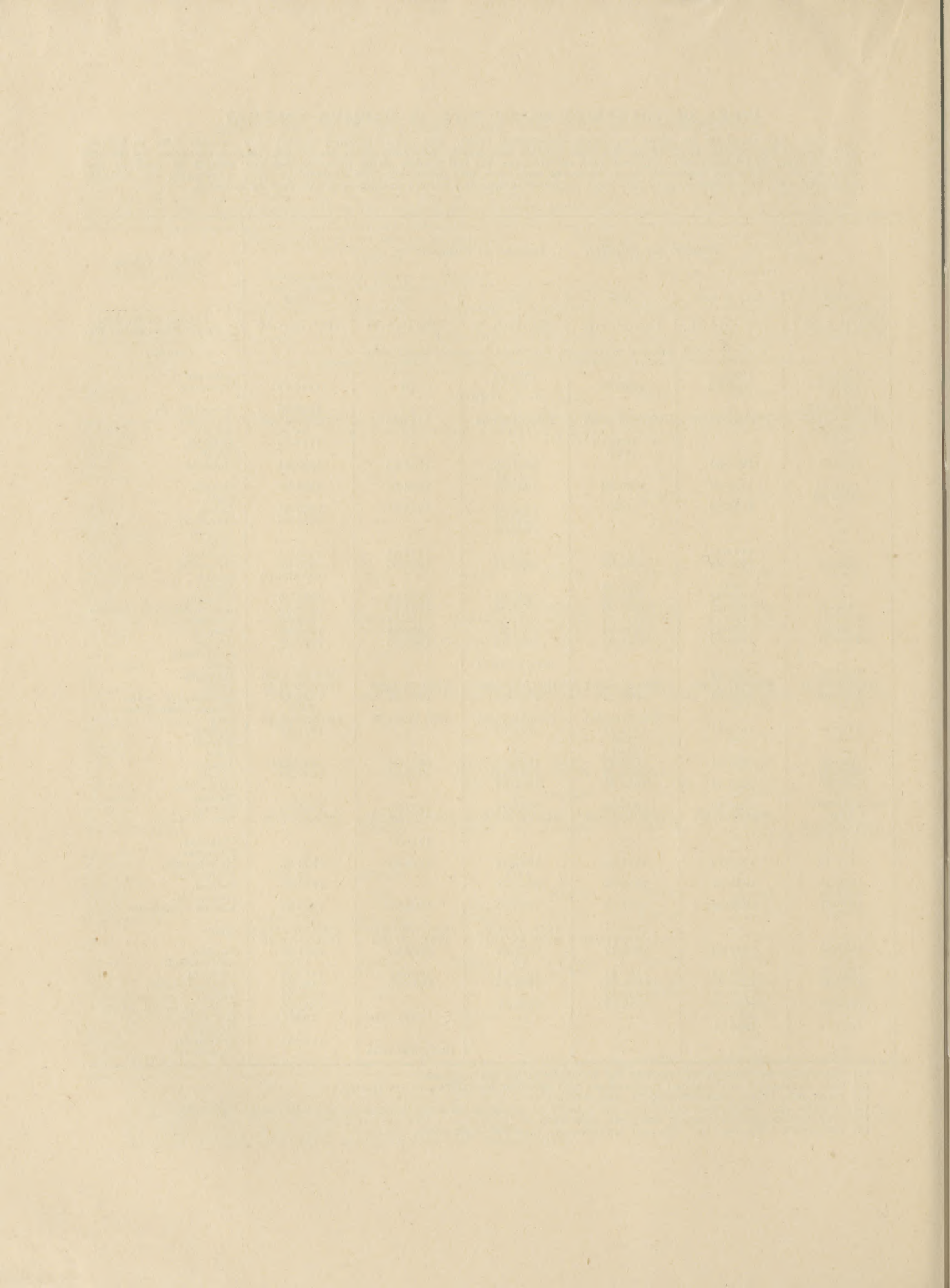
- (1) Les chiffres pour 1920/21-1921/22, ainsi que pour 1923/24-1924/25, sont combinés.
- (2) Données concernant seulement la dette internationale et le service de la dette (1932 et 1933).
- (3) Renseignements incomplets se rapportant à plusieurs années.
- (4) Contient également des renseignements relatifs à la balance des paiements par pays et par articles principaux, 1928-1933.
- (5) Quelques chiffres d'après guerre seulement, comparés à 1913.
- (6) Relevé incomplet pour 1928 et données diverses pour d'autres années.

INDEX OF COUNTRIES DEALT WITH IN EARLIER VOLUMES

Note: The countries are given in French alphabetical order. The years indicated against each country refer to balance of payments statements shown in detail in the editions concerned. *Where the statements are not complete, the years are printed in small type.* If information is required for a certain year, the last edition giving data for that year should be used in preference, as revisions are frequently made after the data were first published. The explanatory notes concerning the methods employed, etc., are, however, as a rule most complete in the first edition dealing with the year in question.

Balances des paiements — Balances of Payments						Title of volume
1930	1931 & 1932	1933	1934	1935	1936	
1931. II. A. 28 II	1933. II. A. 26	1934. II. A. 19	1935. II. A. 20	1936. II. A. 18	1937. II. A. 16	League of Nations Publications Series No.
Years to which detailed statements contained in each volume refer						Country
1926-30 1927-30	1928-32 1929-32	— 1930-33	1929-33 I-XI. 33 I-XI. 34 (*)	— (*)	— 1933-36	Albania. Germany.
1927/28-30/31 1922/23-29/30 1926-29	— 1928/29-31/32	— 1929/30-32/33	— 1930/31-33/34	— 1934/35	1926-36 1928/29-35/36	Argentina. (*) Australia. Austria. Belgium. Brazil. Bulgaria.
— — 1924-31	— — 1924-31	— 1929 (*) 1932	— — —	— — —	— 1934-36 1933-36	— — —
1927-30 I-VI. 30	1926-32 — 1928-30	1930-33 — 1933	1931-33, I-X. 34 1931-34	1932-35 — 1926-35	1933-36 — 1933-36	Canada. Chile. China. Manchuria. Cyprus. Cuba.
— — —	— — —	— — —	1933-34 1933-34 1933-34	— — —	1934-35 — —	— — —
1927-30	1930-32 1929-32	1930-33 1930-33	1931-34 1931-34	1932-35 1932-35	1933-36 1933-36	Curaçao. Denmark. Egypt.
— — —	— — —	— — —	— — —	— — —	1930-34 (*)	Spain. Estonia.
1927-30 1927-30 1927-30 1927-30 1929-31	1929-32 1929-32 1929-32 1929-32 1931	1930-33 1930-33 1930-33 1930-33 1930-33	1931-34 1931-34 1931-34 1931-34 1931-34	1932-35 1932-35 1932-35 1932-35 1932-35	1933-36 1933-36 1933-36 1934-36 1933-36	United States of America. Finland. France. Greece. Guatemala.
— 1927-30 1927/28-30/31 1926-30	— 1928-32 1929/30-32/33 1928-32	— — 1930/31-33/34 1929-33	1931/32-33/34 1931/32-34/35 1930-34	— — 1932/33-35/36 1931-35	— 1930-32, 1935 1933/34-36/37 1932-36	Haiti. Hungary. India. Netherlands Indies.
— — 1926-29	— — 1928-31	— — 1926/27-32/33 1929-32 1930	— — 1930/31-33/34 1930-33	1931/32-34/35 — — —	1932/33-35/36 1931-36 — —	French Indo-China. Iraq. Ireland. Iceland.
— 1926-29 1926-29 1926-30	— 1928-31 — 1928-32	— — 1929-32 1930-33 1930-33	— — 1929-32 1930-33 1931-34 1931-34	— — 1931-34 1932-35 — —	— 1932-35 1933-36 — —	Italy. Japan. Latvia. Lithuania.
1927-30 1926, 1927/28-29/30	1929-32 1928/29-31/32	1930-33 1929/30-32/33	1931-34 1930/31-33/34	1932-35 1931/32-34/35	1933-36 1932/33-35/36	Mexico. Norway. New Zealand.
— 1927-30 1927-30	— 1928-32 —	— 1930-33 —	— 1931-34 1934	1934/35 — —	— 1933-36 —	Palestine. Paraguay. Netherlands.
— 1926-29 1927-30 1926-31	— 1928-31 1926-32	— 1929-32 1927-33	— 1931-34 1928-34	— — 1929-35	— 1932-35 1929-36	Philippines. Poland. Roumania. United Kingdom.
— 1927-30	— 1929-32	— 1926-27, 1926/27, 1932/33	— 1927, 1926/27, 1932/33, 1934	1926/27, 1932/33, 1934, 1934/35	1932/33, 1934, 1934/35-36/36	Siam.
— 1927-30 1926-30	— 1929-32 1928-32	— 1930-33 1929-33	— 1931-34 1930-34	— 1932-35 1931-35	1933-36 — 1933-36	Sweden. Switzerland. Surinam.
— 1926-29	— 1928-31	— 1929-32	— 1930-33	— 1932-35	— 1932-36	Czechoslovakia.
— 1926-29	— 1928-31	— 1929-32	— 1930-33	— 1935	1930-33 1932-35	Turkey. Union of South Africa.
— 1929-30	— 1930-31	— —	— —	— —	1936 1934-35	U.S.S.R. Uruguay.
— —	— —	— —	— —	1927, 1929, 1935	—	Venezuela. Yugoslavia.

- (1) The figures for 1920/21-1921/22 and for 1923/24-1924/25 are combined.
- (2) Data concerning international indebtedness and debt service (1932 and 1933) only.
- (3) Incomplete information referring to several years.
- (4) Contains also information concerning the balance of payments by countries and by principal items, 1928-1933.
- (5) Only certain post-war figures compared with 1913.
- (6) Incomplete statement for 1928 and miscellaneous data for other years.



Analysis of Recent Tendencies.

Nature of the statistics.

When considering the information brought together in this volume, it must be borne in mind that, in practically all countries, only part of the international transactions are recorded by means of ordinary administrative statistics. Thus, while returns of the value of goods imported and exported are available for all countries, only a few countries — principally the Scandinavian — collect adequate annual statistics concerning the gross income of the merchant marine in foreign traffic. Certain countries possess rather complete statistics of the tourist traffic, indicating the number of foreign visitors and the number of nights spent by them in different national districts, etc., and though these countries are in a much better position for estimating the relative importance of the tourist traffic in their international accounts than are those in which the corresponding statistics are less detailed or non-existent, the actual inflow of funds on this account can be estimated only on the basis of assumed averages of daily expenditure.⁽¹⁾ Similar assumptions have also generally to be made when estimating the inflow or outflow of funds on account of other service items. In the case of capital items the information available is most complete for countries which, like Denmark and Norway, collect annual information from banks, brokers and merchants concerning the international capital operations performed by or through them. Attention should be paid in this connection to the detailed weekly statistics concerning the United States sales and purchases of securities and short-term capital movements since the beginning of 1935 which have been published by the United States Treasury Department. But even the information available for these countries is not complete, as transactions of individuals or firms not carried out through the agency of domestic banks frequently escape record.

The various national compilers have tackled the problems of estimation in different ways and with different claims to exactitude, and while in this volume the statements originally supplied have in certain cases been changed in form in order to facilitate international comparison, it has not proved possible to undertake any changes implying revision of substance.

As the estimates differ considerably in authority and value, and as in each individual statement the figures given vary from well-founded and carefully compiled administrative statistics to confessedly doubtful inferences drawn from an unquestionably inadequate basis of established fact, the figures supplied must be accepted with reserve and any conclusions drawn must be treated as tentative.

(1) In countries applying a strict exchange control, a more exact basis of information concerning tourist expenditure as well as other items in the international accounts should, at least in theory, be afforded by the data available on the amounts of currency bought and sold for different purposes. (In practice, however, the introduction of exchange control appears frequently to have coincided with a reduction of the published information concerning the international transactions of the countries concerned.)

Principal groups of transactions.

No attempts have been made to present the information for each country in accordance with the detailed standard form sent out to governments and reproduced elsewhere in this volume.⁽¹⁾ Care has been taken, however, so far as possible, to show comparable figures for the following principal groups of items :

Goods, services and gold :

Merchandise.
Interest and dividends.
Other services.
Gold.

Capital items :

Long-term operations.
Short-term operations.

The figures for inward and outward payments of the groups " Merchandise " and " Other services " do not quite tally owing to the method employed in accounting for the earnings and expenditure in respect of freight and the insurance of goods entering foreign trade. In order to facilitate the compilation, merchandise imports are entered c.i.f. and merchandise exports f.o.b. under " Merchandise ", while the whole earnings in foreign traffic of the merchant marine are entered under " Other services ". Accordingly, the payments of import freights to domestic ships, which properly do not belong to the account, are entered both on the credit and debit side, though under different groups, and earnings of one country on account of export freights do not appear in the accounts of the importing country as an expenditure under " Other services " but under " Merchandise ".

Synoptical Table.

Most of the detailed statements given for individual countries are accompanied by a summary table showing the balances — and in the case of the last few years, the total recorded inward and outward payments — on account of the groups of items specified above. In order to co-ordinate the data shown in the various national statements, these balances have been converted into U.S. " old " gold dollars (equalling 1.50463 grammes of fine gold) and have been entered in the Synoptical Table on pages 12-17.

In theory, the deficit or surplus on account of goods, services and gold should agree with the net inward or outward movement of capital. The final balance that, in practice, occurs (col. 10 of the table) represents errors and omissions. In certain cases, the discrepancy is so large that no deductions with regard to the magnitude of the capital movement can be drawn safely. The absence of such a balance in the last column in the case of Germany, Bulgaria and Greece does not mean that the statements concerned are rigidly exact, for in these cases the figures entered in one of the preceding columns are not based on direct evidence but are calculated as balancing accounts. They include, therefore, allowances for possible errors and omissions in the other columns. This method implies that the figures that are based on direct

(1) Cf. pages 47-49.

evidence are fairly complete, or that errors and omissions can be considered as offsetting each other. In the table the balance for the columns in question is entered in brackets.

The grouping of gold with goods and services may seem inappropriate in view of the fact that sales and purchases of gold by banks represent a reduction or increase in available capital reserves, or — where the transactions are not required by the movement of the balance on account of goods and services — a substitution of one form of investment for another (for example, of gold for foreign exchange). In either case, the gold transactions are most akin to capital movements. There are, however, important gold movements which are of the same nature as merchandise transactions, namely, gold exported from the mines of gold-producing countries and gold imports for industrial and similar purposes. As it has not proved possible, for the majority of countries, to separate such gold movements from banking transfers of gold, all gold transactions have been grouped with goods and services. But, since commercial gold movements vary relatively little from year to year, the figures shown for goods and services in column 4 of the table are likely to reflect accurately the main variations in the balance on account of "current" items, at least in the case of countries which are not large producers of gold.

The countries are arranged by continents in the following order: Africa, America, Asia, Europe, Oceania, and in French alphabetical order within each continent. The use of annual average exchange rates for conversion purposes (which was necessary, as monthly figures are available only for gold movements and trade in goods) is likely to have affected somewhat the figures for countries whose currencies have fluctuated widely and whose foreign transactions are subject to large seasonal fluctuations.

It has not been possible to explain in footnotes all the divergencies between the methods employed for different countries. For a close study, reference should be made to the sections for individual countries in this and the preceding volumes.

The plus sign (+) means a net inward or credit movement of payments (a surplus on account of goods, services or gold, or a net capital import), and the minus sign (—) a net outward or debit movement (a deficit on account of goods, services or gold, or a net capital export).

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold.

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde dû aux erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
Union Sud-Africaine — Union of South Africa ¹	1927	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1928	-135.9	-80.3	-21.5	-237.7	+212.1	-25.6	+30.4	.	+30.4	+4.8
	1929	-154.9	-77.0	-22.8	-254.7	+208.3	-46.4	+13.8	.	+13.8	-32.6
	1930	-183.4	-76.4	-24.1	-283.9	+218.9	-65.0	-8.6	.	-8.6	-73.6
	1931	-161.0	-73.5	-22.2	-256.7	+225.1	-31.6	+48.2	.	+48.2	+16.6
	1932	-149.3	-67.6	-21.4	-238.3	+219.3	-19.0	+1.9	.	+1.9	-17.1
	1933	-77.5	-61.3	-20.9	-159.7	+235.2	+75.5	+22.2	.	+22.2	+97.7
	1934	-89.1	-57.5	-12.9	-159.5	+229.3	+69.8	-7.0	.	-7.0	+62.8
	1935	-132.8	-52.2	-15.0	-200.0	+167.0	-33.0	+36.4	.	+36.4	+3.4
	1936	-140.7	-51.5	-15.8	-208.0	+205.4	-2.6	-9.9	.	-9.9	-12.5
	1937	-173.6	-63.5	-15.1	-252.2	+240.6	-11.6	-29.6	.	-29.6	-41.2
Argentine ²	1927	+277.9	-186.0	-70.3	+21.6	-83.0	-61.4	.	.	+72.0	+10.6
	1928	+223.3	-198.7	-72.2	-47.6	-83.6	-131.2	.	.	+110.0	-21.2
	1929	+99.2	-204.7	-53.2	-158.7	+168.7	+10.0	.	.	-6.7	+3.3
	1930	-97.7	-172.0	-43.0	-312.7	+26.1	-286.6	.	.	+233.3	-53.3
	1931	+88.4	-141.8	-22.9	-76.3	+165.0	+88.7	.	.	-88.7	.
	1932	+120.6	-118.0	-17.2	-14.6	+4.6	-10.0	.	.	-20.6	-30.6
	1933	+57.9	-107.3	-12.8	-62.2	.	-62.2	.	.	+59.4	-2.8
	1934	+101.7	-96.5	-10.6	-5.4	+12.2	+6.8	.	.	+22.8	+29.6
	1935	+106.8	-91.5	-12.6	+2.7	+2.3	+5.0	.	.	+7.0	+12.0
	1936	+131.0	-92.0	-16.1	+22.9	-0.4	+22.5	.	.	+60.8	+83.3
	1937	+180.1	-89.7	-29.0	+61.7	.	+61.7	.	.	-85.6	-23.9
Brésil — Brazil	1932	+109.0	-56.5	-14.2	+38.3	+3.9	+42.2	.	.	-48.9	-6.7
Canada ³	1927	+83.5	-210.8	+171.8	+44.5	+25.5	+70.0	.	.	-11.0	+59.0
	1928	+63.5	-221.0	+204.7	+47.2	+89.2	+136.4	.	.	-86.7	+49.7
	1929	-214.3	-258.1	+208.4	-264.0	+73.9	-190.1	.	.	+148.5	-41.6
	1930	-188.3	-288.1	+194.0	-282.4	+2.7	-279.7	.	.	+308.5	+28.8
	1931	-67.3	-269.5	+176.2	-160.6	+86.4	-74.2	.	.	+44.1	-30.1
	1932	+22.9	-230.6	+123.9	-83.8	+64.1	-19.7	.	.	-10.0	-29.7
	1933	+75.5	-164.2	+39.1	-49.6	+64.3	+14.7	.	.	-19.4	-4.7
	1934	+57.8	-127.5	+48.7	-21.0	+66.0	+45.0	.	.	-69.7	-24.7
	1935	+86.9	-123.2	+74.6	+38.3	+68.5	+106.8	.	.	-90.6	+16.2
	1936	+157.6	-138.2	+85.6	+105.0	+77.4	+182.4	.	.	-150.0	+32.1
	1937	+85	-146	+103	+42	+86	+128	.	.	-123	+5
Etats-Unis d'Amérique — United States of America ⁴	1927	+417	+679	-572	+524	+154	+678	-740	+845	+105	+783
	1928	+738	+680	-684	+734	+272	+1,006	-671	-228	-899	+107
	1929	+382	+699	-681	+400	-120	+280	-90	-95	-185	+95
	1930	+386	+769	-580	+575	-278	+297	-213	-465	-678	-381
	1931	+17	+621	-493	+145	+176	+321	+234	-719	-485	-164
	1932	+150	+455	-504	+101	-11	+90	+247	-489	-242	-152
	1933	+67	+325	-218	+174	+139	+313	+39	-383	-344	-31
	1934	+173	+220	-169	+224	-726	-502	+121	+94	+215	-287
	1935	-118	+207	-179	-90	-1,027	-1,117	+272	+636	+908	-209
	1936	-152	+195	-235	-192	-608	-800	+455	+244	+699	-101
	1937	-25	+195	-230	-60	-819	-879	+306	+174	+480	-399
Uruguay ⁵	1930	+4.6	-20.5	-1.5	-17.4	+6.6	-10.8	.	.	.	.
	1931	-21.7	-12.8	-1.1	-35.6	+4.8	-30.8	.	.	.	.
Chine — China ⁶	1928	-186.7	-114.7	+213.0	-88.4	-4.3	-92.7	.	.	+47.4	-45.3
	1929	-179.2	-118.5	+201.0	-96.7	+1.3	-95.4	.	.	+72.6	-22.8
	1930	-180.7	-95.0	+151.2	-124.5	+14.5	-110.0	.	.	+62.0	-48.0
	1933	-163.3	-22.3	+81.6	-104.0	+39.0	-65.0	.	.	+6.2	-58.8
	1934	-59.3	-26.9	+85.5	-0.7	+22.7	+22.0	.	.	+16.2	+38.2
	1935	-38.2	-34.9	+86.8	+13.7	+14.8	+28.5	.	.	+30.1	+58.6
	1936	-7.1	-19.0	+82.4	+56.3	+8.0	+64.3	.	.	+10.6	+74.9

¹ Union Sud-Africaine. — Col. 2 et 7 : non compris les ré-investissements des bénéfices réalisés dans le pays par les entreprises étrangères.

² Argentine. — Les paiements au titre de l'amortissement régulier sont compris dans la col. 2 au lieu de la col. 7.

³ Canada. — Col. 1 et 3 : non compris les frets payés aux navires nationaux pour le transport de marchandises importées.

⁴ Etats-Unis d'Amérique. — Col. 1 et 3 : pour les années 1927, 1928 et 1932, non compris les frets payés aux navires nationaux pour le transport de marchandises importées. Col. 2, 7, 8 : à partir de 1931, les intérêts et dividendes acquis à l'étranger mais non transférés aux Etats-Unis sont en partie exclus.

⁵ Uruguay. — L'amortissement de la dette publique et des obligations hypothécaires est compris dans la col. 2.

⁶ Chine (1929-1930, relevé privé du professeur C. F. Remer). — Les paiements au titre de l'amortissement sont compris dans la col. 2 au lieu de la col. 7. Depuis 1933 inclusivement, les chiffres ont trait à la Chine non compris la Mandchourie et le Jehol.

¹ Union of South Africa. — Cols. 2 and 7 : not including reinvestments of profits earned in the country by foreign firms.

² Argentine. — Regular amortisation payments are included in col. 2 instead of col. 7.

³ Canada. — Cols. 1 and 3 : not including freights paid to domestic ships on account of imported goods.

⁴ United States of America. — Cols. 1 and 3 : in 1927, 1928 and 1932, not including freights paid to domestic ships on account of imported goods. Cols. 2, 7, 8 : from 1931, interest and dividends earned abroad but not transferred to the United States are partly excluded.

⁵ Uruguay. — Amortisation of the public debt and of mortgage bonds is included in col. 2.

⁶ China (1929-1930, private compilation by Prof. C. F. Remer). — Amortisation payments are included in col. 2 instead of col. 7. The figures from 1933 inclusive refer to China exclusive of Manchuria and Jehol.

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité) (suite).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold (continued).

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde de aux erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Mandchourie et Kouan- Toung — Manchuria and Kwantung	1934	-28.2	-11.3	+6.4	-33.1	—	-33.1	.	.	+51.7	+18.6
	1935	-32.5	-14.5	+10.8	-36.2	—	-36.2	.	.	+51.8	+15.6
Inde — India a)	1927/28	+187.4	-114.7	-126.7	-54.0	-66.1	-120.1	+53.6	-23.9	+29.7	-90.4
	1928/29	+242.8	-118.6	-113.9	+10.3	-77.4	-67.1	+1.9	+2.6	+4.5	-62.6
	1929/30	+196.4	-115.3	-65.7	+15.4	-51.9	-36.5	+48.6	+15.0	+63.6	+27.1
	1930/31	+135.6	-122.6	-58.1	-45.1	-46.6	-91.7	+157.8	-19.5	+138.3	+46.6
	1931/32	+69.6	-108.7	-56.1	-95.2	+181.3	+86.1	+36.8	-27.2	+9.6	+95.7
	1932/33	-14.3	-90.0	-42.2	-146.5	+171.3	+24.8	-17.0	-21.3	-38.3	-13.5
	1933/34	+65.8	-82.4	-29.6	-46.2	+138.5	+92.3	-52.3	-23.4	-75.7	+16.6
	1934/35	+25.0	-72.2	-31.0	-78.2	+116.7	+38.5	-19.2	-23.5	-42.7	-4.2
	1935/36	+42.7	-70.6	-35.2	-63.1	+82.4	+19.3	.	.	-26.7	-7.4
	1936/37	+125.5	-71.6	-40.5	+13.4	+61.6	+75.0	.	.	-73.8	+1.2
	1937/38	—	-66.9	-40.2	-107.1	+36.2	-70.9	.	.	+11.7	-59.2
Indes néerlandaises — Nether- lands Indies ¹	1927	+299.9	-149.6	-86.8	+63.5	-6.4	+57.1	-26.9	+2.0	-24.9	+32.2
	1928	+230.3	-142.7	-80.8	+6.8	-6.0	+0.8	-5.2	-2.4	-7.6	-6.8
	1929	+135.0	-127.0	-70.4	-62.4	-4.0	-66.4	-24.9	+56.7	+31.8	-34.6
	1930	+106.9	-104.1	-63.5	-60.7	+0.8	-59.9	+31.8	.	+31.8	-28.1
	1931	+66.7	-59.1	-52.3	-44.7	+16.5	-28.2	+13.7	+18.5	+32.2	+4.0
	1932	+65.5	-45.4	-56.7	-36.6	+18.5	-18.1	+6.8	+35.0	+41.8	+23.7
	1933	+57.9	-41.8	-46.3	-30.2	+14.5	-15.7	+14.5	+4.8	+19.3	+3.6
	1934	+98.1	-41.4	-36.6	+20.1	+10.4	+30.5	+35.8	-46.2	-10.4	+20.1
	1935	+83.6	-41.0	-33.3	+9.3	+9.2	+18.5	-14.9	+3.2	-11.7	+6.8
	1936	+123.1	-45.3	-34.1	+43.7	+8.1	+51.8	-13.8	-20.0	-33.8	+18.0
	1937	+157.7	-47.7	-41.1	+68.9	+1.6	+70.5	-9.8	-21.5	-31.3	+39.2
Irak — Iraq a)	1926/27	-19.5	+0.4	+12.0	-7.1	+2.6	-4.5	+2.3	+1.0	+3.3	-1.2
	1927/28	-15.7	+0.2	+9.0	-6.5	+1.2	-5.3	-0.4	+0.6	+0.2	-5.1
	1928/29	-14.6	+0.1	+8.9	-5.6	+2.7	-2.9	+2.0	+1.7	+3.7	+0.8
	1929/30	-15.5	-0.3	+8.6	-7.2	+2.9	-4.3	+1.4	+1.5	+2.9	-1.4
	1930/31	-12.5	-0.7	+7.7	-5.5	+2.7	-2.8	+2.8	+0.8	+3.6	+0.8
	1931/32	-8.2	-0.6	+9.5	+0.7	+4.4	+5.1	+0.3	-4.0	-3.7	+1.4
	1932/33	-14.4	-1.3	+6.8	-8.9	+2.8	-6.1	+4.4	-1.6	+2.8	-3.3
	1933/34	-11.3	-0.9	+6.5	-5.7	+2.2	-3.5	+5.2	-1.1	+4.1	+0.6
	1934/35	-7.0	-0.7	+7.8	+0.1	+1.2	+1.3	+2.6	-4.2	-1.6	-0.3
	1935/36	-11.9	-0.8	+7.2	-5.5	+0.5	-5.0	+1.9	+1.2	+3.1	-1.9
	1936/37	-8.5	-0.8	+6.5	-2.8	+0.3	-2.5	+1.9	—	+1.9	-0.6
Japon (y compris Corée et Formose) — Japan (incl. Korea and Formosa)	1927	-134.1	-1.5	+68.7	-66.9	+17.0	-49.9	-59.8	+81.9	+22.1	-27.8
	1928	-150.1	-11.1	+81.1	-80.1	-0.2	-80.3	+24.7	+29.3	+54.0	-26.3
	1929	-75.5	-9.1	+93.4	+8.8	-0.3	+8.5	-24.3	-1.9	-26.2	-17.7
	1930	-76.4	-12.5	+75.4	-13.5	+141.6	+128.1	-45.4	-100.5	-145.9	-17.8
	1931	-69.4	-11.5	+52.8	-28.1	+189.6	+161.5	-114.2	-39.1	-153.3	+8.2
	1932	-16.0	-10.5	+38.7	+12.2	+31.5	+43.7	-47.2	-45.4	-92.6	-48.9
	1933	-10.7	-10.7	+27.8	+6.4	+7.0	+13.4	-8.2	-41.3	-49.5	-36.1
	1934	-12.5	-4.7	+28.3	+11.1	—	+11.1	-39.5	+16.7	-22.8	-11.7
	1935	+24.1	-2.4	+31.1	+52.8	—	+52.8	-77.4	+14.1	-63.3	-10.5
	1936	-16.0	+4.3	+34.1	+22.4	—	+22.4	-38.9	-7.3	-46.2	-23.8
Philippines	1934	+16.0	-14.6	-0.2	+1.2	+7.0	+8.2	.	.	.	.
Albanie — Albania	1927	-2.8	—	+2.3	-0.5	—	-0.5	.	.	+0.7	+0.2
	1928	-3.4	—	+2.5	-0.9	—	-0.9	.	.	+1.1	+0.2
	1929	-4.8	—	+2.7	-2.1	—	-2.1	.	.	+3.0	+0.9
	1930	-4.0	—	+2.0	-2.0	—	-2.0	.	.	+3.1	+1.1
	1931	-4.3	—	+1.9	-2.4	—	-2.4	.	.	+3.7	+1.3
	1932	-3.6	—	+1.7	-1.9	—	-1.9	.	.	+3.1	+1.2
	1933	-2.4	-0.1	+0.5	-2.0	—	-2.0	+1.6	+0.4	+2.0	—
Allemagne — Germany ² . .	1927	-688.4	-82.2	-242.5	-1,013.1	-23.6	-1,036.7	+423.5	(+613.2)	+1,036.7	—
	1928	-297.8	-134.1	-315.1	-747.0	-219.6	-966.6	+425.9	(+540.7)	+966.6	—
	1929	+7.4	-190.6	-388.3	-571.5	+89.6	-481.9	+157.2	(+324.7)	+481.9	—
	1930	+391.6	-238.2	-279.4	-126.0	-3.1	-129.1	+266.5	(-137.4)	+129.1	—
	1931	+680.8	-285.9	-129.3	+265.6	+274.2	+539.8	+42.9	(-582.7)	+539.8	—
	1932	+251.1	-214.4	+23.3	+60.0	+43.4	+103.4	+3.3	(-106.7)	-103.4	—
	1933	+157.4	-166.7	+37.2	+27.9	+103.1	+131.0	-11.9	(-119.1)	-131.0	—
	1934	-71.0	(-148.9)	+78.4	(-141.5)	+58.8	(-82.7)	.	.	.	.
	1935	+27.2	(-131.0)	+80.0	(-23.8)	-25.0	(-48.8)	.	.	.	.

a) 1.IV - 31.III.

¹ Indes néerlandaises. — Col. 2 et 7 : non compris les réinvestissements des bénéfices réalisés dans le pays par les entreprises étrangères.

² Allemagne. — Le service de l'emprunt Dawes a été compris dans la col. 3 au lieu des col. 2 et 7. Les données relatives au mouvement des capitaux ne permettent pas de distinguer claire-

¹ Netherlands Indies. — Cols. 2 and 7 : not including reinvestments of profits earned in the country by foreign firms.

² Germany. — Service of the Dawes Loan is included in col. 3 instead of cols. 2 and 7. The data on capital movements do not permit an exact distribution between short- and long-

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité) (suite).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold (continued).

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde des erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Belgique, Luxembourg et Congo — Belgium, Luxem- burg and Congo ¹	1929	-83.9	+53.0	+134.2	+103.3	—	+103.3	.	.	.	.
	1935	-3.9	+18.6	+44.3	+59.0	+0.7	+59.7	.	.	.	.
	1936	-5.2	+25.0	+40.3	+60.1	+1.4	+61.5	.	.	.	.
Bulgarie — Bulgaria ² . . .	1927	(+6.7)	-8.2	-1.9	-3.4	-0.2	-3.6	+7.5	-3.9	+3.6	—
	1928	(-1.7)	-5.5	+0.5	-6.7	-0.1	-6.8	+22.3	-15.5	+6.8	—
	1929	(-12.8)	-7.8	-0.5	-21.1	-0.2	-21.3	+5.8	+15.5	+21.3	—
	1930	(+8.7)	-8.2	-1.3	-0.8	-0.2	-1.0	+5.9	-4.9	+1.0	—
	1931	(+5.0)	-8.1	-1.4	-4.5	-0.1	-4.6	+4.1	+0.5	+4.6	—
	1932	(+3.1)	-3.7	+0.1	-0.5	—	-0.5	—	+0.5	+0.5	—
	1933	(+2.2)	-1.3	-0.2	+0.7	—	+0.7	-0.1	-0.6	-0.7	—
	1934	(+1.4)	-1.5	+0.1	—	—	—	—	—	—	—
	1935	(+5.9)	-1.8	+0.6	+4.7	—	+4.7	+0.7	-5.4	-4.7	—
	1936	(+7.5)	-1.5	+0.7	+6.7	—	+6.7	-2.8	-3.9	-6.7	—
Danemark — Denmark . .	1927	-52.0	-13.3	+54.3	-11.0	+7.2	-3.8	+38.8	-27.5	+11.3	+7.5
	1928	-21.2	-13.4	+33.3	-1.3	+2.4	+1.1	+41.5	-41.5	—	+1.1
	1929	-22.0	-16.9	+48.0	+9.1	—	+9.1	-6.7	-2.7	-9.4	-0.3
	1930	-31.3	-13.7	+39.9	-5.1	—	-5.1	-2.7	+4.8	+2.1	-3.0
	1931	-33.8	-17.5	+32.8	-18.5	+7.0	-11.5	-6.0	+35.1	+29.1	+17.6
	1932	-0.9	-14.0	+26.7	+11.8	+3.8	+15.6	-7.0	-10.7	-17.7	-2.1
	1933	-7.9	-10.8	+25.9	+7.2	—	+7.2	-8.4	-2.5	-10.9	-3.7
	1934	-16.0	-12.7	+23.6	-5.1	—	-5.1	-4.5	+10.3	+5.8	+0.7
	1935	-8.1	-12.3	+25.6	+5.2	+4.0	+9.2	-4.7	+4.1	-0.6	+8.6
	1936	-13.6	-11.8	+26.1	+0.7	—	+0.7	+1.8	-3.3	-1.5	-0.8
	1937	-11.8	-10.4	+37.1	+14.9	—	+14.9	-2.5	-13.8	-16.3	-1.4
Espagne — Spain	1931	-50.1	+3.4	+27.8	-18.9	—	-18.9	-0.2	+19.5	+19.3	+0.4
	1932	-51.7	-4.8	+33.5	-23.0	—	-23.0	-1.7	-14.2	-15.9	-38.9
Estonie — Estonia	1927	+2.4	-1.8	+1.1	+1.7	—	+1.7	+0.8	.	.	.
	1928	-1.4	-2.1	+1.6	-1.9	—	-1.9	+0.7	+2.5	+3.2	+1.3
	1929	-1.8	-1.6	+1.0	-2.4	—	-2.4	-0.2	+1.7	+1.5	-0.9
	1930	-0.9	-1.8	+1.2	-1.5	—	-1.5	+1.7	+0.5	+2.2	+0.7
	1931	+2.5	-1.3	+1.5	+2.7	—	+2.7	-0.2	-1.3	-1.5	+1.2
	1932	+1.4	-1.4	+0.8	+0.8	+0.1	+0.9	-0.1	+0.6	+0.5	+1.4
	1933	+1.8	-1.0	+0.6	+1.4	—	+1.4	-0.1	-2.2	-2.3	-0.9
	1934	+2.2	-0.7	+0.4	+1.9	—	+1.9	-0.1	-2.1	-2.2	-0.3
	1935	+1.7	-0.7	+0.5	+1.5	—	+1.5	-0.1	-0.7	-0.8	+0.7
	1936	-0.9	-0.4	+1.0	-0.3	—	-0.3	-0.5	+0.1	-0.4	-0.7
	1937	-1.0	-0.4	+2.3	+0.9	—	+0.9	+0.2	-2.0	-1.8	-0.9
Finlande — Finland . . .	1927	-1.8	-8.0	+11.7	+1.9	—	+1.9	.	.	.	.
	1928	-44.8	-8.8	+13.2	-40.4	—	-40.4	.	.	.	.
	1929	-14.5	-10.3	+12.8	-12.0	—	-12.0	.	.	.	.
	1930	+4.6	-10.4	+11.1	+5.3	-0.5	+4.8	.	.	.	.
	1931	+23.4	-10.4	+10.7	+23.7	-0.2	+23.5	.	.	.	.
	1932	+17.5	-9.0	+9.7	+18.2	—	+18.2	.	.	.	.
	1933	+20.0	-7.7	+7.4	+19.7	—	+19.7	.	.	.	.
	1934	+19.5	-5.7	+7.1	+20.9	—	+20.9	.	.	.	.
France et territoires d'outre- mer — France and oversea territories ³	1927	+4.2	+479.1	—	+483.3	+20.6	+503.9	.	.	.	.
	1928	-129.3	+619.5	—	+490.2	-253.7	+236.5	.	.	.	.
	1929	-435.4	+752.4	—	+317.0	-336.7	-19.7	.	.	.	.
	1930	-506.2	+708.5	—	+202.3	-459.8	-257.5	.	.	.	.
	1931	-519.1	+453.3	—	-65.8	-725.0	-790.8	.	.	.	.
	1932	-395.3	+45.6	+156.7	-193.0	-724.4	-917.4	.	.	.	.

ment entre les opérations à long et à court terme. La balance de ceux des mouvements de capitaux qui sont connus comme étant à long terme figure dans la col. 7. Les chiffres des intérêts et dividendes pour 1934 et 1935, ainsi que les totaux dans lesquels ils sont compris, ont été indiqués entre parenthèses, car ils paraissent inclure, en plus des sommes effectivement transférées, les montants pour lesquels des scrips ou des obligations de consolidation ont été délivrés aux créanciers étrangers.

¹ Belgique (Relevés privés du professeur F. Baudhuin). — L'amortissement de la dette interalliée est inclus dans la col. 2 au lieu de la col. 7.

² Bulgarie. — L'amortissement de la dette de l'Etat figure dans la col. 2.

³ France (Relevés privés de M. P. Meynial pour 1927-1933 et de MM. L. Rist et P. Schwob depuis 1934). — Quelques recettes et paiements d'amortissement ont été compris dans la col. 2.

term operations. The balance of such capital movements as are definitely known to be on long term has been entered in col. 7. The figures for interest and dividends in 1934 and 1935, and the totals in which they are included, have been entered in brackets, as they appear to include, in addition to amounts actually transferred, sums in respect of which scrips or funding bonds have been distributed to the foreign creditors.

¹ Belgium (Private compilations by Professor F. Baudhuin). — Amortisation of Inter-Allied debt is included in col. 2 instead of col. 7.

² Bulgaria. — Amortisation of Government debt is included in col. 2.

³ France (Private compilations by M. P. Meynial for 1927-1933 and by M. L. Rist and M. P. Schwob from 1934). — Certain amortisation receipts and payments are included in col. 2.

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité) (suite).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold (continued).

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde dû aux erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
France et territoires d'outre- mer (suite) — France and oversea territories (conti- nued)	1933	-352.6	+72.5	+168.5	-111.6	+81.1	-30.5	.	.	.	.
	1934	-264.0	+98.0	+121.4	-44.6	-57.6	-102.2	.	.	.	.
	1935	-232.9	+141.0	+62.7	-29.2	+584.7	+555.5	.	.	.	.
	1936	-324.7	+149.8	+64.3	-110.6	+808.7	+698.1	.	.	.	.
	1937	-393.9	+153.8	+83.4	-156.7	+254.7	+98.0	.	.	.	.
Grèce — Greece ¹	1929	-81.2	(+7.4)	+29.2	-44.6	—	-44.6	.	.	+44.6	—
	1930	-64.0	(+0.5)	+20.2	-34.3	—	-34.3	.	.	+34.3	—
	1931	-59.5	(-15.7)	+38.4	-36.8	—	-36.8	.	.	+36.8	—
	1932	-30.3	+3.0	+15.7	-11.6	—	-11.6	.	.	(+11.6)	—
	1933	-17.1	-4.2	+24.3	+3.0	—	+3.0	.	.	(-3.0)	—
	1934	-18.4	-5.2	+17.5	-6.1	—	-6.1	.	.	(+6.1)	—
	1935	-19.7	+1.9	+11.0	-6.8	—	-6.8	.	.	(+6.8)	—
	1936	-24.5	-1.5	+8.8	-17.2	—	-17.2	.	.	(+17.2)	—
	1937	-37.3	—	+21.0	-16.3	—	-16.3	.	.	(+16.3)	—
	1927	-65.9	-20.5	-2.2	-88.6	-0.3	-88.9	+48.6	+35.3	+83.9	-5.0
Hongrie — Hungary ²	1928	-67.4	-25.9	+2.8	-90.5	-0.9	-91.4	+55.2	+32.7	+87.9	-3.5
	1929	-7.7	-28.4	-1.0	-37.1	-0.8	-37.9	+38.2	-1.8	+36.4	-1.5
	1930	+12.7	-32.7	-0.8	-20.8	-1.4	-22.2	-7.6	+44.2	+36.6	+14.4
	1931	+4.7	-36.3	-4.6	-36.2	-0.9	-37.1	+3.4	+46.8	+50.2	+13.1
	1932	+0.2	-3.2	+1.1	-1.9	-0.6	-2.5	+0.2	+0.9	+1.1	-1.4
	1933	+11.6	-4.9	-0.7	+6.0	-1.0	+5.0	—	+0.1	+0.1	+5.1
	1934	+8.4	-7.1	+0.4	+1.7	-0.1	+1.6	—	-2.8	-2.8	-1.2
	1935	+8.7	-4.8	+1.0	+4.9	-0.1	+4.8	+0.3	-8.7	-8.4	-3.6
	1936	+11.7	-4.4	+4.1	+11.4	—	+11.4	-0.3	-9.8	-10.1	+1.3
	1937	—	—	—	—	—	—	—	—	—	—
Irlande — Ireland	1931	-64.1	+25.9	+23.1	-15.1	+0.2	-14.9	.	.	-7.0	-21.9
	1933	-55.7	+19.9	+31.5	-4.3	—	-4.3	.	.	+12.2	+7.9
	1934	-63.8	+19.0	+25.8	-19.0	—	-19.0	.	.	+13.0	-6.0
	1935	-50.8	+16.3	+23.8	-10.7	—	-10.7	.	.	-1.7	-12.4
	1936	-51.2	+15.9	+25.2	-10.1	—	-10.1	.	.	-7.3	-17.4
	1937	-62.1	+14.6	+25.1	-22.4	+0.1	-22.3	.	.	+6.0	-16.3
Italie — Italy ³	1928	-385.1	-51.3	+306.3	-130.1	-3.0	-133.1	.	.	.	.
	1929	-338.5	-52.6	+306.3	-84.8	-12.1	-96.9	.	.	.	.
	1930	-275.3	-51.3	+285.2	-41.4	-5.1	-46.5	.	.	.	.
	1931	-76	-47	+207	+84	-34	+50	.	.	.	.
	1932	-75	-23	+125	+27	-4	+23	.	.	.	.
	1937	—	—	—	—	—	—	—	—	—	—
Lettonie — Latvia	1927	-1.0	-1.2	+6.5	+4.3	—	+4.3	+1.3	-3.2	-1.9	+2.4
	1928	-2.9	-0.6	+5.0	+1.5	-0.1	+1.4	-0.8	-5.2	-6.0	-4.6
	1929	-9.7	-1.1	+5.9	-4.9	—	-4.9	+7.0	-0.8	+6.2	+1.3
	1930	-3.0	-1.2	+5.6	+1.4	—	+1.4	-0.5	+4.7	+4.2	+5.6
	1931	-0.6	-1.2	+3.3	+1.5	-0.1	+1.4	-0.1	+2.0	+1.9	+3.3
	1932	+3.2	-1.0	+2.2	+4.4	-0.8	+3.6	-0.4	-1.5	-1.9	+1.7
	1933	-0.9	-0.8	+1.8	+0.1	-1.8	-1.7	-1.0	+2.4	+1.4	-0.3
	1934	-0.8	-0.8	+1.9	+0.3	-0.3	—	-0.4	+0.3	-0.1	-0.1
	1935	+0.2	-0.8	+1.5	+0.9	+0.9	+1.8	-3.1	-0.8	-3.9	-2.1
	1936	+2.8	-0.6	+1.1	+3.3	+3.2	+6.5	-0.6	-6.5	-7.1	-0.6
	1937	+3.2	-0.4	+1.6	+4.4	+0.1	+4.5	-0.5	-4.0	-4.5	—
	1927	-2.7	-0.2	+3.9	+1.0	-0.2	+0.8	+1.2	-1.9	-0.7	+0.1
Lithuanie — Lithuania	1928	-4.2	-0.2	+4.1	-0.3	-0.2	-0.5	+0.2	+1.5	+1.7	+1.2
	1929	+1.3	-0.5	+4.1	+4.9	-0.1	+4.8	+0.7	-4.3	-3.6	+1.2
	1930	-1.1	-1.0	+2.3	+0.2	-0.4	-0.2	+2.0	-0.1	+1.9	+1.7
	1931	-4.8	-1.0	+2.7	-3.1	-1.1	-4.2	+2.4	+1.1	+3.5	-0.7
	1932	+1.1	-0.8	+2.3	+2.6	—	+2.6	+0.7	-2.9	-2.2	+0.4
	1933	+0.9	-0.4	+0.8	+1.3	-0.3	+1.0	-1.2	+0.2	-1.0	—
	1934	-0.5	-0.3	+1.4	+0.6	—	+0.6	-1.2	+0.6	-0.6	—
Norvège — Norway	1927	-62.0	-15.6	+61.2	-16.4	—	-16.4	+36.8	-14.1	+22.7	+6.3
	1928	-74.2	-18.8	+60.8	-32.2	—	-32.2	+46.1	-12.6	+33.5	+1.3
	1929	-62.2	-18.5	+71.6	-9.1	—	-9.1	-3.8	+17.7	+13.9	+4.8
	1930	-72.3	-19.3	+63.5	-28.1	—	-28.1	-3.8	+41.0	+37.2	+9.1
	1931	-73.4	-17.5	+55.3	-35.6	-3.5	-39.1	+6.8	+27.8	+34.6	-4.5
	1932	-20.3	-15.5	+43.0	+7.2	+3.1	+10.3	+0.7	-18.2	-17.5	-7.2
	1933	-11.4	-14.0	+38.8	+13.4	+0.5	+13.9	-7.2	-7.2	-14.4	-0.5
	1934	-18.7	-10.7	+37.9	+8.5	+2.2	+10.7	+3.6	-15.4	-11.8	-1.1
	1935	-25.9	-10.2	+39.0	+2.9	-7.7	-4.8	+3.2	+1.6	+4.8	—
	1936	-26.9	-10.9	+45.9	+8.1	-4.4	+3.7	+5.6	-8.6	-3.0	+0.7
	1937	-59.1	-9.6	+84.4	+15.7	+4.5	+20.2	-2.9	-17.6	-20.5	-0.3

¹ Grèce. — L'or a été compris dans la col. 9. L'amortissement de la dette publique est inclus dans la col. 2.

² Hongrie. — Les transactions en capitaux à moyen terme sont inscrites à la col. 7 pour les années 1927-1929, mais à la col. 8 pour les années 1930 et 1931. En 1933 et 1934, certains paiements d'amortissement sont inclus dans la col. 2.

³ Italie. — Chiffres basés sur un relevé privé du professeur G. Borgatta.

¹ Greece. — Gold is included in col. 9. Amortisation of the public debt is included in col. 2.

² Hungary. — Medium-term capital transactions in the years 1927-1929 are included in col. 7, but in the years 1930 and 1931 in col. 8. In 1933 and 1934, certain amortisation payments are included in col. 2.

³ Italy. — Figures based on a private compilation by Professor G. Borgatta.

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité) (suite).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold (continued).

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde dû aux erreurs et omissions Balances due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Pays-Bas — Netherlands . .	1929	-306.3	+268.9		-37.4	+10.5	-26.9	.	.	.	.
	1930	-281.0	+232.4		-48.6	+5.6	-43.0	.	.	.	.
	1931	-233.6	+174.5		-59.1	-227.5	-286.6	.	.	.	.
	1932	-183.7	+133.9		-49.8	-72.8	-122.6	.	.	.	.
	1933	-201.4	+115.4		-86.0	+27.3	-58.7	.	.	.	.
	1934	-138.3	+37.8	+58.7	-41.8	+49.0	+7.2	.	.	.	.
	1935	-107.7	+50.3	+53.4	-4.0	+98.1	+94.1	.	.	.	.
	1936	-105.3	+59.5	+63.0	+17.2	-22.9	-5.7	.	.	.	.
	1937	-130.7	+52.3	+83.2	+4.8	-241.5	-236.7	.	.	.	.
	1927	-46.8	-25.8	+22.3	-50.3	-31.7	-82.0	+58.2	-1.5	+56.7	-25.3
	1928	-110.8	-31.9	+30.9	-111.8	-12.0	-123.8	+24.6	+100.0	+124.6	+0.8
Pologne — Poland ¹	1929	-51.9	-42.6	+36.0	-58.5	-9.1	-67.6	+4.7	+61.9	+66.6	-1.0
	1930	+7.6	-50.6	+24.3	-18.7	+15.8	-2.9	+3.5	-50.2	-46.7	-49.6
	1931	+28.1	-46.8	+26.8	+8.1	-6.8	+1.3	+12.8	-13.2	-0.4	+0.9
	1932	+13.9	-32.0	+23.1	+5.0	-1.5	+3.5	+3.9	-7.5	-3.6	-0.1
	1933	+11.1	-23.9	+21.9	+9.1	-5.6	+3.5	-1.0	-8.0	-9.0	-5.5
	1934	+19.7	-18.7	+16.3	+17.3	+0.7	+18.0	-7.4	-5.8	-13.2	+4.8
	1935	+7.7	-16.3	+15.6	+7.0	+2.5	+9.5	-3.4	-8.7	-12.1	-2.6
	1936	+2.3	-14.0	+15.5	+3.8	+2.3	+6.1	-6.8	-0.2	-7.0	-0.9
	1927	-1,883.3	+1,216.6	+1,065.8	+399.1	-14.6	+384.5	.	.	.	.
	1928	-1,717.9	+1,216.6	+1,095.0	+593.7	-24.3	+569.4	.	.	.	.
	1929	-1,854.2	+1,216.6	+1,138.8	+501.2	+73.0	+574.2	.	.	.	.
	1930	-1,878.2	+1,070.5	+944.1	+136.4	-24.3	+112.1	.	.	.	.
Royaume-Uni — United Kingdom ²	1931	-1,850.3	+771.0	+607.7	-471.6	+158.7	-312.9	.	.	.	.
	1932	-1,006.2	+525.9	+301.5	-178.8	(-52.6)	(-231.4)	.	.	.	.
	1933	-871.5	+530.2	+341.3	—	(-649.5)	(-649.5)	.	.	.	.
	1934	-883.6	+510.9	+351.7	-21.0	(-399.8)	(-420.8)	.	.	.	.
	1935	-759.3	+538.2	+314.2	+93.1	(-203.6)	(-110.5)	.	.	.	.
	1936	-1,014.8	+603.0	+358.9	-52.9	(-670.7)	(-723.6)	.	.	.	.
	1937	-1,293.5	+642.4	+499.3	-151.8	(-230.7)	(-382.5)	.	.	.	.
	1927	+7.7	+5.1	+52.0	+64.8	+0.3	+65.1	+13.7	-38.1	-24.4	+40.7
	1928	-36.2	+6.7	+50.9	+21.4	-2.9	+18.5	-48.0	+9.1	-38.9	-20.4
	1929	+9.9	+8.1	+56.2	+74.2	-2.9	+71.3	-0.5	-25.5	-26.0	+45.3
	1930	-31.1	+5.4	+52.0	+26.3	—	+26.3	-105.1	+21.2	-83.9	-57.6
Suède — Sweden ³	1931	-76.8	-1.5	+46.2	-32.1	+9.6	-22.5	-34.9	+48.0	+13.1	-9.4
	1932	-37.9	+23.6	+30.7	+16.4	+1.3	+17.7	+22.9	-41.9	-19.0	-1.3
	1933	-2.6	+13.5	+25.7	+36.6	-7.4	+29.2	+9.5	-43.0	-33.5	-4.3
	1934	-0.6	+10.4	+21.5	+31.3	+12.1	+43.4	-7.4	-38.1	-45.5	-2.1
	1935	-27.4	+13.0	+23.5	+9.1	-9.4	-0.3	+3.3	-6.7	-3.4	-3.7
	1936	-18.2	+12.0	+24.6	+18.4	-31.6	-13.2	+3.5	-9.0	-5.5	-18.7
	1937	-18.8	+15.2	+30.4	+26.8	—	+26.8	-18.4	-10.2	-28.6	-1.8
	1928	-92.1	+63.7	+84.0	+55.6	-14.1	+41.5	.	.	.	.
	1927	+64.3	-20.6	+17.5	+61.2	-2.8	+58.4	-61.0	-7.6	-68.6	-10.2
	1928	+60.0	-16.9	+18.1	+61.2	-4.7	+56.5	-50.9	-5.5	-56.4	+0.1
	1929	+15.4	-10.7	+21.4	+26.1	-3.7	+22.4	-35.0	+10.0	-25.0	-2.6
	1930	+52.7	-16.9	+15.1	+50.9	-9.0	+41.9	+7.2	-16.6	-9.4	+32.5
Tchécoslovaquie — Czecho- slovakia	1931	+40.7	-10.6	—	+30.1	-3.8	+26.3	-15.7	+40.9	+25.2	+51.5
	1932	-4.3	-8.3	+4.7	-7.9	-1.8	-9.7	+33.1	-24.4	+8.7	-1.0
	1933	+0.6	-9.8	+7.8	-1.4	+0.1	-1.3	+5.9	+3.8	+9.7	+8.4
	1934	+22.9	-8.5	+6.9	+21.3	-13.0	+8.3	-4.3	-0.3	-4.6	+3.7
	1935	+16.8	-11.8	-0.6	+4.4	-0.2	+4.2	-1.5	-4.3	-5.8	-1.6
	1936	+2.3	-12.9	-2.7	-13.3	+2.3	-11.0	-12.7	+4.3	-8.4	-19.4
	1937	+20.5	-10.6	-1.6	+8.3	-1.3	+7.0	-3.4	-8.9	-12.3	-5.3
	1928	-92.1	+63.7	+84.0	+55.6	-14.1	+41.5	.	.	.	.
	1927	+64.3	-20.6	+17.5	+61.2	-2.8	+58.4	-61.0	-7.6	-68.6	-10.2
	1928	+60.0	-16.9	+18.1	+61.2	-4.7	+56.5	-50.9	-5.5	-56.4	+0.1
	1929	+15.4	-10.7	+21.4	+26.1	-3.7	+22.4	-35.0	+10.0	-25.0	-2.6
	1930	+52.7	-16.9	+15.1	+50.9	-9.0	+41.9	+7.2	-16.6	-9.4	+32.5
Suisse — Switzerland ⁴ . .	1931	+40.7	-10.6	—	+30.1	-3.8	+26.3	-15.7	+40.9	+25.2	+51.5
	1932	-4.3	-8.3	+4.7	-7.9	-1.8	-9.7	+33.1	-24.4	+8.7	-1.0
	1933	+0.6	-9.8	+7.8	-1.4	+0.1	-1.3	+5.9	+3.8	+9.7	+8.4
	1934	+22.9	-8.5	+6.9	+21.3	-13.0	+8.3	-4.3	-0.3	-4.6	+3.7
	1935	+16.8	-11.8	-0.6	+4.4	-0.2	+4.2	-1.5	-4.3	-5.8	-1.6
	1936	+2.3	-12.9	-2.7	-13.3	+2.3	-11.0	-12.7	+4.3	-8.4	-19.4
	1937	+20.5	-10.6	-1.6	+8.3	-1.3	+7.0	-3.4	-8.9	-12.3	-5.3
	1928	-92.1	+63.7	+84.0	+55.6	-14.1	+41.5	.	.	.	.
	1927	+64.3	-20.6	+17.5	+61.2	-2.8	+58.4	-61.0	-7.6	-68.6	-10.2
	1928	+60.0	-16.9	+18.1	+61.2	-4.7	+56.5	-50.9	-5.5	-56.4	+0.1
	1929	+15.4	-10.7	+21.4	+26.1	-3.7	+22.4	-35.0	+10.0	-25.0	-2.6
	1930	+52.7	-16.9	+15.1	+50.9	-9.0	+41.9	+7.2	-16.6	-9.4	+32.5
	1931	+40.7	-10.6	—	+30.1	-3.8	+26.3	-15.7	+40.9	+25.2	+51.5
	1932	-4.3	-8.3	+4.7	-7.9	-1.8	-9.7	+33.1	-24.4	+8.7	-1.0
	1933	+0.6	-9.8	+7.8	-1.4	+0.1	-1.3	+5.9	+3.8	+9.7	+8.4
	1934	+22.9	-8.5	+6.9	+21.3	-13.0	+8.3	-4.3	-0.3	-4.6	+3.7
	1935	+16.8	-11.8	-0.6	+4.4	-0.2	+4.2	-1.5	-4.3	-5.8	-1.6
	1936	+2.3	-12.9	-2.7	-13.3	+2.3	-11.0	-12.7	+4.3	-8.4	-19.4
	1937	+20.5	-10.6	-1.6	+8.3	-1.3	+7.0	-3.4	-8.9	-12.3	-5.3

¹ Pologne. — Les chiffres se réfèrent seulement à la Pologne. Les valeurs officielles des statistiques du commerce, qui se réfèrent à la Pologne et à Dantzig, ont été ajustées en conséquence (jusqu'en 1933 seulement).

² Royaume-Uni. — Les transactions gouvernementales de capitaux ont été comprises dans la col. 3. L'intérêt des capitaux à court terme figure dans la col. 3 au lieu de la col. 2.

³ Suède. — Les balances au titre des capitaux à court terme jusqu'à 1930 inclusivement ne se rapportent qu'aux opérations bancaires. Les variations des dépôts d'or à l'étranger sont inscrites à la col. 8 pour les années 1927-1933, mais à la col. 5 à partir de 1934.

⁴ Suisse. — Relevé privé du Comité (Vorort) de l'Union suisse du commerce et de l'industrie.

¹ Poland. — The figures refer to Poland only. The recorded trade figures, which refer to Poland and Danzig, have been adjusted accordingly (up to 1933 only).

² United Kingdom. — Government capital transactions are included in col. 3. Short-term interest is included in col. 3 instead of col. 2.

³ Sweden. — The balances on account of short-term capital up to 1930 inclusive refer to operations by banks only. Changes in earmarked gold abroad are included in col. 8 in 1927-1933 but in col. 5 from 1934.

⁴ Switzerland. Private estimate by the Committee (Vorort) of the Swiss Association of Commerce and Industry.

Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité) (*fin*).
Balances of International Payments, in terms of old U.S. \$ (000,000's) gold (*concluded*).

PAYS — COUNTRY	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde dû aux erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long- term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Turquie — Turkey	1927	-20.9	-3.8	+2.9	-21.8	—	-21.8	+2.7	+17.9	+20.6	-1.2
	1928	-13.9	-3.1	+5.6	-11.4	—	-11.4	+3.4	—	+3.4	-8.0
	1929	-45.1	-2.2	-2.7	-50.0	—	-50.0	+6.1	+4.2	+10.3	-39.7
	1930	+6.8	-2.9	+1.7	+5.6	—	+5.6	+1.0	.	+1.0	+6.6
	1931	+1.9	-0.4	—	+1.5	-4.0	-2.5	+3.2	.	+3.2	+0.7
	1932	+6.0	—	-1.7	+4.3	-1.0	+3.3	—	.	—	+3.3
	1933	+5.6	-0.3	+6.0	+11.3	—	+11.3	-2.2	.	-2.2	+9.1
Yougoslavie — Yugoslavia	1927	-31.6	-20.0	+28.5	-23.1	-0.1	-23.2	+25.3	-5.1	+20.2	-3.0
	1928	-38.3	-20.5	+31.6	-27.2	—	-27.2	+19.2	+7.1	+26.3	-0.9
	1929	-9.4	-22.3	+44.5	+12.8	-0.1	+12.7	+14.5	-22.7	-8.2	+4.5
	1935	+4.0	-13.6	+8.7	-0.9	-1.3	-2.2	+6.7	-6.9	-0.2	-2.4
Australie — Australia a)	1928/29	-45.3	-181.4	+5.4	-221.3	+12.8	-208.5	.	.	+169.4	-39.1
	1929/30	-196.4	-194.3	+11.7	-379.0	+129.4	-249.6	.	.	+191.9	-57.7
	1930/31	+71.7	-185.5	+15.8	-98.0	+57.9	-40.1	.	.	+14.8	-25.3
	1931/32	+122.9	-116.4	+8.6	+15.1	+34.7	+49.8	.	.	-52.1	-2.3
	1932/33	+72.2	-102.3	+2.7	-27.4	+57.5	+30.1	.	.	-63.9	-33.8
	1933/34	+97.7	-93.1	-1.8	+2.8	+20.9	+23.7	.	.	-63.7	-40.0
	1934/35	+26.7	-84.8	+1.6	-56.5	+18.7	-37.8	.	.	+59.0	+21.2
	1935/36	+41.5	-86.3	+2.3	-42.5	+25.3	-17.2	.	.	-4.3	-21.5
	1936/37	+78.5	-87.0	+1.5	-7.0	+27.3	+20.3	.	.	-68.9	-48.6
	1937/38	.	.	.	-71.2	+25.5	-45.7	.	.	+14.8	-30.9
Nouvelle-Zélande — New Zealand b)	1928/29	+48.3	-42.3	-1.9	+4.1	+5.4	+9.5	.	.	+31.7	+41.2
	1929/30	-13.6	-42.7	-0.8	-57.1	+5.3	-51.8	-11.9	+30.6	+18.7	-33.1
	1930/31	-7.0	-44.4	-1.5	-52.9	+1.3	-51.6	+39.2	—	+39.2	-12.4
	1931/32	+32.3	-35.5	-3.7	-6.9	+4.7	-2.2	+20.4	-13.0	+7.4	+5.2
	1932/33	+31.3	-26.9	-2.0	+2.4	+9.6	+12.0	-4.1	+7.4	+3.3	+15.3
	1933/34	+45.4	-25.4	-0.6	+19.4	+3.7	+23.1	-10.4	-60.1	-70.5	-47.4
	1934/35	+24.8	-23.1	-2.1	-0.9	+9.8	+8.9	-4.3	+55.9	+51.6	+60.5
	1935/36	+25.5	-22.5	-1.9	+1.1	+4.3	+5.4	-8.9	+2.8	-6.1	-0.7
	1936/37	+26.1	-21.1	-4.3	+0.7	+3.4	+4.1	-13.0	+23.5	+10.5	+14.6

a) 1.VII - 30.VI. b) 1.IV - 31.III.

GENERAL NOTE TO THE ABOVE TABLE.

The main characteristics of the items shown in the table are:

Merchandise (col. 1). — The basic figures for the balances include silver bullion and coin other than gold. The original data have been adjusted so as to represent the c.i.f. value of imports and f.o.b. value of exports, by taking into consideration such items as import freights, under- and over-valuations of imports and exports, contraband and various categories of goods not included in trade returns.

Interest and dividends (col. 2). — Interest and dividends re-invested in the country where they are earned, and thus never entering into international payments, are in most cases included in this column and offset in the columns for capital movements.

Other services (col. 3). — This group includes such items as shipping freights earned in international trade (as merchandise imports are shown c.i.f. and merchandise exports f.o.b., the total of such freights has been included, even the portion which involves no international payments), transit earnings, expenditure of tourists and travellers, diplomatic and other Government expenditure, etc.; further, certain money transfers not properly of the nature of services, such as emigrants' funds and remittances, and all reparation payments, whether in cash or in kind. Reparations in kind are, however, included also in the merchandise group under the opposite sign, and accordingly do not affect the total balance of the account. The reason for including reparation payments in col. 3 is that it is not generally possible to divide them into amortisation (capital item) and interest. On the other hand, the service of war debts and other inter-governmental debts is, unless otherwise indicated (as in the case of the United Kingdom and France), split up into interest and amortisation (col. 2 and 7).

Total goods and services (col. 4). — This item represents most nearly the balance of the current transactions, except in cases where the gold transfers given in the following column are wholly or partly of a merchandise nature.

Gold (col. 5). — The figures given in the trade returns have in some cases been adjusted on account of unrecorded gold movements. In the case of certain countries (e.g., the United States), changes in the amount of gold under earmark held for foreign account in the country, or for national account abroad, are grouped with the recorded trade in gold.

No attempt has been made to separate banking transfers of gold from other gold movements. Thus, for example, the South African gold exports from the mines are shown in col. 5, although of a merchandise nature.

Long-term capital items (col. 7). — This column refers to such items as amortisation of long-term debts, purchases and sales of securities and real estate, new capital issues floated and direct long-term investments.

Short-term capital items (col. 8). — These data refer to merchandise credits and other floating assets and debts of banks, enterprises, etc., and are, as a rule, not comprehensive. The figures are generally calculated as the difference between the amounts outstanding at the beginning and the end of the year, allowance being made for changes due to variations in exchange rates, insolvency, etc.

Balance on Current Account of Creditor and Debtor Countries.

In order to bring out from the mass of information supplied in the Synoptical Table on the preceding pages some facts showing the broad tendencies of international accounts in recent years, it may be useful to divide the countries into creditors and debtors and consider the variations in the balances of the transactions of these two groups. It is not sufficient to consider the balances of capital movements (or what is, in theory, the same, the balances on account of goods, services and gold) between the two groups, as these balances are affected by large movements of banking gold. It has been thought more suitable to deal with the balances on account of "current" items corresponding roughly to goods and services. Owing to the fact that the creditor countries are relatively few and their foreign transactions relatively well known, these countries may be considered first. The following table gives the balances for six creditor countries — namely, the United Kingdom, the United States of America, France, the Netherlands, Ireland and Sweden. Switzerland and Belgium could not be included.

BALANCES ON ACCOUNT OF CURRENT ITEMS OF THE SIX CREDITOR COUNTRIES.

(i) Figures in old U.S. \$ (000,000's) gold.

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
By countries:											
United States	+ 343	+ 558	+ 235	+ 400	+ 55	+ 40	+ 187	+ 274	+ 109	— 89	— 11
United Kingdom (a)	+ 399	+ 599	+ 497	+ 137	— 465	— 173	+ 17	+ 8	+ 51	— 56	— 121
France (b)	+ 378	+ 348	+ 137	+ 33	— 86	— 193	— 112	— 45	— 29	— 111	— 157
Netherlands, Ireland and Sweden	+ 38	— 26	+ 1	— 52	— 106	— 51	— 54	— 30	— 6	+ 25	+ 9
Total (six countries)	+1,158	+1,479	+ 870	+ 518	— 602	— 377	+ 38	+ 207	+ 125	— 231	— 280
By groups of items (six countries):											
goods	—1,928	—1,644	—2,296	—2,378	—2,717	—1,573	—1,367	—1,098	—1,139	—1,567	—1,845
interest and dividends	+1,984	+2,025	+2,122	+1,993	+1,518	+1,052	+ 988	+ 895	+ 965	+1,035	+1,074
other services	+1,102	+1,098	+1,044	+ 903	+ 597	+ 144	+ 417	+ 410	+ 299	+ 301	+ 491
Total	+1,158	+1,479	+ 870	+ 518	— 602	— 377	+ 38	+ 207	+ 125	— 231	— 280

(ii) Figures in £ (000,000's) sterling.

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
By countries:											
United States	+ 70	+ 115	+ 49	+ 82	+ 12	+ 11	+ 56	+ 91	+ 37	— 30	— 4
United Kingdom (a)	+ 82	+ 123	+ 102	+ 28	— 103	— 49	+ 5	+ 3	+ 18	— 19	— 41
France (b)	+ 78	+ 71	+ 28	+ 7	— 19	— 55	— 34	— 15	— 10	— 38	— 54
Netherlands, Ireland and Sweden	+ 8	— 5	—	— 11	— 23	— 15	— 16	— 10	— 2	+ 8	+ 3
Total (six countries)	+ 238	+ 304	+ 179	+ 106	— 133	— 108	+ 11	+ 69	+ 43	— 79	— 96
By groups of items (six countries):											
goods	— 396	— 338	— 472	— 489	— 599	— 449	— 413	— 365	— 392	— 533	— 632
interest and dividends	+ 408	+ 416	+ 436	+ 409	+ 335	+ 300	+ 298	+ 298	+ 332	+ 352	+ 368
other services	+ 226	+ 226	+ 215	+ 186	+ 131	+ 41	+ 126	+ 136	+ 103	+ 102	+ 168
Total	+ 238	+ 304	+ 179	+ 106	— 133	— 108	+ 11	+ 69	+ 43	— 79	— 96

(a) Including Government capital transactions.

(b) Including French overseas territories. — Certain amortisation payments could not be excluded.

Note to the above table. — The basic figures for the various countries are those of columns 1 to 4 of the Synoptical Table. For Ireland in the years 1927-1933, and the Netherlands in the years 1927 and 1928, the figures had partly to be estimated on the basis of incomplete information available but not included in the Synoptical Table.

It may be argued that gold produced in the creditor countries concerned should properly have been included as a credit item, and the amount of gold absorbed for industrial and similar purposes as a debit item, in the balances. (1) As no close estimates of the gold absorbed by industry exist, both these items, which partly offset each other, have been omitted. The value of gold produced in these countries was \$46 million in 1927 and \$ (old) 94 million in 1937.

The large inflow of silver into the United States for monetary purposes in certain of the last few years is in some respects akin to the inflow of banking gold and has therefore been treated as such in the above table (elsewhere in this volume, silver is grouped with merchandise). A similar adjustment was made for the United Kingdom, as large amounts of silver imported by the United States have passed through London, where considerable annual changes in stocks have occurred.

Further, it was thought preferable not to consider either the service of inter-allied debts or reparations receipts as current items. The relevant receipts and payments, in so far as they were included under interest or "other services", were accordingly deducted in the case of the United States and France. In the case of the United Kingdom,

(1) As gold always represents a liquid asset, it is of no significance whether the gold in question was actually exported or imported.

no change on this account was thought necessary, on the assumption — only approximately true — that the receipts and payments in question balance.

Finally, figures for certain United States freight receipts, excluded during some years from both sides of the account ⁽¹⁾, have been interpolated so as to render the data by groups of items comparable over the whole period considered.

The large surplus of the creditor countries before the depression was turned into a deficit in 1931 and 1932 as a result of the heavy capital liquidations during and after the financial crisis of 1931. During the three following years, the current items of the creditor countries resulted again in a surplus, but in 1936 and 1937 the deficit reappeared as a result of a change in the balance of the three chief creditor countries. The diagram opposite illustrates the changes in the balances by chief groups of items. In order to eliminate, in so far as is possible, the effect of price changes, the balances shown are expressed in sterling. The net import of goods into the countries concerned, which before the depression was more than offset by income from abroad in the form of interest and dividends, was met only to the extent of 59% by such income in 1937.

The information available regarding the trade in goods in 1938 suggests that the deficit of the creditor countries did not continue to increase in that year. In the middle of 1937, the United States imports fell off as a result of a decline in the internal demand, while exports were maintained at a high level. While during the first eight months of 1937 the United States trade balance had been passive by \$ (old) 52 million, it became active by \$ (old) 449 million during the same period of 1938. Simultaneously, there occurred a considerable decline in the trade deficit of France. According to the following table, the change in the trade balance in favour of the creditor countries appears to have reached about \$ (old) 700 million, and though this change is likely to have been offset in part by the reduction in the income of the same countries on account of interest, dividends and services that resulted from the fall in prices of goods and in freight rates, it seems likely that the balance of the creditor countries (as a group) will not be deficitary in 1938.

MERCHANDISE TRADE, IN OLD U.S. \$ (000,000's) GOLD.

	Whole year			January – August		
	1935	1936	1937	1936	1937	1938
<i>Eight creditor countries: (a)</i>						
Imports	5,380	6,040	7,308	3,880	4,843	4,003
Exports	4,188	4,396	5,455	2,795	3,488	3,254
Balance	— 1,192	— 1,644	— 1,853	— 1,085	— 1,355	— 749
<i>All other countries: (b)</i>						
Imports	6,847	7,103	8,914	4,615	5,843	5,490
Exports	7,366	8,181	9,914	5,167	6,579	5,509
Balance	+ 519	+ 1,078	+ 1,000	+ 552	+ 736	+ 19

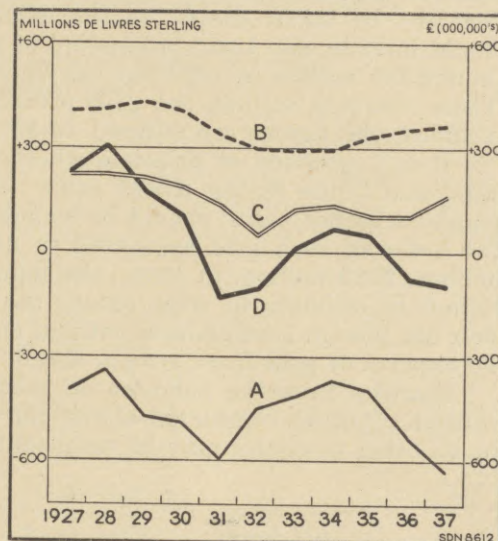
(a) The countries are: the United Kingdom, the United States, France, Belgium, the Netherlands, Sweden, Switzerland and Ireland.

(b) Including the gold exports of certain gold producing countries.

(1) See footnote for the United States in the Synoptical Table.

TOTAL BALANCES ON ACCOUNT OF CURRENT ITEMS OF SIX CREDITOR COUNTRIES (THE UNITED STATES, THE UNITED KINGDOM, FRANCE, IRELAND, THE NETHERLANDS AND SWEDEN).

A: Goods. C: Other services.
B: Interest and dividends. D: Total current items.



The figures given in the table on page 18 suggest that the debtor countries (taken as a group) have been able for some years, and particularly in 1936 and 1937, to liquidate a portion of their foreign debts by means of a surplus on their current account. In fact, their capital exports have been greater than the figures imply, for the debtor countries have also employed the proceeds of their sales of gold for the repayment of debts. A portion of this gold was simply derived from their banking reserves, while the bulk represented newly produced gold. From the point of view of the creditor countries, the gold purchased, whatever its origin, represents a liquid asset, into which they have turned part of their foreign investments. From the point of view of the debtor countries, however, the sale of newly produced gold must be regarded as a "current" item. Their balances on account of such items cannot therefore be taken simply as the reverse of those of the creditor countries, but should include also their production of gold. The value of such gold amounted to about \$350 million in 1929 but has since steadily risen to \$(old) 640 million in 1937. (These amounts include the gold production of the U. S. S. R.; if that country is excluded, the figures are reduced to \$330 and \$514 million respectively.)

It is a question of principle whether the gold exported from private hoards in India and China during recent years (and accordingly the gold entering into such hoards in earlier years) should be included in the current account of these countries. The value of such gold amounted to \$145 million in 1931 and reached its highest amount, \$223 million, in 1932, the figure for 1937 was \$(old) 40 million. As it is desired to estimate to what extent the debtor countries have been able to reduce their net foreign indebtedness without encroaching upon their banking assets of gold, the exports of gold from private hoards will also be taken into account.

Starting from the balances on account of current items calculated for the six creditor countries considered above, the aggregate balances on account of such items for all other countries may be estimated as follows: ⁽¹⁾

	\$ (000,000's) (old parity)	Equivalent amount in £ (000,000's) sterling		\$ (000,000's) (old parity)	Equivalent amount in £ (000,000's) sterling
1927	— 880	— 180	1933	+ 580	+ 175
1928	— 1,210	— 250	1934	+ 440	+ 145
1929	— 580	— 120	1935	+ 520	+ 180
1930	— 200	— 40	1936	+ 910	+ 310
1931	+ 1,150	+ 255	1937	+ 955	+ 330
1932	+ 1,040	+ 295			

While these figures may reflect correctly the broad movement of the balances of debtor countries on current account, it is likely that they overstate the surplus accruing to these countries since 1931. First, the figures include, besides debtor countries, two typical creditor countries, Belgium and Switzerland (as the absence of complete information for these countries rendered it necessary to exclude them from the basic figures for the creditor countries), and it is likely that during most of the years shown these two countries have enjoyed a surplus on current account.⁽²⁾ Secondly, it does not seem improbable that the balances for certain of the six other creditor countries considered in the calculation somewhat overstate the deficits, and understate the surplus, of these countries on current account. Where the information on account of foreign transactions is incomplete, there is frequently a tendency to estimate receipts on the low, and payments on the high, side. The aggregate

(1) The following method was employed: The balances of the group of six creditor countries, after reversal of the sign, were added to the value of newly produced gold in all other countries and the amount of gold exported since 1930 from private hoards in Eastern countries; the gold imported into these countries up to 1930 inclusive and added to private hoards (that is, imported for non-monetary purposes) was included as a negative item.

(2) In 1935 and 1936, for example, Belgium is estimated to have had a surplus of \$59 and \$60 million (old parity) respectively.

surplus of all debtor countries during the period 1931-1937 may well amount to less, rather than more, than \$ (old) 5,000 million. Their gold production contributes over \$ (old) 3,500 million (about a third of this figure is due to the increase in gold production since 1929) to this amount, and gold exported from hoards in Eastern countries \$ (old) 900 million.

It is interesting to see how these data agree with the direct information available for various debtor countries. The following table gives approximate balances on account of current items of a number of debtor countries, calculated by adding the value of gold produced (and, in the case of India and China, gold exported from private hoards) to the surplus or deficit on account of goods and services. In view of the absence of information for several important debtor countries as well as of figures for certain years for some of the countries shown, no totals have been struck.

BALANCES ON ACCOUNT OF CURRENT ITEMS OF DEBTOR COUNTRIES
Old U.S. \$ (000,000's) gold.

	1929	1930	1931	1932	1933	1934	1935	1936	1937
Argentina (a)	-159	-313	- 77	- 14	- 62	- 5	+ 3	+ 23	+ 62
Australia (b)	-369	- 88	+ 30	- 11	+ 21	- 39	- 20	+ 19	- 48
Bulgaria (a)	- 21	- 1	- 5	- 1	+ 1	-	+ 5	+ 7	.
Canada	-224	-238	-105	- 21	+ 12	+ 40	+107	+193	+127
China (a) (c)	- 96	-117	.	.	- 90	+ 10	+ 22	+ 63	.
Denmark	+ 9	- 5	- 19	+ 12	+ 7	- 5	+ 5	+ 1	+ 15
Estonia	- 2	- 2	+ 3	+ 1	+ 1	+ 2	+ 2	-	+ 1
Finland	- 12	+ 5	+ 24	+ 18	+ 20	+ 21	+ 15	+ 17	+ 11
Germany	-572	-126	+266	+ 60	+ 28	.	.	.	.
Greece (a)	- 45	- 34	- 37	- 12	+ 3	- 6	- 7	- 17	- 16
Hungary	- 37	- 21	- 36	- 2	+ 6	+ 2	+ 5	+ 11	.
India (c) (d)	- 46	-102	+ 35	+ 50	+ 80	+ 59	+ 33	+ 85	- 70
Iraq (d)	- 7	- 6	+ 1	- 9	- 6	-	- 6	- 3	.
Japan	+ 21	-	- 13	+ 28	+ 25	+ 31	+ 77	+ 51	.
Latvia	- 5	+ 1	+ 2	+ 4	-	-	+ 1	+ 3	+ 4
Netherlands Indies	- 60	- 59	- 42	- 35	- 28	+ 21	+ 11	+ 45	+ 70
New Zealand (d)	- 55	- 51	- 4	+ 6	+ 23	+ 2	+ 4	+ 4	.
Norway	- 9	- 28	- 36	+ 7	+ 13	+ 9	+ 3	+ 8	+ 16
Poland	- 59	- 19	+ 8	+ 5	+ 9	+ 17	+ 7	+ 4	.
Union of South Africa	- 68	- 35	- 13	+ 79	+ 69	+ 17	+ 15	- 19	.

(a) Including certain amortisation payments.

(b) Years beginning July 1st.

(c) Including gold exported from (or imported into) private hoards.

(d) Years beginning April 1st.

The majority of the debtor countries had considerable deficits in the years 1929 and 1930. Already at that time ordinary long-term financing was partly disorganised, and the deficit of several countries had to be met in part by gold exports out of domestic stocks or by the liquidation of short-term assets. The balances of most of the countries turned active in 1931 and 1932 and have since, as a rule, remained so.

It is not possible to show in detail what use the debtor countries have made of their surplus on current account, but it is known that a portion has been employed for the liquidation of long- and short-term debt and another portion for the replenishment of their currency reserves, which in many cases were exhausted at the time of the financial crisis in 1931.

The United States foreign investments appear to have been affected more than those of any other creditor country by the debt liquidation that occurred during the period 1931 to 1937. Between the end of 1930 and the end of 1937, the amount of United States long-term private investments abroad fell from \$15.2 milliard to \$11.1 milliard. It is not suggested that this reduction of over \$4 milliard was due to repurchases by foreigners of that volume. The "direct" investments representing over half of the total United States investments abroad are recorded at their book

value, and the decline in these investments, estimated at \$1.1 milliard, appears to be due to changes in valuation rather than to liquidation transactions.⁽¹⁾ The "portfolio" investments, which are shown at their nominal value, account, however, for the bulk of the decline: they are shown at \$7.2 milliard at the end of 1930, but at only \$4.2 milliard at the end of 1937. The official statements of the United States balance of payments include the following capital items affecting the "portfolio" investments during the seven years in question (1931-1937):

	Portfolio investments \$ (000,000's)	
	Credit	Debit
New security issues floated for foreign account	—	323
Bond redemption and sinking fund payments received	1,222	—
Sale and purchase of foreign securities	3,805	3,279
	<u>5,027</u>	<u>3,602</u>
Credit balance on these items	1,425	

The record of capital movements is known to be incomplete, and it is likely that the actual net receipts of the United States on account of her dealings in "portfolio" investments with other countries have been higher than the recorded balance on account of the above items. Nevertheless, the discrepancy between this balance and the reduction in the nominal value of the investments indicates that the repurchases by the debtors have taken place at rates much below par. The average market value of foreign dollar bonds at the end of 1937 represented 69.3% of the par value (93.5% in the case of issues not in default as to interest and 25.2% in the case of issues in such default).

As the following table shows, Europe accounts for the bulk of the reduction in the United States "portfolio" investments abroad.

UNITED STATES "PORTFOLIO" INVESTMENTS ABROAD AT THE END OF 1930 AND 1937, IN \$ (000,000's).

Area	1930	1937	Reduction	Percentage reduction
Europe	3,031	1,093	1,938	64
Canada and Newfoundland	1,743	1,621	122	7
Latin America	1,610	1,183	427	27
Asia, Oceania, Africa	820	307	513	63
Total	<u>7,204</u>	<u>4,204</u>	<u>3,000</u>	<u>42</u>

The decline in the investments in Europe is accounted for largely by Germany. During the period considered, the United States holdings of Canadian as well as Latin-American securities came to exceed those of European securities. In 1930 the American continent accounted for 47% of the total of the United States "portfolio" investments abroad, in 1937 for 67%.

The figures with reference to the foreign long-term investments of the United Kingdom, supplied elsewhere in this volume,⁽²⁾ do not suggest that these investments have been materially affected by the tendency to debt liquidation.⁽³⁾ The nominal value of these investments at the end of 1937 is estimated at an amount (£3,753 million) slightly higher than the corresponding figure for the end of 1930 (£3,726

(1) A reduction of about \$350 million was made in the estimated book value of the direct investments in 1933, in order to take account of the depreciation of assets and the depletion of surpluses which the depreciation entailed. Further, a change in the method of valuation appears to have been the main cause of a revision in the amount of the same investments at the end of 1936 to \$6,755 million as against an original figure of \$7,745 million. These two changes account for the whole decline in the estimated value of the investments in question.

(2) *Pages 191-195.*

(3) There has, however, been a tendency of the loan capital to decline, and of the share capital to increase (*cf. page 28*).

million). Moreover, the figures available concerning the division by countries do not suggest that there has been any striking geographical redistribution of this class of investment.

The information available concerning the outstanding long-term investments of other creditor countries is very scanty, but there are no indications that these countries, with the exception of Ireland, have drawn heavily upon their long-term investments abroad. The reduction in the foreign investments of Ireland since 1930, as suggested by the deficit on her current account and the decline in her income in the form of interest and dividends from abroad, is not likely to have exceeded a few tens of millions of pounds.

Out of the aggregate surplus on current account of the debtor countries during this period, amounting to some \$(old) 5 milliard, the liquidation of United States investments has hardly required more than \$(old) 1 milliard, in view of the low prices at which the securities in question could be repurchased. It thus remains to be explained what use debtor countries have made of the remaining sum of approximately \$(old) 4 milliard gold.

The reply to this question must obviously be sought chiefly in the movement of short-term capital and gold.

One of the items to be considered is represented by the replenishment of the central foreign exchange reserves of the debtor countries belonging to the sterling group — reserves which are chiefly held in London in the form of Treasury bills. Between the end of 1931 and the end of 1937, the reserves of Australia rose by £27 million, those of India by £39 million, those of Norway by £12 million and those of Siam by £10 million; the total increase for the debtor countries in this group amounts to over £165 million, or not far from \$(old) 500 million.

These figures do not include the sterling assets of the commercial banks of the countries concerned. It is not possible to assume that these assets have moved parallel with central exchange reserves,⁽¹⁾ and though it seems likely that they have grown, their increase may not have been great. Increases are recorded in the foreign exchange assets of certain other debtor countries. It may be assumed that these reserves are largely invested in the currencies of creditor countries. Out of a recorded inflow into the United States of short-term capital amounting to \$1,665 million during the three years 1935-1937, about a third is accounted for by the debtor areas specified (Canada, Latin America, Germany and the Far East).

Another item, for which no comprehensive information is available, is the reduction in the short-term indebtedness of debtor countries. Repayment of German short-term debts since the financial crisis may have been in the neighbourhood of \$(old) 1 milliard (the reduction in the nominal value of the debts is much greater, owing chiefly to the depreciation of the currencies in which the debts were due). But, in view of Germany's limited surplus on account of current items and the repurchase of German bonds held abroad, these payments appear chiefly to have been effected through the sale of gold and the liquidation of certain German assets abroad.

Besides Germany, several other debtor countries — Canada and Japan may be quoted as examples — sold part of their monetary gold reserves during the period considered. Though the reserves of several debtor countries have recently increased, it would appear that, on balance, the monetary reserves of all debtor countries declined by several hundred millions of gold dollars during this period.

The items considered above therefore represent only a portion of the amount of \$(old) 4 milliard gold estimated to have been available for the reduction in the short-term debts, or for an increase in the short-term assets, of debtor countries as a result of their surplus on account of current items.

[(1) Cf. *Money and Banking*, 1937/38. Vol. I, page 23.

The problem may be put in another way. The net gold imports of the creditor countries during the period 1931-1937 probably amounted to some \$(old) 5 milliard. As these countries are estimated to have had, during the same period, a deficit on account of goods and services of about \$(old) 1 milliard, there should have been a net inward capital movement (liquidation of assets or increase in liabilities) of some \$(old) 6 milliard — a figure about twice as high as the capital movement in this direction of which there is clear and direct evidence. As an example of the difficulty of reconciling the figures available for the different groups of items, it may be mentioned that in the official statement of the United States balance of payments the aggregate deficit on account of goods, services and gold during the period 1931-1937 exceeded the recorded net capital inflow by \$(old) 1,344 million — this being the balance on account of errors and omissions, which, according to the compilers, are to be sought chiefly in the recording of capital transactions.

The discrepancy for the group of creditor countries as a whole may be due, in part, to an over-estimate of the deficit on account of goods and services. Particularly in the case of the United Kingdom and France, the difficulties of estimating certain of these items are such that a considerable error is not excluded. But even allowing for such error, there can hardly be any doubt that the chief creditor countries have drawn upon their net resources abroad to a greater extent than available data concerning their outstanding assets and liabilities suggest. The liquidation of their long-term investments abroad may have been greater than recorded, or the maintenance of these investments — as in the case of the United Kingdom — may have been rendered possible through the withdrawal of floating assets abroad. One of the principal short-term capital items for which no information is available is the reduction in mercantile credits granted by creditor to debtor countries that resulted from the decline in the value of the international trade in goods by two-thirds during the first depression years. Further, the short-term debts of creditor countries, resulting from the inflow of capital from debtor countries, are likely to have increased more than is generally supposed. The information available on such capital refers chiefly to the currency reserves of the debtor countries within the sterling block—that is, countries with no (or at least no rigid) exchange control. There can be no doubt that there has existed a considerable clandestine capital export from countries applying exchange control, and that large amounts of gold and currency are held by inhabitants of these countries in the European creditor countries and the United States. The nature of these holdings is such that they are likely to escape record to a considerable extent.

New capital issues and amortisation payments.

Columns 7 and 8 of the Synoptical Table on pages 12-17 give available balances of long- and short-term capital movements. The figure for the total capital balance, as shown in column 9, should in theory agree with that in column 6, representing the surplus or deficit on account of goods, services and gold (though the two figures naturally should bear opposite signs). In practice, considerable discrepancies generally occur; the figure shown in column 6, though only representing an "indirect" estimate of the capital movement, is likely to be the more correct, since the direct information with reference to capital operations is generally incomplete.

The table on page 25 gives the total inward and outward movements from which the balances of long-term capital are calculated.

The principal long-term capital items are new capital issues, international movements of outstanding securities, amortisation payments and direct long-term investments. While purchases and sales of existing securities normally offset each other to a large extent, international capital transactions in the form of new issues almost exclusively represent lendings by the few capital exporting countries of the

RECORDED INWARD AND OUTWARD MOVEMENT OF LONG-TERM CAPITAL.
Old U.S. \$ (000,000's) gold.

Country	Inward movement						Outward movement					
	1929	1933	1934	1935	1936	1937	1929	1933	1934	1935	1936	1937
Union of South Africa. . . .	4.3	4.3	63.7	39.1	39.4	.	12.9	11.2	27.3	49.0	69.0	.
United States of America. . . .	2,390.0	1,213.0	693.0	1,176.0	2,061.0	1,880.0	2,480.0	1,174.0	572.0	904.0	1,606.0	1,574.0
India (a). . . .	74.5	61.6	8.3	.	.	.	25.9	114.0	27.5	.	.	.
Netherlands Indies. . . .	23.7	47.1	60.7	3.2	4.6	8.2	48.6	32.6	24.9	18.1	18.4	18.0
Iraq (a). . . .	2.9	5.8	2.6	2.0	3.1	.	1.5	0.6	—	0.1	1.2	.
Japan (incl. Korea and Formosa). . . .	137.4	52.0	47.3	48.8	91.0	.	161.7	60.2	86.8	126.2	129.9	.
Germany (b). . . .	(516.4)	(47.6)	.	.	.	.	(359.2)	(59.5)	.	.	.	.
Bulgaria. . . .	5.8	—	—	1.1	—	.	—	0.1	—	0.4	2.8	.
Denmark. . . .	24.1	8.3	7.8	6.5	15.1	10.3	30.8	16.7	12.3	11.2	13.3	12.8
Estonia. . . .	—	—	—	—	—	0.3	0.2	0.1	0.1	0.1	0.5	0.1
Hungary. . . .	55.7	—	—	0.3	0.1	.	17.5	—	—	—	0.4	.
Latvia. . . .	7.5	0.1	0.1	—	0.9	0.3	0.5	1.1	0.5	3.1	1.5	0.7
Lithuania. . . .	1.1	0.5	0.6	.	.	.	0.4	1.7	1.8	.	.	.
Norway. . . .	21.4	10.6	12.5	16.7	50.7	49.0	25.2	17.8	8.9	13.5	45.1	51.9
Poland. . . .	31.5	11.1	16.3	14.2	17.9	.	24.9	12.9	23.7	17.6	24.7	.
Sweden. . . .	76.4	32.8	24.7	23.8	41.6	31.7	76.9	23.3	32.1	20.5	38.1	50.1
Czechoslovakia. . . .	63.1	18.0	10.1	14.8	9.8	26.9	98.1	12.1	14.4	16.3	22.5	30.3
Turkey. . . .	13.6	0.7	.	.	.	.	7.5	2.9	.	.	.	.
New Zealand (a). . . .	—	—	2.5	0.1	0.6	.	11.9	10.4	6.8	9.0	13.6	.

Note. — The net inward or outward balances are shown in column 7 of the table on pages 12-17.

(a) India, Iraq and New Zealand : Economic years beginning April 1st.

(b) Germany : Incomplete data. The figures for outward payments exclude amortisation of the Dawes and Young Loans and of the debt regulated by the so-called Mark Agreement with Belgium.

world. For such issues, continuous monthly and quarterly statistics are available, which make it possible to trace certain of the changes in the international capital markets even where details concerning other capital items are missing.

The table on the following page summarises the annual movement of capital issues for domestic and foreign account in the United States of America, the United Kingdom, the Netherlands and Switzerland. The figures exclude conversion operations.

New capital issues no longer play an important part in international capital movements. The amount of issues for foreign account fell rapidly in 1931 and 1932 ; in 1933 and 1934, practically no foreign issues, except for conversion, were floated in the United States, the Netherlands or Switzerland. The few loans floated for foreign account in the United States during subsequent years have all been Canadian.⁽¹⁾ A few minor loans for the account of United States possessions (Alaska, Hawaii, Porto Rico) are included under "issues for domestic account". The United Kingdom has continued to lend, though on a reduced scale, to certain countries. The share of her oversea issues floated for account of "foreign" countries (that is, countries not belonging to the British Commonwealth of Nations and not British colonies), which was 69% in 1930, has during the last few years amounted to 10-20%. Of the amount lent to "foreign" countries in 1937, the bulk (£5 million) was raised by the Belgian Government.

(1) At the time of writing (October 1938), however, the Press announces that negotiations for the floating of an Argentine Government loan of \$25 million in New York have succeeded.

NEW CAPITAL ISSUES (EXCLUDING CONVERSION ISSUES) FOR DOMESTIC AND FOREIGN ACCOUNT
IN CERTAIN CREDITOR COUNTRIES.

	Old U.S. \$ (000,000's) gold					
	1934	1935	1936	1937	Jan.-Sept.	
					1937	1938
U.S.A. :						
Issues for domestic account (*)	827	832	1,151	1,226	1,044	997
Issues for foreign account	—	28	14	2	—	3
Foreign as % of total.	—	3.3	1.2	0.2	—	0.3
U.K. :						
Issues for domestic account	321	471	561	405	302	207
Issues for overseas account :						
(a) "British" countries	122	53	69	73	61	55
(b) "foreign" countries	9	8	9	21	7	10
Overseas as % of total	28.9	11.4	12.2	18.8	18.3	24.0
Netherlands :						
Issues for domestic and colonial account	106	14	59	24	19	8
Issues for foreign account (b)	0.1	—	0.1	7	4	5
Foreign (b) as % of total	0.1	—	0.2	22.9	18.1	38.2
Switzerland :						
Issues for domestic account	83	31	75	37	32	16
Issues for foreign account	1	—	—	26	26	5
Foreign as % of total.	1.3	—	—	41.1	45.1	23.6

(*) Including issues for the account of United States possessions.

(b) Excluding issues for the account of Dutch overseas territories.

Sources : For the United States, domestic issues, the *Financial and Commercial Chronicle* (nominal value; direct obligations of the U.S. Treasury excluded), foreign issues, the U.S. Department of Commerce (nominal value); for the United Kingdom, the *Monthly Reviews of the Midland Bank Ltd.* (price of issue; United Kingdom Government issues excluded); for the Netherlands, the *Maandschrift* of the Netherlands Central Bureau of Statistics (price of issue); for Switzerland, the *Bulletins mensuels* of the Banque Nationale Suisse (price of issue).

Owing to the lack of comparable figures, French capital issues are not included in the above table. According to the statements on France's balance of payments, French issues for foreign account (not including issues for French overseas territories) other than conversion issues fell from \$146 million in 1931 to \$(old) 9 million in 1935. In September 1936, a Franco-Polish agreement was signed for the grant of a loan to Poland corresponding (at the rate of the franc at that time) to about \$(old) 100 million, to be spread over a period of more than four years. No other issuing operations in France involving fresh capital outlay for foreign account are recorded for 1936 or 1937. In fact, France has, during the last few years, raised considerable amounts abroad, though mainly in the form of short- or medium-term credits for the account of the French Government and the railway companies. Thus, in 1937, French railway bills issued in Belgium, Switzerland and the Netherlands totalled about \$(old) 40 million.

While in Switzerland and the Netherlands capital issues for domestic account fell off in 1937, there was a revival in flotations for foreign account. Of the Swiss flotations, loans to creditor countries (France, Belgium and the United States) represented as much as five-sixths of the total issues for foreign account in 1937 and two-thirds in the first nine months of 1938; the remainder was in both cases for account of Norway.

In Sweden, the large amount of funds available for investment and the prevailing low interest rates have led, since 1933, to the flotation of capital issues for the account

of neighbouring countries. Thus, in 1936, Denmark raised 35 million kronor in Sweden, Norway 40 million and Finland 2 million. In 1937 and 1938, Swedish lending to Scandinavian countries continued on a smaller scale.

Finally, mention should be made of the financing of investments in Manchuria through capital raised in Japan. According to Manchurian returns, the investments in question totalled \$(old) 300 million during the period 1932-1937. The net investment, after deduction of amortisation receipts towards the end of the period, exceeded \$(old) 280 million. The annual investments (in Japanese currency) and their distribution between the main borrowers were as follows :

	1932	1933	Yen (000,000's)		1936	1937
			1934	1935		
Loans of the South Manchurian Railway Company and affiliated companies .	65	83	197	285	247	186
Share capital of newly established companies	12	38	65	22	59	85
Various loans	20	30	10	76	60	83
Total	97	151	272	383	366	354

Today, a true international capital market accessible to different groups of debtor countries hardly exists. Since the middle of 1928, there has been a clear tendency in the creditor countries to confine lendings to countries with which they are closely related by political ties. Thus, the United Kingdom in the first instance lends to countries within the British Commonwealth of Nations; the United States, France and the Netherlands to their respective oversea possessions; and Japan to Manchuria. In certain cases, geographical proximity and close economic ties have sufficed to sustain lending operations : thus the United States lends to Canada, Sweden to other Scandinavian countries, and Switzerland, Belgium and the Netherlands to France. The countries outside the British Commonwealth that have been able to borrow in London have belonged to the "sterling area". (Belgium, which was able to raise a loan in London in 1937, forms the first exception to this rule.)

With few exceptions (among which Denmark should be mentioned), countries with exchange control have not been able to attract new capital through loans abroad (though they have in some cases been able to raise loans, for example, for the consolidation of blocked commercial debts). The bulk of Latin America and of Central and South-Eastern Europe has thus, for a number of years, had no access to the lending markets.

Recently, there has been a tendency to mitigate the embargoes placed upon new loans for foreign account in the principal lending markets. Thus the restrictions maintained in the United Kingdom were alleviated early in 1938, and a similar measure was taken by the Netherlands in the autumn of 1937.

The issuing activities now referred to do not include refunding loans. With the decline in interest rates that has taken place since 1929 in creditor and debtor countries alike, considerable new issues have been floated in the former for foreign account which have not implied any new capital outlay, but simply a modification of the service of the outstanding loans. The nature of these transactions will be dealt with on a subsequent page.⁽¹⁾

It is natural that, at least in the old creditor countries, the issues floated for foreign account should be offset to a considerable extent by the amortisation receipts on account of outstanding loans. In recent years, these receipts, though frequently adversely affected by debt moratoria, have tended to exceed the payments on account

(1) Cf. pages 35-36.

of new issues. The balances since 1929 on account of the two items mentioned have been as follows in the United Kingdom and the United States :

Net outflow (—) or inflow (+) of funds on account of capital issues and amortisation :	1929	1930	1931	1932	1933	1934	1935	1936	1937
United Kingdom (in million £) (*)	— 47	— 59	— 14	+ 11	— 16	— 21	+ 30	+ 46	.
United States (in million \$) . .	—374	—606	+ 38	+143	+112	+114	+140	+158	+176

(*) As estimated by Sir Robert Kindersley (*cf.* the section for the United Kingdom).

The United States record a surplus on account of receipts over new loans granted in each year since 1931. The amortisation payments have contributed to the decline in the portfolio investments of the United States abroad, to which reference was made on a previous page. In the case of the United Kingdom, the new loans floated exceeded amortisation receipts as late as in 1933 and 1934, but for 1935 and 1936 considerable surpluses of amortisation receipts are recorded.

Outstanding foreign investments in the form of bonded loans have thus tended to decline as a result of ordinary redemption and the repatriation of bonds bought in the market, but investments in equities appear to have been maintained or even increased. It was pointed out on a previous page that, while over 40% of the portfolio investments of the United States, consisting chiefly of foreign bonds, were liquidated during the period 1931-1937, the direct investments of the United States abroad, which consist chiefly of shares (and in part of branches of United States companies) appear to have been maintained intact, though their book value has declined. The capital items recorded in the United States balance of payments show a surplus of inward payments in respect of portfolio investments of \$1,425 million during the period, but a surplus of *outward* payments in respect of the direct investments abroad of \$286 million. Similar tendencies have affected the long-term investments of the United Kingdom abroad. As the following table shows, the share of these investments represented by loan capital (bonds) was 3.5% lower at the end of 1936 than at the end of 1931, while the share capital was 9.5% higher.

BRITISH LONG-TERM INVESTMENTS ABROAD, ACCORDING TO SIR ROBERT KINDERSLEY, IN £ (000,000's).
END OF YEAR FIGURES.

	1931	1932	1934	1936
Loan capital :				
Governments	1,441	1,432	1,499	1,441
British companies operating abroad	397	389	388	379
Foreign companies	384	375	335	326
Total loan capital	2,222	2,196	2,222	2,146
Share capital :				
British companies operating abroad	813	816	840	841
Foreign companies	375	344	352	377
Miscellaneous direct investments, etc. (*) . . .	290	285	300	400
Total share capital	1,478	1,445	1,492	1,618

(*) These figures, which are only rough estimates, may include some loan capital.

Speculative capital movements.

The capital movements dealt with so far are chiefly those which are reflected in variations in the balance on account of current items of creditor and debtor countries. There exists, however, another sort of capital movement, taking place chiefly between creditor countries and generally reflected, not in changes in the balance on current

account, but in movements of banking gold. Monetary and political instability are the cause of the intensification in recent years of these capital movements, which generally take the form of movements of short-term funds or speculative purchases of securities.

The chief items in these capital movements since 1935 have been as follows :

(i) A heavy outflow of capital from the creditor countries of the former " gold bloc " (France, the Netherlands and Switzerland) in 1935 and the first nine months of 1936, largely in anticipation of the depreciation of the currencies of these countries, and the continuation of the capital outflow from France during the early part of 1937 ;

(ii) The accumulation of this capital in the United Kingdom and the United States (the Netherlands and Switzerland being transit countries for part of the French capital) ;

(iii) A movement of funds from the United Kingdom to the United States, offsetting part of the inflow of capital to the United Kingdom ;

(iv) The withdrawal, in the last quarter of 1937 and the first half of 1938, of a portion of the foreign capital that had taken refuge in the United States, chiefly owing to the stock market decline in New York and the depreciation of the dollar ;

(v) A fresh inflow of capital to the United States in the autumn of 1938, owing to political insecurity in Europe and the advance in stock prices in the United States.

It should be recalled that debtor countries generally have also acquired considerable assets in the United Kingdom and in the United States, and that these assets, though chiefly acquired out of their surpluses on current account, have in part been invested in a manner similar to the " hot money " originating in creditor countries. A portion of the British funds seeking refuge in the United States must be accounted as a reinvestment of funds belonging to debtor countries. Further, a portion of the French funds withdrawn in the latter part of 1937 and the first half of 1938 appears to have been liquidated by means of goods imported into France, and thus not simply transferred in the form of gold. Possibly, also, the withdrawal of British funds from the United States during the same period must be attributed in part to the deficit on account of the current transactions of the United Kingdom.

Note on the inflow of capital into the United States.

The behaviour of the funds that have sought refuge in the United States may be studied from the detailed statistics available concerning the capital movements between the United States and other countries since the beginning of 1935.

The table on the following page gives some details of this inflow of capital. The total inflow during the whole period 1935-June 1938 (later information is not available) is summarised below :

	\$ (000,000's)			
	Banking funds	Foreign securities repurchased	U.S. securities purchased	Total
Creditor countries (*)	784	362	1,051	2,197
Debtor countries	454	281	105	840
	1,238	643	1,156	3,037

(*) Including European debtor countries other than Germany and Italy.

During the last quarter of 1937 and the first half of 1938, there was, on balance, an outward capital movement in the form of a withdrawal of banking funds. The foreign repurchases of foreign securities continued, however, during this period also, while foreign purchases of United States securities were small (in the first half of 1938, there was a net sale of such securities by foreigners).

GEOGRAPHICAL DISTRIBUTION OF THE NET CAPITAL INFLOW INTO THE UNITED STATES.

Country	\$ (000,000's)															
	Banking funds (*)				United States securities				Foreign securities				Total			
	1935	1936	1937	Jan.- June 1938	1935	1936	1937	Jan.- June 1938	1935	1936	1937	Jan.- June 1938	1935	1936	1937	Jan.- June 1938
1. United Kingdom	337	8	63	— 96	150	218	81	— 9	68	48	21	1	555	274	165	—104
2. France.	180	37	— 28	— 42	23	41	6	— 3	7	12	4	1	210	90	— 18	— 44
3. Netherlands . .	57	5	15	— 42	51	107	56	— 5	7	3	11	1	115	115	82	— 46
4. Switzerland . .	76	45	180	—131	55	145	75	8	— 1	15	17	—	130	205	272	—123
Total 1-4 . .	650	95	230	—311	279	511	218	— 9	81	78	53	3	1,010	684	501	—317
5. Germany.	29	39	47	11	— 5	— 2	— 10	— 1	13	9	4	4	37	46	41	14
6. Italy	21	19	—26	— 3	—	— 3	— 1	—	3	6	4	2	24	22	— 23	— 1
7. Rest of Europe.	71	31	39	— 29	13	25	17	— 2	46	42	27	32	130	98	83	1
Total 5-7 . .	121	89	60	— 21	8	20	6	— 3	62	57	35	38	191	166	101	14
8. Canada	37	79	— 58	19	3	30	5	2	— 40	42	9	— 12	—	151	— 44	9
9. Latin America .	55	115	47	— 28	3	12	3	3	13	3	159	26	71	130	209	1
10. Far East. . . .	99	24	23	— 88	21	23	10	—	8	9	8	4	128	56	41	— 84
11. Other regions. .	9	2	— 12	2	3	5	3	—	1	2	3	1	13	9	— 6	3
Total 8-11 . .	200	220	—	— 95	30	70	21	5	— 18	56	179	19	212	346	200	— 71
Grand total	971	404	290	—427	317	601	245	— 7	125	191	267	60	1,413	1,196	802	—374

(*) Including changes in the foreign debit and credit balances reported by brokers and dealers.

The monthly movements are illustrated by the diagram on page 31, covering three years from July 1935 to June 1938 inclusive.

Curves A and B indicate that, up to August 1937, gold and capital movements into the United States offset each other to a considerable extent and that the transactions in question were simultaneous. During the last quarter of 1937 and the first half of 1938, however, there was a recorded net capital export of \$879 million, which was not financed by means of gold exports; in fact, a net import of gold of \$153 million is recorded for this period. It seems that the reappearance of a large surplus of merchandise exports and the accompanying change in the balance on current account rendered it possible for the United States to liquidate the foreign assets as they were withdrawn without having to sell gold. Owing, however, to the incompleteness of the records of both the capital movement and certain gold transactions,⁽¹⁾ too much importance should not be attributed to the deviation of the two curves.

The capital entering the United States may be divided into banking funds and net foreign purchases of securities. The inverse correlation of these two items up to the middle of 1937, illustrated by the movement of curves C and D in the diagram, indicates that the transactions in securities varied to a considerable extent independently of the total capital inflow, and that thus the foreign assets on banking account were increased by sales, and reduced by purchases, of securities. During the latter part of 1937 and the first six months of 1938, however, foreign banking funds declined as a result of withdrawals to Europe rather than of purchases of securities, and the relationship between the movement of such funds and security transactions ceased.

For further analysis of the securities movement, a distinction should be made between transactions in foreign and United States securities. The former represented the smaller part of the total transactions (during the three years 1935-1937, foreign net purchases of foreign securities amounted to \$583 million, but those of United States securities to \$1,162 million). Moreover, the foreign purchases of foreign securities represent largely a liquidation of long-term debts and may accordingly be omitted from the present study of speculative investments in the United States.⁽²⁾

The foreign purchases of United States securities are, however, of great interest for the present enquiry, in view of their possible influence upon business conditions in the United States.

The speculative nature of the foreign dealings in United States securities is evident from the following figures. In 1936 and 1937, the foreign gross purchases of such securities are recorded at \$2,653 million

(1) Cf. page 200.

(2) The variations in the net foreign purchases of foreign securities were illustrated in a diagram in the preceding edition of this publication. It was found that these variations depended largely upon the new capital issues in the United States for foreign account.

UNITED STATES : MONTHLY NET INFLOW (+) OR OUTFLOW (—) OF GOLD AND CAPITAL.

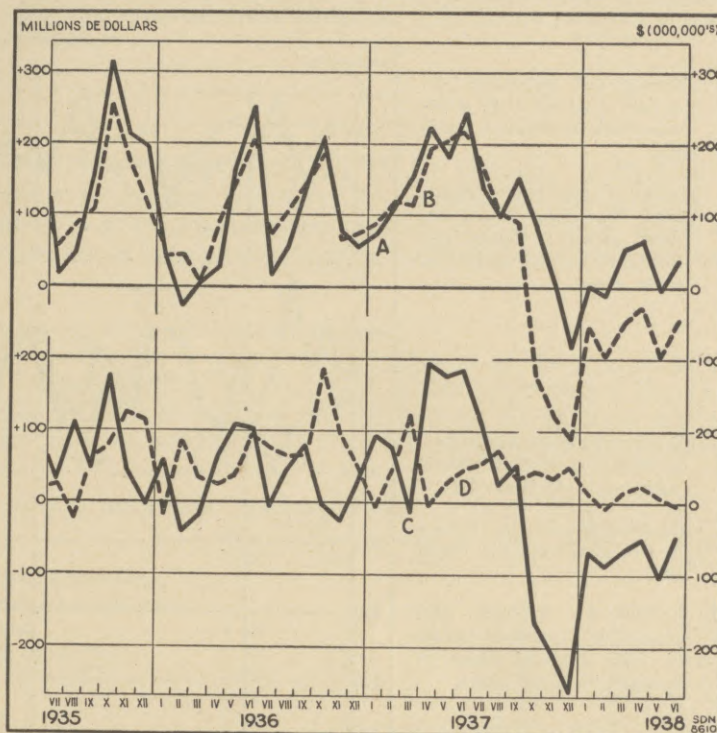
A : Gold.

B : Total capital. (*)

C : Banking funds.

D : Securities (foreign net purchases, + ; foreign net sales, —).

(*) Excluding certain items of small importance for which monthly figures are not available.



and \$2,231 million respectively, and the foreign gross sales at \$2,052 million and \$1,986 million. Considering that the average foreign holdings of United States securities were about \$3,000 million, of which a portion represented old investments (particularly bonds) not entering into the trade in securities during these years, the average period during which securities recently bought were held by each investor appears to have been remarkably short.

There is reason to believe that the United States securities bought and sold by foreigners during the last few years were almost exclusively shares. The dealings have been large enough to exercise a considerable influence on the stock market: the proportion of transactions for foreign account in the total value of share transactions on the stock exchanges of the United States was 15% in 1935, 20% in 1936 (during certain months of that year it reached or exceeded 25%) and 1937, and 17% in the first six months of 1938.⁽¹⁾

Curves E and F in the diagram on page 32 show the net foreign purchases or sales (that is, the balance of total purchases and total sales for foreign account) of United States securities, together with the month-to-month percentage change in the index of share prices in the United States. There is a striking correlation between these two curves up to the end of 1937. A rise in the foreign net purchases coincided with rising prices, and a decline in these purchases with declining prices. It thus appears that the fluctuations in the stock market were closely connected with shifts in the foreign demand. From the beginning of 1938, however, the relationship between foreign purchases and share quotations appears to have been reversed: during the first half of that year, foreign net purchases rose (or net sales declined) when prices fell, and *vice versa*.

In so far as no new shares enter into the United States market, a net purchase for foreign account must obviously be offset by a net sale for domestic account (that is, for the market as a whole, total purchases equal total sales). A curve showing net domestic sales (or purchases) should accordingly correspond to the reflected image of that of foreign net purchases (that is, curve E), with such modifications as are required by the amount of new shares that enter the market (this amount, corresponding roughly to the value of new shares issued, may be regarded as the aggregate net purchase of shares in the market as a whole).

(1) The calculation assumes that all the United States securities dealt in for foreign account were shares and (as the total of the purchases and sales for foreign account was compared with the total sales on the exchanges) that the foreign investor always bought from, or sold to, domestic investors.

UNITED STATES : THE INFLOW OF FOREIGN CAPITAL AND THE STOCK MARKET
(MONTHLY MOVEMENTS).

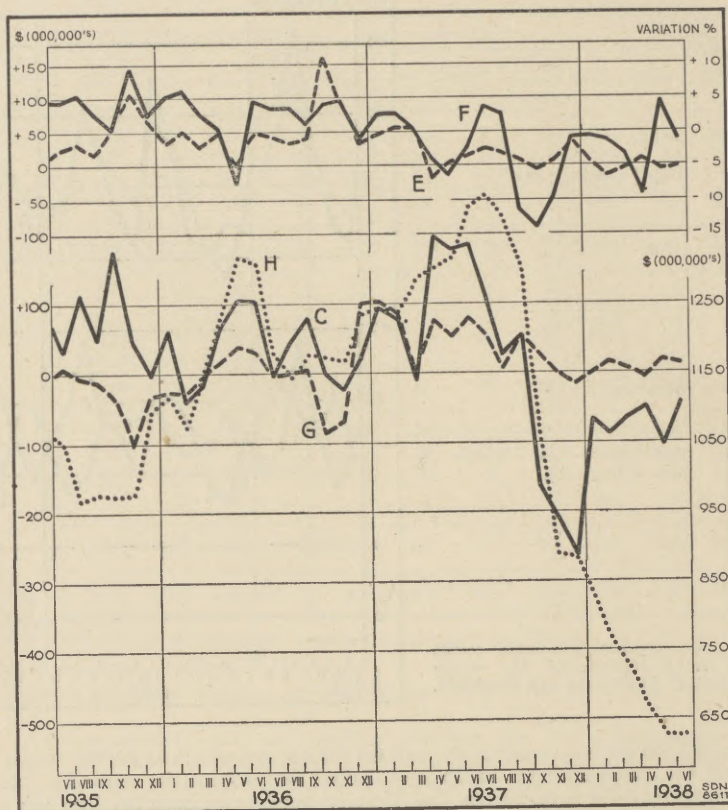
E : Foreign net purchase (+) or sale (—) of U.S. securities (chiefly shares). Scale left.

F : Index of share prices (Standard Statistics Co., combined index) : percentage month-to-month variation. Scale right.

G : Domestic net purchase (+) or sale (—) of U.S. shares (estimate). (*) Scale left.

C : Banking funds, net inflow (+) or outflow (—). Scale left.

H : Loans to brokers and dealers by member banks of the Federal Reserve System.^(b) Scale right.



(*) The domestic net purchases or sales of U.S. shares are taken as the reverse of the foreign (i.e., curve E after reversal of the sign), plus the amount of new shares issued in the United States. The calculation assumes that all the U.S. securities bought or sold for foreign account were shares and that the new shares issued represented the net purchase of shares in the whole market.

(b) Calculated as the average of the amounts outstanding at the beginning and the end of the month.

The value of domestic net sales or purchases of shares in the United States, estimated in the manner now indicated, is shown by curve G. As might have been expected from the above, up to the end of 1937 there is a negative correlation between this curve and those showing net foreign purchases (E) and variations in share prices (F). During the first part of 1938, on the other hand, share prices appear to have varied in conformity with transactions for domestic account.

Further light is thrown on the relationships under consideration by the close agreement during 1936 and 1937 between the transactions for domestic account (G) and curve C (repeated in this diagram) showing the net inflow of foreign banking funds into the United States. It would appear that the foreign banking deposits found their way into the stock market and helped to determine the fluctuations in the net purchases of shares for domestic account.⁽¹⁾

That this was the case is also suggested by curve H, showing the amount of loans to brokers and dealers reported by member banks of the Federal Reserve System. The parallelism between curves H and C in 1936 and part of 1937 implies that loans to brokers rose when the foreign net purchases fell off (that is, when share prices were declining). Normally, the amount of brokers' loans would be likely to vary in conformity with share prices; the negative correlation is therefore an indication that these loans were financed out of foreign banking funds, which increased when foreign purchases of securities were reduced.⁽²⁾

(1) It might be argued that a positive correlation between curves C and G might be expected to result simply from the negative correlation between curves A and B and the facts (i) that the latter of these two curves differs only by inclusion of foreign securities from curve E, and (ii) that curve G is the reverse of E, plus new shares issued. The question is not so simple, however, for the close correlation between C and G in 1936 and 1937 depends greatly upon the inclusion of new shares issued in G.

(2) The negative correlation was, of course, confined to the monthly variations discussed above. Over longer periods, loans to brokers varied in conformity with share prices.

The relationship now described between foreign and domestic demands prevailed up to the latter part of 1937. Around the end of the year, a reversal appears to have taken place. The period January-June 1938 is, however, too short, and the fluctuation in the foreign and domestic net purchases of shares too small, to permit of definite conclusions.

The price of capital.

Discrepancies in interest rates have continued to be virtually ineffective in causing international transfers of capital. It may nevertheless be of interest to complete the preceding analysis of international movements of investment funds by a brief survey of recent tendencies in the domestic capital markets of certain countries.

Bond yields.

The broad changes in long-term rates of interest as reflected in the yield of bonds are illustrated by the following table.⁽¹⁾ The first part of the table shows the yield of certain Government bonds payable in sterling and quoted on the London market. The second part shows the yield of bonds in the domestic markets of the countries concerned.

ACTUAL PERCENTAGE YIELD OF BONDS.

Country	Bonds	Dec. 1929	Dec. 1932	Dec. 1935	Dec. 1936	Dec. 1937	Aug. 1938
<i>Sterling bonds, according to London quotations.</i>							
Argentina	4½% Conversion Loan 1934	.	.	4.85	4.53	4.74	5.18
Australia	5% Registered	5.60	4.49	4.00	3.67	3.97	4.09
Brazil	5% Funding Loan 1914	7.09	7.80	7.65	6.03	12.81	<i>Nil.</i>
China	5% Reorg. Loan 1913	8.34	7.10	5.60	5.38	7.69	8.34
Czechoslovakia	8% Loan	.	8.25	7.75	7.48	7.62	11.59
Egypt	4% Unified	5.06	4.05	3.90	3.85	3.88	3.80
Germany	7% Dawes Loan 1924 (a)	6.65	8.14	12.15	12.73	12.73	10.00
Hungary	7½% Loan 1924	.	15.80	8.83	7.88	6.76	11.11
India	3½% Gov. Stock	5.69	3.98	3.61	3.55	3.76	3.74
Japan	6% Loan 1924	6.23	9.30	6.30	7.28	9.53	12.90
Un. of S. Africa	5% Inscribed	5.00	4.15	3.22	3.18	3.41	3.30
<i>Domestic bonds, according to domestic quotations.</i>							
Argentina	5% State Loan	6.34	7.48	5.26	5.06	4.98	4.98
Australia	4% Gov. Bonds	(b)5.12	3.93	3.85	4.02	3.74	3.75
Belgium	3% Rente	4.49	4.53	3.81	3.55	3.57	(c)4.11
Canada	Province of Ontario Loans	4.90	4.92	3.96	3.34	3.41	3.20
Czechoslovakia	Gov. Bonds (average)	5.76	6.38	5.08	4.50	4.48	4.48
Finland	State Loans	(b)7.7	(b)8.4	5.3	4.9	4.7	4.7
France	3% Rente	3.58	3.91	4.18	4.01	4.32	4.03
Germany	Misc. Bonds (average) (d)	8.42	7.42	4.86	4.74	4.54	4.55
Hungary	5% Forced Loan 1924	8.66	24.41	10.16	7.03	6.31	(e)6.67
Italy	3½% Rente	5.26	4.56	5.07	4.64	4.69	4.79
Japan	Public Bonds (average)	5.04	4.92	4.32	3.91	3.91	(e)3.85
Netherlands	Eight Bonds (average) (f)	4.58	4.23	4.28	3.80	3.23	3.19
Poland	5% Conversion Loan	(b)10.89	(b)16.99	11.59	10.35	7.95	7.69
Roumania	Six Gov. Bonds (average)	9.41	18.24	11.94	11.56	8.52	(e)6.52
Sweden	Gov. Bonds (average)	4.46	4.01	3.32	3.03	2.98	2.87
Switzerland	12 Gov. and Railway Loans	4.59	3.83	5.01	3.55	3.22	3.21
United Kingdom	2½% Consols	4.75	3.38	2.89	2.96	3.38	3.38
United States	Treasury Bonds	3.46	3.31	2.73	2.27	2.54	2.32

(a) 5% from July 1st, 1938.

(b) Annual average.

(c) June.

(d) As from April 1st, 1935, bonds carrying 6% and over were converted into 4½% bonds.

(e) July.

(f) Public bodies and first-class industrial enterprises.

(1) For monthly figures of bond yields (including various series not shown in the table), see the *Statistical Year-Book of the League of Nations*, 1937/38, pages 256 to 260, or *Monthly Bulletin of Statistics* (League of Nations), November 1938. Quarterly figures will be found in *Money and Banking, 1937/38* (League of Nations), Vol. I, Appendix, Table VIII.

It should be noted that the differences in the yields according to London quotations do not simply represent differences in the estimated risk attaching to each bond, still less in the credit of the countries which the bonds concern; for loan conditions vary widely and help to determine the price at which the bonds are quoted. Similarly, the level at which bond yields stand in the different national markets is naturally influenced, not only by the economic and financial position of the countries concerned, but also by the terms of the loan contracts and other circumstances. The figures are therefore not strictly comparable as between different countries, and are primarily intended to illustrate the trend in each country.

In the first part of the table, most of the figures quoted show an increase in the first eight months of 1938. As the yield of domestic Government bonds in London remained, on balance, fairly stable, this increase must be interpreted as a deterioration in the credit of debtor countries. This deterioration has been due partly to political factors (as in the case of China, Japan, Czechoslovakia, Hungary) and partly to the effects of the fall in the prices of primary products (as in the case of the Argentine and Australia). The fall in the yield of the German loan shown in the table is to be attributed to a reduction in the interest which was agreed upon in June 1938. The service of the Brazilian loan, it should be noted, was suspended early in 1938.

The second part of the table shows no considerable changes in the first eight months of 1938. Broadly speaking, the figures suggest that long-term interest rates have remained at a relatively low level; France, it will be seen, is the only country where the rate shown for December 1937 or August 1938 is higher than in 1929. It will be recalled that a moderate rise in bond yields took place in the early months of 1937 in a large number of countries, including the United States, the United Kingdom and France. After the middle of 1937, the business recession which occurred in many countries caused a decline in the demand for capital and hence a renewed downward tendency in the yield of bonds. As may be observed from the above table, this tendency continued in the first eight months of 1938, though the movements were in most cases small. In the United States, the reduction in bond yields was stimulated by the lowering of legal reserve ratios of commercial banks and the "desterilisation" of inactive gold reserves in April 1938. As a result of these measures, there was a large expansion in the banks' excess reserves of cash, which led them to increase their holdings of Government securities. In France, the reduction in bond yields which occurred in the spring of 1938 was mainly due to the repatriation of capital, which, in turn, was largely a consequence of the measures taken early in May, involving a further depreciation of the franc and the fixing of a maximum rate in relation to the pound sterling. The new depreciation of the French franc in May 1938 gave rise to doubts regarding the stability of the Belgian currency, and the resulting outflow of funds from Belgium caused a sudden stringency on the capital market, which, however, was gradually alleviated in the succeeding months as the doubts in question proved to be unjustified.

In nearly all European countries, and even in some countries outside Europe, a sharp rise in bond yields took place in September 1938, owing to the political developments connected with the situation in Central Europe. In the United Kingdom, for example, the yield of $2\frac{1}{2}\%$ Consols rose from 3.38% in August to 3.75% in September 1938, and in Switzerland the average yield of twelve Government and Railway loans rose from 3.21% in August to 3.61% in September. From the latest available information it appears, however, that the passing of the political crisis at the end of September was quickly followed by a relaxation of financial conditions and a recovery of security prices towards their previous level.

Conversion operations.

The decline in long-term interest rates which took place in a large number of countries after the financial crisis of 1931/32 was accompanied by a striking growth in the volume of conversion loans by which debtors were able to reduce the interest charges on their past borrowings. Some of the most important or characteristic operations of this kind were described in previous editions of this publication. More recently, however, the quantitative importance of conversion issues appears to have declined. This is true particularly of the United Kingdom and the United States, as may be seen from the following figures showing the amount of refunding and conversion issues in London and New York in the first six months of 1938 compared with the corresponding periods of the three preceding years.⁽¹⁾

REFUNDING AND CONVERSION ISSUES.

	First half of :	United Kingdom (£000,000's)				United States (\$000,000's)			
		1935	1936	1937	1938	1935	1936	1937	1938
Domestic		53.0	29.5	9.6	4.8	1,073	2,640	1,153	644
External (*)		40.3	54.0	42.8	10.7	—	104	167	—
Total		93.3	83.5	52.4	15.5	1,073	2,744	1,320	644

(*) That is issues made by borrowers abroad (including — in the case of the United Kingdom — other British countries).

The marked decline in refunding and conversion issues in the United Kingdom and the United States cannot wholly be attributed to the slight increase in bond yields which occurred in 1937 ; it is undoubtedly also due to the fact that, after a long period of cheap money, the number of convertible issues outstanding is somewhat limited. Moreover, foreign conversion issues in London and New York, which show a particularly sharp fall from the first half of 1937 to the first half of 1938, have probably been impeded by a weakening of the credit of certain debtor countries, owing partly to political events and partly to the fall in the prices of primary products.

In the Netherlands, likewise, conversion operations appear to have become less frequent since the large Government conversion loan of 1,672 million gulden was issued in January 1938, by which all outstanding 4% Government bonds were converted into bonds bearing 3% during the first ten years and 3½% during the remaining twenty-eight years of their currency. It is believed that the difficulty of converting loans to the low level indicated by the yield of outstanding bonds in the Netherlands has been due partly to the concerted action taken by large institutional investors to resist a reduction in their interest receipts. Of the foreign conversion issues which have been placed in the Netherlands, mention may be made of a Danish Government loan of 12.6 million gulden, bearing interest at 4% and repayable in thirty years, which was issued in February 1938 in order to convert a 5% loan of 1926.

In certain other countries, however, conversion operations have continued in substantial volume. A few examples may be quoted regarding Sweden and Switzerland. In Sweden, a number of conversion loans have recently been issued on behalf of the neighbouring countries ; thus, in February 1938, the city of Bergen (Norway) placed a 3½% loan of 6 million kronor at Stockholm to redeem a 5% dollar loan ; in May 1938, the Norwegian Municipal Bank raised a 3¼% loan of 14 million kronor for the conversion of a 5½% loan of 1929 ; in October 1938, the city of Helsinki (Finland) issued at Stockholm promissory notes at 3% and bonds at 3½% aggregating 13.5 million kronor, in order to repay a 4½% sterling loan of 1911. Of recent internal conversions, one of the largest has been a 3% loan of the Swedish State Mortgage

(1) For annual figures of refunding and conversion issues in the United States, the United Kingdom and various other countries, covering the period 1929-1937, see the *Statistical Year-Book of the League of Nations, 1937/38*, pages 295 to 311.

Bank (issued at $98\frac{1}{2}$ for cash subscriptions and at $98\frac{1}{4}$ for conversion offers), by means of which a $3\frac{1}{2}\%$ loan of 119 million kronor was repaid in November 1937 and a 5% loan of 46 million kronor in May 1938.

In Switzerland, a 3% loan of the Federal Railway was issued at par in February 1938 for the conversion of 400 million francs of outstanding $3\frac{1}{2}\%$ bonds. In addition, there have been numerous conversion issues on behalf of cantonal and municipal Governments, such as a $3\frac{1}{4}\%$ loan of 15 million francs, issued at $99\frac{1}{4}$ by the canton of Neuchâtel in October 1938 for the conversion of a $4\frac{3}{4}\%$ loan of 1928, and a 3% loan of 15 million, issued at 97.40 by the canton of Berne in November 1938 for the conversion of a $4\frac{3}{4}\%$ loan of 1927.

Short-term money rates.⁽¹⁾

Short-term rates of interest showed, in most countries, little or no change during 1937 and the first eight months of 1938, and remained at the low level to which they had fallen previously. The margin between short- and long-term rates was thus kept in some cases remarkably wide. In the United Kingdom, for example, the discount rate on three-month bank bills remained practically stable at only a shade above $\frac{1}{2}\%$, and even that rate was only maintained by means of an agreement between the banks. Such agreements have developed also in a number of other countries, with the result that short-term market rates have in some cases become less sensitive indicators of financial conditions than the yield of long-term bonds. In Switzerland, the "private discount" rate has remained unchanged at the level of 1% , to which it was reduced after the devaluation of the franc in the autumn of 1936. In the United States, the rate on three-month acceptances has been kept fixed at 0.44% since June 1937, while the rate on Treasury bills, which is subject to more competitive conditions, declined from 0.58% in June 1937 to 0.02% in June 1938. In the Netherlands, the rate of "private discount" continued the downward movement which it began after the devaluation of the gulden, and stood at the exceptionally low figure of 0.18% in June 1938. In France, the market rate on commercial paper declined from 5.28% in June 1937 to 2.50% in June 1938, mainly as a result of the repatriation of capital in November 1937 and May 1938.

As in the case of bond yields, the general desire for liquidity prompted by the European political crisis caused a temporary hardening of money rates in many countries in September 1938.

Interest and dividends.

International payments of interest and dividends may be estimated to have risen from approximately \$2,200 million in 1923 to some \$3,700 million in 1929. In that year, they corresponded to about 11% of the value of international merchandise trade.

Between 1929 and 1934, the gold value of the payments fell steadily; the total decline was probably not far from two-thirds, if account is taken only of amounts actually transferred to the creditor countries. The fall in the total yield was somewhat less, since, in numerous cases, transfer moratoria and exchange stipulations forced creditors to accept funding bonds or scrip instead of cash payments or to make frequently disadvantageous reinvestments of amounts earned in the debtor countries. In the years 1935-1937, payments rose in all by about 30% , so that in the last-mentioned year their gold value represented not far from 45% of the figure for 1929. In terms of sterling, they may have been lower than in 1929 by 25% to 30% .

(1) For monthly data on various money market rates in twenty-one countries, reference should be made to Table 16 of the *Monthly Bulletin of Statistics* of the League of Nations.

RECEIPTS AND PAYMENTS OF INTEREST AND DIVIDENDS.

Old U.S. \$ (000,000's) gold.

The countries are given in the order of the positive and the inverse order of the negative balances for 1929.

Country	Net receipts (+) or payments (-) in 1929	Receipts					Payments						
		1929	1933	1934	1935	1936	1937	1929	1933	1934	1935	1936	1937
United Kingdom ⁽¹⁾	+ 1,216.6	1,216.6	530.2	510.9	538.2	603.0	642.4	419.0	83.0	75.0	101.0	141.0	164.0
United States of America	+ 699.0	1,118.0	408.0	295.0	308.0	336.0	359.0	51.0	9.8	17.6	17.7	24.6	27.4
France and oversea territories ⁽²⁾	+ 196.0	247.0	82.3	115.6	174.3	174.4	181.2	33.8	100.4	16.4	23.6	23.8	48.1
Netherlands	(3) + 129.0	76.3	91.7	71.6	80.0	98.8	100.4	15.4	15.4	15.4	15.4	15.4	15.4
Switzerland ⁽⁴⁾	+ 53.0	100.2	57.4	44.1	35.0	40.0	38.3	23.4	24.2	23.4	16.4	15.0	23.7
Belgium, Luxembourg and Congo	+ 28.8	57.4	44.1	42.4	39.9	39.7	38.3	21.4	6.4	5.4	5.1	4.8	4.5
Ireland	+ 8.1	29.5	19.9	15.8	18.1	16.8	19.7	24.8	12.2	12.1	6.9	9.7	7.4
Sweden	+ 7.4	32.2	8.0	6.9	8.8	8.2	7.4	1.0	1.3	1.1	1.2	1.2	1.2
Greece ⁽⁵⁾	+ 3.4	0.7	0.4	0.4	0.4	0.4	0.4	0.8	0.6	0.5	0.9	0.6	0.4
Spain	+ 0.3	0.3	0.2	0.2	0.1	0.1	0.1	2.3	0.9	0.9	0.9	0.8	0.6
Iraq ⁽⁷⁾	+ 0.5	1.2	0.1	0.1	0.1	0.1	0.1	2.0	1.1	0.8	0.8	0.5	0.6
Lithuania	+ 1.1	0.4	0.3	0.1	0.1	0.1	0.2	2.9	0.6	1.6	1.8	1.6	1.6
Latvia	+ 1.6	0.7	0.2	0.1	0.1	0.1	0.1	8.5	1.5	1.6	1.8	1.6	1.6
Estonia	+ 2.2	0.7	0.3	0.1	0.1	0.1	0.1	56.3	29.3	23.3	24.3	22.5	22.5
Turkey	+ 7.8	0.7	0.2	0.1	0.1	0.1	0.1	11.3	8.0	6.0	4.4	3.7	2.8
Bulgaria	—	47.2	18.6	18.6	21.9	26.8	0.3	31.4	20.6	16.0	18.4	17.4	14.6
Japan, including Korea and Formosa	—	10.3	1.0	0.3	0.2	0.2	4.0	15.3	15.7	14.7	14.3	13.8	12.4
Finland	—	10.7	20.7	10.8	6.6	4.5	2.6	22.8	16.5	13.1	12.6	13.6	12.2
Czechoslovakia	—	15.0	0.3	2.0	2.0	2.0	2.0	22.3	5.1	7.3	4.8	4.4	4.4
Uruguay	—	16.9	11.2	4.9	2.0	2.0	2.0	34.8	25.4	19.9	17.2	14.7	14.7
Denmark	—	18.5	4.3	2.5	2.4	2.4	2.7	45.2	25.9	23.6	22.7	21.3	21.3
Norway	—	22.3	2.8	0.2	—	—	—	52.6	58.1	53.0	52.1	64.0	64.0
Yugoslavia	—	28.3	0.8	0.2	—	—	—	131.0	83.8	75.7	74.2	73.0	68.7
Hungary	—	34.0	3.5	1.2	0.9	0.7	1.8	119.1	23.3	26.9	34.9	34.8	34.8
Roumania	—	42.6	2.5	0.5	0.2	0.2	—	132.2	44.2	44.2	43.4	48.0	48.0
Poland	—	42.7	1.5	0.5	0.2	0.2	—	285.9	202.4	202.4	202.4	202.4	202.4
New Zealand ⁽⁷⁾	—	52.6	0.9	0.8	0.6	0.5	—	132.2	44.2	44.2	43.4	48.0	48.0
Italy ⁽⁸⁾	—	76.4	15.7	1.4	3.5	1.4	1.8	285.9	202.4	202.4	202.4	202.4	202.4
Union of South Africa	—	115.3	0.6	0.8	0.6	0.5	—	132.2	44.2	44.2	43.4	48.0	48.0
India ⁽⁷⁾	—	118.5	0.6	1.0	3.6	1.4	1.8	285.9	202.4	202.4	202.4	202.4	202.4
China, excluding Manchuria ⁽⁹⁾	—	127.0	5.2	2.4	2.4	2.7	3.6	204.7	107.3	96.5	91.5	92.0	89.7
: Manchuria	—	190.6	95.3	35.7	4.6	4.2	—	319.4	192.7	160.9	159.8	183.3	192
Netherlands Indies	—	194.3	10.1	5.1	4.6	4.2	—	—	—	—	—	—	—
Germany ⁽¹⁰⁾	—	204.7	—	—	—	—	—	—	—	—	—	—	—
Australia ⁽¹¹⁾	—	258.1	61.3	33.4	36.6	45.1	46	—	—	—	—	—	—
Argentina ⁽¹²⁾	—	—	28.5	—	—	—	—	—	—	—	—	—	—
Canada	—	—	—	—	—	—	—	—	—	—	—	—	—

(1) United Kingdom : The figures refer to net receipts of interest and dividends on account of private long-term investments. Gross receipts are estimated at \$ (old) 686 million in 1937 and net receipts on account of short interest and commissions at \$ (old) 102 million in the same year.

(2) France : Certain amortisation receipts and payments are included. The figures for payments up to 1931 inclusive exclude interest paid on account of intergovernmental debts.

(3) Provisional estimate.

(4) Switzerland : Estimates by Professor G. Bachmann (President of the Board of Directors of the Swiss National Bank).

(5) Greece : Amortisation of the public debt is included with outward payments.

(6) 1931.

(7) Iraq, New Zealand and India : Economic years beginning April 1st.

(8) Italy : Net payments ; amortisation is included.

(9) China : The figures for outward payments include amortisation of foreign debts.

(10) Germany : The figures for payments exclude interest on the Dawes and Young Loans and on the debt regulated by the so-called Mark Agreement with Belgium.

(11) Australia : Economic years beginning July 1st.

(12) Argentina : The figures for payments include regular amortisation payments.

The increase in payments during recent years is due chiefly to larger payments of dividends. Interest payments have in most cases continued to decline as a result of the liquidation of debts and the steady lowering of interest rates through conversion operations and arrangements with creditors.

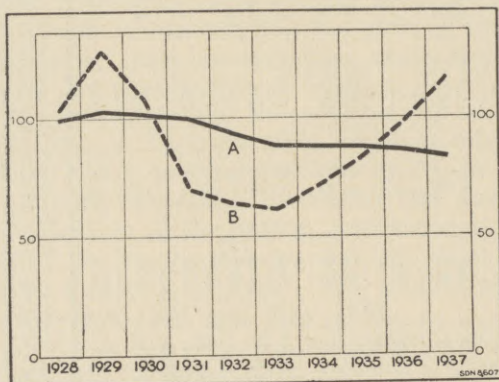
This different movement of dividend and interest payments is illustrated by the first three diagrams below, showing the receipts of the United Kingdom and the United States and the outward payments of the Netherlands Indies.

The table on page 37 summarises available information concerning inward and outward payments of interest and dividends in recent years. The table reflects the decline in the outward payments of those debtor countries where the foreign investments are chiefly in the form of loans: the Argentine, Australia, India and Denmark may be quoted as examples. While Japan's outward payments have also declined, her receipts of interest and dividends have increased, so that in 1936 they exceeded the outward payments; Japan thus became a creditor country (see fourth diagram below).

UNITED KINGDOM : INCOME FROM PRIVATE
LONG-TERM INVESTMENTS OVERSEAS,
IN £(000,000's).

A : Interest.

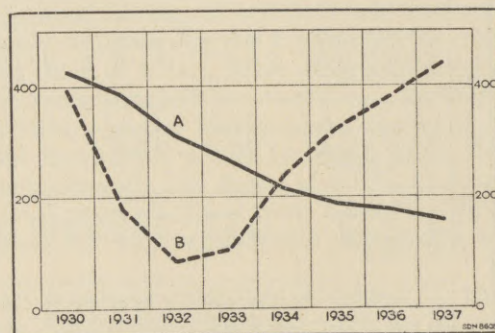
B : Dividends and profits.



UNITED STATES : INCOME FROM PRIVATE
LONG-TERM INVESTMENTS ABROAD,
IN \$(000,000's).

A : Interest.

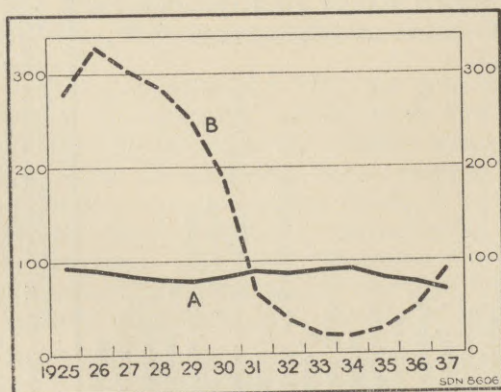
B : Dividends and profits
(transferred amounts).



NETHERLANDS INDIES : PAYMENTS OF INTEREST
AND DIVIDENDS ABROAD, IN GULDEN (000,000's).

A : Interest.

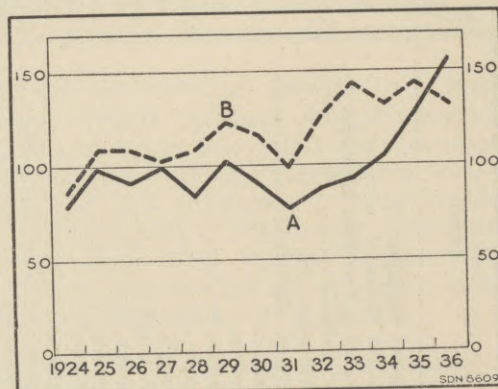
B : Dividends and profits.



JAPAN : INWARD AND OUTWARD PAYMENTS OF
INTEREST AND DIVIDENDS, IN YEN (000,000's).

A : Inward payments.

B : Outward payments.



INVESTMENTS IN LATIN AMERICA IN 1913 AND 1923-1937, QUOTED ON THE LONDON STOCK EXCHANGE, ACCORDING TO "THE SOUTH AMERICAN JOURNAL".⁽¹⁾

End of year	Amounts outstanding, £(000,000's)					Average yield, in %				
	Government bonds	Railways	Banks and shipping	Miscellaneous	Total	Government bonds	Railways	Banks and shipping	Miscellaneous	All investments
1913. . . .	316.4	457.8	33.9	191.1	999.2	4.43	4.28	10.16	5.57	4.78
1923. . . .	346.9	482.9	51.7	270.2	1,151.7	3.91	3.43	5.78	3.85	3.78
1924. . . .	344.0	481.4	48.5	266.7	1,140.6	3.90	3.60	5.13	4.52	3.97
1925. . . .	326.6	483.4	41.3	288.4	1,139.7	4.03	3.65	6.01	4.82	4.14
1926. . . .	331.9	490.8	39.0	294.8	1,156.5	4.16	4.26	6.13	5.19	4.53
1927. . . .	340.5	492.4	38.8	302.2	1,173.9	4.14	3.88	7.40	4.56	4.25
1928. . . .	343.8	491.0	41.8	334.4	1,211.0	4.25	3.95	6.16	5.12	4.43
1929. . . .	338.5	495.9	43.4	336.4	1,214.2	4.24	4.03	6.72	5.44	4.57
1930. . . .	337.0	509.0	43.5	315.8	1,205.3	4.34	3.49	5.32	5.70	4.38
1931. . . .	328.9	508.4	45.4	338.9	1,221.6	3.74	2.32	3.17	4.29	3.28
1932. . . .	317.5	489.7	46.6	331.3	1,185.1	1.98	1.55	1.09	2.86	2.01
1933. . . .	314.9	492.6	46.9	347.3	1,201.7	1.99	1.31	1.26	2.21	1.75
1934. . . .	345.5	490.0	40.1	330.0	1,205.6	2.05	1.27	1.38	2.00	1.70
1935. . . .	330.9	495.2	36.2	327.5	1,189.8	2.18	1.31	1.48	2.01	1.75
1936. . . .	328.4	493.8	21.2	317.6	1,161.0	2.26	1.26	2.64	2.61	1.94
1937. . . .	330.4	494.3	22.0	308.1	1,154.8	2.50	1.64	3.38	2.91	2.26

INVESTMENTS IN LATIN AMERICA (BY COUNTRIES) AT THE END OF 1937, QUOTED ON THE LONDON STOCK EXCHANGE, ACCORDING TO "THE SOUTH AMERICAN JOURNAL".

Country	Amounts outstanding, £(000,000's)				Average yield in 1937, in %				Percentage share of investment yielding no interest or dividend			
	Government bonds	Railways	Miscellaneous	Total	Government bonds	Railways	Miscellaneous	All investments	Government bonds	Railways	Miscellaneous	All investments
Argentina . . .	65.9	277.1	98.5	441.5	3.96	2.36	3.77	2.91	0.9	51.9	32.8	40.0
Brazil	160.4	38.3	66.2	264.9	2.84	1.60	2.28	2.52	6.3	56.4	13.8	15.4
Chile	26.5	20.7	40.6	87.8	0.61	1.78	0.90	1.02	—	50.3	8.3	15.7
Colombia . . .	3.6	2.2	0.8	6.6	0.16	2.17	12.15	2.20	96.1	31.8	34.7	67.8
Cuba	3.2	29.2	1.5	33.9	4.72	0.57	5.69	1.19	—	88.2	—	76.0
Honduras . . .	1.8	—	—	1.8	—	—	—	—	100.0	—	—	100.0
Mexico	38.6	92.2	47.6	178.4	—	—	2.89	0.77	100.0	100.0	61.7	89.8
Nicaragua . . .	0.5	—	—	0.5	5.00	—	—	5.00	—	—	—	—
Peru	6.4	0.2	22.9	29.5	0.25	6.50	1.79	1.48	86.5	—	72.0	74.8
Uruguay	18.6	14.7	5.8	39.1	3.50	0.31	6.81	2.79	—	89.4	—	33.7
Venezuela . . .	—	2.5	14.0	16.5	—	0.49	4.88	4.21	—	92.9	52.2	58.4
Bolivia	—	8.1	—	8.1	—	1.23	—	1.23	—	87.7	—	87.7
Costa Rica . . .	1.6	3.1	—	4.7	—	3.86	—	2.52	100.0	—	—	34.7
Ecuador	0.2	4.3	—	4.5	—	5.65	—	5.45	100.0	49.0	—	50.8
Guatemala . . .	1.5	9.2	—	10.7	4.00	1.59	—	1.93	—	68.1	—	58.7
Paraguay	0.7	2.5	—	3.2	—	2.11	—	1.68	100.0	66.4	—	73.3
Salvador	0.9	0.2	—	1.1	4.00	—	—	3.10	—	100.0	—	22.5
Total	330.4	494.3	308.1	1,132.8	2.50	1.64	2.91	2.24	19.0	64.8	34.2	43.1
Investments not distributed by countries :												
Shipping . . .				13.0								25.3
Banks				9.0								55.0
Grand total				1,154.8				2.26				43.0

(1) See note on following page.

Note to the tables on page 39. — The figures refer to the securities quoted in the two official lists of the London Stock Exchange, irrespective of whether the securities are owned by residents in the United Kingdom or in other countries. They exclude capital not invested in the form of securities, or in the form of securities quoted only in other centres but held by residents in the United Kingdom. The interest actually paid in each year on account of interest, dividends, arrears of interest and bonuses is shown against that year, irrespective of whether the payment actually represented interest, etc., for that year. United States and Canadian dollar securities quoted in London have been converted at \$5 to the £, and Mexican securities at \$10 to the £. In the few cases of "shares of no par value", the amounts shown in the balance sheets were adopted.

The decline since the end of 1931 in the total amount outstanding is, it is stated, only partially due to redemptions, or the absence of business in the securities has led to the elimination of a number of issues from the Stock Exchange lists.

The Japanese interest receipts were chiefly derived from Manchuria, where large Japanese investments have been made in recent years.⁽¹⁾ In her financial relations with the countries outside the "yen area", Japan remains a debtor country.

The average yield of foreign investments in many debtor countries remains very low. According to figures compiled by *The South American Journal*, the yield of investments in Latin America quoted on the London Stock Exchange was only 2.26% in 1937, as against 4.57% in 1929 and 4.78% in 1913. The tables on page 39 give details of the movement of these investments and their yield in post-war years, as well as figures for the various Latin-American countries at the end of 1937.

Emigrants' remittances.

During the period 1924-1929, remittances from emigrants — including remittances by workers, seasonal and other, employed outside their own country — involved international money transfers of about \$600 million annually. The amount represents less than 2% of the value of goods entering into international trade in 1929. Between that year and 1934, remittances fell off considerably, though up to 1932 not as rapidly as the value of international trade. In recent years, their gold value appears to have represented 35% to 40% of what it was in 1929.

Outward remittances from certain countries in recent years by immigrants and foreign workers, as estimated in the balance of payments statements of these countries, are summarised below. The figures for the United States and Uruguay include funds taken out by returning immigrants.⁽²⁾ Those for France and Germany represent exclusively remittances of foreign workers (or funds brought out by such workers).

IMMIGRANTS' REMITTANCES FROM CERTAIN COUNTRIES.

	Old U.S. \$ (000,000's) gold									
	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
U.S.A. (a)	(250.0)	(246.9)	(199.0)	(173.0)	(138.0)	(88.6)	(62.7)	(54.3)	101.6	100.4
France	86.0	98.0	98.0	70.6	47.0	31.3	39.2	29.4	26.2	25.5
Argentina (b)	52.0	53.8	39.7	30.1	21.9	17.4	15.0	14.9	15.5	20.0
Canada	36.6	36.5	33.5	22.0	14.4	10.8	9.5	9.7	11.6	13.0
Germany	11.9	11.9	5.7	1.9	—	—	.	.	.	.
Manchuria . . . . .	.	.	.	.	.	.	7.8	7.4	.	.
Netherlands Indies ^c	6.0	6.0	4.8	4.0	3.2	2.8	2.4	2.4	6.1	6.2
Australia (d)	3.9	4.1	3.4	1.3	1.0	1.0	0.8	0.9	0.9	.
Uruguay . . . . .	.	3.5	4.6	2.0	.	.	.	.	.	.
Turkey	2.4	1.9	2.1	0.9	1.7	.	.	.	.	.

(a) New series from 1936 (the figure for 1936 comparable with those for the previous years is 67.9).

(b) The figures shown for the Argentine represent "remittances by individuals", and may include other items than immigrants' remittances. According to a private statement, immigrants' remittances represented \$32.9 million gold in 1927-28, 31.5 million in 1928-29, 26.2 million in 1929-30 and 14.6 million in 1930-31 (economic years ending September 30th).

(c) Up to 1935 excluding remittances to China (\$3.8 million in 1936).

(d) Economic years beginning July 1st.

(1) Cf. page 27.

(2) The funds taken out of the United States by returning immigrants were estimated at 9% of remittances proper in 1927 (the last year for which a distinction was made).

The figures for the United States up to 1935 inclusive have been put in brackets, as a new enquiry carried out by the United States Department of Commerce indicates that they understate the amounts sent abroad. The new figure for 1936 is about 50% higher than the old estimate for the same year. It is believed, however, that the annual rate of change in the old estimate from 1931 is approximately correct.

Information is not available concerning total remittances from certain countries known to shelter a large number of immigrants. Remittances of Chinese immigrants in the Straits Settlements in 1930 are estimated at \$15 million, in Siam at \$7 million and in the Philippines at \$4.5 million.⁽¹⁾

The table below shows the estimated receipts of remittances in different countries in the years 1929 to 1937.

EMIGRANTS' REMITTANCES RECEIVED BY CERTAIN COUNTRIES.

Country	Old U.S. \$ (000,000's) gold								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Albania	1.9	1.4	1.4	1.2	0.8	.	.	.	.
Australia (a)	2.8	2.5	1.6	1.2	1.1	1.1	1.1	1.1	.
Belgium	30.6	.	.	.	.	.	6.6	7.0	.
Bulgaria (b)	1.1	0.9	0.6	0.7	0.5	0.5	0.6	0.6	.
Canada	28.3	23.5	15.5	8.6	6.1	5.5	6.0	6.3	7
China (c)	119.9	96.8	.	.	41.2	50.8	55.9	56.3	.
Czechoslovakia	17.9	15.7	11.5	7.9	5.2	3.4	2.7	3.3	3.4
Denmark	2.7	4.0	2.5	1.9	1.5	1.3	1.3	1.3	1.3
Finland	4.8	4.0	2.9	3.4	2.2	1.3	1.3	1.3	1.3
Germany (d)	14.3	.	.	.	.	.	.	.	.
Greece	38.0	40.7	34.5	14.0	15.0	8.8	6.2	10.7	17.6
Hungary (e)	7.2	5.7	3.4	1.2	0.9	0.8	0.6	1.0	.
Ireland (f)	12.0	11.0	20.4	14.2	11.6	8.4	8.4	9.1	8.8
Italy (b) (g)	122.3	120.0	90.8	55.0	.	.	.	.	.
Japan (b)	28.1	24.2	20.9	27.7	22.2	20.7	20.8	17.3	.
Latvia	1.5	1.2	0.9	0.4	0.4	0.3	0.3	0.3	0.3
Lithuania	4.6	3.7	3.2	3.0	1.7	1.6	.	.	.
Netherlands . . . . .	.	4.0	3.2	2.4	2.0	1.6	1.6	1.5	2.0
Norway (h)	4.8	3.5	3.3	2.5	1.2	0.8	0.7	0.9	0.9
Poland (b)	31.2	32.7	30.8	23.2	17.0	17.0	18.9	18.9	18.3
Roumania	4.8	4.2	.	.	.	.	.	.	.
Spain . . . . .	.	.	30.9	38.1	.	.	.	.	.
Sweden (e)	9.4	8.0	6.6	6.5	3.5	1.9	1.8	2.1	2.6
Turkey	1.0	0.5	0.4	0.4	0.9	.	.	.	.
United States of America (i) . . . . .	.	.	.	.	.	.	.	14.2	14.8
U.S.S.R. (k)	15.5	15.5	.	.	.	.	.	.	.
Yugoslavia	15.6	13.0	10.1	3.4	1.6	1.6	2.6	.	.
Total of countries given for the years 1929-1936	189.8	177.6	155.4	113.4	88.4	71.8	70.7	74.2	.

(a) Economic years beginning July 1st.

(b) Including funds brought in by returning emigrants.

(c) The figures from 1933 refer to China exclusive of Manchuria and Jehol.

(d) Including remittances to foreign students working in Germany.

(e) Remittances from the United States only.

(f) The figures prior to 1931 are stated to be too low.

(g) Estimates by Professor Gino Borgatta.

(h) Including sailors' remittances (estimated at \$1 million in 1926.)

(i) Including funds brought in by immigrants.

(k) Figures referring to economic years ending September 30th, as estimated by the Russian Commissariat of Finance and quoted by the Birmingham Bureau of Research on Russian Economic Conditions in its enquiry "The Balance of Payments and the Foreign Debt of the Union of Soviet Socialist Republics".

(1) Cf. *Balances of Payments, 1931 and 1932* (Ser. L.o.N. P. 1933.II.A.26), page 37.

42 Recettes et paiements afférents au tourisme, dans certains pays, et dépenses, dans les mêmes pays.
Inward and outward payments on tourist account in certain countries, and expenditure

Les pays sont classés d'après l'ordre d'importance de leur balance
The countries are given in the order of the positive

Pays	Recettes provenant des touristes étrangers Receipts from foreign tourists						Dépenses à l'étranger des touristes nationaux National tourists' expenditure abroad					
	1929	1933	1934	1935	1936	1937	1929	1933	1934	1935	1936	1937
France	392.0	117.5	(2)	(2)	(2)	(2)	58.7	.	(2)	(2)	(2)	(2)
Canada	307.1	85.7	88.0	126.8	148.6	171	120.7	37.3	38.3	56.4	65.3	71
Italie (4)	127.4	68.6	.	.	.	.	16.7	.	.	.	.	.
Suisse	(2)	.	.	.	.	.	(2)	.	.	.	.	.
Belgique	34.8	.	.	26.2	20.0	.	5.6	.	.	2.7	3.0	.
Autriche	36.6	.	.	.	.	.	9.2	.	.	.	.	.
Chine (6)	12.8	2.1	.	.	.	.	2.6	1.0	.	.	.	.
U.R.S.S. . . . .	.	.	.	(2)	(2)	.	.	.	.	(2)	(2)	.
Roumanie	3.0	.	.	.	.	.	2.1	.	.	.	.	.
Tchécoslovaquie	24.0	8.5	12.1	11.1	10.9	13.6	21.0	4.9	5.7	10.1	14.2	11.3
Egypte . . . . .	.	.	(7) 3.0	.	.	.	.	(7) 0.9	.	.	.	.
Grèce	6.8	10.0	5.8	3.9	4.0	4.5	4.7	1.1	1.3	2.0	1.6	2.1
Yougoslavie	7.2	3.7	4.2	4.2	.	.	6.0	.	.	2.1	.	.
Japon	20.6	10.2	12.4	13.2	15.1	.	19.4	11.5	9.7	9.4	10.0	.
Pologne	18.7	3.5	3.7	3.8	4.0	4.3	18.5	7.8	4.7	5.5	5.6	5.1
Estonie	1.0	0.6	0.5	0.5	0.6	0.6	0.9	0.6	0.5	0.5	0.5	0.5
Royaume-Uni (8) . . . . .	.	(2)	(2)	(2)	(2)	(2)	.	(2)	(2)	(2)	(2)	(2)
dont touristes allant à et venant de :												
a) continent européen	.	18.9	20.7	20.7	24.4	25.9	.	77.5	64.0	70.3	79.1	101.6
b) autres parties du monde . . . . .	.	(2)	(2)	(2)	(2)	(2)	.	(2)	(2)	(2)	(2)	(2)
Lithuanie	1.4	0.8	0.9	.	.	.	1.5	1.1	0.6	.	.	.
Turquie	2.2	2.5	.	.	.	.	2.3	.	.	.	.	.
Lettonie	4.3	1.3	1.2	1.3	1.2	0.8	4.6	1.1	1.0	0.9	0.9	0.7
Venezuela . . . . .	.	.	.	0.1	(2)	.	.	.	0.9	0.7	(2)	.
Finlande	4.8	2.5	2.8	3.2	2.7	3.0	5.5	2.3	2.5	3.1	3.5	3.2
Irak (9)	0.9	0.6	0.6	0.7	0.5	.	1.7	0.9	0.8	0.9	0.9	.
Uruguay	4.0	.	.	.	.	.	4.9	.	.	.	.	.
Bulgarie	0.4	0.3	0.4	0.5	0.5	.	1.8	1.0	0.8	0.8	1.0	.
Danemark (10)	4.0	2.2	2.7	3.2	3.9	3.9	6.7	3.7	3.4	3.9	5.9	6.5
Hongrie	4.0	3.1	3.5	3.4	3.8	.	9.9	6.5	5.8	4.4	5.7	.
Suède	(2)	6.6	5.9	8.1	8.6	9.0	(2)	6.9	7.3	7.7	9.1	10.1
Nouvelle-Zélande (9)	5.5	1.8	2.0	2.3	2.7	.	13.8	4.6	5.7	6.0	8.9	.
Pays-Bas . . . . .	.	2.0	1.6	1.2	1.5	1.6	.	12.1	13.7	14.1	14.5	13.7
Australie (11)	6.3	2.4	3.1	3.3	3.9	.	19.3	9.1	9.2	10.1	11.6	.
Union Sud-Africaine	5.5	3.1	3.5	3.9	4.8	.	21.7	13.8	15.1	15.8	17.1	.
Argentine	12) 11.4	.	.	.	3.9	.	12) 28.6	.	.	.	.	.
Allemagne (13)	42.9	39.3	78.1	76.2	.	.	71.5	26.9	28.6	29.8	.	.
Indes néerlandaises	2.4	1.2	1.2	0.8	0.8	1.0	34.6	10.5	10.5	11.3	10.0	8.5
Etats-Unis d'Amérique dont touristes allant à et venant de :	183.0	57.2	51.3	69.1	82.1	92.1	868.0	14) 235.3	14) 197.5	14) 241.6	14) 293.5	14) 350.8
a) Canada	94.0	28.2	23.3	44.3	52.5	60.2	296.0	81.4	71.6	113.4	134.7	165.3
b) Mexique	7.0	3.2	2.4	3.0	3.0	3.0	38.0	22.6	26.8	20.1	23.6	26.6
c) outre-mer	82.0	25.8	25.6	21.8	26.6	28.9	534.0	131.3	99.1	108.1	135.2	158.9
Cuba (15)	28.4	6.4	3.5	4.4	7.7	.	.	.	.	.	.	.
Mexique . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Irlande . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Palestine (9) . . . . .	.	.	3.0	.	.	.	.	.	.	.	.	.
Norvège	7.2	5.0	5.1	5.6	7.1	9.8	.	.	.	.	.	.
Indochine française . . . . .	.	.	.	.	.	.	.	.	.	1.6	.	.

(1) Les dépenses dans les pays européens et méditerranéens autres que ceux pour lesquels des chiffres figurent dans le tableau ont été de 4,3 et 5,2 millions de dollars-or en 1935 et 1937 respectivement. (2) Voir la colonne relative à la balance des recettes et des paiements. (3) Les balances indiquées pour 1935-1937 sont celles du Commissariat au tourisme français (organisme officiel). (4) Chiffres relatifs aux recettes et paiements totaux, d'après les évaluations de l'« Ente nazionale industrie turistica ». (5) Evaluation du professeur Bachmann, président de la Direction générale de la Banque nationale suisse. (6) Les chiffres pour 1933 concernent la Chine sans la Mandchourie et le Jehol. Les recettes de ces territoires en 1934 et 1935 sont estimées à 18,1 et 21,8 millions de dollars-or respectivement, et les paiements correspondants à 4,1 et 4,5 millions de dollars-or. (7) Estimé par le professeur G. Blanchard dans *L'Egypte contemporaine* de mai 1935. (8) Les chiffres relatifs aux dépenses des touristes britanniques ne comprennent pas le montant des billets de voyage. (9) Années économiques commençant le 1^{er} avril. (10) Les chiffres relatifs aux dépenses des touristes danois ne comprennent pas le montant des billets de voyage payé aux navires étrangers. (11) Années économiques commençant le 1^{er} juillet. (12) Année économique se terminant le 30 septembre. (13) Les chiffres relatifs aux recettes totales ne comprennent pas les dépenses des étudiants étrangers en Allemagne. (14) Non compris le montant des billets de voyage payé aux navires nationaux (estimé à 49 millions de dollars en 1930 et à 18 et 17 millions de dollars-or en 1936 et 1937 respectivement). (15) Source : *Revista de Comercio*, février 1937.

des touristes venant des Etats-Unis (en millions de dollars-or des Etats-Unis à l'ancienne parité). 43
in the same countries by United States tourists, in old U.S. \$ (000,000's) gold.

positive et l'ordre inverse de leur balance négative pour 1929.
and the inverse order of negative balances for 1929.

Balance des recettes (+) ou des paiements (—) • Balance of receipts (+) or payments (—)						Dépenses des touristes venant des Etats-Unis ⁽¹⁾ Expenditure by United States tourists ⁽¹⁾		Country
1929	1933	1934	1935	1936	1937	1935	1937	
+ 333.3	.	+ 98.0	(3) + 29.4	(3) + 33.1	(3) + 88.1	5.0	8.4	France.
+ 186.4	+ 48.4	+ 49.7	+ 70.4	+ 83.3	+ 100	113.4	165.3	Canada.
+ 110.7	.	.	.	.	.	4.0	6.1	Italy. ⁽⁴⁾
(5) + 54.0	.	.	.	.	.	1.5	2.9	Switzerland.
+ 29.2	.	.	+ 23.5	+ 17.0	.	0.8	0.9	Belgium.
+ 27.4	.	.	.	.	.	0.9	1.5	Austria.
+ 10.2	+ 1.1	.	.	.	.	.	.	China. ⁽⁶⁾
.	.	.	+ 3.4	+ 4.1	.	0.1	0.4	U.S.S.R.
+ 0.9	.	.	.	.	.	.	.	Roumania.
+ 3.0	+ 3.6	+ 6.4	+ 1.0	— 3.3	+ 2.3	0.6	0.6	Czechoslovakia.
.	.	+ 2.1	.	.	.	.	.	Egypt.
+ 2.1	+ 8.9	+ 4.5	+ 1.9	+ 2.4	+ 2.4	0.2	0.4	Greece.
+ 1.2	.	.	+ 2.1	.	.	1.5	0.6	Yugoslavia.
+ 1.2	— 1.3	+ 2.7	+ 3.8	+ 5.1	.	.	.	Japan.
+ 0.2	— 4.3	— 1.0	— 1.7	— 1.6	— 0.8	0.2	0.7	Poland.
+ 0.1	± 0	± 0	± 0	+ 0.1	+ 0.1	.	.	Estonia.
.	— 9.9	— 3.0	— 7.3	— 8.8	— 17.5	10.7	12.7	United Kingdom ⁽⁸⁾ of which visitors to and from :
.	— 58.6	— 43.3	— 49.6	— 54.7	— 75.7	.	.	(a) European continent.
.	+ 48.7	+ 40.3	+ 42.3	+ 45.9	+ 58.2	.	.	(b) other parts of the world.
— 0.1	— 0.3	+ 0.3	.	.	.	.	.	Lithuania.
— 0.1	.	.	.	.	.	.	.	Turkey.
— 0.3	+ 0.2	+ 0.2	+ 0.4	+ 0.3	+ 0.1	.	.	Latvia.
.	.	.	— 0.6	— 0.9	.	.	.	Venezuela.
— 0.7	+ 0.2	+ 0.3	+ 0.1	— 0.8	— 0.2	0.1	0.4	Finland.
— 0.8	— 0.3	— 0.2	— 0.2	— 0.4	.	.	.	Iraq. ⁽⁹⁾
— 0.9	.	.	.	.	.	.	.	Uruguay.
— 1.4	— 0.7	— 0.4	— 0.3	— 0.5	.	.	.	Bulgaria.
— 2.7	— 1.5	— 0.7	— 0.7	— 2.0	— 2.6	0.6	1.1	Denmark. ⁽¹⁰⁾
— 5.9	— 3.4	— 2.3	— 1.0	— 1.9	.	0.5	0.5	Hungary.
— 8.0	— 0.3	— 1.4	+ 0.4	— 0.5	— 1.1	0.8	1.4	Sweden.
— 8.3	— 2.8	— 3.7	— 3.7	— 6.2	.	.	.	New Zealand. ⁽⁹⁾
.	— 10.1	— 12.1	— 12.9	— 13.0	— 12.1	1.1	1.6	Netherlands.
— 13.0	— 6.7	— 6.1	— 6.8	— 7.7	.	.	.	Australia. ⁽¹¹⁾
— 16.2	— 10.7	— 11.6	— 11.9	— 12.3	.	.	.	Union of South Africa.
(12) — 17.2	.	.	.	.	.	.	.	Argentina.
— 28.6	+ 12.4	+ 49.5	+ 46.4	.	.	7.2	10.3	Germany. ⁽¹³⁾
— 32.2	— 9.3	— 9.3	— 10.5	— 9.2	— 7.5	.	.	Netherlands Indies.
— 685.0	— 178.1	— 146.2	— 172.5	— 211.4	— 258.7	.	.	United States of America of which visitors to and from :
— 202.0	— 53.2	— 48.3	— 69.1	— 82.2	— 105.1	.	.	(a) Canada.
— 31.0	— 19.4	— 24.4	— 17.1	— 20.6	— 23.6	.	.	(b) Mexico.
— 452.0	— 105.5	— 73.5	— 86.3	— 108.6	— 130.0	.	.	(c) overseas.
.	.	.	.	.	.	20.1	26.6	Cuba. ⁽¹⁵⁾
.	.	.	.	.	.	2.1	2.2	Mexico.
.	.	.	.	.	.	.	.	Ireland.
.	.	.	.	.	.	0.6	1.1	Palestine. ⁽⁹⁾
.	.	.	.	.	.	.	.	Norway.
.	.	.	.	.	.	.	.	French Indo-China.

(1) The expenditure in European and Mediterranean countries other than those for which figures are given in the table was \$4.3 and \$5.2 million gold in 1935 and 1937 respectively. (2) Cf. the column for balance of receipts and payments. (3) The balances entered for 1935-1937 are those of the French (official) *Commissariat au tourisme*. (4) Figures for total payments and receipts according to estimates by the "Ente nazionale industrie turistiche". (5) Estimate of Prof. Bachmann, President of the General Directorate of the Swiss National Bank. (6) The figures for 1933 refer to China exclusive of Manchuria and Jehol. The receipts of these territories in 1934 and 1935 are estimated at \$18.1 and \$21.8 million gold respectively, and the corresponding outward expenditure at \$4.1 and \$4.5 million gold. (7) Estimated by Prof. G. Blanchard in *L'Egypte contemporaine* for May 1935. (8) The figures for the expenditure of British tourists exclude fares. (9) Economic years beginning April 1st. (10) The figures for the expenditure of Danish tourists exclude fares paid to foreign ships. (11) Economic years beginning July 1st. (12) Economic year ending September 30th. (13) The figures for total receipts exclude the expenditure in Germany of foreign students. (14) Excluding fares paid to national ships (estimated at \$49 million in 1930 and \$18 and \$17 million gold in 1936 and 1937 respectively). (15) Source : *Revista de Comercio*, February 1937.

The estimate of Belgian receipts represents the earnings of Belgian workers and employees abroad (mainly in France) spent in Belgium. A considerable portion of the receipts by Italy and Poland undoubtedly represents earnings of Italian and Polish workers in France and other European countries.

Not all remittances are intended for the support of emigrants' relatives in the home country. A very considerable portion of the remittances to China, Japan, Italy and Greece, for example, would appear to represent investments in property or bank deposits. Such remittances, which properly represent a capital item, are affected by considerations similar to those governing short-term capital movements in general (in particular by monetary apprehensions).

Tourists' expenditure.

The figures for the expenditure of tourists abroad recorded in the statements generally include fares paid to national ships engaged in foreign traffic, while those for the receipts from foreign visitors exclude fares paid by them to national ships engaged in such traffic. The word "tourists" in this connection includes commercial travellers and students working outside their home country.

The unrecorded import and export of goods by tourists is, as a rule, not accounted for as a merchandise item (contraband) in the balance of payments statements, but is included with tourists' expenditure.

Available figures for inward and outward payments and the net active or passive balances of such payments are shown in the table on two preceding pages. Figures for the estimated expenditure of United States tourists in some twenty countries in 1935 and 1937 have been added in the last columns of the table. These figures, which have been compiled by the United States Department of Commerce on the basis of information supplied by its foreign representatives, and replies received to questionnaires issued to tourists, refer to the expenditure of American tourists in the territory of these countries,⁽¹⁾ and exclude fares paid to ships of United States or other nationality and incidental expenditure on board. The method of compilation of these figures differed from that employed for earlier estimates of the geographical distribution of the expenditure of United States tourists abroad.

Total outward payments on account of tourists' expenditure for the world as a whole may have exceeded \$1,700 million in 1929 — a sum representing about 5% of the value of goods entering into international trade. Between 1929 and 1932 the world total would appear to have fallen by 50%, compared with a reduction of over 60% for trade in goods, but, with the heavy decline in the expenditure of United States tourists following upon the depreciation of the United States dollar, the total expenditure, calculated in gold, fell in 1933 and 1934 to less than a third of the 1929 figure, or more than merchandise trade. From 1934 to 1937, the expenditure of United States tourists abroad rose by nearly 80%, but the aggregate increase for all countries appears to have been less — about 55%.

Rapid changes have taken place during recent years in the relative importance of different countries as suppliers of services to foreign tourists. Thus, if the figures for France — which are admittedly only rough estimates — are approximately correct, her net income on tourist account has fallen by nine-tenths between 1929 and 1936. Between 1934 and 1935 alone, the number of foreign visitors is estimated to have decreased by as much as 40%. A large part of the reduction in income was on account of United States tourists. In 1937, however, there was considerable improvement in the French inward tourist traffic, due partly to the depreciation of the franc and partly to the Paris International Exhibition. According to the estimates of the French (official) *Commissariat au Tourisme*, the number of foreign visitors increased

(1) No allowance has, however, been made for shore expenditure of cruise passengers or for the expenditure of United States citizens permanently residing in European countries.

by more than 80% and the active balance on tourist account rose by more than 165% over 1936.

The expenditure of foreign tourists in Germany almost doubled between 1933 and 1935, and is estimated at a much higher figure in 1935 (\$76 million gold) than in 1929 (\$43 million gold). The former figure may, however, be regarded as too high, since it has been calculated by converting the amount spent in Reichsmarks at the official exchange rate, though in fact the bulk of the sum in question represents German currency sold to tourists at depreciated rates from blocked accounts; the amount therefore includes a considerable sum lost by the foreign creditors on the unfreezing of their blocked assets in Germany. The amount actually spent by foreign tourists would appear not to have been appreciably higher than in 1929. The information available concerning the number of foreigners visiting Germany in 1936 and the average length of their sojourn suggests, however, a further increase in their expenditure in that year.

The most important change since 1929 in the international tourist traffic is the increase in the share of Canada, at the expense of that of Europe, in the tourist expenditure of the United States. While American tourists in 1929 are estimated to have spent about 65% more in overseas countries (mainly Europe) than in Canada, their expenditure in 1937 was higher in Canada than overseas.

Expenditure of United States tourists (a):	1929	1932	\$ (000,000's)		
			1935	1936	1937
(i) in Canada	296	183	192	228	280
(ii) in Mexico	38	36	34	40	45
(iii) overseas (a)	487	227	183	229	269

(a) Excluding fares paid to U.S. ships (\$47 million in 1929).

This shift must be attributed in part to the comparatively high price level prevailing in the principal tourist countries of Europe during the greater part of the depression, and in part to the fact that, while the average expenditure and stay of United States tourists fell during the depression, the initial expenditure for ocean travel became too high for many of these tourists. In 1934, the number of United States tourists to Europe was less than half the figure for 1930. Since 1934, however, the number of these visitors has increased rapidly (visitors to western and northern Europe numbered about 173,000 in 1937 as against 148,000 in 1936 and 106,000 in 1934. Their average stay increased in 1936, but in 1937 it fell again in many of the European countries. In the course of 1937, a decline occurred in the United States tourist traffic to overseas countries. During the first eight months of the year, the number of United States tourists to overseas countries was 38% greater, but during the last four months 24% less, than during the corresponding periods of 1936. This reversal must be attributed chiefly to the deterioration in economic conditions in the United States.

AVERAGE NUMBER OF DAYS SPENT BY UNITED STATES VISITORS IN CERTAIN EUROPEAN COUNTRIES.

	1935	1936	1937		1935	1936	1937
Austria	10.6	12.6	8.1	Netherlands	7.7	10.0	7.0
Belgium	4.8	6.3	5.6	Norway	14.7	24.1	19.5
Czechoslovakia	16.5	25.4	11.2	Sweden	12.0	19.5	12.9
Denmark	7.0	9.2	12.8	Switzerland	7.7	11.1	8.1
France	11.9	13.7	12.9	United Kingdom:			
Germany	24.8	37.3	25.2	England, Northern Ireland			
Hungary	15.9	13.2	6.1	and Wales	19.2	26.0	16.8
Ireland	25.9	33.8	26.1	Scotland	14.2	18.5	18.9
Italy	20.4	20.4	18.0				

The increase in the average stay of United States visitors to Germany in 1936 is attributed to the Olympic Games held in Berlin in that year.

Standard Scheme of International Balance of Payments.

The full wording of the items in the special form of international balance of payments prepared by the League of Nations Secretariat and attached to the circular letter sent out to Member States is reproduced below together with the contractions which in the following sections of this volume are used in order to save space and render the tables easier to study. Attention should be paid to the fact that practically all the statements based on the form present some small deviations therefrom, necessitated by the method of compilation or the nature of the transactions performed. Estimates the general arrangement of which differed from that proposed in the standard form — for example those of the United States, Greece and Canada — have as a rule been rearranged according to the form ; in such cases care has been taken to achieve comparability in so far as possible with the majority of the statements as regards the big groups of items (Goods, services and gold and Capital items) and their sub-groups. The balances of the accounts therefore sometimes differ from those shown in the original statements. In certain cases rearrangement in accordance with the standard form proved impossible and the statements had to be reproduced in their original form ; this is true, for example, of the United Kingdom and Venezuela.

The form distributed to Member States is accompanied by explanatory notes concerning the general principles to be applied in the computation as well as details concerning the transactions to be considered for various individual items. This information was reproduced in a previous issue of this publication.⁽¹⁾ Attention should be paid to the fact that the statements represent rather an account of international money transactions booked than a balance of payments effected. The term " balance of payments " is used, however, in the absence of a generally accepted term expressing the true nature of the accounts.

(1) Ser. L.o.N. P. 1930.II.54¹¹.

Contractions used (credit and debit items)	Full wording of the items given in the first column	
	Credit items	Debit items
Goods, services and gold.		
I. Merchandise.		
1. Merchandise	Merchandise, including silver bullion and coins other than gold, exported (according to trade returns)	Merchandise, including silver bullion and coins other than gold, imported (according to trade returns)
2. Adjustment for wrong valuation	Adjustment of 1 in order to arrive at the commercial value f.o.b.	Adjustment of 1 in order to arrive at the commercial value c.i.f.
3. Contraband	Contraband exports	Contraband imports
II. Interest and dividends.		
4. Interest on inter-governmental debts	Interest received on intergovernmental debts, n.e.i.	Interest paid on intergovernmental debts, n.e.i.
5. Interest on other public debts	Interest received on other foreign government and municipal loans	Interest paid on other Government and municipal foreign debt
6. Yield of other long-term capital:	Yield of other long-term capital investments abroad:	Yield of other foreign long-term capital invested in the country:
(a) interest	(a) interest	(a) interest
(b) dividends, profits, etc.	(b) dividends, profits, etc.	(b) dividends, profits, etc.
7. Interest on short-term capital	Interest received on short-term capital invested abroad	Interest paid on foreign short-term capital invested in the country
III. Other services. ⁽¹⁾		
8. Shipping:	Income of national ships on account of all foreign traffic: ⁽²⁾	Payments to foreign ships on account of traffic between domestic ports:
(a) ordinary freights	(a) ordinary freights	(a) ordinary freights
(b) charter money	(b) charter money	(b) charter money
(c) passage money	(c) passage money	(c) passage money
9. Port fees	Port receipts from foreign shipping in national ports	Port expenses incurred by national shipping in foreign ports
10. Other transport fees	Transport and other charges received for foreign goods transhipped or in transit (if not included in group I)	Transport payments to foreign carriers, n.e.i.
11. Commissions, insurance, brokerage	Commissions, insurance, brokerage and similar receipts, n.e.i.	Commissions, insurance, brokerage and similar payments, n.e.i.
12. Post, telegraph and telephone	Post, telegraph and telephone earnings, n.e.i.	Post, telegraph and telephone payments, n.e.i.
13. Immigrants' and emigrants' funds	Funds brought in by immigrants and returned emigrants	Funds taken out by emigrants and returning immigrants
14. Immigrants' and emigrants' remittances	Emigrants' remittances and money gifts from abroad, n.e.i.	Immigrants' remittances and money gifts sent abroad, n.e.i.
15. Tourists' expenditure	Receipts from foreign tourists and travellers	Expenditure abroad by national tourists and travellers
16. Miscellaneous personal services	Receipts for services rendered in the country for "persons" domiciled abroad, n.e.i.	Payments for services rendered abroad for "persons" domiciled in the country, n.e.i.
17. Diplomatic and similar expenditure	Diplomatic, consular and similar expenditure in the country	Diplomatic, consular and similar expenditure abroad

(1) Besides services proper, there are included under this heading such items as emigrants' funds and remittances, etc.

(2) Foreign shipping traffic here means all traffic other than that between domestic ports. Maritime freight on imported goods, which is included in group I of imports, amounted to approximately during the year. Of this amount, about were paid to national ships and are included on the credit side against item 8.

Contractions used (credit and debit items)	Full wording of the items given in the first column	
	Credit items	Debit items
Goods, services and gold (continued).		
18. Other Government receipts and exp.	Government receipts from abroad, n.e.i.	Government expenditure abroad, n.e.i.
19. Other items	Other items	Other items
IV. Gold.		
20. Gold coin and bullion	Gold bullion and gold specie exported (according to trade returns)	Gold bullion and gold specie imported (according to trade returns)
21. Adjustment for wrong valuation	Adjustment of 20 in order to arrive at the commercial value f.o.b.	Adjustment of 20 in order to arrive at the commercial value c.i.f.
22. Changes in earmarked gold	Decrease in the amount of gold earmarked abroad for domestic account, or increase in the amount of gold earmarked in the country for foreign account	Increase in the amount of gold earmarked abroad for domestic account, or decrease in the amount of gold earmarked in the country for foreign account.
Capital Items.		
I. Long-term operations.		
1. Amortisation :		
(a) of intergovernmental debts	Receipts on account of amortisation of intergovernmental debts, n.e.i.	Payments on account of amortisation of intergovernmental debts, n.e.i.
(b) of other public debts	Receipts on account of amortisation of other foreign government and municipal loans	Payments on account of amortisation of other Government and municipal foreign debt
(c) of other debts	Receipts on account of amortisation of other loans	Payments on account of amortisation of other loans raised abroad
2. Purchases and sales :		
(a) of real estate abroad	Real estate (a) abroad	Real estate (a) abroad
(b) of real estate in the country	(b) in the country sold abroad	(b) in the country purchased from foreigners abroad
(c) of domestic securities	Existing domestic securities sold abroad	Repurchase of national securities held abroad
(d) of foreign securities	Foreign securities resold abroad	Purchase of existing foreign securities issued abroad
3. New capital issues :		
(a) Government and municipal	Sale of new domestic securities on account of new loans floated abroad : (a) Government and municipal loans	New foreign capital issues subscribed in the country : (a) foreign government and municipal loans
(b) other	(b) other loans	(b) other loans
4. Participation in new capital issues	Sale of new domestic securities on account of foreign participation in domestic capital issues	Participation of domestic capital in foreign capital issues
5. Other long-term investments	Other foreign long-term capital invested in the country	Other long-term capital investments made abroad
II. Short-term operations.		
6. Change in short-term debts	Net increase in foreign short-term debts on account of credits raised and repaid	Net decrease in foreign short-term debts on account of credits raised and repaid
7. Change in short-term assets	Net decrease in foreign floating assets on account of short-term credits granted and repaid	Net increase in foreign floating assets on account of short-term credits granted and repaid

International indebtedness.

At the end of the statements for a number of countries, information is given concerning the amount of outstanding international liabilities and assets. In the circular letter referred to above, the following classification of the obligations concerned has been suggested :

Liabilities	Assets
Liabilities on account of intergovernmental debts n.e.i.	Claims on abroad on account of intergovernmental debts n.e.i.
National securities held abroad on account of :	Foreign securities held in the country on account of :
(a) other Government and municipal debt	(a) other foreign government and municipal debt
(b) private long-term loans	(b) foreign private long-term loans
National real estate owned by foreigners	Foreign real estate owned by nationals
Other long-term debt (foreign participation in national enterprises, and other foreign direct investments)	Other long-term assets (participation in foreign enterprises, and other direct investments abroad)
Floating foreign debt of :	Floating assets abroad of :
(a) central and local governments	(a) central and local governments
(b) banks :	(b) banks :
current account deposits of foreign correspondents	deposits on current account with foreign correspondents
liabilities on account of foreign bills of exchange	assets on account of foreign bills of exchange
other debts	other assets
(c) other enterprises and individuals (excluding bills of exchange shown under b)	(c) other enterprises and individuals

The information available for certain countries relates to the nominal value of outstanding securities and book value in the case of direct investments, deduction made, however, of investments which have become valueless. Obviously estimates on this basis, particularly of long-term investments, may be misleading. Certain countries therefore undertake a periodical census of the market value of their outstanding liabilities and assets. The changes during a given period in the amounts calculated on this basis are due to the capital operations during that period, and to variations in values. The balance of long-term capital operations over a period may differ considerably from the change in international indebtedness on account of long-term investments, owing to fluctuations in the value of securities.

When the short-term capital operations are calculated from the changes in the floating balances, it is assumed that allowance has been made for changes due to the insolvency of debtors or to fluctuations in the value of the currencies in which those balances are held.

ARGENTINE

Estimates of the balance of payments of the Argentine in the years 1936 and 1937, published by the *Banco Central de la República Argentina* ⁽¹⁾, have been supplied by the Government of that country. They are reproduced below, slightly modified in form, together with the statements of 1933-1935 which appeared in the preceding issue of this publication. Certain of the figures for the last-mentioned years have been revised.

In the absence of detailed information, regular amortisation payments could not be included in the capital account, but had to be grouped with interest payments.

The changes in the deposits of commercial banks abroad (capital item 5) are not entered in the original statements for 1936 and 1937. As the item in question was, however, taken into account in the statements for earlier years, the relevant figures, which are recorded in Argentine banking statistics ⁽²⁾, have been entered in the table for capital items below.

Goods, services and gold. ⁽³⁾

Items	Paper pesos (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. Merchandise.										
1. Merchandise (as recorded)	1,121	1,438	1,570	1,656	2,311	897	1,110	1,175	1,117	1,558
2. Adjustment of item 1 on account of :										
(a) rate of exchange	5	159	134	171	142	—	—	—	—	—
(b) loading costs	15	21	22	24	32	—	—	—	—	—
(c) wrong valuation	—	—	—	—	—	14	—	—	66	—
II. Interest and dividends. ⁽³⁾										
3. Service of the public debt	—	—	—	—	—	176	212	194	184	161
4. Service of private debts	—	—	—	—	—	250	270	278	285	300
III. Other services.										
5. Private remittances ⁽⁴⁾	—	—	—	—	—	69	75	77	79	103
6. Public expenditure abroad	—	—	—	—	—	16	21	36	52	91
7. Net receipt on account of various items ⁽⁵⁾	34	43	48	49	45	—	—	—	—	—
IV. Gold.										
8. Gold coin and bullion (as recorded)	23	6	8	3	1	—	—	1	6	231
9. Adjustment of item 8	33	—	5	1	—	—	1	—	—	—
	(⁶) —56	(⁶) 56								230
Total	1,175	1,723	1,787	1,904	2,531	1,422	1,689	1,761	1,789	2,214
Surplus (+) or deficit (—) on account of :										
(a) goods and services	— 247	— 27	+ 14	+ 117	+ 317					
(b) gold	± 0	+ 61	+ 12	— 2	± 0					
(c) goods, services and gold . . .	— 247	+ 34	+ 26	+ 115	+ 317					

(1) *Revista Económica*, Ser. II, Vol. 1, No. 3, 1938.

(2) *Banco Central de la República Argentina, Suplemento Estadístico de la Revista Económica*.

(3) Including regular amortisation payments.

(4) *E.g.*, immigrants' remittances.

(5) Port dues, exporters' profits, cinematograph film royalties, newspapers' cable services, etc.

(6) The amount of 56 million pesos, representing gold exported by the Government at the end of 1933, was transferred to 1934, since it was connected with public debt conversions effected in 1934 and not with ordinary balance of payments transactions.

Capital items. ⁽¹⁾

Items	Paper pesos (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
1. Repayment of public debt . . .	—	—	—	—	—	—	46	19	7	445
2. New private loans raised abroad .	15	150	150	310	90	—	—	—	—	—
3. Unblocking loans	298	62	7	—	—	—	—	—	—	—
4. Liquidation of commercial debts in arrears	—	—	—	—	—	28	54	52	27	44
5. Changes in deposits abroad of commercial banks ⁽²⁾	—	2	—	34	—	49	—	50	—	41
Total	313	214	157	344	90	77	100	121	34	530
Net inward (+) or outward (—) movement of capital	+236	+114	+ 36	+310	—440					

SUMMARY TABLE.

	Paper pesos (000,000's)						
	Goods, services and gold					Capital items ⁽³⁾	All items ⁽⁴⁾
	Mer- chandise	Interest and dividends ⁽³⁾	Other services	Gold	Total		
1926 Balance. . . .	+ 255	— 416	— 107	— 5	— 273	+ 271	— 2
1927 Balance. . . .	+ 656	— 439	— 166	— 196	— 145	+ 170	+ 25
1928 Balance. . . .	+ 526	— 468	— 170	— 197	— 309	+ 259	— 50
1929 Balance. . . .	+ 237	— 489	— 127	+ 403	+ 24	— 16	+ 8
1930 Balance. . . .	— 266	— 468	— 117	+ 71	— 780	+ 635	— 145
1931 Balance. . . .	+ 301	— 483	— 78	+ 562	+ 302	— 302	—
1932 Balance. . . .	+ 469	— 459	— 67	+ 18	— 39	— 80	— 119
1933 Balance. . . .	+ 230	— 426	— 51	—	— 247	+ 236	— 11
1934 Balance. . . .	+ 508	— 482	— 53	+ 61	+ 34	+ 114	+ 148
1935 Credit	1,726	—	48	13	1,787	157	1,944
Debit	1,175	472	113	1	1,761	121	1,882
Balance. . . .	+ 551	— 472	— 65	+ 12	+ 26	+ 36	+ 62
1936 Credit	1,851	—	49	4	1,904	344	2,248
Debit	1,183	469	131	6	1,789	34	1,823
Balance. . . .	+ 668	— 469	— 82	— 2	+ 115	+ 310	+ 425
1937 Credit	2,485	—	45	1	2,531	90	2,621
Debit	1,558	461	194	1	2,214	530	2,744
Balance. . . .	+ 927	— 461	— 149	—	+ 317	— 440	— 123

The discrepancies shown in the last column of the Summary Table between total recorded credit and debit items are attributed to "the movement of commercial foreign debt and of the fund of foreign exchange, and small unspecified differences".

(1) Excluding regular amortisation payments.

(2) Item not shown in the original statements for 1936 and 1937, as published by the *Banco Central de la Republica Argentina*.

(3) Regular amortisation payments are entered under Interest and dividends.

(4) The balances in this column are due to errors and omissions.

The addition to the recorded figures for merchandise exports under item 2a is due to the discrepancy between the official and the market rates of exchange. It is explained that "figures have been converted at official selling rate, so as to provide a basis for comparison with imports and the remaining items of the balance of payments". Further, it is indicated that the export figure for 1935 is that "given by the National Statistical Department in its report dated January 13th, 1936 — that is, excluding the adjustment of the item meat". The loading costs (item 2b) added in order to arrive at f.o.b. values have been taken at 1.3% of the adjusted export value.

The recorded net gold imports in 1937 (item 8) have been offset by a deduction under item 9, as they represented almost entirely gold sent home by the Government from its holdings abroad.

The amount entered against capital item 1 for 1937 includes 380 million pesos, Government dollar bonds, and 12 million pesos, nationalised provincial and municipal bonds, both sums repurchased by the Government, also 37 million pesos, bonds of the Municipality of Buenos Aires, plus an amount of dollar bonds of the Province of Buenos Aires which were converted into internal bonds. Under item 4 is included the repayment of 41 million pesos by the *Compañía Unión Telefónica*.

AUSTRALIA

A detailed statement of the balance of payments of Australia in the fiscal year 1936-37 has been supplied by the Government of that country, and some of the figures for the eight preceding years that were given in the last issue of this publication have been revised. The data for the years 1933-34 to 1936-37 are reproduced below in full. It is pointed out that, until further investigations have been carried out, the statements have to "be regarded as first approximations rather than as final results pretending to a substantial degree of accuracy".

The statements refer to fiscal years ending June 30th and are made out in pounds sterling (not in Australian pounds).

For purposes of comparison, the Summary Table shows, besides the figures by the main groups of items during the nine years 1928-29 to 1936-37, according to the official statements, the balances of goods, services and gold during the ten years beginning 1920-21, according to private calculations by Dr. Roland Wilson.⁽¹⁾

Goods, services and gold.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
I. Merchandise.								
1. Merchandise, as recorded . . .	90,713	82,132	98,655	117,903	59,502	72,440	83,617	90,642
2. Adjustment on account of :								
(a) undervaluation of imports on account of freight, insurance, etc.	—	—	—	—	2,737	3,184	3,783	3,332
(b) undervaluation of imported films	—	—	—	—	146	324	445	548
(c) ships' stores exported . . .	1,294	1,367	1,444	1,390	—	—	—	—
(d) undervaluation of sugar exported	446	393	461	650	—	—	—	—
(e) household effects, etc. . . .	— 61	— 67	— 56	— 49	— 140	— 152	— 163	— 179
(f) discrepancy between "current domestic" and "invoice" values	—	—	—	—	— 675	— 836	— 1,007	— 1,092
(g) exchange fluctuations . . .	—	—	—	—	— 238	— 257	— 308	— 261
II. Interest and dividends.								
3. Interest on Government oversea debt and investments :								
(a) Commonwealth :								
• long-term securities	143	145	84	84	4,658 245	4,259 245	3,843 244	3,781 227
• short-term securities								
• bank advances or balances (net)								
	4	14	7	—	—	—	—	—
Carried forward	92,539	83,984	100,595	119,978	66,235	79,207	90,454	96,998

(1) Cf. Roland Wilson : *Capital Imports and Terms of Trade, examined in the Light of Sixty Years of Australian Borrowing* (Melbourne, 1931). Dr. Wilson is also the compiler of the statements supplied by the Australian Government.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
Brought forward	92,539	83,984	100,595	119,978	66,235	79,207	90,454	96,998
3. Interest on Government oversea debt and investments :								
(b) States :								
long-term securities	—	—	—	—	18,034	16,799	16,642	15,856
short-term securities	—	—	—	—	570	542	543	532
bank advances or balances (net)	8	20	27	5	—	—	—	—
4. Deduct contribution of British Government to interest on migration loans	—	—	—	—	106	90	88	64
5. Interest on sinking fund investments overseas	36	26	63	25	—	—	—	—
6. Interest on local bodies' debt overseas	—	—	—	—	(1) 1,491	(1) 1,493	(1) 1,502	(1) 1,483
7. Interest on the debt, domiciled in Australia, of :								
(a) New Zealand Government	124	121	78	64	—	—	—	—
(b) New Zealand local bodies	182	107	93	112	—	—	—	—
8. Interest on certain Austral. assets overseas	767	796	765	747	—	—	—	—
9. Interest and dividends on long-term private capital invested in Australia :								
(a) reinvested in Australia	—	—	—	—	619	1,032	1,245	1,491
(b) other	—	—	—	—	5,476	6,083	6,737	7,734
10. Interest on bank balances held :								
(a) in London by Australian banks	643	531	447	397	—	—	—	—
(b) in Australia by oversea banks	—	—	—	—	249	226	198	158
11. Interest on trade money held temporarily in Australia on oversea account	—	—	—	—	259	169	85	48
III. Other services.								
12. Shipping income	616	727	759	833	—	—	—	—
13. Port expenditure	3,697	4,422	4,663	4,799	—	—	—	—
14. Duties on ships' stores consumed in Australian waters	39	39	42	40	—	—	—	—
15. Insurances :								
(a) life	—	—	—	—	55	85	105	133
(b) fire, marine and general	31	23	25	16	1,123	1,095	727	1,106
16. Loan flotation and management expenditure and stamp duties on transfers	—	—	—	—	1,078	503	506	267
17. Immigrants' and emigrants' funds	239	336	380	415	663	656	646	676
18. Immigrants' and emigrants' remittances	358	366	366	380	311	290	297	309
19. Tourists' expenditure	776	1,057	1,112	1,349	2,896	3,150	3,436	3,957
20. Other payments to absentees	—	—	—	—	216	193	209	225
Carried forward	100,055	92,555	109,415	129,160	99,169	111,433	123,244	130,909

(1) Including 31, 16, 8 and 6 respectively, on account of " interest on other public debt held overseas ".

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
Brought forward	100,055	92,555	109,415	129,160	99,169	111,433	123,244	130,909
21. Diplomatic expenditure	100	110	120	120	130	143	185	189
22. War pensions	333	303	306	293	253	255	261	252
23. Upkeep of soldiers' graves	—	—	—	—	—	2	—	—
24. Oversea mail subsidy	—	—	—	—	110	110	110	110
25. Land and income taxation paid by oversea interests	264	264	279	173	—	—	—	—
26. Expenditure overseas by Depart- ment of Defence	—	—	—	—	80	461	596	467
27. Government receipts and pay- ments n.e.i.	23	28	18	17	139	188	208	228
IV. Gold.								
28. Gold coin and bullion, as recorded:								
(a) imports	—	—	—	—	1,211	1,680	1,636	1,998
(b) exports, divided into :								
domestic production	5,671	5,891	7,358	9,026	—	—	—	—
exports in excess of produc- tion	2,189	2,202	2,894	2,338	—	—	—	—
Total	108,635	101,353	120,390	141,127	101,092	114,272	126,240	134,153
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 894	— 19,332	— 14,466	— 2,392				
(b) gold	+ 6,649	+ 6,413	+ 8,616	+ 9,366				
(c) goods, services and gold	+ 7,543	— 12,919	— 5,850	+ 6,974				

Capital items.

Items	£ (000's) sterling							
	Inward or credit capital movement				Outward or debit capital movement			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
1. Change in Government debt domiciled overseas :								
(a) Commonwealth :								
long-term securities	—	—	—	—	1,288	484	1,124	156
short-term securities	—	—	—	—	—	—	—	500
bank advances or balances (net)	—	323	—	388	610	—	2,079	—
(b) States :								
long-term securities	—	—	—	—	2,209	767	528	1,102
short-term securities	—	—	—	—	500	—	250	—
bank advances or balances (net)	43	—	13	—	—	258	—	98
discounts and cash bonuses on conversion	—	—	—	—	1,407	259	975	166
2. Change in local bodies' debt domiciled overseas	694	598	—	439	—	—	537	—
3. Change in other public debt held overseas	—	—	—	—	—	583	—	217
4. Long-term private capital invested in Australia :								
(a) undistributed profits reinvested in Australia	619	1,032	1,245	1,491	—	—	—	—
(b) other investments	1,598	4,288	2,503	2,261	—	—	—	—
5. Change in Commonwealth Government investments overseas	—	—	119	12	28	46	—	—
6. Change in sinking fund investments overseas	2,213	—	1,083	—	—	1,022	—	89
7. Change in debt, domiciled in Australia, of :								
(a) New Zealand Government . . . . .	.	578	150	560	.	—	—	—
(b) New Zealand local bodies . . . . .	.	.	.	28	.	.	.	—
8. Change in bank balances held :								
(a) in London by Australian banks	—	17,597	—	—	21,145	—	2,157	24,218
(b) in Australia by overseas banks	—	—	—	—	531	639	735	1,289
9. Change in trade moneys held temporarily in Australia on overseas account	349	—	—	—	—	3,247	2,545	667
10. Change in conversion balances held temporarily	686	—	1,896	—	—	382	—	300
11. Change in "other" Australian assets overseas	1,250	3,449	2,465	—	—	—	—	—
Total	7,452	27,865	9,474	5,179	27,718	7,687	10,930	28,802
Net inward (+) or outward (—) movement of capital	— 20,266	+ 20,178	— 1,456	— 23,623				

SUMMARY TABLE.

		£ (000's) sterling						Capital items	All items (¹)
		Goods, services and gold							
		Merchandise	Interest and dividends	Other services	Gold	Total			
(a) Private calculations by Dr. Roland Wilson. (²)									
1920-21.	— 22,657	— 23,930	+ 4,644	+ 5,297	— 36,646				
1921-22.	+ 30,375	— 26,143	+ 3,476	+ 3,475	+ 11,183				
1922-23.	— 7,460	— 25,819	+ 4,695	+ 2,222	— 26,362				
1923-24.	— 15,670	— 28,378	+ 4,169	+ 2,792	— 37,087				
1924-25.	+ 19,384	— 28,593	+ 4,133	— 9,564	— 14,640				
1925-26.	— 7,816	— 31,266	+ 4,174	+ 3,993	— 30,915				
1926-27.	— 31,732	— 32,756	+ 5,766	+ 10,803	— 47,919				
1927-28.	— 8,831	— 35,752	+ 4,156	+ 1,836	— 38,591				
1928-29.	— 5,430	— 35,807	+ 3,171	+ 2,637	— 35,429				
1929-30.	— 34,788	— 35,490	+ 2,858	+ 27,394	— 40,026				
(b) Official figures.									
1928-29 Credit . .	138,110	3,091	11,630	2,987	155,818	41,227	197,045		
Debit . .	147,421	40,372	10,529	348	198,670	6,410	205,980		
Balance .	— 9,311	— 37,281	+ 1,101	+ 2,639	— 42,852	+ 34,817	— 8,035		
1929-30 Credit . .	96,228	2,065	11,502	26,872	136,667	68,499	205,166		
Debit . .	136,576	41,993	9,092	294	187,955	29,069	217,024		
Balance .	— 40,348	— 39,928	+ 2,410	+ 26,578	— 51,288	+ 39,430	— 11,858		
1930-31 Credit . .	77,748	2,110	9,109	12,276	101,243	39,441	140,684		
Debit . .	63,013	40,230	5,862	374	109,479	36,393	145,872		
Balance .	+ 14,735	— 38,120	+ 3,247	+ 11,902	— 8,236	+ 3,048	— 5,188		
1931-32 Credit . .	77,597	3,094	6,628	9,536	96,855	1,966	98,821		
Debit . .	46,108	32,917	4,411	654	84,090	15,317	99,407		
Balance .	+ 31,489	— 29,823	+ 2,217	+ 8,882	+ 12,765	— 13,351	— 586		
1932-33 Credit . .	80,037	1,768	6,606	18,049	106,460	6,646	113,106		
Debit . .	58,798	31,859	5,821	1,141	97,619	25,418	123,037		
Balance .	+ 21,239	— 30,091	+ 785	+ 16,908	+ 8,841	— 18,772	— 9,931		
1933-34 Credit . .	92,392	1,907	6,476	7,860	108,635	7,452	116,087		
Debit . .	61,332	31,495	7,054	1,211	101,092	27,718	128,810		
Balance . .	+ 31,060	— 29,588	— 578	+ 6,649	+ 7,543	— 20,266	— 12,723		
1934-35 Credit . .	83,825	1,760	7,675	8,093	101,353	27,865	129,218		
Debit . .	74,703	30,758	7,131	1,680	114,272	7,687	121,959		
Balance .	+ 9,122	— 28,998	+ 544	+ 6,413	— 12,919	+ 20,178	+ 7,259		
1935-36 Credit . .	100,504	1,564	8,070	10,252	120,390	9,474	129,864		
Debit . .	86,367	30,951	7,286	1,636	126,240	10,930	137,170		
Balance .	+ 14,137	— 29,387	+ 784	+ 8,616	— 5,850	— 1,456	— 7,306		
1936-37 Credit . .	119,894	1,434	8,435	11,364	141,127	5,179	146,306		
Debit. . .	92,990	31,246	7,919	1,998	134,153	28,802	162,955		
Balance. .	+ 26,904	— 29,812	+ 516	+ 9,366	+ 6,974	— 23,623	— 16,649		

The Summary Table, as given above, differs from that given last year on account of the revision of a number of the items shown in the detailed accounts. The items affected by this revision for the years 1928-29 to 1932-33 (years not included in the detailed tables above) are given below.

(1) The balances in this column are due to errors and omissions.

(2) Cf. page 53. These figures represent thousands of Australian pounds.

Revised data for certain items, 1928-29 to 1932-33.

Items	£ (000's) sterling									
	Inward or credit movements					Outward or debit movements				
	1928-29	1929-30	1930-31	1931-32	1932-33	1928-29	1929-30	1930-31	1931-32	1932-33
<i>Goods, services and gold.</i>										
1. Merchandise, as recorded	138,648	98,259	77,050	75,813	78,548	143,300	130,788	60,586	44,059	56,872
2. (d) undervaluation of sugar exported (new item)	—	—	50	487	256	—	—	—	—	—
3. Interest on Government oversea debt and investments :										
(a) Commonwealth :										
long-term securities						7,952	8,776	8,669	4,806	4,958
short-term securities	90	181	161	174	161	—	44	134	546	291
6. Interest on local bodies' debt overseas	—	—	—	—	—	1,028	1,200	1,553	1,627	(1) 1,654
9. Interest and dividends on long-term private capital invested in Australia :										
(a) reinvested in Australia . . .	—	—	—	—	—	1,944	1,932	829	— 138	429
(b) other	—	—	—	—	—	10,071	10,308	7,295	5,488	4,960
10. Interest on bank balances held :										
(a) in London by Australian banks	1,977	641	621	1,073	230	—	—	—	—	—
21. Diplomatic expenditure	120	120	110	100	100	227	221	170	119	123
25. Land and income taxation paid by oversea interests	260	279	458	376	314	—	—	—	—	—
27. Government receipts and payments n.e.i.	37	33	25	28	18	152	140	135	117	132
28. Gold coin and bullion, as recorded:										
(b) exports divided into :										
domestic production	1,860	1,878	2,164	3,609	4,606	—	—	—	—	—
exports in excess of production	1,127	24,994	10,112	5,927	13,443	—	—	—	—	—
<i>Capital items.</i>										
1. Change in Government debt domiciled overseas :										
(a) Commonwealth :										
bank advances or balances (net).	728	6,825	—	—	8	—	—	7,817	1,190	—
2. Change in local bodies' debt domiciled overseas	3,279	6,403	—	—	—	—	—	393	497	97
4. Long-term private capital invested in Australia :										
(a) undistributed profits reinvested in Australia	1,944	1,932	829	—	429	—	—	—	138	—
(b) other investments	2,282	2,614	768	71	103	—	—	—	—	—

From the Summary Table it will be noted that for eight of the nine years shown in the official statement the recorded items show a debit balance. The most serious omission from the calculations, it is stated, is part of the increase that is believed to have taken place in oversea capital privately invested in Australia. It is also suggested that the inward movement of short-term capital has been greater than indicated in the table. "Taking these facts into consideration, the balances do not appear unreasonably large."

Some part of the discrepancy for 1928-29 may be due, it is pointed out, "to the actual receipt in 1928-29 of part of the oversea public borrowings of 1927-28, which amounted, for the States and the Commonwealth as a whole, to the huge sum of

(1) Including 5 on account of "interest on other public debt held overseas".

£54,254,627". The bulk of the debit balance for 1933-34 is supposed to be due to unrecorded imports of private capital. "Very large amounts of oversea capital were invested in Australian gold mines, old and new, in this year; certain financial institutions sold off considerable blocks of securities domiciled overseas; and some investment took place in miscellaneous business undertakings such as meat-works, etc. The evidence is not sufficiently definite to be reduced to publishable figures, but it gives some warrant for the belief that the margin of error in the calculations is rather less than might be feared." The substantial balances of 1934-35 and 1935-36 almost offset one another. The large debit balance in 1936-37 is attributed partly to unrecorded imports of private capital, particularly for the establishment of new enterprises and "in connection with the speculative and long-term investment in Australian mining and other activities".

For details concerning the compilation of the figures, reference should be made to the 1931-32 issue of this publication. (1) Supplementary information concerning the figures for certain items in the last few years is supplied below.

Goods, services and gold.

Merchandise. The freight charges, from which the amounts entered against item 2a were calculated, were taken in 1933-34 at 13.8%, in 1934-35 at 13.6%, in 1935-36 at 13.7% and in 1936-37 at 12.8% of the f.o.b. value of merchandise imports. For insurance and numerous small charges not included in the recorded values, a further adjustment of $1\frac{1}{4}\%$ was made. The excess of the total charges so estimated, over the 10% already allowed in trade returns, is the final adjustment required.

Since 1923, the Customs Act has provided that the value of imports for duty purposes shall be based on the actual money price paid or to be paid for the goods or the "current domestic value", whichever is the higher. Since the "values for duty" are also used as the values for statistical purposes, this provision tends to produce some overstatement of the total value of imports. The overvaluation has been estimated on the basis of a special enquiry and deducted under item 2f.

Corrections on account of exchange fluctuations are entered against item 2g. Imports are generally recorded in trade returns for duty purposes in British currency; but as values recorded in terms of £ s. d. are regarded for duty and statistical purposes as being expressed in terms of such currency, adjustments are made to correct discrepancies in the case of imports from some Australian territories, New Zealand and South Africa.

Interest and dividends. The figures with reference to payments on account of long-term private capital invested in Australia (item 9) are stated to be "largely conjectural, but rather more firmly based than in earlier statements". The detailed calculations were based on data contained in the annual reports of the Commonwealth Commissioner of Taxation, and indexes of company profits from *Jobson's Investment Digest*. Undistributed profits earned by oversea countries but reinvested in Australia, which in the statements published previously were not taken into account, have been estimated and entered for the whole period on the debit side against item 9a, as well as on the credit side against capital item 4a.

The figures for interest received on account of bank balances in London (item 10a) have been revised partly on the basis of information contained in the Report of the Royal Commission on Monetary and Banking Systems. Outward payments (item 10b) are calculated at 4% of the balances held in Australia.

(1) Ser. L.o.N. P. 1933.II.A.26.

Other services. The expenditure of foreign ships in Australia (item 13) was calculated at 221½% of the estimated total freight earnings of foreign shipping. The item covers numerous expenses (other than stores, fuel and duties) in Australian ports, and crews' expenditure in Australia.

Immigrants' funds (item 17, credit) in 1933-34 were estimated at £25 per head for immigrants from British countries and North America and at £15 per head for those from other countries. In 1934-35 the basis of estimate was £30 and £20 per head respectively. These amounts were increased by 5% in 1935-36 and by 10% in 1936-37.

Capital items.

Item 4a shows the undistributed profits of foreign companies reinvested in Australia (*cf.* *Interest and dividends* above), and item 4b the sterling equivalence of public issues in London for Australian account including a few private investments. No information is available concerning other long-term private capital invested in Australia.

The figures entered against item 8 are now based upon direct records of the overseas assets of the banks.

Item 10 includes bank balances held by the Commonwealth Government in London on account of moneys received from subscriptions to conversion loans, not yet paid over to holders of matured securities.

Preliminary figures for 1937-38.

A preliminary but less detailed official estimate of the principal items in the balance of payments of Australia for 1937-38 is reproduced below.

<i>Goods, services and gold.</i>	£ (000's) sterling	
	Credit movement	Debit movement
1. Merchandise, as recorded ^(a)	112,424	111,474
2. Interest on Government overseas debt ^(b)	—	21,840
3. Other interest, dividends and services ^(c)	—	9,500
4. Gold exports:		
domestic production ^(d)	10,118	—
exports in excess of production	782	—
Total	123,324	142,814
Deficit (—) on account of goods, services and gold	— 19,490	
<i>Certain capital items.</i>		
5. Changes in public debt domiciled abroad:		
(a) Government ^(e)	4,130	^(f) 3,203
(b) local bodies ^(g)	1,370	—
6. Long-term private capital invested in Australia (including new issues and reinvested profits). ^(f)	4,300	—
7. Decrease in balances held in Australia by overseas banks.	—	^(g) 620
8. Other items ^(g)	324	—

^(a) The credit figure includes a correction for undervaluation of sugar exported.

^(b) Approximate figure. Interest on the debt of local bodies has been included in this figure, and interest received by the Government on bank balances abroad has been deducted.

^(c) Approximate figure. Includes various merchandise adjustments (excluding that for undervaluation of sugar) shown under item 2 of the detailed table for Goods, services and gold in the preceding years.

^(d) Approximate figure.

^(e) Part of a new loan of £6,930,000 (sterling) floated in London. The balance of £2,800,000 (sterling), it is stated, will be received in 1938-39.

^(f) Preliminary estimate.

^(g) Incomplete figure. Includes only those items for which information has been received.

International indebtedness.

The approximate balance of outstanding foreign liabilities and assets of Australia is given below. Amounts in dollars have been turned into pounds at the rate of \$4.866 = £1.

The information is not complete; thus, for example, no entry is made on the assets side on account of Australian Government securities repurchased from abroad (partly offsetting the amounts entered against item 1), or on account of certain other investments of Australian capital abroad.

The amount of £175 million as long-term private investments in Australia as at June 30th, 1928 (item 6a) was "chosen after consideration of a number of estimates, none of which is very firmly based".

Items	Cur- rency	(000's) at June 30th									
		1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
<i>Liabilities.</i>											
1. Government debt domiciled overseas :											
(a) Commonwealth :											
long-term securities	\$ 4.866	17,291	17,156	17,156	17,156	17,116	16,890	16,711	16,527	16,351	16,202
	£ st.	136,216	142,630	150,571	148,619	148,556	148,422	147,313	147,013	146,065	146,058
short-term securities	£ st.	—	—	1,575	10,220	10,220	10,220	10,220	10,220	10,220	9,720
bank advances or balances (net) . . .	£ st.	150	878	7,703	(1)- 114	(1)-1,304	(1)-1,296	(1)-1,906	(1)-1,583	(1)-3,662	(1)-3,274
(b) States :											
long-term securities.	\$ 4.866	30,990	30,779	30,687	30,436	29,964	29,581	29,237	29,038	28,909	28,748
	£ st.	385,671	381,718	370,209	369,850	368,648	368,252	366,387	365,819	365,420	364,479
short-term securities	£ st.	—	—	8,425	27,855	27,104	23,905	23,405	23,405	23,155	23,155
bank advances or balances (net) . . .	£ st.	(1)-3,957	5,623	14,468	(1)- 230	(1)- 225	(1)- 737	(1)- 694	(1)- 952	(1)- 939	(1)-1,037
2. Conversion balances held temporarily	£ st.	—	2,393	—	—	—	—	686	304	2,200	1,900
3. Local bodies' debt domiciled overseas	\$ 4.866	3,051	3,040	7,616	7,558	7,457	7,372	7,291	7,207	7,121	7,038
	£ st.	16,136	19,426	21,130	20,807	20,422	20,420	21,203	21,895	21,454	21,982
	£ N.Z.	—	—	125	112	100	88	78	65	52	45
4. " Other public debt held overseas "	£ A.	—	—	—	—	—	1,002	1,002	272	272	—
5. Net assets in Australia of oversea banks	£ A.	6,135	7,907	9,661	7,846	7,703	8,140	7,475	6,675	5,755	4,141
6. Long-term private capital invested in Australia :											
(a) as at June 30th, 1928 (approximately)	£ A.	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
(b) public subscriptions to and profits reinvested by companies since June 30th, 1928	£ A.	—	4,226	8,906	10,790	10,705	11,371	14,147	20,810	25,505	30,205
7. Short-term private capital invested in Australia .	£ A.	—	—	4,031	11,571	12,281	10,186	10,624	6,557	3,370	2,535
Total liabilities. . .	£ st.	534,216	552,668	574,081	577,007	573,421	569,186	566,614	566,121	563,913	562,983
	£ A.	181,135	187,133	197,598	205,207	205,689	205,699	208,248	209,314	209,902	211,881
	\$ 4.866	51,332	50,975	55,459	55,150	54,537	53,843	53,239	52,772	52,381	51,988
	£ N.Z.	—	—	125	112	100	88	78	65	52	45

(1) Net asset.

Items	Cur- rency	(000's) at June 30th									
		1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
<i>Assets.</i>											
8. Commonwealth Govern- ment investments over- seas	£ st.	3,320	3,234	3,062	2,907	2,878	2,179	2,207	2,253	2,134	2,122
9. Sinking fund investments in securities domiciled overseas, or in bank accounts.	£ st.	8,899	1,131	1,098	1,345	1,261	3,289	1,076	2,098	1,015	1,104
10. Net assets overseas of Note Issue Department	£ st.	5,721	6,981	21,046	29,866	33,349	49,810	48,560	45,111	42,646	42,646
11. Short-term investments in London	£ st.	50,728	45,613	27,499	24,361	31,730	27,472	48,617	31,020	33,177	57,395
12. New Zealand Government debt domiciled in Aus- tralia	£ A.	4,169	4,168	4,277	4,175	3,915	2,869	2,908	2,184	1,593	892
13. New Zealand local bodies' debt domiciled in Australia	£ A.	7,072	7,386	8,200	8,575	7,282	5,730	4,198	2,565	2,200	2,165
Total assets	£ st.	68,668	56,959	52,705	58,479	69,218	82,750	100,460	80,482	78,972	103,267
	£ A.	11,241	11,554	12,477	12,750	11,197	8,599	7,106	4,749	3,793	3,057

The following figures are given with reference to Australia's "available reserves of international currency" (see the 1934 edition of this publication ⁽¹⁾).

At end of June	Total visible reserves (gold and funds held in London by the Commonwealth Bank, trading banks and the Note Issue Department)	Reserves not available (net short-term debts and overdrafts of Australian Governments, and long-term Australian securities included in the previous column) £ (000's) sterling	Available reserves of international currency
1928	102,839	(^a) — 3,563	106,401
1929	97,890	10,026	87,863
1930	69,728	33,189	36,540
1931	65,935	38,749	27,186
1932	77,043	37,284	39,759
1933	78,366	32,203	46,163
1934	98,400	31,926	66,474
1935	77,497	30,974	46,523
1936	76,761	30,553	46,208
1937	101,083	29,863	71,220

(^a) Credit item.

(1) Ser. L.o.N. P. 1935.11.A.20.

BELGIUM

Certain information with reference to the balance of payments of Belgium-Luxemburg and the Belgian public debt abroad has been supplied by the Belgian Government and is reproduced below, together with the corresponding figure for the preceding few years that appeared in the previous issue of this publication.

On the other hand, no new estimates of the complete balance of payments of Belgium, Luxemburg and the Congo (similar to those for 1935 and 1936 prepared by Professor F. Baudhuin and reproduced last year) have become available.

Elements of the balance of payments of Belgium-Luxemburg.

The following official data refer to the recorded movement of goods and gold, interest on Government loans and certain capital items, including some on private account.

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Merchandise (according to trade returns) . .	13,623	16,039	19,633	25,538	13,715	17,114	21,301	27,258
Interest on Government long-term debts abroad	—	—	—	—	546	536	430	(*)352
Interest on Government floating debt abroad	—	—	—	—	—	64	62	—
Gold (according to trade returns)	172	87	112	152	307	332	406	404
Change in the gold reserve of the National Bank	1,138	—	—	1,072	—	3,059	1,398	—
Amortisation of Government long-term debts, according to the loan contracts	—	—	—	—	291	250	214	(b)212
Repayment of other foreign debts	—	—	—	—	—	—	1,447	2,256
New capital issues raised abroad :								
(a) Government	—	1,110	1,435	1,517	—	—	—	—
(b) private	12	—	—	441	—	—	—	—
Capital issues in Belgium of Belgian com- panies working abroad	—	—	—	—	—	371	16	(c) 34

(a) The corresponding figure for 1938 is 311.

(b) The corresponding figure for 1938 is 219.

(c) January-November.

The figures shown for 1935-1937 against the item "New capital issues raised abroad" comprise 700 million French francs in 1935, £8.6 million and 20 million Swedish kronor in 1936, and £5 million and 75 million gulden (of which 27 million for private account) in 1937.

Other official figures concerning the foreign transactions of the Belgian Government, available for 1936 and 1937 only and not comparable with those contained in the preceding table, are reproduced below.

	Francs (000,000's)			
	Credit movements		Debit movements	
	1936	1937	1936	1937
Interest on intergovernmental debt	—	—	6.8	—
Interest on other Government long-term debt	—	—	486.5	332.8
Interest on Government short-term debt	—	—	28.3	8.4
Diplomatic and consular expenditure abroad	—	—	(^a)	72.0
Miscellaneous Government receipts and expenditure	4.0	7.4	35.8	24.5
Amortisation of intergovernmental debt	—	—	53.9	70
Amortisation of other Government long-term debt	—	—	2,012.3	1,473
New Government loans raised abroad	1,321.7	609.7	—	—
Reduction in Government short-term debt abroad	—	—	429.6	774.9

(^a) Diplomatic, consular and similar expenditure amounted to 185 million francs during the years 1934-1936 inclusive.

Government indebtedness abroad 1934-1937.

The following statement of the Government foreign indebtedness is based on par values of the debts, converted for 1934 at the parities of exchange adopted in 1926, and for 1935-1937 at the market rates of exchange on December 31st, with the exception of an item of 1,307.08 million French francs in 1936 and 1,285.8 million in 1937 (included in item (ii) below) which has been converted at the par rate of the French franc before the devaluation of October 1936.

Government liabilities on account of:	Francs (000,000's) at the end of			
	1934	1935	1936	1937
(i) intergovernmental debts	16,161.2	13,383.0	13,276.4	13,139.2
(ii) other long-term debt	10,827.2	8,056.8	7,029.4	6,734.4
(iii) floating debt	968.2	1,209.3	774.9	—

The first of these items (intergovernmental debts) comprises £9 million and \$400.68 million in each of the three years, plus 12,301,000 gulden in 1934, 8,402,000 gulden in 1935 and 4,305,000 gulden in 1936.

The second item (other long-term debt) is composed of the following amounts:

	1934	1935	1936	1937
French francs	1,642,683,000	1,808,445,000	1,779,365,000	1,755,100,000
£	10,617,620	9,876,500	10,451,460	9,759,840
\$	145,889,800	45,162,900	31,755,800	30,808,900
Swiss francs	29,351,000	28,808,000	—	—
Swedish kronor	8,266,000	8,132,000	20,000,000	19,520,000
Gulden	45,000,000	45,000,000	44,748,000	48,000,000
Belgian francs	475,000,000	475,000,000	475,000,000	467,000,000

Finally, the last item (floating debt) comprises 67 million gulden in 1934, 60 million gulden in 1935 and \$26,270,000 in 1936.

CANADA

A provisional statement of the balance of payments of Canada in 1937 ⁽¹⁾ and revised statements for the years 1926-1936 ⁽²⁾ have been supplied by the Government of that country and are set out below. The grouping of the items has been slightly changed, so as to agree with that employed for the majority of the statements given in this volume. It should be noted, however, that the debit side of the merchandise group (items 1-8) does not represent the full c.i.f. value of imported goods, as it does not include freight paid to domestic ships. This freight (which, in fact, does not represent a foreign transaction) is also excluded from the freight income as shown on the credit side against item 10, and the exclusion therefore does not affect the balance of the whole account.

The balances obtained on account of goods, services and gold, although naturally affected by errors and omissions, are believed to reflect correctly the broad changes which have taken place in the direction of capital movements during the period covered by the Summary Table. The balances on account of errors and omissions calculated in the last column appear to be due largely to the fact that the information concerning the capital movement is incomplete.

Information concerning the methods employed in the compilation of the data was given in the 1935 edition of this publication.⁽³⁾ Additional information with reference to the tourists' expenditure and the securities movement is given after the tables below.

(1) *Estimated Balance of International Payments for Canada, British and Foreign Investments in Canada and Canadian Investments abroad, Preliminary Statements for 1937* (Dominion Bureau of Statistics).

(2) *The Canadian Balance of International Payments, 1926-1936* (Dominion Bureau of Statistics).

(3) Ser. L.o.N. P. 1936.II.A.18.

Goods, services and gold.

Items	Canadian \$ (000,000's)									
	Inward or credit movements (Exports)									
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
<i>I. Merchandise.</i>										
1. Merchandise, as recorded ⁽¹⁾ :										
(a) merchandise proper . .	1,284.0	1,238.9	1,374.2	1,208.4	905.5	617.2	501.8	537.8	660.3	742.4
(b) silver and other coin . .	1.7	2.4	2.6	2.6	2.4	3.5	1.0	0.3	0.3	0.9
2. Deduction of gold-bearing quartz and gold dust and nuggets .	— 7.3	— 7.9	— 10.5	— 30.0	— 22.3	— 17.7	— 3.9	— 2.3	— 4.0	— 4.3
3. Adjustment on account of over-valuation of imports due to exchange depreciation . . .	—	—	—	—	—	—	—	—	—	—
4. Deduction for settlers' effects and miscellaneous items . .	— 12.3	— 11.0	— 10.9	— 11.7	— 11.0	— 9.3	— 6.5	— 3.5	— 3.7	— 3.4
5. Unrecorded imports of ships .	—	—	—	—	—	—	—	—	—	—
6. Trade in electrical energy ⁽²⁾ .	4.6	4.8	—	—	—	—	—	—	—	—
7. Import freights paid to foreign carriers	—	—	—	—	—	—	—	—	—	—
8. Export freights (earned in carrying exports to Canadian ports or boundary)	49.5	48.8	47.8	45.8	36.0	25.9	17.9	22.3	27.2	⁽³⁾ 36.1
<i>II. Interest and dividends.</i>										
9. Interest and dividends received and paid	39.0	46.5	52.9	61.7	59.5	50.3	39.4	39.0	55.4	62.0
<i>III. Other services.</i>										
10. Shipping earnings on account of Canadian exports by sea . .	15.6	12.7	12.1	9.3	5.8	4.6	3.5	4.7	5.6	⁽³⁾ 32.1
11. Receipts from transit	31.3	35.3	36.0	36.2	28.5	23.6	16.6	16.7	18.6	
12. Immigrants' and emigrants' funds	14.9	14.5	14.8	14.1	11.1	5.2	4.4	2.6	1.9	1.7
13. Earnings of Canadians employed in the U.S.A. ⁽⁴⁾	20.9	22.8	20.9	14.5	10.3	6.0	3.7	3.1	3.3	3.8
14. Immigrants' and emigrants' remittances	15.6	15.4	14.4	14.0	13.2	10.1	6.1	5.3	5.8	6.3
15. Charitable and missionary contributions	1.0	1.0	1.5	1.0	1.0	1.0	1.2	2.2	2.0	1.0
16. Tourists' expenditure	201.2	238.5	275.2	309.4	279.2	250.8	212.4	117.1	146.0	214.8
17. Reparation receipts	1.8	6.8	4.7	4.3	6.3	1.3	—	—	—	—
18. Government receipts and expenditure	11.9	11.8	11.8	11.7	11.7	11.7	8.8	6.0	5.8	5.6
19. Advertising	3.1	4.5	3.8	4.0	4.0	4.0	3.0	2.0	2.0	1.7
20. Cinematograph film royalties .	—	—	—	—	—	—	—	—	—	—
21. Miscellaneous payments (net) .	—	—	—	—	—	—	—	—	—	—
22. Allowance for exchange discrepancies on interest and maturity payments and receipts	—	—	—	—	—	4.5	10.0	3.0	—	—
Carried forward	1,676.5	1,685.8	1,851.3	1,695.3	1,341.2	992.7	819.4	756.3	926.5	1,100.7

(1) The recorded export value represents the value at the point of origin, and the recorded import value the value at the point of original shipment.

(2) Included in item 1 since 1928.

Goods, services and gold.

		Canadian \$ (000,000's)													No. of item
		Outward or debit movements (Imports)													
1936	1937	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937		
956.4 1.0	1,019.2 1.4	1,008.3 1.5	1,087.1 1.9	1,222.3 2.3	1,299.0 2.6	1,008.5 1.5	628.1 1.7	452.6 0.8	401.2 0.9	513.5 0.8	550.3 0.8	635.2 1.0	808.9 1.2	1. (a) (b)	
— 5.9	— 7.1	—	—	—	—	—	—	—	—	—	—	—	—	2.	
—	—	—	—	—	—	—	— 5.0	— 22.0	— 7.0	— 1.5	— 1.1	— 1.7	— 12.1	3.	
— 3.6	— 3.5	— 21.8	— 22.5	— 21.4	— 24.6	— 23.8	— 16.8	— 14.0	— 9.7	— 8.3	— 8.2	— 9.1		4.	
—	—	— 2.5	— 17.0	— 21.2	— 23.6	— 10.5	— 2.7	— 1.0	— 0.3	— 0.3	— 0.5	— 0.3		5.	
—	—	—	—	—	—	—	—	—	—	—	—	—		6.	
—	—	105.9	109.0	115.3	130.4	102.5	78.7	65.9	65.8	79.3	82.3	98.0	116	7.	
(³) 42.4	(³) 48	—	—	—	—	—	—	—	—	—	—	—	—	8.	
76.2	78	240.0	257.3	273.9	321.8	348.1	330.1	301.2	263.3	267.0	270.6	310.0	325	9.	
(³) 37.8	(³) 42	—	—	—	—	—	—	—	—	—	—	—	—	10.	
1.7	2	16.0	13.8	12.2	12.3	8.9	3.5	3.4	3.2	3.6	3.1	3.1	4	11.	
3.6	4	3.6	3.6	3.6	3.8	3.6	2.8	1.4	0.7	0.7	1.5	1.7	2	12.	
7.1	8	31.0	32.0	33.0	33.0	30.0	20.0	15.0	14.0	15.0	15.0	18.0	20	13.	
1.0	1	2.5	2.4	2.5	2.5	2.5	2.5	1.5	2.0	2.0	2.0	2.0	2	14.	
251.3	290	98.7	108.7	107.5	121.6	100.4	76.4	57.4	50.9	63.6	95.6	110.4	120	15.	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	16.	
6.5	7	10.9	11.7	11.0	11.3	10.4	11.0	10.4	10.0	10.1	10.9	11.0	12	17.	
1.8	2	4.5	4.8	5.0	5.3	5.3	6.0	5.0	3.5	1.5	1.4	1.4	2	18.	
—	—	3.5	3.5	3.7	3.7	3.7	3.7	3.2	3.0	2.7	3.2	3.5	4	19.	
—	—	10.0	11.0	12.0	15.0	12.0	9.0	8.0	10.0	11.0	12.0	15.0	15	20.	
—	—	—	—	—	—	—	5.0	23.7	12.0	—	—	—	—	21.	
1,377.3	1,492.0	1,517.1	1,641.3	1,804.1	1,961.3	1,624.1	1,159.4	914.5	824.1	961.3	1,039.9	1,199.8	1,420.0	22.	

(3) In the original statements, only the total freight income is given. In the above table, this total has been distributed between items 8 and 10-11 on the basis of the proportion between the respective earnings in 1934.

(4) The amounts entered on the debit side refer to earnings of United States residents employed in Canada.

Items	Canadian \$ (000,000's)									
	Inward or credit movements (Exports)									
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
Brought forward	1,676.5	1,685.8	1,851.3	1,695.3	1,341.2	992.7	819.4	756.3	926.5	1,100.7
IV. Gold.										
23. Gold coin and bullion, as recorded :										
(a) non-monetary	13.7	10.9	12.6	36.3	22.3	43.4	60.6	79.4	109.4	109.9
(b) monetary	63.4	44.0	102.9	39.3	18.0	45.8	11.3	6.8		
24. Unrecorded trade in gold (1) .	—	—	—	—	—	0.9	1.2	1.6	0.2	6.8
Total	1,753.6	1,740.7	1,966.8	1,770.9	1,381.5	1,082.8	892.5	844.1	1,036.1	1,217.4
Surplus (+) or deficit (—) on account of :										
(a) goods and services	+ 159.4	+ 44.5	+ 47.2	— 266.0	— 282.9	— 166.7	— 95.1	— 67.8	— 34.8	+ 60.8
(b) gold	+ 31.5	+ 25.5	+ 89.2	+ 74.5	+ 2.7	+ 89.7	+ 72.8	+ 87.8	+ 109.6	+ 116.1
(c) goods, services and gold .	+ 190.9	+ 70.0	+ 136.4	— 191.5	— 280.2	— 77.0	— 22.3	+ 20.0	+ 74.8	+ 176.9

Capital items.

Items	Canadian \$ (000,000's)									
	Inward or credit capital movement									
	1926 (2)	1927	1928	1929	1930	1931	1932	1933	1934	1935
1. "Retirements" (amortisation, refunding and, up to 1932, sinking fund repurchases (3) . .		—	—	—	—	—	—	—	—	—
2. New capital issues (including refunding issues)		300.6	207.3	282.6	400.3	216.3	103.7	137.6	111.0	113.1
3. Sales and purchases of securities (1927-1932, net)(3)		—	—	—	—	—	—	288.7	321.2	301.8
4. Net capital transactions of international "branch plants", etc. (4)		27.6	18.1	15.0	22.9	—	—	—	—	—
5. Insurance transactions		10.0	8.0	30.0	21.0	41.0	14.0	20.0	27.0	20.0
6. Credits received by the Government		3.7	1.3	0.2	0.2	—	—	—	—	—
7. Change in the estimated net foreign assets of Canadian banks		16.1	86.6	87.8	—	27.7	37.7	23.9	—	0.1
Total		358.0	321.3	415.6	444.4	285.0	155.4	470.2	459.2	435.0
Net inward (+) or outward (—) movement of capital		— 11.0	— 86.7	+ 149.6	+ 309.0	+ 45.8	— 11.4	— 26.5	— 115.8	— 173.5

(1) Changes in earmarked gold, and unrecorded trade in monetary gold.

(2) Figures for 1926 are not available.

(3) From 1933 inclusive, sinking fund repurchases are included with the purchase of securities.

(4) This item includes "the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside Canada, and the net movements of funds resulting from the international transactions of Canadian trust companies".

		Canadian \$ (000,000's)												No. of item
		Outward or debit movements (Imports)												
1936	1937	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	
1,377.3	1,492.0	1,517.1	1,641.3	1,804.1	1,961.3	1,624.1	1,159.4	914.5	824.1	961.3	1,039.9	1,199.8	1,420.0	23. (a) (b) 24.
82.1	124.9	—	—	—	—	—	—	—	—	—	0.6	0.7	0.1	
49.9	20.2	45.6	29.4	26.3	1.1	37.6	0.4	0.3	—	—	—	0.3	—	
1,509.3	1,637.1	1,562.7	1,670.7	1,830.4	1,962.4	1,661.7	1,159.8	914.8	824.1	961.3	1,040.5	1,200.8	1,420.1	
+ 177.5	+ 72													
+ 131.0	+ 145													
+ 308.5	+ 217													

Capital items.

		Canadian \$ (000,000's)													No. of item
		Outward or debit capital movement													
1936	1937	1926 ⁽²⁾	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937		
—	—		160.0	200.0	150.0	110.0	207.0	104.7	163.7	169.0	267.5	⁽⁵⁾ 270.0	170	1.	
106.1	92		—	—	—	—	—	—	—	—	—	—	—	2.	
422.5	508		184.0	188.0	105.0	13.0	24.0	16.0	237.7	312.3	250.8	414.7	512	3.	
—	—		—	—	—	—	1.2	31.1	74.3	50.8	52.2	74.2	⁽⁶⁾ 98	4.	
19.0	—		25.0	20.0	11.0	12.0	7.0	15.0	21.0	24.0	38.0	45.0	⁽⁷⁾ 28	5.	
—	—		—	—	—	—	—	—	—	—	—	—	—	6.	
2.6	.		—	—	—	0.4	—	—	—	18.9	—	—	.	7.	
550.2	600		369.0	408.0	266.0	135.4	239.2	166.8	496.7	575.0	608.5	803.9	808		
—253.7	—208														

(5) This amount comprises : payment of bond maturities, 145.0 ; calling of Canadian bonds held abroad, 85.0 (in 1935, 120.0) ; serial repayments 40.0.

(6) Including known movements of short-term funds.

(7) Net.

SUMMARY TABLE.

	Canadian \$ (000,000's)						
	Goods, services and gold					Capital items	All items (¹)
	Mer- chandise	Interest and dividends	Other services	Gold	Total		
1920 Balance	— 161.9	— 207.3	+ 73.6	+ 27.7	— 267.9	(²).	
1921 Balance	— 83.1	— 211.8	+ 122.2	+ 35.6	— 137.1	(²).	
1922 Balance	+ 55.7	— 206.8	+ 131.8	— 48.7	— 68.0	(²).	
1923 Balance	+ 16.3	— 214.9	+ 176.2	+ 67.4	+ 45.0	.	
1924 Balance	+ 175.8	— 213.9	+ 166.4	— 20.4	+ 107.9	.	
1925 Balance	+ 299.5	— 207.8	+ 195.8	— 10.3	+ 277.2	— 176.7	+ 100.5
1926 Balance	+ 223.8	— 201.0	+ 136.6	+ 31.5	+ 190.9	.	
1927 Balance	+ 83.5	— 210.8	+ 171.8	+ 25.5	+ 70.0	— 11.0	+ 59.0
1928 Balance	+ 63.5	— 221.0	+ 204.7	+ 89.2	+ 136.4	— 86.7	+ 49.7
1929 Balance	— 215.9	— 260.1	+ 210.0	+ 74.5	— 191.5	+ 149.6	— 41.9
1930 Balance	— 188.6	— 288.6	+ 194.3	+ 2.7	— 280.2	+ 309.0	+ 28.8
1931 Balance	— 69.8	— 279.8	+ 182.9	+ 89.7	— 77.0	+ 45.8	— 31.2
1932 Balance	+ 26.0	— 261.8	+ 140.7	+ 72.8	— 22.3	— 11.4	— 33.7
1933 Credit	554.6	39.0	162.7	87.8	844.1	470.2	1,314.3
Debit	451.5	263.3	109.3	—	824.1	496.7	1,320.8
Balance	+ 103.1	— 224.3	+ 53.4	+ 87.8	+ 20.0	— 26.5	— 6.5
1934 Credit	680.1	55.4	191.0	109.6	1,036.1	459.2	1,495.3
Debit	584.1	267.0	110.2	—	961.3	575.0	1,536.3
Balance	+ 96.0	— 211.6	+ 80.8	+ 109.6	+ 74.8	— 115.8	— 41.0
1935 Credit	771.7	62.0	267.0	116.7	1,217.4	435.0	1,652.4
Debit	624.6	270.6	144.7	0.6	1,040.5	608.5	1,649.0
Balance	+ 147.1	— 208.6	+ 122.3	+ 116.1	+ 176.9	— 173.5	+ 3.4
1936 Credit	990.3	76.2	310.8	132.0	1,509.3	550.2	2,059.5
Debit	723.7	310.0	166.1	1.0	1,200.8	803.9	2,004.7
Balance	+ 266.6	— 233.8	+ 144.7	+ 131.0	+ 308.5	— 253.7	+ 54.8
1937 Credit	1,058	78	356	145.1	1,637.1	600	2,237.1
Debit	914	325	181	0.1	1,420.1	808	2,228.1
Balance	+ 144	— 247	+ 175	+ 145	+ 217	— 208	+ 9

Tourists' expenditure (item 16). Details concerning the methods of calculation were given in the 1934 issue of this publication.⁽³⁾ The expenditure during the last four years is composed of the following amounts:⁽⁴⁾

(1) The balances in this column are due to errors and omissions.

(2) During the years 1920, 1921 and 1922, the United Kingdom repaid war funds to Canada amounting to \$104 million, \$128 million and \$84 million respectively.

(3) Ser. L o.N. P. 1935.II.A.20.

(4) Detailed information on the number of tourists, averages employed in the calculation, etc., is contained in a pamphlet, entitled *Canada's Tourist Trade*, issued annually by the Dominion Bureau of Statistics. The totals for 1936-1937, derived from this publication, differ from those entered in the balance of payments account.

	Canadian \$ (000,000's)							
	Foreign tourists in Canada				Canadian tourists abroad			
	1934	1935	1936	1937	1934	1935	1936	1937
Tourists from or in overseas countries . . .	9.4	10.1	12.9	17.0	14.3	16.5	21.3	22.3
Tourists from or in the United States :								
entering (leaving) by motor-car	86.3	132.2	153.5	181.3	25.4	40.2	43.8	48.9
entering (leaving) by rail or steamer . .	34.3	53.5	64.8	69.8	14.0	22.9	21.3	24.2
entering (leaving) by other modes of travel	16.0	19.0	20.0	26.6	10.0	12.0	24.0	29.0
Total	146.0	214.8	251.2	294.7	63.7	91.6	110.4	124.4

Securities movement. Information concerning the securities movement (*cf.* capital item 3 above) is published regularly by the Dominion Bureau of Statistics.⁽¹⁾ The figures are based on reports from investment dealers, banks, stock exchange and others. The totals for the years 1933-1937 and for the first six months of 1937 and 1938 are reproduced below. In certain cases, the figures differ slightly from those appearing in the balance of payments account.

Period	Canadian \$ (000,000's)							
	United States		United Kingdom		Other countries		Total	
	Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from	Sales	Purchases
1933	205.7	202.9	80.8	27.6	2.2	7.2	288.7	237.7
1934	216.0	284.2	102.1	23.8	3.1	4.3	321.2	312.3
1935	268.2	200.7	31.0	44.1	2.6	6.0	301.8	250.8
1936	338.1	346.6	71.8	59.7	12.6	8.4	422.5	414.7
1937	376.4	412.7	105.7	85.6	24.5	13.1	506.6	511.4
January-June 1937 . . .	218.3	250.1	67.6	48.9	15.2	7.5	301.1	306.5
January-June 1938 . . .	130.3	114.6	23.1	29.4	12.7	6.9	166.1	150.9

International indebtedness.

Revised official estimates of foreign capital invested in Canada and Canadian capital invested abroad for the years 1926-1935, and provisional figures for 1936 and 1937, are reproduced below.

At the end of	Canadian \$ (000,000's)							
	Foreign investments in Canada				Canadian investments abroad			
	by the United Kingdom	by the United States	by other countries	Total	in the United Kingdom	in the United States	in other countries	Total
1926	2,597.8	3,161.2	131.7	5,890.7	59.6	778.0	515.2	1,352.8
1927	2,628.3	3,423.8	132.2	6,184.3	61.2	870.6	582.5	1,514.3
1928	2,693.6	3,664.6	140.7	6,498.9	53.3	917.7	621.2	1,592.2
1929	2,764.2	3,926.5	145.0	6,835.7	50.6	929.8	648.4	1,628.8
1930	2,766.0	4,298.4	131.5	7,195.9	67.7	933.1	651.8	1,652.6
1931	2,687.1	4,254.5	126.2	7,067.8	50.6	928.8	659.1	1,638.5
1932	2,631.7	4,198.3	124.2	6,954.2	44.7	906.1	637.7	1,588.5
1933	2,674.4	4,115.2	124.3	6,913.9	49.0	875.7	645.5	1,570.2
1934	2,729.5	4,112.1	123.5	6,965.1	47.4	921.1	636.9	1,605.4
1935	2,729.3	4,044.6	123.6	6,897.5	50.8	963.4	625.7	1,639.9
1936	2,725.1	3,984.4	124.2	6,833.7	47.8	987.2	621.5	1,656.5
1937	2,721	3,996	131	6,848	53.0	1,017.0	624.5	1,694.5

(1) Sales and Purchases of Securities between Canada and other Countries.

The division of the investments at the end of 1937 between main types for each of the three geographical regions concerned was as follows :

	Canadian \$ (000,000's)			
	United Kingdom	United States	Other countries	Total
<i>Foreign investments in Canada.</i>				
Government securities :				
Dominion	318	544	—	862
provincial	61	430	3	494
municipal	137	203	—	340
Public utilities :				
railways	1,060	546	20	1,626
other (traction, light, heat, power, telephone, etc.)	185	570	9	764
Manufacturing :				
wood and paper products	98	365	2	465
metal industries	80	340	5	425
all other manufacturing industries	205	285	9	499
Mining	93	260	10	363
Merchandising and service	75	149	4	228
Insurance	87	122	2	211
Finance and mortgage corporations	162	97	37	296
Miscellaneous (agricultural lands, summer homes, prospecting, assets administered for persons or corporations residing outside Canada, etc.)	160	85	30	275
Total	2,721	3,996	131	6,848
<i>Canadian investments abroad.</i>				
Canadian Government credits	—	—	30.5	30.5
Estimated net assets of Canadian banks abroad	15	90	9	114
Foreign securities held in Canada by insurance companies	12	131	27	170
Direct investments	16	285	173	474
Miscellaneous investments	10	511	385	906
Total	53	1,017	624.5	1,694.5

For foreign investments in business firms and corporations, figures of "capital employed" in the business, as recorded each year for the industrial census and the census of merchandising and service establishments for retail and wholesale trade, were used. It is stated that the figures approximate fairly closely to their book value in the sense of equity value, including the capital value of bonds and preferred stock. "This value would therefore be composed of the value of bonds plus the equity of preferred and common stock holders."

It is believed that a small part of the investments shown as held in the United Kingdom are held in other European countries.

The investments of Canadian insurance companies in foreign countries have not been included in the revised estimates of Canadian investments abroad. If, in addition to the ordinary liabilities, the prospective claims of policy-holders are considered against the assets held in foreign countries by Canadian insurance companies, it is found that there is a small net investment in Canada rather than a Canadian investment abroad. On the other hand, as these assets can be transferred

to Canada, they influence capital movements. Figures of net assets ⁽¹⁾ of Canadian insurance companies held abroad are reproduced below.

NET ASSETS ⁽¹⁾ OF CANADIAN INSURANCE COMPANIES HELD ABROAD.

At the end of	Canadian \$ (000,000's)			Total
	In the United Kingdom	In the United States	In other countries	
1926	28.7	154.3	37.5	220.5
1927	32.9	177.5	43.2	253.6
1928	40.3	217.3	52.8	310.4
1929	50.2	270.5	65.8	386.5
1930	56.6	304.8	74.0	435.4
1931	62.1	334.1	81.2	477.4
1932	64.3	346.0	84.1	494.4
1933	60.7	327.1	79.4	467.2
1934	62.8	338.3	82.1	483.2
1935	69.3	373.0	90.5	532.8
1936 ^(a)	79	416	108	603
1937 ^(a)	80	420	110	610

(a) Provisional figures.

The assets of foreign insurance companies in Canada show a credit balance after allowance has been made for liabilities, including those represented by the future claims of Canadian policy-holders. This credit balance has been included in the estimates of foreign investments in Canada.

(1) Assets minus liability (not counting liability corresponding to the fiduciary interest of policy-holders).

CEYLON

Statements with reference to the current items in the balance of payments of Ceylon for the financial years ending March 31st, 1932, and 1933, have been published in the official *Ceylon Trade Journal* ⁽¹⁾ and are reproduced below in a slightly modified form. The statements, it is declared, are experimental and tentative ; “ most of the items included are estimates and certain items are purely conjectural in character ”. No information is supplied with reference to capital movements ; further, gold and silver bullion and specie are excluded from the account.

Items	Rupees (000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1931-32	1932-33	1931-32	1932-33
I. Merchandise.				
1. Merchandise proper, as recorded	217,319	183,973	213,263	184,605
2. Adjustment for wrong valuation	14,539	15,204	— 4,800	— 3,700
II. Interest and dividends.				
3. Interest paid on Government loans	—	—	9,801	9,857
4. Income of non-resident individuals derived from Ceylon	—	—	10,772	13,627
5. Income of non-resident companies derived from Ceylon	—	—	28,647	21,133
6. Dividends to non-resident shareholders of resident companies	—	—	5,997	5,500
7. Head-office expenses (other than selling expenses) of non-resident companies	—	—	3,000	2,700
8. Interest received by the Government	2,400	2,760	—	—
9. Income of residents derived from abroad, assessed for income-tax	2,250	1,930	—	—
10. Interest paid to banks abroad :				
(a) by national banks	—	—	150	150
(b) by non-resident companies	—	—	100	350
11. Interest received by national banks	3,600	3,400	—	—
12. Losses of non-resident companies in Ceylon	9,500	9,500	—	—
III. Other services.				
13. Port fees paid to the Government	2,138	1,955	—	—
14. Receipts of the Customs Overtime Fund	135	118	—	—
15. Railway freight on goods and passengers passing through Ceylon	80	56	—	—
16. Remittances by residents to Europe and expenditure on leave	—	—	13,500	12,000
17. Remittances by Indians to India	—	—	6,000	5,000
Carried forward	251,961	218,896	286,430	251,222

(1) August 1937.

Items	Rupees (000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1931-32	1932-33	1931-32	1932-33
Brought forward	251,961	218,896	286,430	251,222
18. Remittances by Ceylonese employed abroad . .	1,000	725	—	—
19. Tourists' expenditure in Ceylon	3,500	3,000	—	—
20. Naval and military expenditure in Ceylon from Imperial funds, and repairs of ships	2,000	2,000	—	—
21. Military contribution paid to the Imperial Government	—	—	1,050	1,026
22. Pensions received from foreign governments . .	1,200	1,409	—	—
23. Estate and stamp duty paid to the Government	302	3,253	—	—
24. Pensions not liable to income-tax paid abroad by the Government	—	—	150	220
25. Miscellaneous payments made by the Government	—	—	2,700	2,286
26. Provident fund payments by non-Government concerns to non-Ceylonese	—	—	400	400
27. Cinematograph film royalties	—	—	350	350
Total	259,963	229,283	291,080	255,504
Deficit on account of the above items	— 31,117	— 26,221		

SUMMARY TABLE.

	Rupees (000's)			
	Merchandise	Interest and dividends	Other services	Total
1931-32 Credit	231,858	17,750	10,355	259,963
Debit	208,463	58,467	24,150	291,080
Balance	+ 23,395	— 40,717	— 13,795	— 31,117
1932-33 Credit	199,177	17,590	12,516	229,283
Debit	180,905	53,317	21,282	255,504
Balance	+ 18,272	— 35,727	— 8,766	— 26,221

The recorded trade in bullion and specie not included in the statements was as follows :

Year	Rupees (000's)			
	Credit (Exports)		Debit (Imports)	
	Silver coin and bullion and other coin	Gold coin and bullion	Silver coin and bullion	Gold coin
1931-32	3,101	4,020	368	5,485
1932-33	6	204	345	—

CURAÇAO

Figures for a number of items in the balance of payments of Curaçao in 1937 have been supplied by the Netherlands Government and are set out below together with those for 1934-1936 published last year.

Goods, services and gold.

Items	Gulden (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise	161,320	181,120	209,901	317,660	154,807	164,080	192,113	308,000
2. Adjustment for wrong valuation	—	—	—	—	—	4,800	—	—
3. Contraband	2	750	1,000	1,000	5	20	40	40
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts	—	—	—	—	90	—	—	—
5. Other interest and dividends	200	500	200	600	—	15,200	15,000	15,275
<i>III. Other services.</i>								
6. Transport fees	—	—	(¹)150	(¹)150	143	350	500	—
7. Port fees	801	700	870	920	30	—	—	—
8. Commissions, insurance, brokerage	—	—	—	—	—	2,000	1,800	1,900
9. Post, telegraph and telephone	539	114	275	275	511	90	103	112
10. Immigrants' and emigrants' funds	30	—	—	148	—	—	—	—
11. Immigrants' and emigrants' remittances	18	—	—	—	100	1,400	2,000	2,000
12. Tourists' expenditure	360	500	750	750	150	800	300	315
13. Diplomatic expenditure . . .	—	150	150	125	161	—	—	—
14. " Films "	—	—	—	—	350	—	—	—
15. Other items	36	1,300	1,600	7,267	—	4,680	5,100	9,439
<i>IV. Gold.</i>								
16. Gold coin and bullion	723	2,000	—	200	606	750	3,000	1,100
17. Changes in earmarked gold .	—	—	2,500	—	—	—	—	—

(1) Passenger fees, earned by national ships.

Capital items.

Items	Gulden (000's)					
	Inward or credit capital movements			Outward or debit capital movements		
	1935	1936	1937	1935	1936	1937
<i>I. Long-term operations.</i>						
1. Amortisation payments	—	—	—	10,600	11,125	12,937
2. Sale of domestic securities	350	—	—	—	—	—
3. Purchase and sale of foreign securities	—	488	1,907	340	523	1,800
4. Other long-term investments	13,200	5,383	16,355	600	188	1,670
<i>II. Short-term operations.</i>						
5. Change in short-term debts	—	3,000	25	1,850	349	—
6. Increase in short-term assets	—	—	—	1,000	1,202	754

Information concerning the capital movement is available only from 1935 inclusive. The account for goods, services and gold has also been rendered more complete from 1935. As it would appear, however, that even for 1935 and subsequent years information concerning certain transactions is missing, no totals are given in the above tables.

CYPRUS

The following table reproduces the information concerning the international accounts of Cyprus in the years 1934-1937 contained in the last four reports by the Comptroller of Customs and Inland Revenue.⁽¹⁾ Similar data for 1933 were given in the 1934 edition of this publication.⁽²⁾

Goods, services and gold (including amortisation of the public debt).

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise as recorded (total imports, exports of domestic produce plus re-exports, including ships' stores)	1,075	1,188	1,594	2,178	1,419	1,492	1,486	2,219
2. Exporters' profit, not included in the recorded export value . . .	54	59	80	50	—	—	—	—
<i>II. Interest and dividends, plus amortisation of the public debt.</i>								
3. Payments for the service of the public debt.	—	—	—	—	25	34	34	34
4. Persons living on incomes from abroad	20	25	25	30	—	—	—	—
<i>III. Other services.</i>								
5. Freight on Cyprus produce carried on Cypriot vessels and paid by consignees abroad	8	10	10	10	—	—	—	—
6. Commissions and fees paid to agents for foreign insurance, shipping and other companies	5	5	5	10	—	—	—	—
7. Expenditure of the crews of foreign ships.	15	15	15	15	—	—	—	—
Carried forward . . .	1,177	1,302	1,729	2,293	1,444	1,526	1,520	2,253

(1) Cyprus : Statistics of Imports, Exports and Shipping, also Currency, Banking, Weights and Measures, with a Report by the Comptroller of Customs and Inland Revenue, for the year ended, 31st December, 1934 ; ditto, for 1935, 1936 and 1937.

(2) Ser. L.o.N. P. 1935.II.A.20.

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward . .	1,177	1,302	1,729	2,293	1,444	1,526	1,520	2,253
8. Tourists' expenditure :								
(a) " visitors "	120	120	140	160	—	—	—	—
(b) " tourists "	6	5	4	5	—	—	—	—
(c) " boats for tourists and visi- tors "	2	2	2	2	—	—	—	—
9. Amounts paid from Imperial funds to British troops stationed in Cyprus	12	12	12	12	—	—	—	—
10. Expenditure of the British navy on its visits	8	15	5	2	—	—	—	—
11. Expenditure for Imperial defence.	—	—	—	—	10	10	10	10
12. Remittances from emigrants . . .	80	80	80	50	—	—	—	—
13. Various private remittances abroad	—	—	—	—	140	140	160	200
IV. Gold.								
14. Gold bullion	5	1	1	2	—	—	—	—
15. Gold specie	10	7	2	1	—	1	—	—
Total	1,420	1,544	1,975	2,527	1,594	1,677	1,690	2,463
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 189	— 140	+ 282	+ 61				
(b) gold	+ 15	+ 7	+ 3	+ 3				
(c) goods, services and gold	— 174	— 133	+ 285	+ 64				

Capital items (excluding amortisation of the public debt).

Items	£ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
1. Purchase of land by Jewish and other settlers	40	20	—	—	—	—	—	—
2. Expenditure by mining and other companies	100	120	150	100	—	—	—	—
3. Expenditure for Famagusta Harbour extension and new roads, paid from loan funds :								
(a) imports	10	—	—	—	—	—	—	—
(b) local labour and local materials	20	—	—	—	—	—	—	—
Total inward capital movement . .	170	140	150	100				

SUMMARY TABLE.

		£ (000's)						
		Goods, services and gold ⁽¹⁾					Capital items ⁽¹⁾	All items ⁽²⁾
		Merchan- dise	Interest and dividends ⁽¹⁾	Other services	Gold	Total		
1933	Credit . . .	922	15	216	22	1,175	170	1,345
	Debit . . .	1,257	25	110	—	1,392	—	1,392
	Balance . . .	— 335	— 10	+ 106	+ 22	— 217	+ 170	— 47
1934	Credit . . .	1,129	20	256	15	1,420	170	1,590
	Debit . . .	1,419	25	150	—	1,594	—	1,594
	Balance . . .	— 290	— 5	+ 106	+ 15	— 174	+ 170	— 4
1935	Credit . . .	1,247	25	264	8	1,544	140	1,684
	Debit . . .	1,492	34	150	1	1,677	—	1,677
	Balance . . .	— 245	— 9	+ 114	+ 7	— 133	+ 140	+ 7
1936	Credit . . .	1,674	25	273	3	1,975	150	2,125
	Debit . . .	1,486	34	170	—	1,690	—	1,690
	Balance . . .	+ 188	— 9	+ 103	+ 3	+ 285	+ 150	+ 435
1937	Credit . . .	2,228	30	266	3	2,527	100	2,627
	Debit . . .	2,219	34	210	—	2,463	—	2,463
	Balance . . .	+ 9	— 4	+ 56	+ 3	+ 64	+ 100	+ 164

Considerable active balances on account of "errors and omissions" are shown in the last column of the Summary Table for the years 1936 and 1937. It would thus appear that the record of the outward payments in these years is incomplete. No information is available, for example, on profits earned by foreign companies. To some extent these profits have been reinvested in Cyprus, but the reinvestments are also unrecorded (see "Capital items" below).

Goods, services and gold.

Merchandise. The exporters' profit entered against item 2 up to 1936 inclusive is taken at 5% of the recorded value of merchandise and bullion exported. In 1937, profits on account of minerals have not been taken into account as these are earned by foreign companies.

Tourists' expenditure, etc. The amounts entered under item 7 are based on the assumption that members of the crews of foreign ships calling at Cyprus ports numbered 30,000 annually and spent 10s. each.

As foreign "tourists" (item 8b) are reckoned persons landing for the day, and as "visitors" (item 8a) those staying longer. The former are estimated to have spent £1 each, and the latter £15 each in 1933 and 1934, and £20 in the following years. The number of the "tourists" and "visitors" in each year was as follows:

	"Tourists" (item 8b)	"Visitors" (item 8a)
1933	7,763	8,000
1934	5,671	8,000
1935	4,586	6,000
1936	3,929	7,000
1937	5,654	8,000

- (1) Amortisation of the public debt is included with interest and dividends.
 (2) The balances shown in this column are due to errors and omissions.

Private remittances (item 13). This item refers to remittances for the education of children abroad, for investment abroad, funds brought out by persons on leave and by emigrants, insurance premia, and payments to pensioners living abroad.

Gold. In the original statements, the recorded trade in gold specie (item 15), as well as an insignificant amount of silver specie included with merchandise under item 1, is not taken into account.

Capital items.

The amounts entered against item 2, representing expenditure incurred on experimental and constructional work by foreign companies, are, it is stated, "not included in exports". It thus appears that they only represent a portion of the capital inflow through these companies, and that part of the export value entered under "Merchandise" represents the yield of foreign investments, offset in part by unrecorded capital imports into Cyprus.

CZECHOSLOVAKIA

A statement of the balance of payments of Czechoslovakia in 1937 has been published in the *Rapports de l'Office de statistique de la République tchécoslovaque* ⁽¹⁾ and is set out below, together with those for 1933-1936 which appeared in last year's edition of this publication.

Goods, services and gold.

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. Merchandise.										
1. Merchandise	5,853	7,280	7,418	8,008	11,972	5,832	6,382	6,738	7,909	10,980
II. Interest and dividends.										
2. Interest on intergovern- mental debts	33	27	25	25	25					
3. Interest on other Govern- ment debts	—	—	—	—	—	188	143	203	194	199
4. Interest on municipal debts	—	—	—	—	—	27	23	22	24	27
5. Yield of securities ⁽²⁾ . . .	250	200	176	126	134	100	80	145	136	173
6. Interest on the current accounts of banks . . .	41	32	26	19	15	23	16	13	11	10
7. Yield of foreign-owned real estate and direct investments	—	—	—	—	—	280	280	280 ⁽³⁾	271 ⁽³⁾	190
8. Other interest and dividends	41	39	39	17	20	77	87	81	97	109
III. Other services.										
9. Shipping freights (river traffic)	41	36	45	70	103	7	8	10	7	52
10. Port fees	1	1	2	1		4	4	5	6	
11. Railway freight for goods in transit, etc.	140	133	389	437	441	—	—	141	140	212
12. Agency commissions . . .	105	109	115	213	175	190	240	246	295	422
13. Insurance	5	—	50	32	33	—	6	88	97	97
14. Post, telegraph and teleph.	—	—	26	24	32	15	15	41	39	47
15. Emigrants' funds, etc. :										
(a) travelling costs of emi- grants	—	—	—	—	—	2	2	3	4	11
(b) personal cash of emi- grants leaving or return- ing . . . . .	.	.	.	.	.	2	5	10	3	13
16. Emigrants' and immigrants' remittances	177	135	111	141	163	12	15	15	19 ⁽⁴⁾	53
Carried forward . .	6,687	7,992	8,422	9,113	13,113	6,759	7,306	8,041	9,252	12,595

(1) Vol. 1938, No. 96.

(2) The figures for 1936 and 1937 include *tantièmes* (credit, 3 and 0.5 ; debit, 6 and 5, respectively). For previous years the outward payments on this account are included under item 7.

(3) Including inheritances and dowries.

(4) Including pensions paid abroad (previously entered against item 17).

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Brought forward . .	6,687	7,992	8,422	9,113	13,113	6,759	7,306	8,041	9,252	12,595
17. Various money gifts . . .	2	1	1	1	2	4	4	(1) 122	163	97
18. Tourists' expenditure . .	288	475	449	460	660	167	223	410	600	550
19. Diplomatic and consular representation	38	38	38	40	45	64	62	79	76	88
20. Fees collected by legations and consulates	6	6	6	7	8	7	7	7	7	8
21. Contribution to interna- tional institutions . . .	—	—	—	—	—	9	8	8	7	8
22. Import of electric power .	—	—	—	—	—	7	7	6	4	9
23. Cinematogr. film royalties	6	6	4	6	6	27	15	21	20	19
24. Patent royalties and taxes	30	30	30	33	37	60	80	78	90	97
IV. Gold.										
25. Gold coin and bullion . .	77	12	522	17	9	319	33	24	16	1
26. Changes in earmarked gold (net)	244	—	—	96	—	—	488	506	—	71
Total	7,378	8,560	9,472	9,773	13,880	7,423	8,233	9,302	10,235	13,543
Surplus (+) or deficit (—) on account of :										
(a) goods and services . .	— 47	+ 836	+ 178	— 559	+ 400					
(b) gold	+ 2	— 509	— 8	+ 97	— 63					
(c) goods, services and gold	— 45	+ 327	+ 170	— 462	+ 337					

Capital items.

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. Long-term operations.										
1. Amortisation receipts and payments :										
(a) by the Government .	37	31	—	—	—	23	27	41	36	933
(b) by municipalities . .	—	—	—	—	—	11	9	9	12	13
(c) by industries and banks	108	49	173	108	106	206	81	101	147	194
2. Purchases and sales :										
(a) of real estate (net) (2) .	—	—	—	—	—	80	80	160	166	120
(b) of securities	276	285	280	222	136	78	88	182	111	151
3. New loans raised and granted :										
(a) by the Government .	—	—	—	—	925	—	—	—	—	—
(b) by industries and banks	103	30	138	84	99	9	75	122	307	19
4. Change in participation in enterprises	84	—	5	—	37	—	205	44	170	39
Carried forward . .	608	395	596	414	1,303	407	565	659	949	1,469

(1) The figures for earlier years are incomplete. The amount consists of 4 million Kč paid for the upkeep of Czechoslovak schools abroad and 118 million on account of relief and maintenance funds, medical assistance and pensions paid to Czechoslovak subjects abroad.

(2) From 1935 inclusive, including upkeep expenditure.

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Brought forward .	608	395	596	414	1,303	407	565	659	949	1,469
II. Short-term operations.										
5. Payments through the Czechoslovak clearing-house.	2	1	1	—	(1)	1	1	—	11	(1)
6. Increase in assets blocked abroad	—	—	—	—	(1)	—	300	260	60	(1)
7. Change in current accounts of banks with foreign correspondents :										
(a) debts	—	—	1	586	—	33	11	—	—	402
(b) claims	83	515	332	—	89	—	—	—	363	—
8. Change in other short-term debts and claims of industries and banks :										
(a) debts	73	5	88	93	477	71	200	327	64	123
(b) claims	86	28	5	13	22	12	50	13	14	8
9. Change in various other debts and claims :										
(a) debts	—	—	—	—	6	—	—	—	—	106
(b) claims	—	—	—	—	5	—	—	—	—	389
Total	852	944	1,023	1,106	1,902	524	1,127	1,259	1,461	2,497
Net inward (+) or outward (—) movement of capital	+ 328	— 183	— 236	— 355	— 595					

SUMMARY TABLE.

	Kč (000,000's)								
	Goods, services and gold					Capital items			All items (2)
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance .	+ 1,212	— 739	+ 95	— 51	+ 517	+ 597	— 970	— 373	+ 144
1926 Balance .	+ 2,575	— 814	+ 100	+ 64	+ 1,925	— 302	— 1,002	— 1,304	+ 621
1927 Balance .	+ 2,172	— 697	+ 591	— 94	+ 1,972	— 2,060	— 256	— 2,316	— 344
1928 Balance .	+ 2,023	— 571	+ 612	— 159	+ 1,905	— 1,719	— 184	— 1,903	+ 2
1929 Balance .	+ 520	— 361	+ 722	— 124	+ 757	— 1,182	+ 338	— 844	— 87
1930 Balance .	+ 1,779	— 572	+ 511	— 303	+ 1,415	+ 244	— 560	— 316	+ 1,099
1931 Balance .	+ 1,373	— 356	— 1	— 129	+ 887	— 528	+ 1,380	+ 852	+ 1,739
1932 Balance .	— 144	— 281	+ 158	— 59	— 326	+ 1,118	— 824	+ 294	— 32
1933 Balance .	+ 21	— 330	+ 262	+ 2	— 45	+ 201	+ 127	+ 328	+ 283
1934 Balance .	+ 898	— 331	+ 269	— 509	+ 327	— 170	— 13	— 183	+ 144
1935 Credit . .	7,418	266	1,266	522	9,472	596	427	1,023	10,495
Debit . .	6,738	744	1,290	530	9,302	659	600	1,259	10,561
Balance .	+ 680	— 478	— 24	— 8	+ 170	— 63	— 173	— 236	— 66
1936 Credit . .	8,008	187	1,465	113	9,773	414	692	1,106	10,879
Debit . .	7,909	733	1,577	16	10,235	949	512	1,461	11,696
Balance .	+ 99	— 546	— 112	+ 97	— 462	— 535	+ 180	— 355	— 817
1937 Credit . .	11,972	194	1,705	9	13,880	1,303	599	1,902	15,782
Debit . .	10,980	708	1,783	72	13,543	1,469	1,028	2,497	16,040
Balance .	+ 992	— 514	— 78	— 63	+ 337	— 166	— 429	— 595	— 258

(1) Included under item 9.

(2) The balances shown in this column are due to errors and omissions.

Up to 1933 inclusive, changes in outstanding merchandise credits are in no case included in the capital account, a fact which may explain part of the discrepancy shown in the last column of the Summary Table. From 1934 inclusive, on the other hand, account was taken of the increase in assets blocked abroad, derived from merchandise exports (capital item 6). More correct information concerning certain other items — such as payments on account of foreign patent royalties and gifts remitted abroad — has also recently been deduced from the authorisations given by the National Bank concerning the employment of currency.

The methods employed in compiling the figures were summarised in the 1927 issue of this publication.⁽¹⁾ New methods were employed in estimating the amounts entered for 1937 against items 7, 12, 16, 17 (debit), and capital items 2a and 7; accordingly, the figures in question are not comparable with those for earlier years.

The following details may be supplied with reference to the tourist expenditure (item 18) in 1936 and 1937 :

	Number of visitors (000's)		Number of nights spent (000's)		Expenditure Kč (000,000's)	
	1936	1937	1936	1937	1936	1937
<i>Foreign tourists in Czechoslovakia (credit) :</i>						
Visitors to :						
Prague	90	106	400	482	36	43
watering places	142	167	1,600	2,056	184	282
other places	257	276	1,500	1,873	78	94
Travelling expenses of these visitors .					54	61
Visitors escaping registration (estimated)	.	.	1,800	3,000	108	180
Total expenditure					460	660
<i>Czechoslovak tourists abroad (debit) :</i>						
Tourists proper	307	.	2,750	2,100	550	440
Persons travelling on business	1,165	.	500	1,000	50	110
Total expenditure					600	550

From 1932, the original statements published in the *Rapports de l'Office de statistique* do not show the gold movement as recorded in trade returns, but only purchases and sales of gold by the National Bank, because, it is explained, in 1932 the bank began to import large quantities of gold which it had acquired during the preceding years but deposited abroad. In the account for Goods, services and gold, the gold movement recorded in trade returns is entered as a special item (item 25), and the difference between the net gold movement and the balance of the purchases and sales of gold by the National Bank is shown as "changes in earmarked gold" (item 26).

International indebtedness.

The Czechoslovak balance of international indebtedness at the end of the years 1932 to 1937 is estimated as follows :

(1) Ser. L.o.N. P. 1928.II. 531 (page 82).

	Kč (000,000 ^(a))					
<i>Liabilities.</i>	1932	1933	1934	1935	1936	1937
Government debt	8,838	7,452	8,234	8,139	8,628	8,242
Municipal debt	397	297	311	307	361	(*) 350
Private debts :						
(a) long-term debts of industries and banks	1,275	1,153	1,124	(b) 1,459	(b) 1,617	1,537
(b) foreign participation in national enterprises and other foreign direct investments	1,239	1,277	1,220	1,424	.	.
(c) short-term : credits received by industries and banks	323	302	124	(b) 251	(b) 402	758
banks' foreign correspondents	757	724	713	714	1,317	915
Total	12,829	11,205	11,726	12,294	(12,325)	(11,802)
<i>Assets.</i>						
Assets of the Czechoslovak Government abroad.	503	465	435	492	492	492
Private assets :						
(a) long-term loans of industries and banks	732	636	561	(b) 655	(b) 942	856
(b) participation in foreign enterprises and other direct investments abroad.	749	688	835	867	.	.
(c) short-term : credits granted by industries and banks	107	31	37	(b) 44	(b) 68	51
banks' foreign correspondents	1,960	1,877	1,362	1,030	1,393	1,304
Total	4,051	3,697	3,230	3,088	(2,895)	(2,703)
Net indebtedness.	8,778	7,508	8,496	9,206	(9,430)	(9,099)

(^a) Of which, as far as is known, 199 had been repatriated.

(^b) The comparability is affected by an increase in the number of enterprises and banks from which information was received (about 535 in 1934, 781 in 1935 and 2,691 from 1936).

The above statement does not include liabilities and assets on account of merchandise credits. Replies to questionnaires sent out by the National Bank show that outstanding claims abroad arising from merchandise exports totalled 3,435 million Kč at the end of 1934 and 3,408 million on June 30th, 1935.

DENMARK

The Danish Government has supplied a statement of the international balance of payments of Denmark in 1937, which is set out below together with those for 1934 to 1936 published in last year's edition.

Goods, services and gold.

Items	Kroner (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise.	1,235	1,267	1,380	1,606	1,354	1,329	1,484	1,697
<i>II. Interest and dividends.</i>								
2. Interest on intergovernmental debts . .	—	—	—	—	—	—	—	—
3. Interest on other public debts	—	—	—	—	80	80	75	65
4. Other interest and dividends.	15	15	15	15	30	30	30	30
<i>III. Other services.</i>								
5. Shipping ⁽¹⁾ :								
(a) ordinary freights	168	171	190	275	—	—	—	—
(b) charter money ⁽²⁾	23	30	25	30	—	—	—	—
(c) passenger money	5	5	5	5	—	—	—	—
6. Ships' stores and bunkers, and port fees .	55	58	64	85	75	74	80	105
7. Commissions, insurance, brokerage . .	20	32	30	35	10	15	15	15
8. Post, telegraph and telephone.	3	3	3	3	3	3	3	3
9. Immigrants' and emigrants' funds and remittances	10	10	10	10	15	15	15	15
10. Tourists' expenditure	20	25	30	30	25	30	45	50
11. Diplomatic and similar expenditure . .	3	3	3	3	3	3	3	3
<i>IV. Gold.</i>								
12. Gold coin and bullion	—	31	—	—	—	—	—	—
Total.	1,557	1,650	1,755	2,097	1,595	1,579	1,750	1,983
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 38	+ 40	+ 5	+ 114				
(b) gold	—	+ 31	—	—				
(c) goods, services and gold	— 38	+ 71	+ 5	+ 114				

(1) Maritime freight on goods imported in national ships, which is included in the freight income (items 5a and b, credit) as well as in the import figure for merchandise (item 1, debit), amounted to approximately 35 million Kroner in each of the years 1934 and 1935, 45 million in 1936 and 55 million in 1937. Maritime freight on goods imported in foreign ships, which is excluded from the outward freight payments but is included in the import figure for merchandise, amounted to approximately 65 million Kroner in 1934 as well as 1935, 60 million in 1936 and 95 million in 1937.

(2) The actual income of ship-owners on account of charter money has been increased so as to correspond to gross freight earnings. This addition is offset by an addition to the expenditure of Danish ships abroad (item 6, debit).

Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts	—	—	—	—	—	—	—	—
(b) of other public debts	—	—	—	—	35	40	40	45
(c) of other debts	—	—	—	—	5			
2. Purchases and sales of :								
(a) domestic securities	38	21	44	27	28	17	33	29
(b) foreign securities	10	14	15	11	9	14	13	9
3. New capital issues :								
(a) Government and municipal	—	5	46	—	—	—	—	—
(b) other	—	—	—	31	—	—	—	—
4. Other long-term investments	10	10	10	10	15	15	15	15
II. Short-term operations.								
5. Change in short-term debts	42	—	—	—	—	2	12	5
6. Change in short-term assets	35	33	—	—	—	—	13	101
Total	135	83	115	79	92	88	126	204
Net inward (+) or outward (—) movement of capital	+ 43	— 5	— 11	— 125				

SUMMARY TABLE.

	Kroner (000,000's)								
	Goods, services and gold					Capital items			All items (²)
	Mer- chandise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance	— 406	— 57	+ 281	+ 28	— 154	+ 80	(¹)	+ 80	— 74
1924 Balance	— 293	— 45	+ 285	—	— 53	+ 14	(¹)	+ 14	— 39
1925 Balance	— 141	— 70	+ 241	—	+ 30	— 13	(¹)	— 13	+ 17
1926 Balance	— 174	— 55	+ 183	—	— 46	+ 35	+ 10	+ 45	— 1
1927 Balance	— 194	— 50	+ 203	+ 27	— 14	+ 145	— 103	+ 42	+ 28
1928 Balance	— 79	— 50	+ 124	+ 9	+ 4	+ 155	— 155	—	+ 4
1929 Balance	— 82	— 63	+ 179	—	+ 34	— 25	— 10	— 35	— 1
1930 Balance	— 117	— 51	+ 149	—	— 19	— 10	+ 18	+ 8	— 11
1931 Balance	— 135	— 70	+ 131	+ 28	— 46	— 24	+ 140	+ 116	+ 70
1932 Balance	— 5	— 74	+ 142	+ 20	+ 83	— 37	— 57	— 94	— 11
1933 Balance	— 53	— 72	+ 173	—	+ 48	— 56	— 17	— 73	— 25
1934 Balance	— 119	— 95	+ 176	—	— 38	— 34	+ 77	+ 43	+ 5
1935 Credit	1,267	15	337	31	1,650	50	33	83	1,733
Debit	1,329	110	140	—	1,579	86	2	88	1,667
Balance	— 62	— 95	+ 197	+ 31	+ 71	— 36	+ 31	— 5	+ 66
1936 Credit	1,380	15	360	—	1,755	115	—	115	1,870
Debit	1,484	105	161	—	1,750	101	25	126	1,876
Balance	— 104	— 90	+ 199	—	+ 5	+ 14	— 25	— 11	— 6
1937 Credit	1,606	15	476	—	2,097	79	—	79	2,176
Debit	1,697	95	191	—	1,983	98	106	204	2,187
Balance	— 91	— 80	+ 285	—	+ 114	— 19	— 106	— 125	— 11

(1) Figures concerning the movement of short-term capital in 1923-1925 are not available; the balance of this movement is therefore included with the balance of all items shown in the last column.

(2) The balances shown in this column are due to errors and omissions.

It will be noted that, even in the statements for 1926-1937, which include short-term capital operations, a perfect balance is not obtained. From the available information, it is not possible to state whether this is due to the inadequacy of the data relative to the credit or the debit items of the account, or whether both totals require some adjustment. Were the information available complete, the account for each year would, of course, balance exactly.

Balance of international indebtedness.

Information for this purpose is collected annually by the Danish Statistical Department⁽¹⁾ from public authorities, financial institutions, commercial companies and private business men. The number of companies and private individuals questioned during the last few years was about 5,000.

The following table gives a summary of debits and credits. In the last column, the debit balance is shown in gold Kroner :

At the end of year	Value in Kroner (000,000's)					
	Liabilities		Assets		Balance	
	Danish bonds, etc., held abroad	Floating	Foreign bonds, etc., in Danish hands	Floating	Nominal	Gold Kroner
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1907	608	100	69	52	— 587	— 587
1912	941	70	70	64	— 877	— 877
1925	1,075	565	160	480	— 1,000	— 921
1927	1,188	437	215	445	— 965	— 965
1928	1,360	415	225	555	— 995	— 995
1929	1,335	395	225	545	— 960	— 960
1930	1,333	382	235	520	— 960	— 960
1931	1,682	429	255	405	— 1,451	— 1,008
1932	1,800	367	255	400	— 1,512	— 973
1933	1,707	371	275	421	— 1,382	— 750
1934	1,839	413	320	386	— 1,546	— 751
1935	1,834	411	330	353	— 1,562	— 758
1936	1,666	399	325	366	— 1,374	— 664
1937	1,644	394	330	467	— 1,241	— 610

(1) Cf., for example, *Statistiske Efterretninger* (issued by the Statistical Department) for April 13th, 1938.

A specification of the totals shown in the above table for the last six years is given below :

	Kroner (000,000's) at the end of:					
	1932	1933	1934	1935	1936	1937
<i>Liabilities.</i>						
1. Danish bonds, etc., held abroad :						
(a) Government bonds	904	800	851	846	756	734
(b) Municipal debt	435	430	453	453	395	390
(c) Debts of the Mortgage Bank, the State Housing Fund and the Producers' Loan Fund	141	157	175	180	145	170
(d) Credit and Hypothecation Association debentures				120	130	125
(e) other Danish securities	320	320	360	220	225	210
(f) other long-term debt (a)				15	15	15
2. Floating debt (b) of :						
(a) banks	140	142	190	186	156	147
(b) other private enterprises and individuals	227	229	223	225	243	247
Total liabilities	2,167	2,078	2,252	2,245	2,065	2,038
<i>Assets.</i>						
3. Foreign bonds, etc., held in Denmark . .	255	275	320	305	300	305
4. Other long-term investments abroad (a) .				25	25	25
5. Floating assets (b) of :						
(a) banks	111	120	95	79	88	210
(b) other private enterprises and individuals	289	301	291	274	278	257
Total assets	655	696	706	683	691	797
Net liabilities	1,512	1,382	1,546	1,562	1,374	1,241

(a) The figures entered against items 1f and 4 include small amounts on account of national real estate owned by foreigners and foreign real estate owned by nationals of Denmark, etc.

(b) Government floating debts and assets are entered against items 1a and 3.

The rise in the indebtedness of the institutions mentioned under item 1c in this table is due chiefly to a loan of £1.5 million raised in London by the Mortgage Bank. The loan, though floated at the end of 1936, was taken into account only in 1937 in the above table, as well as in that with reference to the balance of payments (capital item 3b).

Six loans in Dutch currency (the State Housing Fund, two loans totalling 19.5 million gulden; the Mortgage Bank, 11.5 million gulden; the Municipality of Copenhagen, over 4.5 million gulden; and the Copenhagen Telephone Company, about 8.7 million gulden) were converted in 1937. While the total amount outstanding on account of these loans was only slightly affected, there will in future be a considerable saving on account of annual interest payments.

The amounts of outstanding assets and debts in dollars and French francs were affected in 1937 by the fall in the exchange value of the dollar from 4.57 to 4.49 Kroner and in that of the French franc by nearly 30%.

A distribution of the floating debts and assets between different foreign currencies at the end of the last three years is given below :

At the end of the year	Amounts converted into Danish Kroner (000,000's)									Total
	£	\$	R.M.	French francs	Swedish kronor	Gulden	Swiss francs	Other foreign currencies	Danish Kroner	
<i>Debts</i> 1935 . . .	212.3	28.2	16.5	9.3	40.9	17.3	3.8	9.7	73.1	411.1
1936 . . .	222.0	27.7	19.9	6.3	13.2	16.7	2.1	9.4	82.1	399.4
1937 . . .	190.4	39.9	29.0	2.5	19.2	19.3	2.5	12.5	78.3	393.6
<i>Assets</i> 1935 . . .	147.4	22.1	17.9	21.0	26.9	4.1	2.9	32.5	78.6	353.4
1936 . . .	151.2	30.6	32.4	14.5	21.1	3.2	1.5	35.1	76.7	366.3
1937 . . .	260.9	27.9	15.5	11.3	26.3	7.3	5.5	32.2	80.0	466.9

The floating debts and assets at the end of 1935, 1936 and 1937 were distributed among different groups of enterprises as follows :

At the end of the year	Amounts converted into Danish Kroner (000,000's)							Total
	Banks	Savings banks	Bankers	Insurance companies	Industry, commerce	Ship- owners	Others	
<i>Debts</i> 1935 . . .	184.6	1.5	4.8	16.9	166.9	32.9	3.5	411.1
1936 . . .	154.7	1.4	5.1	15.5	184.6	32.5	5.6	399.4
1937 . . .	114.3	1.3	3.0	15.2	216.3	39.5	4.0	393.6
<i>Assets</i> 1935 . . .	78.3	0.1	4.6	34.9	172.0	51.6	11.9	353.4
1936 . . .	87.6	0.1	3.5	28.9	171.5	59.7	15.0	366.3
1937 . . .	167.8	0.2	3.2	27.6	190.8	62.9	14.4	466.9

ESTONIA

A statement of the balance of international payments of Estonia in the year 1937, prepared by M. A. Tooms, of the Estonian Central Statistical Bureau, has been published in the *Eesti Statistika* ⁽¹⁾ and is set out below together with those for 1934-1936 which appeared in the preceding edition of this publication.

Goods, services and gold.

Items	Kr. (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise	69.0	80.1	83.2	106.0	55.3	68.7	86.9	111.0
2. Adjustment on account of ships sold and bought	0.2	0.3	0.2	0.2	0.5	1.3	1.8	1.5
II. Interest and dividends.								
3. Interest on intergovernmental debts .	—	—	—	—	—	—	—	—
4. Interest on other public debts	—	—	—	0.6	2.3	2.3	2.2	2.2
5. Other interest and dividends on long- and short-term capital	0.5	0.5	0.5	0.5	2.7	2.7	1.0	1.2
III. Other services.								
6. Shipping freights	10.3	10.5	13.3	21.1	—	—	—	—
7. Port fees and shipping expenditure . .	1.1	1.0	1.2	1.2	7.0	6.8	9.0	15.1
8. Railway earnings and expenditure ⁽²⁾ .	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2
9. Insurance	1.6	1.3	1.5	1.8	1.4	1.6	2.0	2.2
10. Post, telegraph and telephone ⁽³⁾ . .	0.4	0.4	0.6	0.5	0.2	0.2	0.4	0.5
11. Immigrants' and emigrants' funds . .	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2
12. Tourists' and students' expenditure . .	2.8	3.1	3.7	3.9	3.0	3.0	2.8	3.2
13. Diplomatic and similar expenditure . .	1.0	0.8	0.8	0.8	0.5	0.6	0.9	1.1
14. Contributions to international institutions	—	—	—	—	0.1	0.1	0.1	0.1
15. Other Government receipts and expen- diture	0.1	0.1	2.9	12.2	2.5	1.3	2.5	4.8
16. Miscellaneous personal services	—	—	0.1	0.2	—	—	0.1	—
17. Cinematograph film royalties	—	—	—	—	0.1	0.1	0.1	0.1
IV. Gold.								
18. Gold coin and bullion	—	—	—	—	—	—	—	—
Total	87.2	98.3	108.3	149.2	76.0	89.0	110.1	143.4
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+11.2	+ 9.3	— 1.8	+ 5.8				
(b) gold	—	—	—	—				
(c) goods, services and gold	+11.2	+ 9.3	— 1.8	+ 5.8				

(1) July-August 1938 (No. 200 (7) - 201 (8)).

(2) Including certain payments to Estonia, other than for railway freight, by the Russian Government.

(3) The credit figures include remittances received from emigrants abroad.

Known capital items.

Items	Kr. (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Long-term operations.</i>								
1. Amortisation:								
(a) of intergovernmental debts . . .	—	—	—	—	—	—	—	—
(b) of other public debts	—	—	—	—	0.3	0.3	0.4	0.1
2. Repurchase of bonds of the League of Nations Loan	—	—	—	0.3	0.3	0.3	0.3	0.4
3. Debt of the Match Monopoly	—	—	—	—	—	0.1	0.1	0.2
4. Change in long-term credits	—	—	—	1.9	—	—	2.0	—
<i>II. Short-term operations.</i>								
5. Change in the foreign assets and debts of:								
(a) the Bank of Estonia	—	—	—	—	12.0	3.9	5.1	10.9
(b) other banks (net)	—	—	—	—	0.6	0.2	3.3	0.2
6. Increase in commercial credits	—	—	4.8	3.6	—	—	—	—
7. Change in clearing accounts	—	—	4.1	—	—	—	—	5.1
Total	—	—	8.9	5.8	13.2	4.8	11.2	16.9
Net outward (—) movement of capital . .	—13.2	—4.8	—2.3	—11.1				

SUMMARY TABLE.

	Kr. (000,000's)								
	Goods, services and gold					Known capital items			All items
	Mer-chandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance . .	+ 0.2	— 3.1	+ 3.5	—	+ 0.6	— 1.8	.	— 1.8	(¹) — 1.2
1926 Balance . .	+ 1.0	— 4.4	+ 4.7	—	+ 1.3	+ 2.8	.	+ 2.8	(¹) + 4.1
1927 Balance . .	+ 8.7	— 6.6	+ 4.2	—	+ 6.3	(²) + 3.0	.	+ 3.0	(¹) + 9.3
1928 Balance . .	— 5.3	— 7.7	+ 5.9	+ 0.1	— 7.0	+ 2.5	+ 9.2	+ 11.7	(³) + 4.7
1929 Balance . .	— 6.7	— 5.9	+ 3.5	+ 0.1	— 9.0	— 0.7	+ 6.2	+ 5.5	(³) — 3.5
1930 Balance . .	— 3.5	— 6.5	+ 4.4	—	— 5.6	+ 6.4	+ 1.8	+ 8.2	(³) + 2.6
1931 Balance . .	+ 9.2	— 5.0	+ 5.6	+ 0.1	+ 9.9	— 0.8	— 4.8	— 5.6	(³) + 4.3
1932 Balance . .	+ 5.3	— 5.2	+ 2.9	+ 0.4	+ 3.4	— 0.5	+ 2.2	+ 1.7	(³) + 5.1
1933 Balance . .	+ 8.4	— 4.7	+ 2.9	—	+ 6.6	— 0.4	— 10.1	— 10.5	(³) — 3.9
1934 Balance . .	+ 13.4	— 4.5	+ 2.3	—	+ 11.2	— 0.6	— 12.6	— 13.2	(³) — 2.0
1935 Credit . .	80.4	0.5	17.4	—	98.3	—	—	—	98.3
Debit . .	70.0	5.0	14.0	—	89.0	0.7	4.1	4.8	93.8
Balance . .	+ 10.4	— 4.5	+ 3.4	—	+ 9.3	— 0.7	— 4.1	— 4.8	(³) + 4.5
1936 Credit . .	83.4	0.5	24.4	—	108.3	—	8.9	8.9	117.2
Debit . .	88.7	3.2	18.2	—	110.1	2.8	8.4	11.2	121.3
Balance . .	— 5.3	— 2.7	+ 6.2	—	— 1.8	— 2.8	+ 0.5	— 2.3	(³) — 4.1
1937 Credit . .	106.2	1.1	41.9	—	149.2	2.2	3.6	5.8	155.0
Debit . .	112.5	3.4	27.5	—	143.4	0.7	16.2	16.9	160.3
Balance . .	— 6.3	— 2.3	+ 14.4	—	+ 5.8	+ 1.5	— 12.6	— 11.1	(³) — 5.3

(1) Balance representing the movement of short-term capital and errors and omissions in the whole account.

(2) Excluding the League of Nations Loan of 27.7 million kroon providing for the banking and currency reform. The loan was raised in 1927, but was not placed at the disposal of the Government until 1928. The inflow of short-term capital in 1928 and subsequent years represents largely a reduction in the foreign assets established by means of this loan.

(3) Balance due to errors and omissions.

It will be noted that a perfect balance is not obtained, a fact which must be attributed largely to the omission in the years 1925-1927 of short-term capital movements and in the following years of private long-term capital transactions, as well as certain short-term operations, such as the hoarding of foreign currency notes.

Goods, services and gold.

Interest and dividends. Details of the figures for interest paid on account of Government debts (item 4) are given below.

Payments on account of :	Kr. (000's)			
	1934	1935	1936	1937
(i) League of Nations Loan :				
British <i>tranche</i>	840	834	821	809
United States <i>tranche</i>	951	958	931	925
(ii) Vickers Loan	9	7	5	3
(ii) Commercial credit granted by Sweden . .	25	21	17	13
(iv) Debt of the Match Monopoly (Sweden) . .	432	431	425	415
(v) Credit for the purchase of railway material (Sweden)	32	20	8	—
Total	2,289	2,271	2,207	2,165

The figure shown on the credit side for 1937 represents interest on the portion of the external public debt which is held in Estonia.

Freights. On the basis of information collected concerning the gross freight earnings in 1936 of the bulk of the merchant marine, it was estimated that the average earning per registered ton was 150 kr., which figure was applied to the total effective tonnage of ships in foreign trade. Special information was collected with reference to the income of salvage ships and the receipts from ships' repairs (110,000 kr.).

The expenses of Estonian ships in foreign ports (item 7, debit) were reckoned at 72% of the gross earnings in the same year.

Tourists' expenditure, etc. In estimating the amounts entered against item 12 for 1936, the expenditure of each visitor from Finland was taken at 50 kr., that from Latvia at 7.5 kr. and that from other countries at 100 kr. Foreign students in Estonia are estimated to have spent 1,000 kr. each. Estonian tourists visiting Latvia are estimated to have spent 7 kr. each, those visiting Finland 50 kr. each, those visiting other countries 200 kr. each and Estonian students abroad 1,400 kr. each.

Estonian emigrants are estimated to have taken out 300 kr. each (item 11, debit).

Government expenditure. The amounts entered on the debit side against item 15 include various purchases by the Government (the Department of Defence, 2,443,900 kr., in 1934 and 1,235,151 kr. in 1935), etc.

Capital items.

The following amounts were paid in amortisation of public debts (items 1-3) :

	Kr. (000's)			
	1934	1935	1936	1937
(i) League of Nations Loan :				
British <i>tranche</i>	124	134	147	160
United States <i>tranche</i>	158	173	185	201
(ii) Vickers Loan	37	37	37	37
(iii) Commercial credit granted by Sweden	75	79	83	87
(iv) Debt of the Match Monopoly (Sweden)	—	74	156	165
(v) Credit for the purchase of railway material (Sweden)	238	238	238	—
Total	632	735	846	650

The figure shown on the credit side of item 2 for 1937 refers to the portion of the amortisation payments received in Estonia on account of repatriated bonds of the League of Nations Loan.

International indebtedness.

The following official estimates of the outstanding international liabilities and assets of Estonia are available.

	Kr. (000,000's) at the end of				
	1933	1934	1935	1936	1937
<i>Liabilities.</i>					
1. Intergovernmental debts	85.3	92.1	81.0	80.7	80.5
2. League of Nations Loan :					
(a) British <i>tranche</i>	25.0	25.5	11.7	11.5	11.3
(b) United States <i>tranche</i>			13.5	13.2	12.9
3. Other Government debts ^(a)	8.5	8.3	7.8	7.3	6.8
4. Foreign long-term investments in enterprises and banks	32	32	26.3	24.3	26.2
5. Real estate owned by foreigners	2	2	2	2	2
6. Foreign short-term debts of private banks	6.3	8.0	6.2	4.6	4.9
Total	159.1	167.9	148.5	143.6	144.6
<i>Assets.</i>					
7. Bonds of the League of Nations Loan held in Estonia	4.5	4.8	5	5	8
8. Foreign assets of :					
(a) the Government	2.2	2.2	3	3	.
(b) the Bank of Estonia	23.9	35.9	39.8	44.9	55.8
(c) private banks	4.4	6.7	5.1	6.8	7.3
9. Long-term investments and deposits abroad	20	20	20	20	20
10. Real estate abroad	7	7	7	7	7
Total	62.0	76.6	79.9	86.7	98.1
Net indebtedness on account of the above items	97.1	91.3	68.6	56.9	46.5

(a) This item includes : (1) the loan raised in the United Kingdom (Vickers Loan) by the municipality of Tallinn for the construction of the aqueduct in Tallinn (the charge of this loan has been taken over by the Government); (2) the commercial credit granted by Sweden; (3) the loan raised in Sweden in connection with the establishment of the Match Monopoly, and (4) the loan raised in Sweden for the purchase of railway material (the Royal Exchange Assurance Loan).

Liabilities in the form of credits on imported merchandise, not included in the above table, amounted to 17.3 million kr. at the end of 1935, 24.0 million at the end of 1936 and 27.6 million at the end of 1937.

The following table shows the distribution between the main creditor countries of the foreign long-term investments in enterprises and banks (item 4 above) and of the merchandise credits just mentioned, at the end of 1935, 1936 and 1937 :

	Kr. (000,000's)					
	Foreign long-term investments			Credits on imported merchandise		
	1935	1936	1937	1935	1936	1937
United Kingdom	7.4	7.4	8.4	6.4	8.5	9.8
Netherlands	8.6	7.2	7.8	0.9	1.2	1.3
Germany	5.4	2.8	3.7	3.6	7.7	7.8
Sweden	0.2	2.3	2.0	1.0	0.9	2.0
Denmark	2.1	1.8	1.2	0.2	0.2	0.2
France	0.7	0.6	0.6	0.8	0.8	0.5
Finland	0.5	0.5	0.6	0.9	0.8	2.3
United States	—	—	—	1.2	1.1	0.9
Other countries	1.4	1.7	1.9	2.3	2.8	2.8
Total	26.3	24.3	26.2	17.3	24.0	27.6

FINLAND

A statement of the balance of payments of Finland in 1937 has been supplied by the Government of that country and is reproduced below, with certain modifications explained after the tables, together with the statements for 1934-1936 that appeared in the preceding issue of this publication.

Goods, services and gold.

Items	Markkaa (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise.	6,226	6,240	7,223	9,380	4,775	5,332	6,211	9,162
2. Adjustment of exports for:								
(a) loading costs	15	10	10	10	—	—	—	—
(b) insured parcels despatched	—	—	11	15	—	—	—	—
3. Contraband	—	—	—	—	5	5	5	5
II. Interest and dividends.								
4. Interest on intergovernmental debts	—	—	—	—	—	—	—	—
5. Interest on other public debts:								
(a) Government debts	—	—	—	—	260	135	110	75
(b) municipal debts	—	—	—	—	—	50	40	35
6. Other interest on long-term capital.	—	—	—	—	150	120	105	85
7. Interest on short-term capital	25	15	15	20	40	35	30	20
III. Other services.								
8. Shipping (net receipts)	385	410	460	710	—	—	—	—
9. Port fees	70	70	80	85	—	—	—	—
10. Other transport fees: included with item 12.								
11. Insurance	140	130	155	170	150	150	150	170
12. Post and telegraph	10	10	10	10	10	15	15	20
13. Emigrants' and sailors' remittances	100	100	100	100	10	10	10	20
14. Tourists' expenditure	210	250	210	230	190	240	270	250
15. Diplomatic and similar expenditure	15	15	20	20	31	25	25	30
16. Other Government expenditure	—	—	—	—	4	5	5	—
IV. Gold.								
17. Gold coin and bullion (1)	—	—	—	—	1	12	158	144
18. Changes in gold held abroad	—	—	—	180	—	—	—	—144
Total	7,196	7,250	8,294	10,930	5,626	6,134	7,134	9,872
Surplus (+) or deficit (—) on account of:								
(a) goods and services	+1,571	+1,128	+1,318	+ 878				
(b) gold (1)	— 1	— 12	— 158	+ 180				
(c) goods, services and gold	+1,570	+1,116	+1,160	+1,058				

(1) In 1934, gold bullion only (gold coin is included with merchandise).

Capital items.

Items	Markkaa (000,000's)			
	Inward or credit capital movement		Outward or debit capital movement	
	1936	1937	1936	1937
<i>I. Long-term operations.</i>				
1. Amortisation of intergovernmental debts	—	—	—	—
2. Amortisation of other public debts	—	—	665	800
3. Amortisation of other debts	—	—	375	
4. New loan raised abroad	25	—	—	—
5. Net sales of Finnish securities abroad	—	100	—	—
<i>II. Short-term operations.</i>				
6. Increase in foreign assets	—	—	330	510
7. Increase in foreign debts	130	40	—	—
Total	155	140	1,370	1,310
Net outward (—) movement of capital	—1,215	—1,170		

SUMMARY TABLE.

		Markkaa (000,000's)								
		Goods, services and gold					Capital items			All items
		Mer- chandise	Interest and divi- dends	Other services	Gold (¹)	Total	Long- term	Short- term	Total	
1922	Balance	+ 479	— 238	+ 268	—	+ 509	.	.	.	.
1923	Balance	— 261	— 234	+ 269	— 1	— 227	.	.	.	.
1924	Balance	+ 268	— 258	+ 362	60	+ 312	.	.	.	.
1925	Balance	+ 35	— 325	+ 431	— 1	+ 140	.	.	.	.
1926	Balance	— 65	— 284	+ 420	— 1	+ 70	.	.	.	.
1927	Balance	— 72	— 318	+ 466	—	+ 76	.	.	.	.
1928	Balance	— 1,778	— 350	+ 525	—	— 1,603	.	.	.	.
1929	Balance	— 576	— 410	+ 508	—	— 478	.	.	.	.
1930	Balance	+ 183	— 412	+ 441	— 21	+ 191	.	.	.	.
1931	Balance	+ 980	— 436	+ 448	— 8	+ 984	.	.	.	.
1932	Balance	+ 1,129	— 583	+ 630	—	+ 1,176	.	.	.	.
1933	Balance	+ 1,370	— 530	+ 510	—	+ 1,350	.	.	.	.
1934	Balance	+ 1,461	— 425	+ 535	— 1	+ 1,570	.	.	.	.
1935	Credit	6,250	15	985	—	7,250	.	.	.	.
	Debit	5,337	340	445	12	6,134	.	.	.	.
	Balance	+ 913	— 325	+ 540	— 12	+ 1,116	.	.	.	.
1936	Credit	7,244	15	1,035	—	8,294	25	130	155	8,450
	Debit	6,216	285	475	158	7,134	1,040	330	1,370	8,505
	Balance	+ 1,028	— 270	+ 560	— 158	+ 1,160	— 1,015	— 200	— 1,215 ⁽²⁾	— 55
1937	Credit	9,405	20	1,325	180	10,930	100	40	140	11,070
	Debit	9,167	215	490	—	9,872	800	510	1,310	11,182
	Balance	+ 238	— 195	+ 835	+ 180	+ 1,058	— 700	— 470	— 1,170 ⁽²⁾	— 112

(1) Trade in gold coin is included with merchandise up to 1934 inclusive.

(2) Balance due to errors and omissions.

In the statements up to 1935 inclusive, figures with reference to the capital movement were not entered in the tables, but in the preceding editions of this publication the explanatory notes accompanying the tables contain information concerning the principal capital transactions in each year. In the statement received for 1936, information concerning the capital movements has been given in table form; the figures in question — with the exception of that of new loans raised abroad — are, however, calculated simply as the difference between the amounts outstanding at the beginning and at the end of the year, according to the balance of international indebtedness given below. The same practice is followed in the statement received for 1937, but, as more comprehensive information with reference to the capital movements as well as the changes in the amount of gold held abroad is supplied by the Bank of Finland (1), it has been thought preferable to show the movements of capital and gold in accordance with this information. By this method the final balance of the account is substantially reduced. Among the omissions from the account, which help to explain that balance, mention is made of direct investments of foreign capital in Finland.

Goods, services and gold.

Merchandise. Export values are sometimes — particularly in the case of timber — declared “free alongside ship” and not f.o.b. The loading costs that are thus not included in trade returns are estimated separately and entered against item 2a.

Interest and dividends. The outward payments on account of long-term interest (items 5-6, debit) proved to have been calculated slightly too high in years previous to 1935. From that year inclusive, a new basis of estimation has been used.

Other services. The shipping income (item 8) is shown net. Gross receipts amounted to about 625 million markkaa in 1935, 710 million in 1936 and 1,100 million in 1937. The expenditure of Finnish ships abroad is estimated at 35 % of these amounts.

The figures entered against item 11 include marine and transport premia paid to Finnish insurance companies on account of imported goods. These premia, calculated at 0.4 % of the value of the goods assumed to be insured with Finnish companies, amounted to 10, 10, 15 and 30 million markkaa respectively in the years 1934 to 1937.

The income derived from foreign tourists (item 14, credit) was calculated on the basis of an assumed average expenditure per head of 4,000 markkaa in the years 1934 and 1935. In 1936, the same amount was used for ordinary tourists only, while lower rates were applied in the case of passengers on pleasure cruises, persons travelling through the country and Swedish citizens spending their holidays in rural districts. The average expenditure of national tourists abroad was taken at 9,000 markkaa in the years 1934 and 1935 and at 8,000 markkaa in 1936 and also in 1937, except for tourists visiting Estonia; for these a lower figure was used.

Gold. Figures showing the changes in the amounts of gold held abroad (item 18) are available only for 1937. The amount of 180 million markkaa entered on the credit side represents the sale of gold deposited abroad, and the negative entry on the debit side of 144 million represents gold included in the recorded gold imports but bought and paid for before 1937.

Capital items.

Among the Government loans repaid in 1937 may be mentioned the 4½ % Railway Loan of 1909, of which 16.4 million gulden (416 million markkaa) were outstanding at the beginning of the year.

(1) *Monthly Bulletin*, No. 7 (July), 1938.

International indebtedness.

The following statement of outstanding foreign liabilities and assets of Finland at the end of the years 1932-1937, based on data compiled by the Statistical Office of the Bank of Finland ⁽¹⁾, has been supplied by the Finnish Government. Conversion of long-term loans into markkaa has been made at current exchange rates; the variations in the values shown are thus partly due to fluctuations in the exchange value of the currencies concerned. Short-term loans are partly calculated at par values of exchange.

	1932	Markkaa (000,000's) at the end of					1937
		1933	1934	1935	1936		
<i>Liabilities.</i>							
1. Intergovernmental debts	—	—	—	—	—	—	—
2. Finnish securities held abroad :							
(a) Government and municipal debt .	5,300	3,820	3,750	3,010	2,370	1,735	
(b) private long-term loans	3,070	2,525	2,255	2,055	1,680	1,235	
3. Floating foreign debt of :							
(a) central and local governments . .	258	316	139	49	49	—	
(b) banks :							
current account deposits of							
foreign correspondents	132	184	247	190	250	270	
other debts	890	815	433	380	280	320	
(c) other enterprises and individuals.	290	515	681	801	971	997	
Total liabilities	9,940	8,175	7,505	6,485	5,600	4,557	
<i>Assets.</i>							
4. Floating foreign assets of :							
(a) central and local governments . .	10	14	58	33	55	220	
(b) banks :							
current account deposits with							
foreign correspondents	419	1,201	1,811	1,481	1,889	2,304	
assets on account of foreign							
bills of exchange	261	451	253	239	245	175	
(c) other enterprises and individuals	190	214	328	367	261	262	
Total assets	880	1,880	2,450	2,120	2,450	2,961	
Net liabilities	9,060	6,295	5,055	4,365	3,150	1,596	

(1) Cf. Bank of Finland, *Monthly bulletin*, No. 7 (July), 1938.

FRANCE

In the absence of official estimates of the balance of payments of France, the private estimate for 1937 by M. Léonard Rist and M. Philippe Schwob, published in the *Revue d'économie politique*, ⁽¹⁾ is set out below together with the estimates for 1934-1936 by the same authors, which appeared in the preceding issue of the present publication. The data for 1936, however, which in that issue were shown separately for the periods January-September and October-December, have now been combined, after those for the latter period had been converted into francs of the 1928 parity, which is also the unit employed for the 1937 statement.

The statements are compiled in such a manner as to refer, not to the Customs territory of France, but to *France and her oversea territories*. ⁽²⁾ Thus the trade between France and the territories mentioned and the capital issues in France for the account of these territories have been excluded.

The various items have been arranged, as far as possible, in accordance with the scheme set out in the introduction to this volume. The data for a few items have been adjusted on the basis of trade returns and information supplied by the authors. For these reasons, the figures differ somewhat from those given in the *Revue d'économie politique*.

Goods, services and gold. ⁽³⁾

Items	Francs of the 1928 parity (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise trade of France with countries other than French oversea territories	12,355	10,685	9,401	10,297	17,294	15,630	16,480	19,450
2. Adjustment of item 1	—	—	—	—	450	—	—	—
3. Trade balance of French oversea territories in trade with countries other than each other and France ⁽⁴⁾	—	—	—	—	1,350	1,000	1,209	900
Carried forward	12,355	10,685	9,401	10,297	19,094	16,630	17,689	20,350

(1) May-June 1938, page 520.

(2) As Indo-China had an independent monetary regime up to June 1st, 1930, she was excluded from the statements shown in the Summary Table for the years up to 1930 inclusive.

(3) Including certain amounts of regular amortisation payments (*cf.* the explanatory notes).

(4) Estimated by the authors.

Items	Francs of the 1928 parity (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	12,355	10,685	9,401	10,297	19,094	16,630	17,689	20,350
II. <i>Interest and dividends.</i> ⁽¹⁾								
4. Service of Government debt								
(a) old loans	—	—	—	—	150	150	192	
(b) floating debt							145	
5. Interest and dividends received on account of :								
(a) investments abroad by French nationals.	(²) 2,500	3,600	4,054	4,200	—	—	—	
(b) investments abroad by foreigners living permanently in France			398	425	—	—	—	700
(c) foreign short-term assets of the Bank of France and the Treasury	450	450			—	—	—	
6. Interest and dividends paid (excl. Government payments)	—	—	—	—	300	300	292	
III. <i>Other services.</i>								
7. Shipping income (net) . . .	1,300	1,300	1,193	1,200	—	—	—	—
8. Revenue from transit . . .	200	200	185	200	—	—	—	—
9. Insurance (net)	100	100	86	80	—	—	—	—
10. Foreign workers	—	—	—	—	1,000	750	669	650
11. Tourists' expenditure (net)	2,500	750	846	1,300	—	—	—	—
IV. <i>Gold.</i>								
12. Trade of France in gold coin and bullion with countries other than French overseas territories	12,767	24,926			6,509	12,502		
13. Change in earmarked gold of foreign banks in France	—	2,500	27,153	6,500	8,500	—	6,512	(³)
14. Adjustment of items 12 and 13	772	—			—	—		
Total	32,944	44,511	43,316	24,202	35,553	30,332	25,499	21,700
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . .	—1,139	— 745	— 2,824	— 3,998				
(b) gold	—1,470	+14,924	+20,641	+ 6,500				
(c) goods, services and gold	—2,609	+14,179	+17,817	+ 2,502				

(1) Including certain amounts of regular amortisation payments (*cf.* the explanatory notes).

(2) This figure is admittedly too low.

(3) Net exports are shown in the credit column.



Known capital items.

Items	Francs of the 1928 parity (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
1. Amortisation payments.	—	—	—	—	200	.	70	95
2. New capital issues :								
(a) Government and municipal . . .	—	1,975	—	—	—	225	—	—
(b) other bond issues	300		500	1,638	—	—	—	—
3. Miscellaneous transactions	—	—	—	711	—	—	—	—

SUMMARY TABLE (Goods, services and gold ⁽¹⁾ ⁽²⁾).

	Francs of the 1928 parity (000,000's)				
	Merchan- dise	Interest and dividends ⁽¹⁾	Other services	Gold	Total
1927 Balance	+ 108	+ 12,222 ⁽²⁾		+ 525	+ 12,855
1928 Balance	— 3,299	+ 15,804 ⁽²⁾		— 6,473	+ 6,032
1929 Balance	— 11,107	+ 19,193 ⁽²⁾		— 8,589	— 503
1930 Balance	— 12,913	+ 18,074 ⁽²⁾		— 11,729	— 6,568
1931 Balance	— 13,250	+ 11,570 ⁽²⁾		— 18,504	— 20,184
1932 Balance	— 10,088	+ 1,163	+ 4,000	— 18,489	— 23,414
1933 Balance	— 8,998	+ 1,850	+ 4,300	+ 2,070	— 778
1934 Balance	— 6,739	+ 2,500	+ 3,100	— 1,470	— 2,609
1935 Credit	10,685	4,050	2,350	27,426	44,511
Debit	16,630	450	750	12,502	30,332
Balance	— 5,945	+ 3,600	+ 1,600	+ 14,924	+ 14,179
1936 Credit	9,401	4,452	2,310	27,153	43,316
Debit	17,689	629	669	6,512	25,499
Balance	— 8,288	+ 3,823	+ 1,641	+ 20,641	+ 17,817
1937 Credit	10,297	4,625	2,780	6,500	24,202
Debit	20,350	700	650	—	21,700
Balance	— 10,053	+ 3,925	+ 2,130	+ 6,500	+ 2,502

As the capital movement is only incompletely known, no totals have been given for the capital items specified in the detailed table. The surplus (or deficit) calculated on account of goods, services and gold does not correspond closely to the export (or import) of capital during each year, for, in certain cases, the amounts received and paid in the regular amortisation of debts have not been entered as a capital item but have been grouped with interest payments. This is true of the payments for the service of French Government debt (Goods, services and gold, item 4) in all the years and of other debt service payments, inward and outward, at least from 1935 inclusive (it is not quite clear to what extent this practice has been followed in earlier years).

(1) Including certain amounts of regular amortisation payments.

(2) Including reparation receipts.

According to the above tables, transactions in goods and services during 1937 resulted in a debit balance of 3,998 million francs of the 1928 parity, whereas there was a net export of gold of 6,500 million francs. There would thus have been a net export of capital of 2,502 million francs. The few capital items recorded in the table, however, resulted in an inflow of capital of 2,254 million francs. If the figures are correct, the capital movements not accounted for in the table would be responsible for a net outflow of 4,756 million francs.

Goods, services and gold.

Merchandise. The trade in silver and other coin is not recorded in French trade returns after September 1936. Thus, the figures shown against item 1 for 1937 — as well as those for the last quarter of 1936 included in the totals for that year — refer to merchandise proper.

Interest and dividends. The income from foreign securities held by French nationals (item 5a) is estimated to have risen in 1937 on account of the higher dividend rates and the increase in French assets abroad due to the capital exports in 1936 and 1937. A large part of the funds recently exported is, however, deposited on accounts bearing no, or very little, interest; moreover, receipts in 1938 were adversely affected by the increase in the income-tax on securities in the United Kingdom and Switzerland and the introduction in the United States of a 10 % tax on coupons paid to foreigners. Net receipts are estimated at 4,200 million francs (of the 1928 parity), or about 5 % more than in 1936.

The income derived by foreigners living permanently in France (item 5b) is estimated to have increased in the same proportion.

Interest payments abroad, when expressed in francs of 1928, were only slightly higher than in 1936. The floating public debt increased slightly at the beginning of the year on account of the issue of railway bills in belgas. A loan of £40 million raised in London at the beginning of the year by the French Railways was repaid before the end of the year. Other new loans in 1937 were in most cases raised at the end of the year, and accordingly involved no interest payment. The total service of the external debt in 1937 is given at 700 million francs (items 4-6, debit).

It is pointed out that this calculation of outward interest payments is open to doubt, as it is not known to what extent French bonds issued abroad are held by French nationals.

Shipping (item 7). The total weight of goods loaded and unloaded in French ports in 1937 was about 48 million tons, of which one-third, or 16 million tons, is estimated to have been carried by French ships. From this figure, the weight of the goods in the trade between France and her oversea territories, estimated at 11 million tons, has to be deducted, while that of goods carried by French ships in the trade of those territories with foreign countries, estimated at $1\frac{1}{2}$ million tons, has to be added. The weight of all goods carried by French ships in the trade of France and her oversea territories with foreign countries is thus calculated at $6\frac{1}{2}$ million tons. The average freight-rate index in sterling in 1937 was 50 % higher than in 1936; the freight rate per ton, which was about 160 francs in 1936, is therefore believed to have amounted to 240 francs (of 1928) in 1937. The total shipping income would thus have amounted to 1,560 million francs.

This amount, however, seemed excessive to the authors, when compared with estimates of the shipping income of such countries as the United Kingdom and Norway based on more accurate and complete information. For both these countries, the estimated income in 1937 is close to £7½ per register ton. By applying this rate to

the figure of 1.7 million register tons representing French ships engaged in traffic with foreign countries, the total income would be £12.75 million, or not far from 1,000 million gold francs. Allowing for the high number of foreign vessels calling at French ports and the resulting higher port receipts, the authors put the total shipping income at 1,200 million francs.

Revenue from transit (item 8). The incomplete information available suggests that the quantity of goods conveyed in transit has not increased recently. Since tariffs are expressed in gold francs, the receipts were assumed to have been stable in terms of such francs.

Insurance (item 9). The revenue from abroad on account of reinsurance is estimated at 20 million francs in 1937. The receipts obtained from the insurance in France of goods entering into the trade of France and her oversea territories with foreign countries, estimated as in 1936 at 2 ‰ of the value of the goods, amounted to about 60 million francs.

Foreign workers (item 10). The wages paid in France in 1937 were higher than in 1936, but prices increased correspondingly, and the available data concerning banking and postal transfers seem to indicate that the sums sent abroad by foreign workers living in France decreased, when expressed in francs of 1928. On the other hand, larger sums were taken out of the country by frontier labourers working in France.

Tourists' expenditure (item 11). Detailed statistics of tourist traffic in 1937 are not published, but the information available concerning the number of foreigners staying in the hotels and boarding-houses of Paris and the proceeds from visitors' tax paid in the principal tourist centres are believed to indicate that the number of foreign visitors to Paris was twice as large as in 1936, while the remainder of the country attracted about 20 % more foreign visitors than in that year. The increase is attributed partly to the depreciation of the franc and partly to the Paris International Exhibition. The *Commissariat au Tourisme* estimates the number of foreign visitors to France in 1937 at 1,100,000 (as against 600,000 in 1936), of whom 787,574 were holders of the identity cards issued in connection with the exhibition. The amount of travellers' cheques cashed in France in 1937 was 53 % higher in gold value than in 1936. Taking this rate as a basis, the authors estimate the expenditure of foreign visitors during the year, after deduction of the expenditure of French tourists abroad, at 1,300 million francs of 1928, or 2,150 million current francs.

Gold. The trade in gold — like that in other coin — is not recorded in French trade returns after September 1936. The figure employed by the authors and shown against items 12-14 is an estimate by M. Frédéric Jenny.

Capital items.

Details of the recorded capital transactions are given below. They do not include the loan of £40 million raised by the French Railways in London and repaid with a considerable exchange premium before the end of the year.

Francs of the 1928
parity (000,000's)

Item 1 : Amortisation payments (debit item) :

Repayment in gold dollars of the balance of the 5½% French Government Loan 1917-1937 (\$2.11 million, of which at least three-quarters are believed to be repatriated)	15
Repayment (in July) of the balance of the Kuhlmann Loan (1,203,500 Swiss francs)	4
Repayment (in September) of the loan of the Union d'Electricité (22 million Swiss francs)	76
Total	95

Item 2 : New capital issues (credit item) :

Railway bills issued abroad :	
early in the year, about 200 million Belgian francs	100
in October, 200 million Swiss francs (2 years)	696
in December, 100 million gulden	842
Total	1,638

Item 3 : Miscellaneous transactions (credit item) :

Repayment by the Bank of Spain of advances on bullion made by the Bank of France :	
in the first quarter of 1937, 158 million francs	115
on September 30th, 1,100 million francs	570
Payment (in October) by the Swiss Federal Railways to the P.L.M. Railway Co. (6,664,000 Swiss francs)	26
Total	711

The changes in the Bank of France's floating assets in foreign currency have been omitted from the statements recently published in the *Revue d'économie politique*. These assets are recorded at 1,318 million francs at the end of 1935, 1,455 million at the end of 1936, and 889 million at the end of 1937. The movement is not due, however, to business transactions alone, as the assets have been revalued to allow for the fall in the exchange value of the franc.

Official estimates of the tourists' expenditure.

Measures have been taken with a view to the establishment of French tourist statistics based on much more reliable information than that hitherto available.

In the absence of such information, the private estimates of the expenditure of foreign visitors contained in the balance of payments accounts published in the *Revue d'économie politique* cannot claim a high degree of exactitude. According to a statement of the Tourist Commissioner-General of the French Ministry of Public Works, the estimates for the years 1925-1934 can only be accepted with reserve, and those for later years, although nearer to reality, only afford an approximation to the facts.

Without claiming absolute exactitude, the Tourist Commissioner-General estimates the expenditure of foreign tourists in France, after deduction of that of French tourists abroad, in 1935 at 750 million francs of the 1928 parity, in 1936 at 1,200 million francs (depreciated francs of 1936), and in 1937 at 3,750 million francs (at the rate of 25.15 francs to the dollar).

GERMANY

In the absence of a complete statement of the balance of payments of Germany in 1937, figures relating to certain items, derived from official German publications⁽¹⁾, are reproduced below together with the corresponding data for 1936 and the more complete estimates for 1934 and 1935 which appeared in last year's edition of this publication.

Goods, services and gold.

Items	Reichsmarks (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise, as recorded . . .	4,184	4,284	4,774	5,911	4,476	4,168	4,238	5,468
2. Adjustment of item 1 :								
(a) sales and purchases of ships	1	1			—	—		
(b) high-seas fishing	2	1	1	—	—	—	—	—
(c) improvement trade	69	61	73		78	65	72	
II. Interest and dividends.								
3. Interest and dividends	125	100			(²) 750	(²) 650		
III. Other services.								
4. Shipping income :								
(a) ocean freights	319	341	410	550	—	—	—	—
(b) charter money, salvage money, etc. ⁽³⁾	15	7	12	19	—	—	—	—
(c) passage money ⁽³⁾	56	64	73	78	—	—	—	—
5. Port expenditure	22	22	23	26	193	202	215	261
6. Railway transit and inland water freight	100	90			27	30		
7. Insurance	—	40			(⁴) 20	60		
8. Post, telegraph and telephone .	—	(⁴) 1			(⁴) 1	—		
9. Emigrants' funds	—	—			120	100		
10. Tourists' expenditure	328	320			120	125		
11. Diplomatic and similar expendi- ture	(⁵) 30	(⁵) 30			32	30		
Carried forward	5,251	5,362			5,817	5,430		

(1) Trade returns, *Wirtschaft und Statistik, Verwaltungsbericht der Reichsbank für das Jahr 1937*.

(2) The debt service payments shown for 1934 and 1935 include "payments on account of political debt" and non-transferred debt service payments, offset by capital imports entered on the credit side of the capital account (see the explanatory notes).

(3) Receipts from foreigners only.

(4) Net.

(5) Including certain other items, such as emigrants' remittances, commissions, etc.

Items	Reichsmarks (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward . .	5,251	5,362			5,817	5,430		
12. Other items:								
(a) trade in electric power .	2	2			17	17		
(b) royalties	16	22			29	39		
IV. Gold.								
13. Gold coin and bullion, as recorded	483	36	97	158	258	142	92	149
14. Movement of the gold deposits of the Reichsbank abroad .	22	1	—	6	—	—	6	—
Total	5,774	5,423			6,121	5,628		
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . .	— 594	— 100						
(b) gold	+ 247	— 105						
(c) goods, services and gold.	— 347	— 205						

Capital items.

Items	Reichsmarks (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Movement of securities and long- term credits	—	67			200	100		
II. Short-term operations.								
2. Decrease in the foreign exchange holdings of the Reichsbank .	117	33			—	—		
3. Other known movements of short-term credits	1,310	770			800	510		
III. Undefinable capital move- ment.								
4. Undefinable net export of capi- tal ⁽¹⁾	—	—			80	55		
Total	1,427	870			1,080	665		
Net inward (+) movement of capital	+ 347	+ 205						

(1) The figures entered against this item are not based on direct evidence (*cf.* next page).

SUMMARY TABLE

	Reichsmarks (000,000's)									
	Goods, services and gold					Capital items				All items
	Mer- chandise	Interest and di- vidends	Other services	Gold	Total	Long- term	Short- term	Undefin- able	Total	
1924 Balance . .	- 1,848	+ 159	- 12	- 253	- 1,954	+ 1,000	+ 541	+ 413	+ 1,954	—
1925 Balance . .	- 2,362	— 6	- 636	- 519	- 3,523	+ 1,214	+ 605	+ 1,704	+ 3,523	—
1926 Balance . .	+ 817	- 173	- 742	- 641	- 739	+ 1,454	+ 201	- 916	+ 739	—
1927 Balance . .	- 2,890	- 345	- 1,018	- 99	- 4,352	+ 1,778	+ 2,264	+ 310	+ 4,352	—
1928 Balance . .	- 1,250	- 563	- 1,323	- 922	- 4,058	+ 1,788	+ 1,270	+ 1,000	+ 4,058	—
1929 Balance . .	+ 31	- 800	- 1,630	+ 376	- 2,023	+ 660	+ 484	+ 879	+ 2,023	—
1930 Balance . .	+ 1,644	- 1,000	- 1,173	- 13	- 542	+ 1,119	+ 169	+ 746	+ 542	—
1931 Balance . .	+ 2,858	- 1,200	- 543	+ 1,151	+ 2,266	+ 180	+ 904	- 3,350	- 2,266	—
1932 Balance . .	+ 1,054	- 900	+ 98	+ 182	+ 434	+ 14	- 684	+ 236	- 434	—
1933 Credit . . .	4,980	150	740	798	6,668	200	632	228	1,060	7,728
Debit . . .	4,319	850	584	365	6,118	250	1,360	—	1,610	7,728
Balance . .	+ 661	- 700	+ 156	+ 433	+ 550	- 50	- 728	+ 228	- 550	—
1934 Credit . . .	4,256	125	888	505	5,774	—	(1,427)	—	(1,427)	7,201
Debit . . .	4,554	(750)	559	258	(6,121)	200	800	80	1,080	7,201
Balance . .	- 298	(-625)	+ 329	+ 247	(-347)	- 200	(+ 627)	- 80	(+ 347)	—
1935 Credit . . .	4,347	100	939	37	5,423	67	(803)	—	(870)	6,293
Debit . . .	4,233	(650)	603	142	(5,628)	100	510	55	665	6,293
Balance . .	+ 114	(-550)	+ 336	- 105	(-205)	- 33	(+ 293)	- 55	(+ 205)	—

The figures for outward interest and dividend payments in 1934 and 1935 include non-transferred interest payments, offset by an increase in German debts accounted for on the credit side of capital item 3. The inclusion on both sides of the account of amounts due from a country but re-invested there is in accordance with the principles applied in the accounts for several countries in this volume. But a distinction requires to be drawn between cases in which the re-investment is voluntary and those in which the option to transfer is not open to the creditors. For this reason, the amounts concerned have been entered in brackets in the Summary Table.

In the above tables, as in previous editions of this publication, the differences which are due to unavoidable errors and omissions in the account (up to 1935 inclusive) have been included with the capital items under the heading "Undefinable capital movement" (1). The amounts shown against the heading mentioned are, therefore, simply book-keeping entries, by means of which the balances of the capital items have been adjusted to those on account of goods, services and gold. They include allowances for errors and omissions in the whole account. Certain of these omissions relate in fact to the account for goods, services and gold — such, for instance, as emigrants' funds and profits of middlemen. Of the capital items, those relating to the sale of existing securities and to the changes in the short-term indebtedness are believed to be incomplete.

The service of the Dawes Loan and two-thirds of the service of the Young Loan up to 1933 inclusive are entered, together with reparations proper, in the group "Other services". From 1934 inclusive, all "payments on account of political debt" are included with outward interest payments (item 3).

(1) In the original statements, the amounts in question are shown, up to 1932 inclusive, as "Nicht aufgliederbare Kapitalbewegung (als Saldo errechnet)" and for 1933-1935 as "Ungeklärter Rest".

While the freight income shown under item 4a includes receipts from German nationals (in accordance with principles applied elsewhere in this volume), the remaining shipping income, entered against items 4b and c, represents receipts from foreigners only. The corresponding income earned from German nationals was as follows in 1936 and 1937 :

	Reichsmarks (000,000's)	
	1936	1937
Charter money, salvage money, etc.	18	26
Passage money	38	41

The balances of the recorded imports and exports of gold (item 13) may be subdivided as follows :

	Reichsmarks (000,000's)			
	1934	1935	1936	1937
(i) gold transactions of the Reichsbank	+ 285	— 4	+ 22	— 10
(ii) other trade in gold (net)	— 60	— 102	— 17	+ 19
Total	+ 225	— 106	+ 5	+ 9

International indebtedness.

The information supplied in previous issues of this publication with reference to the foreign indebtedness of Germany may be supplemented by the following data, derived from various official or semi-official statistics.⁽¹⁾

Summary table. The following table shows the movement of loans, credits and other investments of foreigners in Germany. Amounts due by debtors whose external debt is less than 5,000 marks are excluded (in 1934, the amount of the debts in this category was estimated at about 100 million marks). The figures given in the last column represent foreign investments in Germany in the form of shares of German undertakings, landed properties, participation in German branches of foreign undertakings, etc., and German bonds issued in Germany but belonging to foreigners.

Date	Reichsmarks (000,000,000's)					
	Loans and credits					Other foreign investments (estimate)
	Long-term	Short-term			Total	
		Standstill credits	Other	Total		
Middle of 1930.	10.8	—	16.0	16.0	26.8	.
July 31st, 1931	10.7	6.3	6.8	13.1	23.8	5.9
November 30th, 1931	10.7	5.4	5.2	10.6	21.3	5.3
February 29th, 1932	10.5	5.0	5.1	10.1	20.6	5.3
September 30th, 1932	10.2	4.3	5.0	9.3	19.5	4.3-5.3
February 28th, 1933	10.3	4.1	4.6	8.7	19.0	(^a) 4.2
September 30th, 1933	7.4	3.0	4.4	7.4	14.8	(^a) 4.2
February 28th, 1934	7.2	2.6	4.1	6.7	13.9	(^a) 4.2
February 28th, 1935	6.4	2.1	4.6	6.7	13.1	.
February 29th, 1936	6.1	1.7	4.6	6.3	12.4	.
February 28th, 1937	5.4	1.2	4.2	5.4	10.8	.
February 28th, 1938	5.0	0.9	4.1	5.0	10.0	.

(*) Of which direct investments, 4.0, and national bonds held by foreigners, 0.2.

(1) The main sources employed are : *Statistisches Jahrbuch für das Deutsche Reich, 1937* ; *Bank for International Settlements, Seventh Annual Report* ; *Germany's economic situation at the turn of 1937/38* and *Germany's economic development during the first half of the year 1938* (Reports presented by the Reichs-Kredit-Gesellschaft, A.-G., Berlin) ; *Die Bank* (various numbers) ; *Frankfurter Zeitung*.

By short-term credits are meant credits falling due within one year of the date of the census (irrespective of the original term of the credits).

It is pointed out that the figures are higher than the reality, since they include German securities issued abroad but held by Germans without the knowledge of the debtor.

Between the middle of 1930 and the beginning of 1937, Germany's external debt in the form of loans and credits was reduced by 16 milliard Reichsmarks, of which about 10 milliard on account of repurchases and redemption and 6 milliard on account of the depreciation of the currencies in which the loans were expressed. Transfers in respect of the service of the German debt amounted to approximately 250 million Reichsmarks in each of the last three years, effected chiefly under various clearing and payment agreements. The amount that should have been paid annually under the loan contracts was, it is stated, about 600-700 million Reichsmarks (interest, 450-500 million, amortisation, 150-200 million).

Long-term debts. The following table shows the amounts of certain categories of long-term debts outstanding at the end of the years 1932-1936 :

	Reichsmarks (000,000's)				
	1932	1933	1934	1935	1936
Reich loans (*)	2,590	2,517	1,990	1,942	1,456
Loans of States	472	449	270	258	237
Municipal loans	471	446	252	244	231
Loans of public enterprises	1,285	989	467	432	336
Loans of other public bodies	200	193	175	169	125
Municipal bonds	203	193	126	105	99
Industrial bonds	1,888	1,614	888	804	570
Mortgage bonds	852	701	353	295	265
Total	7,961	7,102	4,521	4,249	3,319

(*) The amount outstanding at the end of 1937 was 1,359 million Reichsmarks.

Scrip and funding bonds. In consequence of the moratorium on transfers affecting the service of German foreign loans, part of the interest not transferred in cash is settled by the delivery to creditors of scrip or funding bonds issued by the Conversion Office for German Foreign Debts. The following figures are available for the outstanding amount of those obligations, which represent a new foreign indebtedness :

End of	Reichsmarks (000,000's)											
	Scrip	Funding bonds expressed in										
		£ 4 %	Swiss francs 4 %	Gulden 4 %	Swedish kronor 4 %	Reichs- marks 3 %	Gulden 3 %	Swiss francs 3 %	French francs 3 %	U.S. \$ 3 %	Can. \$ 3 %	Total
December 1934 .	20.31	—	—	—	—	—	—	—	—	—	—	—
December 1935 .	25.20	34.90	25.87	0.69	—	—	—	—	—	—	—	61.46
December 1936 .	16.88	63.95	70.25	5.77	9.15	18.41	0.19	0.04	—	—	—	167.76
September 1937.	14.08	85.13	69.93	6.24	16.15	36.44	1.79	1.13	0.22	63.97	0.11	281.11
December 1937 .	13.09	90.27	.	.	16.98	37.90	.	.	.	77.88	.	.
July 1938 . . .	11.84	108.22	67.62	6.07	21.26	59.05	4.03	.	.	89.09	.	.

Standstill credits. The amounts shown in the column headed " Standstill credits " in the summary table represent the total of the credits to which the

standstill agreements apply; the amounts of these credits actually utilized are slightly smaller:

Date	Reichsmarks (000,000's)	
	Total credits	Utilized credits
July 31st, 1931	6,300	
February 20th, 1932	5,040	
September 30th, 1932	4,300	4,028
February 28th, 1934	2,528	2,261
December 31st, 1934	2,007	1,734
February 28th, 1935	1,961	1,696
December 31st, 1935	1,604	1,424
February 29th, 1936	1,567	
February 28th, 1937	1,165	1,041
September 30th, 1937	1,010	941
December 31st, 1937	893	815

Between the entry into force of the first standstill agreement in 1931 and the end of 1937, the German foreign debt in respect of standstill credits was reduced by about 5.4 milliard Reichsmarks. Part of this sum was settled in registered marks, cashed at a loss to the creditors. From March 1st, 1933, when the registered mark was introduced, to September 30th, 1937, the amount of registered marks derived from the liquidation of blocked credits was 2,064 million Reichsmarks, distributed between various periods as follows:

	Reichsmarks (000,000's)
1. III. 33-28. II. 34	547
1. III. 34-28. II. 35	507
1. III. 35-31. XII. 35	362
1. I. 36-28. II. 37.	439
1. III. 37-30. IX. 37	(*) 209

(*) Of which 183 for travel, and 26 for investments in Germany, financing of additional exports and other purposes.

Other short-term debts. German net liabilities on clearing accounts fell from 500 million Reichsmarks in April 1935 to about 250 million Reichsmarks at the beginning of 1938.

Distribution by creditor countries, etc. The following table shows the distribution by creditor countries and by nature of debt of the foreign loans and credits outstanding on February 28th, 1935 (in million Reichsmarks) ⁽¹⁾:

(1) Corresponding data for September 30th, 1933, are contained in the 1933 edition of this publication (Ser. L.o.N. P.1934.II.A.19), and for February 28th, 1934, in the *Statistisches Jahrbuch für das Deutsche Reich, 1936*.

Long-term debts					Short-term debts					
	Debtors					Debtors				
	Central and local governments	Banks	Other debtors ^(a)	Total		Central and local governments	Konversions- u. Verrechnungs-Kasse, etc.	Banks	Other debtors ^(a)	Total
By creditor countries :					By creditor countries :					
U.S.A.	713	327	1,240	2,280	U.S.A.	260	143	454	405	1,262
U.K.	346	63	305	714	U.K.	44	27	490	341	902
France	407	24	48	479	France	17	100	132	134	383
Netherlands	497	148	808	1,453	Netherlands	21	145	153	892	1,211
Switzerland	221	87	787	1,095	Switzerland	34	48	379	808	1,269
Belgium	32	3	15	50	Belgium	1	60	28	50	139
Italy	38	—	32	70	Italy	2	24	13	40	79
Sweden	73	11	14	98	Czechoslovakia	3	46	39	85	173
Other countries	3	25	173	201	Denmark	—	16	11	24	51
					Sweden	8	23	17	51	99
					Other countries	2	146	242	477	867
					Bank for International Settlements	—	248	—	—	248
Total	2,330	688	3,422	6,440	Total	392	1,026	1,958	3,307	6,683
By nature of debt :					By nature of debt :					
Loans	2,241	493	1,847	4,581	Reimbursement credits and other bank acceptances	—	—	812	204	1,016
Mortgages	15	27	603	645	Booked debts on merchandise	—	—	—	815	815
Other debts :					Acceptances and sola bills	3	—	9	44	56
to banks	42	122	481	645	Loans	79	—	32	117	228
other	32	46	491	569	Mortgages	—	—	6	114	120
					Other debts	310	1,026	1,099	2,013	4,448
Total	2,330	688	3,422	6,440	Total	392	1,026	1,958	3,307	6,683

(a) Mainly industry, commerce, transport and agriculture.

GREECE

A statement of the balance of payments of Greece in 1937 has been supplied by the Government of that country. The statement, which has been published by the Bank of Greece ⁽¹⁾ is reproduced below after a slight rearrangement of the items, together with the data for 1934-1936 that were given last year.

The total amounts paid for service of the public debt are entered under "Interest and dividends" (item 3). In view of the suspension of amortisation payments since 1932, only the balances given in the Summary Table for the years 1929-1931 are affected by the inadequate classification of such payments.

The figures are, it is stated, "of only very approximate accuracy".

Goods and services.

Items	Swiss gold francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise	156.7	203.0	207.3	269.0	251.8	305.3	334.4	417.4
2. Purchase of ships	—	—	—	—	—	—	—	45.0
II. Interest and dividends.								
3. Service of public debt ⁽²⁾	5.1	10.2	11.8	11.3	37.7	18.9	34.2	22.5
4. Interest and dividends on foreign investments in Greece	—	—	—	—	25.0	17.0	16.0	16.0
5. Interest received on account of the short-term foreign assets of :								
(a) the Bank of Greece	0.1	0.1	0.1	0.9	—	—	—	—
(b) other banks	0.4	0.5	0.5		—	—	—	—
6. Interest and dividends on account of Greek investments abroad . . .	30.0	35.0	30.0	26.5	—	—	—	—
III. Other services.								
7. Shipping income (net)	25.0	22.7	26.7	25.0	—	—	—	—
8. Insurance premiums	—	—	—	—	1.0	1.0	1.2	1.0
9. Emigrants' remittances	45.5	32.3	55.4	91.2	—	—	—	—
10. Tourists' expenditure ⁽³⁾	30.0	20.0	20.5	23.5	6.8	10.3	8.5	11.1
11. Government receipts and expenditure	4.4	6.0	3.7	5.4	6.6	12.6	51.1	24.4
Total	297.2	329.8	356.0	452.8	328.9	365.1	445.4	537.4
Deficit (—) on account of goods and services	—31.7	—35.3	—89.4	—84.6				

(1) Cf. *The Economic Situation in Greece and the Bank of Greece in 1937*. Report read by M. E. J. Tsouderos, Governor of the Bank of Greece, before the general meeting of shareholders held on February 26th, 1938.

(2) The credit figures represent the portion of the debt service which was paid in Greece on account of Government bonds issued abroad but subsequently repatriated.

(3) The debit figures include subsistence and sickness allowances, etc.

Capital items and gold.

Items	Swiss gold francs (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
1. Repurchase of national securities. .	—	—	—	—	2.5	—	—	—
2. Change in the gold and foreign currency reserve of the Bank of Greece	—	21.8	21.4	—	1.7	—	—	9.2
3. Change in the foreign currency holdings of the banks	10.0	—	0.4	6.0	—	4.0	—	—
4. "Banking credits"	0.9	—	—	—	—	1.6	0.4	—
5. Repayments of deposits and other loans in foreign currency	—	—	—	—	—	—	7.9	6.0
6. Repayment of old commercial debts	—	—	—	—	21.3	5.0	2.9	3.0
7. "Repatriation of Greek capital" .	23.0	—	—	—	—	—	—	—
8. Change in the balances in clearing accounts	23.3	—	—	19.8	—	3.2	4.0	—
9. Reduction in the foreign assets of ship-owners, and loans floated by them	—	—	—	45.0	—	—	—	—
10. Unspecified movement of funds . .	—	27.3	82.8	32.0	—	—	—	—
Total	57.2	49.1	104.6	102.8	25.5	13.8	15.2	18.2
Net inward (+) movement of capital .	+ 31.7	+ 35.3	+ 89.4	+ 84.6				

SUMMARY TABLE.

		Swiss gold francs (000,000's)						
		Goods and services				Capital items and gold	All items	
		Merchandise	Interest and dividends	Other services	Total			
1929	Balance . .	— 420.8	+ 38.3 ⁽¹⁾	+ 151.2	— 231.3	+ 231.3 ⁽²⁾	—	
1930	Balance . .	— 331.7	+ 2.8 ⁽¹⁾	+ 151.2	— 177.7	+ 177.7 ⁽²⁾	—	
1931	Balance . .	— 308.4	— 81.4 ⁽¹⁾	+ 199.0	— 190.8	+ 190.8 ⁽²⁾	—	
1932	Balance . .	— 157.0	+ 15.6	+ 81.5	— 59.9	+ 59.9	—	
1933	Balance . .	— 88.6	— 21.7	+ 126.0	+ 15.7	— 15.7	—	
1934	Balance . .	— 95.1	— 27.1	+ 90.5	— 31.7	+ 31.7	—	
1935	Credit . . .	203.0	45.8	81.0	329.8	49.1	378.9	
	Debit . . .	305.3	35.9	23.9	365.1	13.8	378.9	
	Balance . .	— 102.3	+ 9.9	+ 57.1	— 35.3	+ 35.3	—	
1936	Credit . . .	207.3	42.4	106.3	356.0	104.6	460.6	
	Debit . . .	334.4	50.2	60.8	445.4	15.2	460.6	
	Balance . .	— 127.1	— 7.8	+ 45.5	— 89.4	+ 89.4	—	
1937	Credit . . .	269.0	38.7	145.1	452.8	102.8	555.6	
	Debit . . .	462.4	38.5	36.5	537.4	18.2	555.6	
	Balance . .	— 193.4	+ 0.2	+ 108.6	— 84.6	+ 84.6	—	

(1) Including amortisation of the Government debt.

(2) Excluding amortisation of the Government debt.

The fact that a perfect balance is struck in the above table should not be taken as a proof that the figures are rigidly correct, for in each year one of the items in the table is interpolated as a balancing account and includes, therefore, allowances for possible errors in the other items. The balancing item would appear to be, in the years 1929-1931, item 6 of the account for goods and services (interest on account of Greek investments abroad), in 1932, a capital item ("Unascertained foreign assistance") not shown in the above tables, in 1933 and 1934, either the former of the two items now mentioned or capital item 7 (repatriation of Greek capital), and in 1935, 1936 and 1937, capital item 10, which is described as "Other resources incapable of exact estimation — *e.g.*, remittances from emigrants otherwise than through banks, decrease of the *Devisen* reserve funds of private persons, inflow of capital funds, etc."

Goods and services.

Purchase of ships. It will be noted that the amount entered against item 2 as purchase of ships in 1937 is offset by a reduction in the foreign assets of ship-owners and by loans floated by them, as shown in capital item 9.

Service of the public debt. The amounts entered against item 3 for the years 1934-1937 represent the instalments paid in each year on the interest due on public debts. These instalments were 30%, 27 ½% and 35% respectively in the financial years 1932-33 to 1934-35; thereafter an instalment of 40% has been paid in each year.

Shipping income. According to the Bank of Greece, the gross and net earnings on account of shipping in foreign traffic in the last few years are estimated to have been as follows :

	£ (000's) sterling					
	1932	1933	1934	1935	1936	1937
Gross earnings	4,702	6,181	8,026	7,749	8,823	(*) 12,400-13,200
Estimated amount remaining within Greece in the form of wages, taxes, net profits, etc.	1,260	1,115	1,600	1,500	1,750	2,738

(*) The gross earnings are estimated to have been 40-50% higher than in 1936.

The equivalents in gold francs of the last-mentioned amounts have been entered against item 7.

HUNGARY

Last year's edition of this publication contained estimates of the balance of payments of Hungary in the years 1930-1932 and 1935. Figures for 1933 and 1934, which were then not available, have now been published in the *Revue hongroise de statistique* ⁽¹⁾ and are reproduced below together with the statements for 1932 and 1935. Certain of the figures for those last years have been revised.

Goods, services and gold.

Items	Pengö (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
I. <i>Merchandise.</i>								
1. Merchandise, as recorded	334.7	391.9	404.8	451.9	328.8	313.3	345.2	403.6
2. Adjustment on account of:								
(a) passive improvement trade . .	11.4	3.0	2.1	2.2	16.0	5.6	3.0	2.8
(b) passive repair trade	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2
(c) exchange differences, etc. . . .	— 2.9	— 20.8	— 27.6	— 26.8	7.0	— 10.8	— 17.4	— 29.0
II. <i>Interest and dividends.</i>								
3. Interest and dividends received and paid	0.6	1.0	1.2	—	19.1 ⁽²⁾	28.8 ⁽²⁾	42.0	27.5
III. <i>Other services.</i>								
4. Freights, port fees, railway transit and wagon hire	21.0	12.5	11.6	11.6	4.7	0.4	—	0.4
5. Insurance and commissions	—	—	—	1.5	—	—	—	1.5
6. Post, telegraph and telephone . . .	0.9	2.4	2.4	1.7	2.1	1.4	1.4	1.8
7. Emigrants' funds	—	—	—	—	0.7	0.3	0.2	0.3
8. Emigrants' remittances	7.1	5.4	4.6	3.6	—	—	—	—
9. Tourists' expenditure	21.6	17.9	19.8	19.6	32.4	37.4	33.1	25.2
10. Diplomatic and similar expenditure .	2.3	3.1	2.5	2.2	5.1	4.8	3.3	5.1
11. Other Government receipts and expenditure . . . . .	.	2.0	2.0	2.0	1.9	1.6	1.6	1.4
12. Other services . . . . .	.	2.9	2.9	2.8	.	4.3	4.1	3.9
IV. <i>Gold.</i>								
13. Gold coin and bullion	0.1	0.1	0.1	—	3.6	7.5	0.7	0.4
14. Adjustment of item 13	—	— 0.1	—	—	—	— 1.7	— 0.2	— 0.1
Total	397.0	421.5	426.6	472.5	421.6	393.1	417.3	445.0
Surplus (+) or deficit (—) on account of:								
(a) goods and services	— 21.1	+ 34.2	+ 9.7	+ 27.8				
(b) gold	— 3.5	— 5.8	— 0.4	— 0.3				
(c) goods, services and gold . . .	— 24.6	+ 28.4	+ 9.3	+ 27.5				

(1) No. 4, April 1938 (in the study "*Revenu national, fortune nationale et balance des paiements*," by Dr. J. Szigeti).
(2) Including certain amortisation payments.

Capital items.

Items	Pengö (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Long-term operations.</i>								
1. Amortisation receipts and payments . . .	—	—	—	1.6	8.6	—	—	—
2. Purchases and sales of securities . . .	7.0	0.2	—	—	—	—	—	—
3. New long-term loans raised abroad . . .	3.0	—	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
4. Change in the gold and foreign assets reserve of the Hungarian National Bank	8.4	6.7	—	—	—	—	9.0	23.3
5. Change in other short-term assets and debts	—	—	—	3.5	3.2	6.4	7.0	30.1
Total	18.4	6.9	—	5.1	11.8	6.4	16.0	53.4
Net inward (+) or outward (—) movement of capital	+ 6.6	+ 0.5	— 16.0	— 48.3				

SUMMARY TABLE.

	Pengö (000,000's)								
	Goods, services and gold					Capital items			All items (³)
	Merchandise	Interest and dividends (¹)	Other services	Gold	Total	Long-term	Medium- & short-term (²)	Total	
1923 Balance	— 97.2	+ 5.1	+ 5.8	+ 6.8	— 79.5	+ 9.2	+ 5.2	+ 14.4	— 65.1
1924 Balance	— 147.9	— 16.0	+ 14.4	+ 0.6	— 148.9	— 14.9	+ 125.8	+ 110.9	— 38.0
(⁴) 1926 Balance	— 76.4	— 87.4	+ 17.1	— 1.2	— 147.9	+ 167.4	— 20.9	+ 146.5	— 1.4
1927 Balance	— 376.8	— 117.4	— 12.3	— 2.0	— 508.5	+ 277.9	+ 201.8	+ 479.7	— 28.8
1928 Balance	— 385.4	— 148.0	+ 15.8	— 5.0	— 522.6	+ 315.3	+ 187.1	+ 502.4	— 20.2
1929 Balance	— 44.2	— 162.2	— 6.0	— 4.4	— 216.8	+ 218.5	— 10.5	+ 208.0	— 8.8
1930 Balance	+ 72.5	— 187.1	— 4.6	— 8.0	— 127.2	— 43.2	+ 252.8	+ 209.6	+ 82.4
1931 Balance	+ 27.0	— 207.7	— 26.2	— 5.3	— 212.2	+ 19.5	+ 267.6	+ 287.1	+ 74.9
1932 Balance	— 8.6	— 18.5	+ 6.0	— 3.5	— 24.6	+ 1.4	+ 5.2	+ 6.6	— 18.0
1933 Credit	374.3	1.0	46.2	—	421.5	0.2	6.7	6.9	428.4
Debit	308.3	28.8	50.2	5.8	393.1	—	6.4	6.4	399.5
Balance	+ 66.0	— 27.8	— 4.0	— 5.8	+ 28.4	+ 0.2	+ 0.3	+ 0.5	+ 28.9
1934 Credit	379.5	1.2	45.8	0.1	426.6	—	—	—	426.6
Debit	331.1	42.0	43.7	0.5	417.3	—	16.0	16.0	433.3
Balance	+ 48.4	— 40.8	+ 2.1	— 0.4	+ 9.3	—	— 16.0	— 16.0	— 6.7
1935 Credit	427.5	—	45.0	—	472.5	1.6	3.5	5.1	477.6
Debit	377.6	27.5	39.6	0.3	445.0	—	53.4	53.4	498.4
Balance	+ 49.9	— 27.5	+ 5.4	— 0.3	+ 27.5	+ 1.6	— 49.9	— 48.3	— 20.8

(1) The debit figures for 1933 and 1934 include certain amortisation payments.

(2) Medium-term transactions before 1930 are grouped with long-term transactions.

(3) The balances in this column are due to errors and omissions.

(4) No information is available for 1925.

It will be noted that a perfect balance is not obtained. From the information available, it is not possible to state whether this is due to the inadequacy of the data relative to the credit or the debit items of the account or whether both totals require some adjustment. Were the information available complete, the accounts for each year would, of course, balance exactly.

Details concerning the manner in which the statements are compiled were given in the 1927-1929 and the 1936 editions of this publication. ⁽¹⁾

Balance of payments in 1936.

At the moment of sending this volume to be printed, the following statement of the balance of payments in 1936 was received from the Hungarian Government.

	Gold pengö (000,000's) Credit movement	Debit movement
<i>Goods, services and gold.</i>		
I. Merchandise	454.2	387.2
II. Interest and dividends	—	25.3
III. Other services :		
shipping and port fees ^(a)	—	—
railway and river transit, and wagon hire	17.4	0.5
insurance and commissions	1.2	0.5
post, telegraph and telephone	1.3	1.1
immigrants' and emigrants' funds	0.1	0.2
emigrants' remittances	5.9	—
tourists' and students' expenditure	21.7	32.6
diplomatic and similar expenditure	3.2	5.3
other Government receipts and expenditure	1.9	1.0
other items	17.4	5.5
IV. Gold	—	0.2
Total	524.3	459.4
Surplus on account of goods, services and gold	64.9	
<i>Capital items.</i>		
I. Long-term operations :		
amortisation payments	0.8	—
purchase of real estate and securities ^(b)	—	2.5
II. Short-term operations :		
short-term loans ^(c)	1.0	27.6
change in metallic reserve and assets of foreign exchange	—	29.3
Total	1.8	59.4
Net outward capital movement	57.6	

^(a) There is a credit entry against this item of 0.03. Receipts on account of river transit traffic are included under the following item.

^(b) Includes payments due to foreigners on account of inheritances and judicial liquidation.

^(c) Partly on account of "additional" merchandise exports and tourists' expenditure.

This statement shows a surplus on account of goods, services and gold of 64.9 million pengö, which is offset to the extent of 57.6 million by the recorded net outward movement of capital. There thus remains a final credit balance of the whole account of 7.3 million pengö, due to errors and omissions.

(1) S er. L.o.N. P. 1930.II.54^{II} and 1937.II.A.16.

INDIA

The following statement of the estimated balance of payments of India for the commercial year 1937-38 has been received from the Government of that country. The figures for the three preceding years published last year are also reproduced below. As Burma was separated from India on April 1st, 1937, the statement for 1937-38 refers to India alone, while those for earlier years refer to India and Burma jointly.

The commercial year ends March 31st.

Goods, services and gold.

Items	Rupees (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934-35	1935-36	1936-37	1937-38	1934-35	1935-36	1936-37	1937-38
I. Merchandise.								
1. Merchandise	1,606.7	1,701.3	2,055.4	1,950.2	1,432.5	1,454.8	1,436.3	1,838.6
2. Adjustments on account of :								
(a) land-frontier trade . . .	100.0	120.0	120.0	100.0	90.0	100.0	100.0	120.0
(b) wrong valuation	—	—	—	—	71.6	72.7	71.8	91.8
II. Interest and dividends.								
3. Interest and dividends on long-term capital	14.9	16.3	6.2	1.8	(1) 341.0	(1) 336.5	(1) 330.0	(1) 310.0
4. Interest on short-term capital .	1.0			6.5				
III. Other services.								
5. Port fees (rough estimate) . .	30.0	28.7	28.0	13.5	—	—	—	—
6. Commissions, insurance, brokerage	—	—	—	—	10.0	10.0	10.0	10.0
7. Post, telegraph	—	—	0.3	—	0.8	1.3	1.2	1.3
8. Tourists, diplomatic expenditure, etc. (net) (2)	—	—	—	—	40.0	40.0	40.0	40.0
9. Other Government receipts and expenditure	101.7	87.4	72.7	87.4	220.3	224.5	232.9	230.9
IV. Gold.								
10. Gold coin and bullion	532.6	383.1	294.5	178.9	7.2	9.5	16.1	15.6
Total	2,386.9	2,336.8	2,577.1	2,338.3	2,213.4	2,249.3	2,238.3	2,658.2
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 351.9	— 286.1	+ 60.4	— 483.2				
(b) gold	+ 525.4	+ 373.6	+ 278.4	+ 163.3				
(c) goods, services and gold .	+ 173.5	+ 87.5	+ 338.8	— 319.9				

(1) Of which on Government account, 189.1, 186.5, 177.1 and 166.8 during the four respective years.

(2) Including funds and remittances of emigrants and immigrants and certain other items.

Known capital items.

Items	Rupees (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934-35	1935-36	1936-37	1937-38	1934-35	1935-36	1936-37	1937-38
1. Amortisation of Government debts	—	—	—	—	23.5	24.3	25.1	26.0
2. Purchases and sales :								
(a) of domestic securities . . .	3.2	—	—	—	100.3	123.9	162.7	43.2
(b) of foreign securities	1.3	—	—	166.2	—	96.2	146.7	—
3. New Government and municipal capital issues	30.9	132.6	—	—	—	—	—	—
4. Other long-term investments . .	1.7	1.7	3.2	—	—	—	—	47.2
5. Net change in Government short-term assets abroad	—	—	—	—	105.6	(¹)	(¹)	(¹)
6. Change in cash balance of the Reserve Bank of India	—	—	—	3.2	—	11.0	2.3	—
Total	37.1	134.3	3.2	169.4	229.4	255.4	336.8	116.4
Net inward (+) or outward (—) movement of capital	— 192.3	— 121.1	— 333.6	+ 53.0				

SUMMARY TABLE.

		Rupees (000,000's)							
		Goods, services and gold					Known capital items		
		Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total
1923-24	Balance	+ 1,105.3	— 323.7	— 433.0	— 292.1	+ 56.5	+ 221.0	— 10.5	+ 210.5
1924-25	Balance	+ 1,176.6	— 317.8	— 333.7	— 738.8	— 213.7	— 122.5	— 0.3	— 122.8
1925-26	Balance	+ 1,190.5	— 289.9	— 364.8	— 348.6	+ 187.2	— 165.3	+ 3.3	— 162.0
1926-27	Balance	+ 351.0	— 297.8	— 347.2	— 194.0	— 488.0	+ 383.8	— 0.5	+ 383.3
1927-28	Balance	+ 513.4	— 314.4	— 347.0	— 181.0	— 329.0	+ 146.8	— 65.5	+ 81.3
1928-29	Balance	+ 665.0	— 324.7	— 312.2	— 212.0	— 183.9	+ 5.2	+ 7.1	+ 12.3
1929-30	Balance	+ 538.1	— 316.0	— 180.1	— 142.2	— 100.2	+ 133.2	+ 41.2	+ 174.4
1930-31	Balance	+ 371.3	— 335.8	— 159.1	— 127.6	— 251.2	+ 432.2	— 53.3	+ 378.9
1931-32	Balance	+ 222.6	— 347.6	— 179.4	+ 579.7	+ 275.3	+ 117.6	— 86.8	+ 30.8
1932-33	Balance	— 54.7	— 344.1	— 161.6	+ 655.2	+ 94.8	— 65.0	— 81.5	— 146.5
1933-34	Balance	+ 270.9	— 339.2	— 121.9	+ 570.5	+ 380.3	— 215.5	— 96.2	— 311.7
1934-35	Balance	+ 112.6	— 325.1	— 139.4	+ 525.4	+ 173.5	— 86.7	— 105.6	— 192.3
1935-36	Credit .	1,821.3	16.3	116.1	383.1	2,336.8	.	.	134.3
	Debit .	1,627.5	336.5	275.8	9.5	2,249.3	.	.	255.4
	Balance	+ 193.8	— 320.2	— 159.7	+ 373.6	+ 87.5	.	.	— 121.1
1936-37	Credit .	2,175.4	6.2	101.0	294.5	2,577.1	.	.	3.2
	Debit .	1,608.1	330.0	284.1	16.1	2,238.3	.	.	336.8
	Balance	+ 567.3	— 323.8	— 183.1	+ 278.4	+ 338.8	.	.	— 333.6
1937-38	Credit .	2,050.2	8.3	100.9	178.9	2,338.3	.	.	169.4
	Debit .	2,050.4	310.0	282.2	15.6	2,658.2	.	.	116.4
	Balance	— 0.2	— 301.7	— 181.3	+ 163.3	— 319.9	.	.	+ 53.0

(1) It appears that the amount in question has been included with item 2b.

(2) The balances in this column are due to unrecorded (private) capital transactions and possible errors and omissions in the account for goods, services and gold.

The recorded capital items would appear to represent only transactions effected by the Government and, from 1935-36 inclusive, by the Reserve Bank of India; the balance of all the items shown may thus be taken to represent private capital transactions and possible errors and omissions in the account for goods, services and gold.

The transactions in England have been converted into rupees at the average rates of the years in question, namely, 1s. 6 $\frac{1}{16}$ d. in 1934-35 and 1s. 6 $\frac{3}{32}$ d. in the following three years.

While the figures for merchandise and gold in 1937-38 refer to India exclusive of Burma, it would appear that in estimating certain other items of the account — for example, commissions, insurances and brokerage and tourists' expenditure, given as the same figure as in the preceding years — it has not been possible to make such adjustments as would have been required by the exclusion of Burma from the territory considered. Further, the statement appears to include the total amount of interest earned abroad by the Reserve Bank of India and the movement of the funds held abroad by that bank, which is responsible for the management of the currency of both India and Burma.

Goods, services and gold.

Merchandise. Item 1 includes, besides the recorded sea-borne trade of British India (that is, the territory directly under British administration), the recorded trade of the ports of the Indian (native) States of the Kathiawar region and (in 1937-38) Travancore. The movement of currency notes and of silver on behalf of the Government has not been taken into account. Direct imports of stores by the State railways under company management which, it is stated, are "not paid for in the ordinary way" have also been excluded.

As the trade returns give only the sea-borne trade, the estimated volume of the trade across the land frontiers has been added under item 2*a*. An allowance of 5% has also been made for undervaluation of imported merchandise.

Interest and dividends. The credit figures shown against item 3 represent interest on investment in sterling securities in London. Those entered against items 3 and 4 from 1935-36 inclusive comprise interest earned on the investments in England of the Reserve Bank of India and, in 1937-38, Rs. 1.5 million interest on investments of the Government. Item 4 represents the interest on investments of Government Treasury and reserve balances in British Treasury bills.

Other services. The figures entered on account of port receipts (item 5) are stated to be very rough estimates. The manner in which they are obtained was explained in the 1927-1929 issue of this publication.⁽¹⁾

A small debit sum should have been entered as outward payment for shipping services in each year on account of coasting trade in the hands of non-Indian shipping companies, but, as it proved impossible to frame an accurate estimate, an allowance has been made on this account in the sums entered against item 8.

The figures entered against item 9 represent Government receipts and expenditure in England. The inward payment for 1937-38 includes, however, Rs. 30.5 million received from the Government of Burma.

Capital items.

The debit figures given against item 1 represent payments on account of the capital portion of annuities created for the purchase of railways.

(1) Ser. L.o.N. P. 1930.II.54H.

The debit figures against item 2a are made up as follows :

	1933-34	Rupees (000,000's)			
		1934-35	1935-36	1936-37	1937-38
1. Value of Government rupee securities retransferred from London to India	1.1	—	5.6	1.8	1.1
2. Sinking Fund purchases on account of Government of India sterling loans	2.7	2.7	2.3	2.3	—
3. Repayment of 6% India Bonds, E. I. Railway 4 1/2% Debenture Stock and 5 1/2% India Stock 1936	167.7	0.1	116.0	158.6	—
4. Cost price of India stocks and bonds purchased but not cancelled	57.1	97.5	—	—	(*) 42.1

(*) These securities were purchased and cancelled during the year.

In addition to the amounts entered against item 3 in this table, bonds purchased in previous years were cancelled to the extent of £6.7 million in 1935-36 and £4.9 million in 1936-37.

Item 2b shows, for the year 1934-35, the difference between the amount invested by the Government of India in securities of the British Government at the beginning and at the end of the year, on account of the reserve balance in London. The amount entered against the same item for 1935-36 is stated to represent the difference between (i) the holdings of the Reserve Bank of India in England on April 3rd, 1936, and the balance of the Silver Redemption Reserve on March 31st, 1936, and (ii) the investment of the Gold Standard Reserve, the Paper Currency Reserve and the Home Treasury balances on March 31st, 1935. Those for 1936-37 and 1937-38 represent the changes which occurred in the course of these years in the holdings in England of the Reserve Bank of India and in the balance of the Silver Redemption Reserve.

Item 3 shows the net proceeds from loans floated in England and from the issue of India bills abroad.

The figures under item 4 on the credit side represent reduction in the deposits in provident funds in England. The debit figure for 1937-38 represents mainly the payment of certain provident fund balances held by the Government to a statutory body of Commissioners who will administer them in future.

The sum entered against item 5 for 1934-35 represents the difference between the balances of British Treasury bills held by the Government as part of the Treasury and reserve balances in London at the beginning and at the end of the year.

International indebtedness.

The foreign liabilities of the Government of India (including sterling loans, railway annuities, liability assumed by the Government of India in respect of British Government 5% War Loan, 1929-47, etc., but excluding rupee securities held by foreigners), and the Government foreign assets (in 1938 representing the cash balances of the Secretary of State and of the High Commissioner, the balance of the Silver Redemption Reserve and the Reserve Bank's holdings in gold cash and securities in England) were as follows :

March 31st		£(000,000's)	
		Government liabilities	Government assets
1932		379.6	28.7
" " 1933		379.0	38.3
" " 1934		383.7	66.1
" " 1935		385.0	81.1
" " 1936		377.5	82.4
" " 1937		358.8	86.6
" " 1938		361.1	77.3

No information is available concerning private assets and liabilities abroad.

IRAQ

A statement of the balance of payments of Iraq in the financial year April 1st, 1936, to March 31st, 1937, has been supplied by the Government of that country and is reproduced below together with those for the three preceding years which appeared in last year's issue of this publication. Certain of the figures for these latter years have, however, been revised.

Goods, services and gold.

Items	Dinars (000's) ⁽¹⁾							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
<i>I. Merchandise.</i>								
1. Merchandise, including silver bul- lion ⁽²⁾ , as recorded	2,448	3,523	2,978	4,303	6,009	6,002	7,148	7,423
2. Adjustment for overvaluation of imports	—	—	—	—	139	151	195	231
3. Contraband	24	35	104	86	247	279	179	86
<i>II. Interest and dividends.</i>								
4. Interest on Government debts :								
(a) Dredging Loan	—	—	—	—	2	—	—	—
(b) Port of Basrah and Railway Loans	—	—	—	—	18	17	16	15
5. Interest on other investments	136	137	132	123	5	—	—	—
6. Profits of foreign firms working in Iraq	—	—	—	—	386	367	400	400
<i>III. Other services.</i>								
7. Port and dredging dues	459	400	351	403	—	—	—	—
8. Transport fees	150	147	109	85	—	—	—	—
9. Commissions, brokerage :								
(a) profits on account of transit trade	30	29	22	17	—	—	—	—
(b) profits on account of export trade	144	199	282	323	—	—	—	—
10. Post and telegraph	20	30	22	18	42	38	30	38
11. Emigrants' remittances, etc. :								
(a) remittances from Iraqis abroad	10	10	10	10	—	—	—	—
(b) charitable and educational funds	26	27	28	27	—	—	—	—
(c) private remittances for or by foreign officials	—	—	—	—	94	74	80	98
12. Pension contributions to foreign offi- cials	—	—	—	—	87	71	90	33
13. Tourists' expenditure	178	206	224	185	240	236	263	257
Carried forward	3,625	4,743	4,262	5,580	6,991	6,933	8,011	8,119

(1) One Iraqi dinar equals one pound sterling.

(2) Silver coin, which in the case of other countries is grouped with merchandise, has been excluded for reasons given in the explanatory notes of the 1934 issue of this publication. The figures for merchandise exports exclude oil products which are exported by concessionnaire companies and the value of which is not received in Iraq.

Items	Dinars (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
Brought forward	3,625	4,743	4,262	5,580	6,991	6,933	8,011	8,119
14. Expenditure of students and missions	15	12	9	9	35	34	46	55
15. Disbursement by British forces in Iraq	582	656	684	631	—	—	—	—
16. Expenditure in Iraq by the Persian Gulf Lighting Service	13	12	17	15	—	—	—	—
17. Diplomatic expenditure	68	75	80	82	51	55	61	66
18. Government receipts from abroad :								
(a) oil royalties	536	989	889	900	—	—	—	—
(b) contribution by Currency Board	—	15	40	81	—	—	—	—
19. Other items	—	—	—	—	25	25	25	25
IV. Gold.								
20. Gold coin and bullion, as recorded	707	460	221	151	16	43	40	51
Total	5,546	6,962	6,202	7,449	7,118	7,090	8,183	8,316
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 2,263	— 545	— 2,162	— 967				
(b) gold	+ 691	+ 417	+ 181	+ 100				
(c) goods, services and gold	— 1,572	— 128	— 1,981	— 867				

Capital items.

Items	Dinars (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
I. Long-term operations.								
1. Amortisation of Government foreign debts :								
(a) Ottoman Public Debt	—	—	—	—	64	—	—	—
(b) Dredging Loan	—	—	—	—	97	—	—	—
(c) Port of Basrah and Railway loans	—	—	—	—	18	18	18	18
2. Direct long-term capital investments in Iraq :								
(a) value of fixed capital imported	1,061	377	258	609	—	—	—	400
(b) local expenditure of investors	718	517	409	467	—	—	—	—
II. Known short-term operations.								
3. Known change in short-term debts abroad	94	50	31	192	.	.	11	3
4. Known change in short-term assets abroad	21	—	578	982	454	1,456	174	1,185
Total	1,894	944	1,276	2,250	633	1,474	203	1,606
Net inward (+) or outward (—) move- ment of capital	+ 1,261	— 530	+ 1,073	+ 644				

SUMMARY TABLE.

		Dinars (000's)								
		Goods, services and gold					Capital items			All items (²)
		Merchan- dise	Interest and di- vidends	Other services	Gold	Total	Long- term	Short- term (¹)	Total	
1926-27	Balance . .	— 4,008	+ 76	+ 2,467	+ 542	— 923	+ 472	+ 211	+ 683	— 240
1927-28	Balance . .	— 3,236	+ 51	+ 1,853	+ 242	— 1,090	— 73	+ 118	+ 45	— 1,045
1928-29	Balance . .	— 3,002	+ 24	+ 1,825	+ 554	— 599	+ 417	+ 344	+ 761	+ 162
1929-30	Balance . .	— 3,195	— 50	+ 1,772	+ 598	— 875	+ 286	+ 310	+ 596	— 279
1930-31	Balance . .	— 2,554	— 148	+ 1,578	+ 557	— 567	+ 580	+ 158	+ 738	+ 171
1931-32	Balance . .	— 1,948	— 146	+ 2,265	+ 1,042	+ 1,213	+ 69	— 947	— 878	+ 335
1932-33	Balance . .	— 4,214	— 375	+ 1,823	+ 808	— 1,958	+ 1,279	— 468	+ 811	— 1,147
1933-34	Balance . .	— 3,645	— 275	+ 1,657	+ 691	— 1,572	+ 1,600	— 339	+ 1,261	— 311
1934-35	Credit . . .	3,558	137	2,807	460	6,962	894	50	944	7,906
	Debit . . .	6,130	384	533	43	7,090	18	1,456	1,474	8,564
	Balance . .	— 2,572	— 247	+ 2,274	+ 417	— 128	+ 876	— 1,406	— 530	— 658
1935-36	Credit . . .	3,082	132	2,767	221	6,202	667	609	1,276	7,478
	Debit . . .	7,132	416	595	40	8,183	18	185	203	8,386
	Balance . .	— 4,050	— 284	+ 2,172	+ 181	— 1,981	+ 649	+ 424	+ 1,073	— 908
1936-37	Credit . . .	4,389	123	2,786	151	7,449	1,706	1,174	2,250	9,699
	Debit . . .	7,278	415	572	51	8,316	418	1,188	1,606	9,922
	Balance . .	— 2,889	— 292	+ 2,214	+ 100	— 867	+ 658	— 14	+ 644	— 223

It will be noted that a perfect balance is not obtained. From the information available, it is not possible to state whether this is due to the inadequacy of the data relative to the credit or the debit items of the account. It is pointed out, however, that while the figures for goods, services and gold are sufficiently accurate, the record of the capital movements is still incomplete.

The amounts entered against capital item 2a represent the value of capital goods imported by foreign companies working concessions in Iraq. The value of those goods is also included in the figures for merchandise imports (Goods, services and gold, item 1, debit).

Capital item 2b shows the local expenditure of the same companies out of funds originating abroad.

The figures in the Summary Table for the year 1932-33 differ from those supplied last year on account of a revision of the following items :

	Revised figures, 1932-33	
	Dinars (000's)	
	Credit movements	Debit movements
Goods, services and gold :		
3. Contraband	20	177
13. Tourists' expenditure	167	239

- (1) The information concerning short-term capital movements is incomplete.
 (2) The balances shown in this column are due to errors and omissions.

IRELAND

An official estimate of the balance of payments of Ireland in 1937 has been published in the *Irish Trade Journal and Statistical Bulletin* (1) and is reproduced below in a slightly modified form together with those for 1933-1936 that appeared in the preceding edition of this publication. Certain of the figures for 1936 have, however, been revised.

Goods, services and gold.

Items	£ (000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. <i>Merchandise.</i>										
1. Merchandise	19,021	17,925	19,920	22,504	22,857	35,812	39,143	37,379	39,914	44,126
II. <i>Interest and dividends.</i>										
2. Interest on long-term capital and dividends . . .	13,300	14,100	13,700	13,500	13,100	7,300	7,800	8,100	8,100	8,100
III. <i>Other services.</i>										
3. Port fees	235	250	250	260	265	—	—	—	—	—
4. Post, telegraph, telephone	111	92	88	93	95	239	227	256	228	221
5. Emigrants' funds	—	—	—	—	—	40	45	45	55	54
6. Emigrants' remittances : (a) from the United Kingdom	500	500	500	500	600	—	—	—	—	—
(b) from other countries	3,007	2,291	2,401	2,594	2,422	—	—	—	—	—
7. U. S. A. tourists' expenditure	400	400	400	400	450	—	—	—	—	—
8. Receipts from foreign university students	50	50	50	50	50	—	—	—	—	—
9. Diplomatic and similar expenditure	78	77	78	78	78	62	59	55	50	69
10. Payments to the British Government	—	—	—	—	—	250	249	249	250	250
11. Other Government receipts and expenditure	39	40	39	33	(2)	156	161	160	173	160
12. Pensions paid by the British Government to residents in Ireland : (a) Ministry of Pensions	1,630	1,545	1,495	1,440	1,385	—	—	—	—	—
(b) other	1,300	1,258	1,212	1,185	1,151	—	—	—	—	—
Carried forward	39,671	38,528	40,133	42,637	42,453	43,859	47,684	46,244	48,770	52,980

(1) June 1938.

(2) Included with item 14.

Items	£ (000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Brought forward . .	39,671	38,528	40,133	42,637	42,453	43,859	47,684	46,244	48,770	52,980
13. Cinematograph film royalties (net)	—	—	—	—	—	160	165	135	165	180
14. Net receipts on account of Hospitals. sweepstakes .	2,922	2,858	2,437	2,714	(¹) 2,909	—	—	—	—	—
15. Expenditure of Irish Lights Service in Ireland . . .	137	135	132	136	135	—	—	—	—	—
IV. Gold.										
16. Gold coin and bullion . .	1	1	1	14	(²) 32	—	—	—	4	(²) 13
Total	42,731	41,522	42,703	45,501	45,529	44,019	47,849	46,379	48,939	53,173
Surplus (+) or deficit (—) on account of :										
(a) goods and services . .	— 1,289	— 6,328	— 3,677	— 3,448	— 7,663					
(b) gold	+ 1	+ 1	+ 1	+ 10	+ 19					
(c) goods, services and gold	— 1,288	— 6,327	— 3,676	— 3,438	— 7,644					

Capital items.

Items	£ (000's)									
	Inward or credit capital movements					Outward or debit capital movements				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
1. Government transactions :										
(a) changes in sterling holdings of Trustee Savings Banks	—	—	—	—	—	119	122	143	148	114
(b) changes in sterling holdings of Post Office Savings Bank Fund . . .	—	—	—	—	—	1,677	529	710	608	708
(c) changes in sterling holdings of Savings Certificates (I. C. Equalisation Fund)	—	—	—	—	—	512	424	372	331	265
(d) changes in sterling holdings of National Health Insurance Fund . . .	—	116	—	—	—	740	—	23	24	119
(e) changes in sterling holdings of other Government funds	59	87	908	99	—	—	64	15	—	155
(f) repayment of Dáil Éireann External Loan . .	—	—	—	—	—	—	—	236	177	79
2. Changes in net external assets of Currency Commission	—	—	—	—	—	277	458	669	804	458
3. Banking transactions; changes in net external assets	10,360	7,461	—	—	5,053	—	—	328	471	—
Carried forward . .	10,419	7,664	908	99	5,053	3,325	1,597	2,496	2,563	1,898

(1) Including Government receipts from abroad (cf. item 11).

(2) Including new coin and bullion other than gold (for earlier years entered against item 1).

Items	£ (000's)									
	Inward or credit capital movements					Outward or debit capital movements				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Brought forward . .	10,419	7,664	908	99	5,053	3,325	1,597	2,496	2,563	1,898
4. Stock Exchange transactions through domestic stockbrokers	6,073	7,510	7,433	7,616	5,644	8,057	7,684	6,239	7,960	6,231
5. Capital issues by companies:										
(a) public issues	—	23	124	322	98	532	987	221	104	51
(b) private issues	107	125	170	146	112	—	—	—	—	—
6. Allocations to the Life Fund abroad by insurance companies established abroad	—	—	—	—	—	550	550	550	550	600
7. Withdrawals from British Post Office Savings Bank	280	258	233	233	235	—	—	—	—	—
8. Encashment of British Savings Certificates	41	35	34	34	33	—	—	—	—	—
9. Other known capital transactions	202	207	223	730	903	971	663	206	491	1,224
Total	17,122	15,822	9,125	9,180	12,078	13,435	11,481	9,712	11,668	10,004
Net inward (+) or outward (—) capital movement	+ 3,687	+ 4,341	— 587	— 2,488	+ 2,074					

SUMMARY TABLE.

		£ (000's)						
		Goods, services and gold					Capital items	All items (¹)
		Mer- chandise	Interest and dividends	Other services	Gold	Total		
1931	Balance	— 14,132	+ 5,700	+ 5,097	+ 39	— 3,296	— 1,533	— 4,829
1933	Balance	— 16,791	+ 6,000	+ 9,502	+ 1	— 1,288	+ 3,687	+ 2,399
1934	Balance	— 21,218	+ 6,300	+ 8,590	+ 1	— 6,327	+ 4,341	— 1,986
1935	Credit	19,920	13,700	9,082	1	42,703	9,125	51,828
	Debit	37,379	8,100	900	—	46,379	9,712	56,091
	Balance	— 17,459	+ 5,600	+ 8,182	+ 1	— 3,676	— 587	— 4,263
1936	Credit	22,504	13,500	9,483	14	45,501	9,180	54,681
	Debit	39,914	8,100	921	4	48,939	11,668	60,607
	Balance	— 17,410	+ 5,400	+ 8,562	+ 10	— 3,438	— 2,488	— 5,926
1937	Credit	22,857	13,100	9,540	32	45,529	12,078	57,607
	Debit	44,126	8,100	934	13	53,173	10,004	63,177
	Balance	— 21,269	+ 5,000	+ 8,606	+ 19	— 7,644	+ 2,074	— 5,570

It will be noted that a perfect balance is not obtained for any of the years given — a fact which must, of course, be attributed to errors and omissions. It is pointed out by the *Irish Trade Journal and Statistical Bulletin* that figures for certain items

(1) The balances in this column are due to errors and omissions.

cannot yet be estimated. "Probably the most important of the unknown items are tourist expenditure by externs (other than from the U.S.A.) in this country (credit) and the contra item, Irish tourist expenditure abroad. The difficulties in the way of making even the roughest estimates of tourist expenditure are very considerable, having regard to the huge volume of passenger traffic between this country and the United Kingdom. In 1937, there were 506,000 inward and 534,000 outward passengers by sea, or more than an average of 1,400 per day each way at a very few ports. In the month of August, the daily passenger movement averaged about 4,000 in each direction."

Further, the figures for Stock Exchange transactions, as shown against item 4 of the Capital account, refer only to dealings through domestic stockbrokers. "Nothing is known about Stock Exchange transactions of Irish firms or individuals other than banks (allowed for at item 3) through *external* brokers, though it is quite possible that these are large in the aggregate."

Some of the figures for 1937 are stated to be preliminary and subject to revision. Certain of the estimates are rounded off to the nearest £50,000 or £100,000 "to emphasise their approximative character". The figures for capital transactions are stated to represent only a fraction of the total amounts passing, as in certain cases only the net amounts, inward or outward, were available.

Goods, services and gold.

Merchandise. The figures entered against item 1 exclude silver and bronze coin in circulation, which are principally transferred between head offices and branches of banks in Ireland and in Northern Ireland.

Interest and dividends. The figures against item 2 are based partly on data obtained by the Department of Industry and Commerce and partly on statistics supplied to that Department by the Revenue Commissioners. Income arising abroad was distinguished from income arising in Ireland largely on the basis of tests adopted for taxation purposes; substantial adjustments had, however, to be made with reference to the transactions of banks and of export trading concerns incorporated outside Ireland. In the case of banks incorporated in the country, income and profit from the banks' own investments, loans, etc., abroad was reckoned as a credit item, and deposit interest paid abroad and expenditure abroad as a debit item, while in the case of banks incorporated abroad, deposit interest and expenditure in the country were reckoned as a credit item and income and profit on the banks' investments, loans, etc., as a debit item. In the case of trading concerns incorporated abroad, Ireland had already been credited with the exports of merchandise of such companies and with domestic shareholders' dividends, so that it was necessary to include as a debit item total profits remitted abroad and external expenditure (other than in respect of imports of raw materials, already included in item 1).

Other services. Emigrants' funds (item 5, debit), were calculated on the basis of figures concerning average passage money to the United States, £20 per head, and average landing money in the United States, £24 per head. The total of £44 per head was applied to the number of emigrants from Ireland to all non-European countries.

The amounts entered against item 13 (Cinematographic film royalties) are estimates based on entertainment tax paid, most of which is in respect of cinemas.

Allowances were made for expenditure of distributors in Ireland, for imports of films already accounted for in trade statistics and for import duty.

Capital items.

Figures for the imports and exports of capital on account of public issues by companies (item 5a) were supplied by the Industrial Credit Co., Ltd. Foreign participation in private domestic issues by companies (item 5b) is calculated at 7.5% of the total amount raised, on the basis of an enquiry showing that, of the nominal capital of private companies registered in the years 1932-1935, nearly 7.5% was paid up by non-residents.

The amounts entered against item 6 were calculated as follows: "From the experience of a group of large life companies externally controlled, it was found that of Irish premiums a balance remained of 38.3% in the ordinary life branch and 4.4% in the industrial life branch after deducting payments to policy-holders and expenses in Ireland. Applying these percentages to the known premium income of external companies in respect of ordinary and industrial business and deducting reasonable percentages in respect of shareholders' profits and external expenses, the resulting figures represent approximately allocations to the life fund abroad, which may be regarded as external investments by Irish residents."

JAPAN

A statement of the "invisible trade" of Japan in 1936 has been published by the Japanese Ministry of Finance. (1) The figures in question, reclassified in accordance with the League of Nations' scheme and combined with the recorded data for trade in merchandise and gold, are reproduced below together with the statements for 1933-1935 which appeared in the preceding issue of this publication.

The figures apply to the trade statistical territory of Japan (Japan proper and Karafuto), plus Chosen (Korea), Taiwan (Formosa) and Nanyo (Japanese mandated territory of the Pacific Islands).

Goods, services and gold.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933	1934	1935	1936	1933	1934	1935	1936
I. Merchandise.								
1. Merchandise :								
(a) Japan proper	1,868.7	2,185.8	2,724.5	2,729.0	1,917.3	2,282.9	2,472.3	2,764.6
(b) Chosen	52.8	57.7	64.9	77.4	64.4	79.6	169.4	120.3
(c) Taiwan	17.7	26.6	38.5	29.1	35.5	38.5	56.1	50.4
(d) Nanyo	0.6	2.0	2.6	0.3	0.5	0.3	0.6	2.6
2. Adjustment of item 1 :								
(a) ships' stores	10.0	12.0	16.9	16.6	24.3	23.4	23.7	27.0
(b) sales of ships	—	—	1.4	—	—	—	—	—
(c) exports of aquatic products	15.9	24.4	14.7	19.6	—	—	—	—
(d) other items	26.5	51.9	(2)	(2)	3.6	6.0	(2)	(2)
II. Interest and dividends.								
3. Interest on public debts . . .	13.8	14.0			72.6	72.4	78.7	72.4
4. Yield of other long-term capital :								
(a) interest	4.6	4.8	128.8	155.8	40.6	24.8	19.9	16.8
(b) dividends, profits . . .	71.2	85.2			22.4	24.6	34.0	32.3
5. Interest on short-term capital	3.0	0.8			10.0	9.4	10.0	9.5
III. Other services.								
6. Shipping freights (3) :								
(a) ordinary freights . . .	193.5	213.8	247.8	279.0	—	—	—	—
(b) charter money	0.5	0.3	0.5	0.2	2.9	6.7	10.7	14.7
(c) passage money	15.4	17.0	26.3	26.7	—	—	—	—
Carried forward	2,294.2	2,696.3	3,266.9	3,333.7	2,194.1	2,568.6	2,875.4	3,110.6

(1) Cf. *The Oriental Economist* for November 1937 (p. 638).

(2) Included in item 15.

(3) Maritime freight on goods imported in national ships, which is included on the credit side against this item and also in Group I of imports (debit), amounted to 81.7 million yen in 1933, 88.7 million in 1934, 107.7 million in 1935 and 119.9 million in 1936.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933	1934	1935	1936	1933	1934	1935	1936
Brought forward	2,294.2	2,696.3	3,266.9	3,333.7	2,194.1	2,568.6	2,875.4	3,110.6
7. Port fees, repair of ships, etc.	5.3	6.3	8.6	9.2	58.4	59.8	65.0	70.0
8. Other transport fees	(¹)	(¹)	(¹)	(¹)	—	—	—	—
9. Insurance	117.6	138.5	128.6	137.5	108.9	115.1	118.2	122.0
10. Post, telegraph and telephone	1.6	1.6	(²)	(²)	5.5	4.3	(²)	(²)
11. Immigrants' and emigrants' funds and remittances . .	110.2	116.7	121.8	100.5	5.6	3.9	4.3	6.2
12. Tourists' expenditure (³) . .	50.9	70.2	77.4	87.8	57.0	54.6	55.2	58.3
13. Diplomatic and similar ex- penditure	6.9	6.9	7.3	10.4	10.6	10.4	12.9	11.4
14. Other Government receipts and expenditure	5.6	4.2	18.2	34.9	122.5	137.4	160.0	164.5
15. Other services	42.0	23.6	22.2	9.9	39.8	47.3	49.8	50.1
IV. Gold.								
16. Gold coin and bullion :								
(a) Japan proper	20.9	—	—	—	—	—	0.1	—
(b) Chosen	—	—	—	—	—	—	0.1	—
17. Adjustment of item 16. . .	13.8	—	—	—	—	—	—	—
Total	2,669.0	3,064.3	3,651.0	3,723.9	2,602.4	3,001.4	3,341.0	3,593.1
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . .	+ 31.9	+ 62.9	+ 310.2	+ 130.8				
(b) gold	+ 34.7	—	— 0.2	—				
(c) goods, services and gold .	+ 66.6	+ 62.9	+ 310.0	+ 130.8				

Capital items.

Items	Yen (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1933	1934	1935	1936	1933	1934	1935	1936
I. Long-term operations.								
1. Amortisation :								
(a) of public debts	—	—	—	—	24.6	24.5	89.5	44.0
(b) of other debts	151.5	79.6	180.9	443.6	45.4	36.0	28.0	19.3
2. Purchases and sales :								
(a) of domestic securities .	84.3	48.1	60.3	45.0	13.8	30.9	43.0	40.9
(b) of foreign securities . .	22.8	139.0	44.8	41.3	37.0	38.2		
3. New Government and muni- cipal capital issues. . . .	—	—	—	—	—	9.8	130.5	119.5
4. Other long-term investments	—	—	—	—	178.8	350.5	449.5	532.9
II. Short-term operations.								
5. Change in short-term debts .	20.0	39.8	83.0	—	—	—	—	42.6
6. Change in short-term assets .	—	54.7	.	.	225.2	—	.	.
Total	278.6	361.2	369.0	529.9	524.8	489.9	740.5	799.2
Net outward (—) movement of capital	— 246.2	— 128.7	— 371.5	— 269.3				

(1) Included in item 6.

(2) Included in item 14.

(3) Including the expenditure of ships' crews and students.

SUMMARY TABLE.

Yen (000,000's)									
Goods, services and gold						Capital items			All items (¹)
	Merchan- dise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1924 Balance	— 729.2	— 7.5	+188.9	—	—547.8	+238.0	(²) +309.8	+547.8	—
1925 Balance	— 361.6	— 10.5	+170.6	+ 21.9	—179.6	+ 63.9	(²) +115.7	+179.6	—
1926 Balance	— 439.0	— 17.5	+154.1	+ 31.7	—270.7	+ 36.9	(²) +233.8	+270.7	—
1927 Balance	— 283.0	— 3.2	+145.0	+ 36.0	—105.2	—126.2	+172.7	+ 46.5	—58.7
1928 Balance	— 323.4	— 24.0	+174.8	— 0.4	—173.0	+ 53.4	+ 63.1	+116.5	—56.5
1929 Balance	— 163.7	— 19.8	+202.5	— 0.6	+ 18.4	— 52.8	— 4.1	— 56.9	—38.5
1930 Balance	— 154.7	— 25.2	+152.6	+286.7	+259.4	— 92.0	—203.4	—295.4	—36.0
1931 Balance	— 142.0	— 23.6	+108.1	+388.2	+330.7	—234.0	— 80.0	—314.0	+16.7
1932 Balance	— 56.8	— 37.5	+137.6	+112.0	+155.3	—167.8	—161.6	—329.4	—174.1
1933 Balance	— 53.4	— 53.0	+138.3	+ 34.7	+ 66.6	— 41.0	—205.2	—246.2	—179.6
1934 Credit	2,360.4	104.8	599.1	—	3,064.3	266.7	94.5	361.2	3,425.5
Debit	2,430.7	131.2	439.5	—	3,001.4	489.9	—	489.9	3,491.3
Balance	— 70.3	— 26.4	+ 159.6	—	+ 62.9	—223.2	+ 94.5	—128.7	— 65.8
1935 Credit	2,863.5	128.8	658.7	—	3,651.0	286.0	83.0	369.0	4,020.0
Debit	2,722.1	142.6	476.1	0.2	3,341.0	740.5	—	740.5	4,081.5
Balance	+ 141.4	— 13.8	+ 182.6	— 0.2	+ 310.0	—454.5	+ 83.0	—371.5	— 61.5
1936 Credit	2,872.0	155.8	696.1	—	3,723.9	529.9	—	529.9	4,253.8
Debit	2,964.9	131.0	497.2	—	3,593.1	756.6	42.6	799.2	4,392.3
Balance	— 92.9	+ 24.8	+ 198.9	—	+ 130.8	—226.7	— 42.6	—269.3	—138.5

The fact that for the years 1924-1926 a perfect balance is struck in the above table should not be taken as proof of a rigid exactitude of the figures, for the amounts entered as short-term capital operations in these years are not based on direct evidence, but represent the balance of the whole account and include, therefore, allowances for possible errors and omissions in the other items of the account.

No figure is available with reference to the change in short-term foreign assets (capital item 6) in 1935 and 1936.

Item 1a in the account for goods, services and gold represents the trade of Japan proper with countries other than Chosen, Taiwan and Nanyo, and items 1b-d the trade of Chosen, Taiwan and Nanyo other than with Japan and with each other. The debit figures shown against item 2d represent articles imported for the use of the Imperial family, books and periodicals not imported as parcels post, etc.

(1) The balances in this column are due to errors and omissions.

(2) The figures entered in this column for 1924-1926 are not based on direct evidence but are interpolated as balancing the account.

Holdings of foreign securities and deposits.

Figures have been published ⁽¹⁾ with reference to the amount of Japanese-owned foreign-currency securities and deposits. The following table shows the foreign assets in this form :

	Yen (000,000's)					
	July 1st, 1932	Oct. 1st, 1933	Oct. 31st, 1934	Dec. 31st, 1935	Sept. 30th, 1936	April 1937
Foreign securities :						
Government bonds	204.0	240.4	205.9	293.2	277.7	.
Municipal bonds	13.0	13.3	25.7	12.0	9.2	.
Debentures	29.5	26.5	26.2	21.9	23.1	.
Shares	104.4	78.8	92.6	81.6	81.1	.
Total foreign securities . . .	350.9	359.0	350.4	408.7	391.1	389
Deposits in foreign currencies	309.8	242.9	222.6	227.0	151.1	165
Loans made in foreign currencies . .	135.0	142.1	136.8	133.1	107.9	159
Total (securities, deposits and loans)	795.7	744.0	709.8	768.8	650.1	713

The values, it is stated, are calculated by converting the face value of the securities at the old rates of exchange (that is, those prevailing before the depreciation of the yen in 1931); the present market value of the securities, in terms of yen, is thus higher than the figures indicate.

Information is also available with reference to the holdings by Japanese of Japanese securities issued in foreign currency — holdings which obviously do not represent a foreign asset :

	Yen (000,000's)					
	July 1st, 1932	Oct. 1st, 1933	Oct. 31st, 1934	Dec. 31st, 1935	Sept. 30th, 1936	April 1937
Holdings of Japanese securities in foreign currencies :						
Government bonds	674.8	548.3	557.1	544.4	545.4	.
Municipal bonds	55.8	40.5	54.7	52.5	52.3	.
Debentures	151.1	114.3	127.1	124.7	126.7	.
Total	881.7	703.1	738.9	721.6	724.4	761

Japanese investments in Manchuria.

According to a survey made by the Manchurian Affairs Board, ⁽²⁾ the amounts invested in Manchuria by Japan during the period 1932-1937 were as follows :

	Yen (000,000's)					
	1932	1933	1934	1935	1936	1937
South Manchuria Railway :						
shares	25.0	61.0	36.0	36.3	53.2	56.0
debentures and loans	40.0	20.2	130.0	210.0	155.0	105.0
Affiliated companies of the South Manchuria Railway (debentures and loans)	—	1.7	30.5	38.9	38.0	25.0
Manchukuo National loans and Foundation bonds	20.0	30.0	—	—	—	—
North Manchuria Railway (bonds and loans) . .	—	—	—	75.4	60.0	38.4
Other investments :						
capital of companies	12.2	38.3	65.2	22.0	59.4	84.9
industrial bonds	—	—	10.0	—	—	45.0
Total	97.2	151.2	271.7	382.6	365.6	354.3
Deduct redemptions	—	—	—	(a) 4.0 (b) 102.6	(c) 13.0	
Net investments	97.2	151.2	271.7	378.6	263.0	341.3

(a) Manchukuo National loans and Foundation bonds.

(b) South Manchuria Railway loans, 75.0; loans of S.M.R. affiliated companies, 6.2; Manchukuo National loans and Foundation bonds, 6.0; and North Manchuria Railway loans, 15.4.

(c) Loans of S.M.R. affiliated companies, 5.0, and Manchukuo National loans and Foundation bonds, 8.0.

(1) Cf. *The Oriental Economist*, April and October 1937.

(2) Published in *The Oriental Economist* for April 1938.

LATVIA

A statement of the balance of payments of Latvia in 1937 has been supplied by the Latvian Government ⁽¹⁾ and is reproduced below, together with those for the years 1934-1936 published last year. Certain of the figures for these years have been revised.

Goods, services and gold.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise	85.3	98.8	138.3	260.7	94.9	100.9	121.7	231.0
2. Adjustment for :								
(a) ships sold and purchased	0.3	0.5	0.4	0.1	0.2	0.1	1.2	2.2
(b) various items	3.1	1.7	0.9	—	0.4	1.5	2.8	5.3
(c) ships' stores exported ⁽²⁾	2.5	2.3	2.4	5.5	—	—	—	—
II. Interest and dividends.								
3. Interest on public debts :								
(a) Government debt . . .	—	—	—	—	0.6	0.6	—	0.2
(b) municipal debt	—	—	—	—	0.2	0.4	0.6	0.8
4. Other interest and dividends .	0.4	0.2	0.2	0.4	3.5	3.5	3.1	2.9
III. Other services.								
5. Shipping freights	12.0	11.9	13.1	23.9	—	—	—	—
6. Port fees, etc.	0.6	0.6	0.6	1.6	8.6	9.3	9.9	12.1
7. Sawing of Russian and Polish wood in transit	1.3	1.5	0.9	0.8	—	—	—	—
8. Railway transport fees :								
(a) for goods in transit . .	1.6	1.4	1.4	1.1	—	—	—	—
(b) for passengers, repairs, wagon hire, etc.	0.2	0.4	0.4	0.6	0.8	1.1	1.1	2.3
9. Insurance	3.0	1.7	1.8	2.1	3.1	2.9	2.8	3.5
10. Commissions	0.8	1.5	2.2	3.6	0.8	0.8	1.5	1.8
11. Post, telegraph and telephone	0.4	0.4	0.4	0.5	0.4	0.2	0.5	1.0
12. Funds of foreign seasonal workers	—	—	—	—	2.5	3.1	3.8	5.5
13. Emigrants' remittances	1.5	1.3	1.5	2.7	—	—	—	—
14. Latvian students abroad . . .	—	—	—	—	1.3	1.0	1.0	5.8
15. Tourists' expenditure	6.4	6.8	7.0	7.3	3.8	3.8	4.1	
16. Diplomatic and similar expen- diture	4.0	4.0	4.0	4.5	1.4	1.6	1.6	2.5
17. Other Government receipts . .	0.5	0.4	⁽³⁾	0.3	—	—	—	—
18. Cinematograph film royalties .	0.5	0.1	0.1	0.4	0.1	0.1	0.3	0.7
19. Other items	0.1	0.2	0.1	0.2	0.2	0.4	0.5	0.8
Carried forward	124.5	135.7	175.7	316.3	122.8	131.3	156.5	278.4

(1) Cf. also *Bulletin mensuel*, of the Latvian Statistical Office, August 1938.

(2) Including repairs of foreign ships and loading and unloading charges.

(3) Included in item 15.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	124.5	135.7	175.7	316.3	122.8	131.3	156.5	278.4
IV. Gold.								
20. Gold coin and bullion as recorded	—	—	—	—	—	0.1	0.1	0.2
21. Change in the gold reserve of the Bank of Latvia (1) . . .	—	—	—	1.0	1.4	—	31.0	—
22. "Correction"	—	5.0	49.4	—	—	—	—	—
Total	124.5	140.7	225.1	317.3	124.2	131.4	187.6	278.6
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . .	+ 1.7	+ 4.4	+ 19.2	+ 37.9				
(b) gold	— 1.4	+ 4.9	+ 18.3	+ 0.8				
(c) goods, services and gold	+ 0.3	+ 9.3	+ 37.5	+ 38.7				

Capital items.

Items	Lats (000,000's)							
	Inward or credit capital movements				Outward or debit capital movements			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation of Government debts	—	—	—	—	0.1	0.1	—	0.1
2. New loans raised abroad by the Government	—	—	5.0	2.4	—	—	—	—
3. Sales and purchases of real estate (net)	0.3	—	—	—	—	0.5	1.0	2.5
4. Change in foreign investments in Latvian companies	—	—	—	—	2.5	15.2	7.7	3.7
II. Short-term operations.								
5. Change in short-term foreign liabilities :								
(a) of Government bodies . . .	1.9	—	—	—	—	2.3	0.2	0.5
(b) of the Bank of Latvia . . .	—	2.3	—	—	3.1	—	1.1	5.0
(c) of municipalities	—	—	0.1	—	—	—	—	0.1
(d) of credit institutes and joint- stock companies	—	—	1.0	3.8	4.1	9.6	—	—
(e) miscellaneous	3.8	1.4	1.6	—	—	—	—	1.1
6. Change in short-term foreign assets (2)								
(a) of Government bodies . . .	—	0.8	—	—	0.7	—	0.4	1.4
(b) of the Bank of Latvia and the Government	—	—	—	—	0.3	3.8	20.2	16.5
(c) of credit institutes and joint- stock companies	2.9	6.7	—	—	—	—	16.1	4.9
(d) miscellaneous	—	—	—	—	—	—	0.3	8.7
7. Change in foreign currency holdings in the country	1.0	0.3	—	—	—	—	1.8	0.1
Total	9.9	11.5	7.7	6.2	10.8	31.5	48.8	44.6
Net outward (—) movement of capital.	0.9	—20.0	—41.1	—38.4				

(1) The inclusion in the account of the change in the gold reserve of the Bank of Latvia suggests that this change is due either to movements not recorded in trade returns or to earmarking operations.

(2) Other than "foreign currency holdings" (cf. item 7).

SUMMARY TABLE.

		Lats (000,000's)							
		Goods, services and gold					Capital items		
		Mer- chandise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total
1920	Balance . . .	-25.6	—	+ 19.4	(2)	- 6.2	.	.	.
1921	Balance . . .	- 32.5	- 0.5	+ 32.2	(2)	- 0.8	.	.	.
1922	Balance . . .	+ 17.9	- 1.2	+ 27.3	(2)	+ 44.0	.	.	.
1923	Balance . . .	- 18.3	+ 0.7	+ 34.7	(2)	+ 17.1	.	.	.
1924	Balance . . .	-59.4	- 0.7	+ 31.2	-1.8	-30.7	+ 12.8	+ 21.8	+ 34.6
1925	Balance . . .	-71.5	- 3.6	+ 44.2	-0.1	-31.0	+ 14.4	+ 20.2	+ 34.6
1926	Balance . . .	-57.2	- 4.5	+ 36.6	-0.1	-25.2	+ 11.8	+ 0.3	+ 12.1
1927	Balance . . .	- 5.2	- 6.2	+ 33.4	—	+ 22.0	+ 6.8	-16.4	- 9.6
1928	Balance . . .	-15.0	- 3.4	+ 26.3	-0.6	+ 7.3	- 4.4	-26.0	-31.3
1929	Balance . . .	-50.0	- 5.9	+ 30.7	-0.1	-25.3	+ 36.5	- 4.3	+ 32.2
1930	Balance . . .	-15.4	- 6.0	+ 28.7	-0.1	+ 7.2	- 2.4	+ 24.2	+ 21.8
1931	Balance . . .	- 3.3	- 5.9	+ 17.0	-0.5	+ 7.3	- 0.5	+ 10.3	+ 9.8
1932	Balance . . .	+ 16.8	- 5.3	+ 11.3	-4.2	+ 18.6	- 2.4	- 7.6	-10.0
1933	Balance . . .	- 4.5	- 4.1	+ 9.4	-9.4	- 8.6	- 5.4	+ 12.4	+ 7.0
1934	Balance . . .	- 4.3	- 3.9	+ 9.9	-1.4	+ 0.3	- 2.3	+ 1.4	- 0.9
1935	Credit . . .	103.3	0.2	32.2	5.0	140.7	—	11.5	11.5
	Debit. . . .	102.5	4.5	24.3	0.1	131.4	15.8	15.7	31.5
	Balance . . .	+ 0.8	- 4.3	+ 7.9	+ 4.9	+ 9.3	-15.8	- 4.2	-20.0
1936	Credit . . .	142.0	0.2	33.5	49.4	225.1	5.0	2.7	7.7
	Debit. . . .	125.7	3.7	27.1	31.1	187.6	8.7	40.1	48.8
	Balance . . .	+ 16.3	- 3.5	+ 6.4	+ 18.3	+ 37.5	- 3.7	-37.4	-41.1
1937	Credit . . .	266.3	0.4	49.6	1.0	317.3	2.4	3.8	6.2
	Debit. . . .	238.5	3.9	36.0	0.2	278.6	6.3	38.3	44.6
	Balance . . .	+ 27.8	- 3.5	+ 13.6	+ 0.8	+ 38.7	- 3.9	-34.5	-38.4

The Summary Table comprises the years 1920-1937. Information concerning the capital movement is only given from 1924. In no year is there perfect agreement between the balance of the account of goods, services and gold and the recorded net movement of capital. This must be attributed largely to the incomplete record of the short-term capital operations. The only short-term capital items entered for the years 1924-1927 are the changes in the foreign balances of banks (in 1925 and 1926, of the Bank of Latvia alone). Certain short-term operations of banks would appear not to have been included in the accounts before 1932. The long-term capital items also are stated to be incompletely recorded (they include only transactions of the Government, banks and joint-stock companies and, from 1935, insurance companies).

Goods, services and gold.

Merchandise. The figures entered against item 2 *b*, credit, represent the balances of the difference between the recorded values of imports or exports and the amounts actually paid — difference arising from discounts, price reductions, losses, etc. The amounts shown on the debit side of the same item represent unrecorded imports, mainly for the account of the Government.

(1) The balances in this column are due to errors and omissions.

(2) Included in merchandise.

Shipping. The total receipts entered against item 5 for 1937 comprise 14.4 million lats, ordinary freights, 9.2 million, charter-money, and 0.3 million, various indemnities.

The credit figure against item 6 for 1937 includes the expenditure of foreign warships, 0.1 million lats.

Tourists' expenditure (item 15). The following table shows, for 1936 and 1937, the number and the average sojourn of foreign tourists and travellers in Latvia, with distribution by countries, and the corresponding figures for Latvian travellers abroad.

Country	Foreign travellers from the countries mentioned				Latvian travellers in the countries mentioned			
	Number		Average sojourn (days)		Number		Average sojourn (days)	
	1936	1937	1936	1937	1936	1937	1936	1937
Estonia	16,580	20,181	9.2	9.6	12,510	12,565	8.7	11.7
Finland	2,441	2,795	7.1	10.0	702	689	15.8	15.1
France	815	853	17.2	16.1	402	2,151	93.3	28.8
Germany	8,988	11,104	12.9	14.8	5,458	6,678	31.6	28.5
Italy	394	493	19.8	16.4	237	687	49.9	26.3
Lithuania	20,478	20,533	17.2	18.5	5,826	7,110	8.6	11.0
Poland	3,363	5,265	13.0	12.8	2,673	2,916	14.7	18.3
Sweden	1,239	1,860	17.5	21.5	355	557	24.0	21.3
Switzerland	369	529	15.9	12.7	182	470	60.0	24.6
United Kingdom	1,512	1,787	14.5	17.9	299	376	52.1	55.4
Union of Soviet Socialist Republics	758	634	20.6	17.4	702	308	23.3	50.9
Other countries	7,024	8,969	14.9	16.7	(a) 3,641	(a) 2,709	38.7	54.7
Total	63,961	75,003	12.9	14.6	32,987	37,216	18.9	20.6

(a) Including travellers visiting more than one country.

Other Government receipts (item 17). The amounts shown against this item represent visitors' tax and passport fees paid by foreigners.

Other items. The credit figure entered against item 19 for 1937 comprises 0.14 million lats, revenue from Press subscriptions, and 0.06 million, receipts from the repair of foreign ships. The debit figure includes 0.32 million lats, payments of Latvian newspapers to their foreign correspondents, 0.13 million, sums taken out of the country by foreign artists, and 0.03 million, contributions to international organisations.

Gold. The statements from 1932 include the changes in the gold reserve of the Bank of Latvia (item 21). As these changes are largely offset by the movement of foreign currency holdings not (or not completely) included in the capital account before 1932, the changes in the gold reserve have been excluded from the account in previous years, as in the original statements.

In the statements published in 1938 in the *Bulletin mensuel* of the Latvian Statistical Office, the amounts shown against item 22 above are entered in a group of items dealing with the changes in the gold reserve of the Bank of Latvia as well as short-term capital movements. No explanation is given regarding the nature of this item, but as the big entry for 1936 appears to represent chiefly an adjustment of the recorded change in the gold reserve on account of the revaluation of that reserve after the depreciation of the lat, it has been thought appropriate to enter the item under "Gold" in the above tables.

Capital items.

Capital item 2 refers to the loan obtained from the *Svenska Entreprenad Aktiebolaget* for the construction of the electricity works at Kegums. It is anticipated that Swedish capital will continue to be invested for this purpose over a period of ten years; the total amount may attain 11 million Swedish kronor.

The figure entered against item 1 for 1937 represents the first amortisation payment on the same loan.

International indebtedness.

The following information with reference to outstanding foreign liabilities and assets of Latvia is derived from the *Bulletin mensuel* of the Latvian Statistical Office.⁽¹⁾

	Lats (000,000's) at the end of					
	1931	1932	1933	1934	1935	1936
<i>Liabilities.</i>						
1. Liabilities on account of intergovernmental debts ^(a) :						
(a) to the United Kingdom	35.6	33.6	33.0	29.8	29.5	48.7
(b) to the United States of America	35.8	36.8	24.5	22.5	22.3	37.0
(c) to France	0.9	0.9	0.9	0.9	0.9	1.1
2. Government loan raised through the Swedish Match Company ^(b)	31.2	31.2	20.8	19.0	18.5	30.8
3. Government loan obtained from the <i>Svenska Entreprenad Aktiebolaget</i> for the construction of the electricity works at Kegums ^(c)	—	—	—	—	—	5.0
4. Liabilities on account of the foreign debt of the town of Riga ^(d) . . . . .	.	.	.	11.0	11.0	18.5
5. Foreign participation in the capital of Latvian joint-stock companies	97.7	95.0	89.5	87.1	71.9	64.1
6. Private debts :						
(a) public bodies	(e)	1.2	5.8	7.6	5.3	5.2
(b) municipalities	—	—	—	—	0.1	1.1
(c) commercial banks	27.5	15.8	8.5	6.0	5.3	5.6
(d) joint-stock companies	102.4	87.5	78.3	76.3	68.3	63.6
(e) balances of the Clearing Office	(e)	0.2	0.8	5.4	6.9	7.1
(f) others	(e) 2.5	.	.	.	7.7	9.1
7. Foreign deposits in Latvia	3.6	10.4	9.6	6.8	8.3	7.8
Total	337.2	312.6	271.7	272.4	256.0	304.7
<i>Assets.</i>						
8. Real estate owned by the Government abroad . .	2.2	2.2	2.2	2.2	2.2	3.4
9. Foreign assets of :						
(a) the Government and the Bank of Latvia (including gold deposited abroad)	41.7	42.8	42.7	44.3	48.1	95.5
(b) public bodies . . . . .	.	3.0	0.6	1.3	0.5	0.6
(c) commercial banks	12.8	10.2	8.1	5.6	2.6	15.2
(d) joint-stock companies	18.3	14.0	18.4	17.9	14.2	15.9
(e) others	1.8	.	.	.	0.8	1.0
10. Foreign bills and currency notes in Latvia . .	15.1	10.2	2.0	1.0	0.8	2.6
Total	91.9	82.4	74.0	72.3	69.2	134.2
Net liabilities	245.3	230.2	197.7	200.1	186.8	170.5

(a) The liabilities on account of intergovernmental debts comprise \$7.1 million, £1.9 million and Fr. fr. 4.5 million. The reduction in the amounts in lats is due to the depreciation of the dollar and the pound, and their increase in 1936 to the depreciation of the lat.

(b) \$6 million in 1931-1935 and \$5.9 million in 1936.

(c) 3.8 million Swedish kronor.

(d) £0.73 million.

(e) Debts of public bodies and balance of the Clearing Office at the end of 1931 are included with item 6 f.

(1) September 1931, page 516, October 1935, page 751, August 1936, page 783, and December 1937, page 1307.

The foreign participation in Latvian joint-stock companies (item 5 in the above table) was distributed as follows :

	Lats (000,000's) at the end of			
	1930	1931	1933	1936
Germany	25.7	27.1	23.4	13.9
United Kingdom	16.1	17.9	16.1	15.7
Sweden	11.8	12.2	12.1	12.1
Estonia	} 51.2	40.6	37.9	{ 4.7
Netherlands				{ 4.7
Other countries	} 51.2	40.6	37.9	{ 13.0
				{ 13.0
	104.8	97.8	89.5	64.1

NETHERLANDS

Data concerning the principal items in the balance of payments of the Netherlands for 1937 have been supplied by the Government of that country and are reproduced below, together with the figures for 1934-1936 published last year (certain of the figures for 1936 have, however, been revised). Contrary to the practice followed in previous editions, totals have been struck for the account for Goods, services and gold, and a Summary Table for that account covering the period 1929-1937 has been entered after the detailed tables.

Goods, services and gold.

Items	Gulden (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise, excluding goods by post .	713	680	749	1,152	1,046	940	1,020	1,551
2. Goods sent by post (excl. diamonds) . .	9	9	10	12	23	20	21	26
3. Adjustmnt for :								
(a) diamonds	15	22	37	41	11	18	30	29
(b) fishery products bought from foreign vessels	—	—	—	—	1	1	1	1
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts . .	17	15	14	11	—	—	—	—
5. Yield of securities (interest and dividends): recorded receipts and payments (1) . .	129	147	195	223	56	48	75	120
6. Yield of direct investments in property .	.	.	.	.	21	18	21	21
7. Profits of enterprises in the Netherlands with business in the Netherlands Indies	14	20	34	62	—	—	—	—
8. Interest on short-term capital (2) . . .	18	17	16	13	7	8	7	7
<i>III. Other services.</i>								
9. Net shipping income (3)	72	76	93	150	—	—	—	—
10. Receipts on account of transshipment, inland navigation, port fees, repair of ships	49	40	48	78	—	—	—	—
11. Bank commissions (2)	3	3	4	8	—	1	1	2
12. Post, telegraph and telephone	6	6	7	8	6	6	6	8
13. Tourists' expenditure	4	3	4	5	34	35	38	42
Carried forward	1,049	1,038	1,211	1,763	1,205	1,095	1,220	1,807

(1) Figures for 38 banks in 1934, 40 in 1935, 75 in 1936 and 77 in 1937. The credit figures include also receipts through the Ministry of Colonies and certain Government offices (28 in 1934 and 1935 and 37 in 1936 and 1937).

(2) Figures for 38 banks in 1934, 39 in 1935, 75 in 1936 and 77 in 1937. Discounts and brokerage on foreign bills are included under item 8, credit.

(3) The earnings of the Dutch Rhine fleet are included with item 10.

Items	Gulden (000.000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward . . .	1,049	1,038	1,211	1,763	1,205	1,095	1,220	1,807
14. Pensions, salaries, etc. :								
(a) paid by the Governments of the Netherlands Indies, Surinam and Curaçao	28	21	19	22	—	—	—	—
(b) paid by private concerns (1) . .	20	20	22	24	—	—	—	—
15. Emigrants' remittances (from the Netherlands Indies)	4	4	4	6	—	—	—	—
16. Net expenditure in the Netherlands by the Government of the Netherlands Indies on account of items not mentioned elsewhere	10	11	16	17	—	—	—	—
17. Government assistance to Dutch nationals abroad	—	—	—	—	3	2	1	1
18. Other Government receipts and expenditure	—	—	1	1	7	7	7	10
IV. Gold.								
19. Gold coin and bullion, excluding gold sent by post	305	503	264	101	124	211	350	875
20. Gold sent by post	7	27			41	38		
21. Earmarking transactions by the Netherlands Bank	84	218	192	827	109	255	166	796
Total	1,507	1,842	1,729	2,761	1,489	1,608	1,744	3,489
Surplus (+) or deficit (—) on account of :								
(a) Goods and services	—104	— 10	+ 45	+ 15				
(b) Gold	+122	+244	— 60	—743				
(c) Goods, services and gold	+ 18	+234	— 15	—728				

Known capital items.

Items	Gulden (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
1. Amortisation of intergovernmental debts	9	8	6	7	—	—	—	—
2. Private amortisation receipts and payments (2)	52	58	61	203	9	12	12	69
3. Purchases and sales of securities through certain banks (3)	302	316	599	1,038	359	420	683	1,175
4. New capital issues in the Netherlands for the account of the Government of the Netherlands Indies	—	—	—	—	140	15	—	69

(1) Including administration costs and *tantièmes*.

(2) Cf. note (1) on the preceding page. The figures for 1936 are, however, based on information supplied by 72 banks.

(3) Figures for 39 banks in 1934, 40 in 1935, 75 in 1936 and 77 in 1937.

Items	Gulden (100,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
5. Payments to pension funds in the Netherlands by :								
(a) colonial governments, etc. . . .	9	—	—	—	—	—	—	—
(b) private concerns (including remittances on account of life insurance) .	6	6	8	13	—	—	—	—
6. Net change in short-term credits granted by the Government abroad, including advances on current account to the Governments of the Netherlands Indies, Surinam and Curaçao	106	—	63	55	—	8	—	—
7. Long-term investments abroad not mentioned elsewhere (1).	—	—	1	8	6	7	10	14
8. Known movement of :								
(a) short-term foreign debts (2) . . .	23	24	91	161	114	77	29	23
(b) short-term assets abroad (2) . . .	77	33	49	136	9	48	109	42

SUMMARY TABLE (Goods, services and gold only).

	Gulden (000,000's)					
	Goods and services				Gold	Total, goods, services and gold
	Merchandise	Interest and dividends	Other services	Total		
1929 Balance	— 762	(3) + 669	— 93	+ 26	— 67	
1930 Balance	— 699	(3) + 578	— 121	+ 14	— 107	
1931 Balance	— 581	(3) + 434	— 147	— 566	— 713	
1932 Balance	— 457	(3) + 333	— 124	— 181	— 305	
1933 Balance	— 501	(3) + 287	— 214	+ 68	— 146	
1934 Credit	737	178	196	1,111	396	1,507
Debit	1,081	84	50	1,215	274	1,489
Balance	— 344	+ 94	+ 146	— 104	+ 122	+ 18
1935 Credit	711	199	184	1,094	748	1,842
Debit	979	74	51	1,104	504	1,608
Balance	— 268	+ 125	+ 133	— 10	+ 244	+ 234
1936 Credit	796	259	218	1,273	456	1,729
Debit	1,072	103	53	1,228	516	1,744
Balance	— 276	+ 156	+ 165	+ 45	— 60	— 15
1937 Credit	1,205	309	319	1,833	928	2,761
Debit	1,607	148	63	1,818	1,671	3,489
Balance	— 402	+ 161	+ 256	+ 15	— 743	— 728

As will be seen from the footnotes to the detailed tables, the amounts shown in respect of certain items — namely, income from securities, interest on short-term capital, bank commissions and certain capital transactions — do not represent the total operations of the country, but merely the amounts recorded by a certain number

(1) Figures for 39 banks in 1934, 40 in 1935, 75 in 1936 and 77 in 1937.

(2) Figures for 37 banks in 1934, 38 in 1935, 58 in 1936 and 64 in 1937.

(3) Balances partly estimated by the Central Statistical Office of the Netherlands and not arrived at from the published detailed accounts for the years in question.

of banks which have replied to the questionnaires sent to them. The number of banks furnishing figures has increased from 23-24 in 1932 to 37-40 in 1933-1935 and up to 77 in 1937. The banks were asked in the questionnaires, when the exact proportion between interest and amortisation in the receipts on account of capital invested in foreign countries was not known, to estimate the amount of the amortisation. The figures sent in by a few banks did not contain such an estimate, and the amortisation receipts in question are therefore included in the figures showing the "income from securities".

The Summary Table refers only to the account for Goods, services and gold. This account is, however, not comprehensive, not only because of the incompleteness of the information supplied by banks, but also because it does not include profits derived from trade in foreign countries. In the original statements, there is a *pro memoria* entry for such profits.

The capital transactions recorded in the detailed table have not been entered in the Summary Table, owing to the incompleteness of the information available. If the balances of the recorded capital items be added to those for goods, services and gold, there result for the years 1929 to 1932 and 1937 heavy debit balances, which suggest that there was in those years a considerable unrecorded inflow of capital.

Further particulars will be found below in regard to certain important items of the table. For more detailed information, reference should be made to the *Maandschrift* of the Central Statistical Office of the Netherlands. ⁽¹⁾

Goods, services and gold.

Interest and dividends. The geographical distribution of interest receipts on account of intergovernmental debts (item 4) was as follows:

	Gulden (000,000's)			
	1934	1935	1936	1937
Germany	3.7	4.1	4.0	3.7
Belgium	0.8	0.6	0.4	—
Netherlands Indies	11.9	9.4	8.9	7.2
Surinam	0.4	0.4	0.5	0.4
Curaçao	0.1	0.1	—	—

The following details are available in regard to the receipts shown against item 5:

	Gulden (000,000's)			
	1934	1935	1936	1937
Interest on loans of the Netherlands Indies Government received through the Ministry of Colonies	36	43	40	35
Interest and dividends received through Government offices:				
(a) interest on bonds of foreign companies and public bodies .	2.7	1.6	1.0	1.4
(b) dividends on shares	2.6	2.8	20.9	32.2
Interest and dividends received through banks	88	100	133	154
Total	129	147	195	223

It is pointed out in regard to the sums received through banks that the amount concerning interest received from Germany in 1934 is incomplete.

The amounts shown against item 6 are based on data in regard to the taxable part of income accruing in the Netherlands to persons and public bodies established in other countries. The figure for 1937 is provisional.

(1) Volume 1938, No. 8.

" Profits of enterprises in the Netherlands with business in the Netherlands Indies " (item 7) were included for the first time in the statement now received. They represent the trading profits of enterprises which, though carrying on business in the Netherlands Indies, have their head offices in the Netherlands. These profits are thus not accounted for in items 5 and 6. The estimates are based on the assumption that 70% of the capital of the enterprises in question originated in the Netherlands.

Shipping, etc. The amount of maritime freight charges, and of passage money paid by foreigners, earned by a group of companies representing nearly 99% of the total tonnage of the mercantile marine, is shown below. The figures of certain companies for the years 1929 and 1930 have been estimated. Income derived from tankers and tugs is not included.

	Gulden (000,000's)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Maritime freights	321	256	194	133	124	120	121	139	228
Passage money paid by foreigners (a)	77	75	58	41	33	35	33	34	45
Total	398	331	252	174	157	155	154	173	273

(a) The total amount of passage money received in 1935 was 35 million gulden, in 1936, 37 million and in 1937, 49 million.

The net income as shown under item 9 includes an estimate of the net receipts of the companies not covered by the enquiry. It also includes sums paid in respect of shipping insurance, which represented an outlay of 1.6 million gulden in 1934, a balance of approximately 1 million gulden by which the sums received for damages exceeded the premia paid in 1935, but once again a debit balance of 1.7 million in 1936 and 1.9 million in 1937.

The amounts shown against item 10 include (i) receipts from transit traffic with transshipment, based on an average of the rates communicated by authoritative quarters, (ii) net income of international inland navigation, based on details furnished by a certain number of ship-owners, (iii) dues paid by foreign vessels in ports under official administration, and (iv) receipts in respect of shipping repairs for foreign account as shown in the production statistics.

Tourist expenditure (item 13). Inward and outward payments in connection with the tourist traffic in recent years have been estimated by M. van de Werk, a Director of the *Haagsche Vereeniging voor Vreemdelingenverkeer*. It is pointed out that the movement of tourists and the payments involved largely elude direct control, so that care is needed in the use of the figures.

The following division by countries of the expenditure of Dutch tourists abroad is available :

	Gulden (000,000's)				Gulden (000,000's)		
	1935	1936	1937		1935	1936	1937
Austria	2.6	3.3	3.5	Italy	0.7	0.9	1.5
Belgium	3.2	2.4	2.8	Switzerland	6.3	7.0	9.6
France	3.5	3.8	6.0	United Kingdom	2.6	3.2	3.2
Germany	11.3	13.0	10.3	Other countries	4.3	4.4	4.6

Pensions, salaries, etc. Item 14a comprises sums which appear in the budgets of the Netherlands oversea territories and are expended in the Netherlands in the shape of pensions, salaries of officials on leave, retaining and half-pay emoluments, expenditure on education, and cost of missions undertaken by civil and military officials. The decrease between 1934 and 1935 is due to the reform of the pensions system. As a

result of this reform, it has been possible to determine exactly, in the case of pensions paid outside the Netherlands Indies, the proportion paid in the Netherlands and that paid in other countries — 90.2% and 9.8 % respectively.

According to estimates by the Central Statistical Office of Batavia for the years 1934 to 1937, administration costs (including *tantièmes*) paid in foreign countries by companies operating in the Netherlands Indies amounted to some 14 million gulden in each of the years 1934 and 1935, 16 million in 1936 and 20 million in 1937, pensions paid by private undertakings in the Netherlands Indies to some 10 million a year, and the expenditure of individuals from the Netherlands Indies on leave in foreign countries to some 5 million in each of the years 1934-1936 and 4 million in 1937. It is assumed that 70% of these sums is spent in the Netherlands (item 14b).

Other services. Among the transactions included in the balances entered against item 16 for the years 1936 and 1937 may be mentioned the Netherlands contribution to the Netherlands Indies Navy, 12 and 13 million gulden respectively.

Diplomatic expenditure is not included in item 18, it being assumed that it is offset by similar expenditure by foreign countries in the Netherlands, as to which no particulars are available. For similar reasons, item 18 does not include the receipts of the Industrial Property Office in respect of licences applied for and granted, which total some 0.8 million gulden a year.

Insurance transactions (other than shipping insurances, which are included in the shipping income, and the amounts covered by capital item 5b) have also been omitted from the statement owing to the impossibility of obtaining complete figures. Fragmentary information on the subject is, however, to be found in the *Maandschrift*.

Gold. The amounts entered against items 19 and 20 represent the movements of gold recorded in the trade statistics. Details of the earmarking operations of the Netherlands Bank (item 21) are as follows :

Items	Gulden (000,000's)							
	1934		1935		1936		1937	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
1. Increase of gold deposits abroad due to earmarking for account of the Bank	—	56.6	—	146.6	—	165.5	—	762.4
2. Decrease of gold deposits abroad due to sale of earmarked gold	15.2	—	29.3	—	8.5	—	16.7	—
3. Transfer to the Netherlands of gold earmarked abroad	—	—	103.9	—	183.2	—	—	—
4. Earmarking for foreign account of imported gold	56.5	—	84.6	—	0.6	—	687.6	—
5. Decrease in domestic gold reserve due to earmarking for foreign account	12.6	—	0.2	—	—	—	122.4	—
6. Increase in domestic gold reserve due to release to the Bank of gold earmarked for foreign account	—	—	—	11.4	—	—	—	32.0
7. Repatriation by foreign countries of gold deposited at the Bank	—	—	—	2.7	—	0.8	—	1.2
8. Purchase by the Bank of imported gold subsequently earmarked for foreign account	—	39.3	—	—	—	—	—	—
9. Purchase by the Bank of earmarked gold which was already deposited with it at the beginning of the year	—	12.6	—	94.5	—	—	—	—
Total	84.3	108.5	218.0	255.2	192.3	166.3	826.7	795.6

Capital items.

Amortisation. The following table gives details of the income in respect of amortisation of intergovernmental debts (item 1) :

	Gulden (000,000's)			
	1934	1935	1936	1937
Poland : relief credit	0.6	0.9	—	—
Belgium : internment costs	3.7	3.9	4.1	4.3
Netherlands Indies :				
1933 gulden Loan	1.2	1.3	1.3	1.4
Share of the Netherlands Indies in 1895 Loan	0.8	0.9	0.9	0.9
Share of the Netherlands Indies in 1898 Loan	2.2	1.3	—	
Total	8.5	8.3	6.3	6.6

In addition to the amounts received through banks, item 2, credit, covers amortisation of Netherlands Indies Government loans received through the Ministry of Colonies — 35 million gulden in 1934, 28 million in 1935, 16 million in 1936 and 10 million in 1937.

New capital issues. Item 4 shows the amounts actually paid in respect of new issues (excluding conversion loans) calculated on the basis of the issue price. An amount of 4% of the nominal value has been deducted to cover costs of issue, stamp duties, etc.

Various Government transactions. The amounts shown under item 6 represent the following changes in various short-term credits granted by the Government to other countries :

	Gulden (000,000's)			
	1934	1935	1936	1937
Increase or decrease of advances in current account :				
(a) to the Netherlands Indies Government	(*)—116	(b)+5.3	(b)—54.7	— 41.4
(b) to the governments of Surinam and Curaçao	— 3	— 2	— 2	— 1
Increase or decrease in the "revolving credit" granted to Germany	+ 12.9	+ 4.3	— 5.8	— 11.2
Total	—106	+ 8	—63	(c)— 54

(*) The decrease is due to the funding of a portion of the advance by the issue of the Netherlands Indies Government Loan 1934, to payments by the Netherlands Indies, and to the taking over by the Netherlands Government of silver coin consigned to the Netherlands.

(b) The following operations involved decreases in the amount of the advance :

	Gulden (000,000's)	
	1935	1936
Payments by Netherlands Indies	82	133
Silver coin taken over by the Netherlands Government	10.6	16.3
Amount funded	5.1	—

(c) The corresponding figure in the balance of payments account (capital item 6) is 55.

International indebtedness.

The following details are available concerning certain items in the balance of international indebtedness of the Netherlands. Private long-term investments are not included.

	Gulden (000,000's) at the end of				
	1933	1934	1935	1936	1937
<i>Liabilities.</i>					
1. Liabilities on account of intergovernmental debts	—	—	—	1	2
2. Floating debts abroad of certain banks (41 in 1933, 44 in 1934, 43 in 1935, 74 in 1936 and 73 in 1937) (*) :					
(a) on current account with foreign correspondents	96	63	49	93	205
(b) liabilities on account of bills of exchange	16	9	8	11	18
(c) other debts	281	253	217	283	335

(*) Including the Netherlands Bank and the Amsterdam branch of the Java Bank.

	Gulden (000,000's) at the end of				
	1933	1934	1935	1936	1937
<i>Assets.</i>					
3. Claims on account of long-term intergovernmental debts :					
(a) on " foreign " countries	34	29	25	20	16
(b) on the Netherlands Indies	141	136	132	130	128
4. Claims on account of short-term intergovernmental debts :					
(a) on " foreign " countries (" revolving credit " granted to Germany)	86	98	103	97	86
(b) on the Netherlands Indies	241	125	130	75	34
(c) on Surinam and Curaçao	18	16	14	13	12
5. Floating assets abroad of certain banks (41 in 1933, 44 in 1934, 43 in 1935, 74 in 1936 and 73 in 1937) (*) :					
(a) on current account with foreign correspondents . .	128	130	199	285	223
(b) assets on account of bills of exchange	49	50	28	64	99
(c) other assets	390	320	252	278	222

(*) Including the Netherlands Bank and the Amsterdam branch of the Java Bank.

The floating debts and assets of banks were distributed between creditor and debtor countries as follows :

	Floating debts					Floating assets				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Germany	66	51	45	52	67	239	178	109	88	80
United Kingdom . .	44	36	32	40	52	84	86	112	175	120
France	42	27	22	51	81	69	59	44	37	53
United States . . .	38	27	27	52	47	32	30	88	141	113
Belgium	203	184	45	56	70	143	148	38	59	38
Switzerland			26	36	54			8	24	22
Netherlands Indies .			30	38	118			5	11	24
Other countries . . .			47	63	70			75	92	95
Total	393	325	274	388	559	567	501	479	627	544

NETHERLANDS INDIES

An official statement of the balance of payments of the Netherlands Indies for 1937 is shown below together with the statements for 1933-1936 given in the previous edition of this publication. Certain of the figures for the year 1936 have been revised; those for 1937 are provisional.

Goods, services and gold.

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. Merchandise.										
1. Merchandise (excl. silver coin), as recorded	471	490	447	540	952	330	291	277	287	505
2. Adjustments of item 1 on account of:										
(a) export duty	2	(1) 15	(1) 26	(1) 57	39	—	—	—	—	—
(b) statistical duty	1	1	1	1	2	—	—	—	—	—
(c) unrecorded import of ships . .	—	—	—	—	—	—	—	—	6	6
(d) silver coin exported for reduction of the Govt. floating debt	—	29	11	16	1	—	—	—	—	—
II. Interest and dividends. (2)										
3. Interest and dividends received by the Government	6	7	6	7	(3) 11	—	—	—	—	—
4. Interest paid abroad	—	—	—	—	—	89	90	80	76	68
5. Dividends paid abroad and trade profits of individuals	—	—	—	—	—	21	20	28	49	89
III. Other services.										
6. Tourists' expenditure:										
(a) passenger fares	—	—	—	—	—	13	14	14	13	13
(b) other	3	3	2	2	3	13	12	14	13	13
7. Remittances to relatives abroad (4) .	—	—	—	—	—	7	6	6	16	19
8. Excess of Govt. expenditure n.e.i. over income in the Netherlands	—	—	—	—	—	35	14	22	21	46
9. Administration expenditure abroad, including <i>tantièmes</i>	—	—	—	—	—	14	14	14	16	20
10. Pensions paid abroad	—	—	—	—	—	36	34	27	28	32
11. Contribution by the Netherlands to the marine of the Neth. Indies . .	—	—	12	(5) 16	14	—	—	—	—	—
Carried forward	483	545	505	639	1,022	558	495	482	525	811

(1) Of which in 1934, 12, in 1935, 24 and in 1936, 49 million gulden representing extraordinary export duty on native rubber.

(2) Non-distributed profits earned by foreign-owned enterprises in the country and reinvested there are excluded from the outward payments of interest and dividends as well as from the inward capital movement as recorded.

(3) Including an unspecified amount contributed by the Netherlands for purposes other than the Netherlands Indies marine. The corresponding amount for 1936 (2 million gulden) was included against item 11.

(4) The figures for 1936 and 1937 include remittances by Chinese to China (estimated at 10 million gulden in 1936).

(5) Including 2 million gulden for purposes other than the marine.

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
Brought forward	483	545	505	639	1,022	558	495	482	525	811
IV. Gold.										
12. Gold coin and bullion :										
(a) imports	—	—	—	—	—	—	—	1	—	11
(b) exports, divided into :										
gold from domestic mines	4	3	3	3	3	—	—	—	—	—
other gold	32	23	21	18	13	—	—	—	—	—
Total	519	571	529	660	1,038	558	495	483	525	822
Surplus (+) or deficit (—) on account of :										
(a) goods and services	— 75	+ 50	+ 23	+114	+211					
(b) gold	+ 36	+ 26	+ 23	+ 21	+ 5					
(c) goods, services and gold	— 39	+ 76	+ 46	+135	+216					

Capital items. ⁽¹⁾

Items	Gulden (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1933	1934	1935	1936	1937	1933	1934	1935	1936	1937
I. Long-term operations.										
1. Amortisation :										
(a) of Government debt	—	—	—	—	—	58	45	33	34	34
(b) of other debts	—	—	—	—	—	—	—	—	—	—
2. Purchase of domestic securities	—	—	—	—	—	6	4	4	6	13
3. Remittances on account of pension funds and life insurance premia	—	—	—	—	—	17	13	8	8	8
4. Government loans raised in the Netherlands	115	141	4	12	25	—	—	—	—	—
5. Other new foreign investments	2	10	4	—	—	—	—	—	—	—
II. Known short-term operations.										
6. Change in the Government short-term debt	12	—	8	—	—	—	115	—	52	66
Total	129	151	16	12	25	81	177	45	100	121
Net inward (+) or outward (—) movement of capital	+48	—26	—29	—88	—96					

(1) See footnote (2) on preceding page.

SUMMARY TABLE.

	Gulden (000,000's)								
	Goods, services and gold					Capital items ⁽¹⁾			All items ⁽²⁾
	Merchan- dise	Interest and divi- dends ⁽¹⁾	Other services	Gold	Total	Long- term	Short- term	Total	
1925 Balance . .	+ 974	— 359	— 136	— 14	+ 465	— 18	— 198	— 216	+ 249
1926 Balance . .	+ 700	— 408	— 160	— 21	+ 111	— 56	+ 79	+ 23	+ 134
1927 Balance . .	+ 746	— 372	— 216	— 16	+ 142	— 67	+ 5	— 62	+ 80
1928 Balance . .	+ 573	— 355	— 201	— 15	+ 2	— 13	— 6	— 19	— 17
1929 Balance . .	+ 336	— 316	— 175	— 10	— 165	— 62	+ 141	+ 79	— 86
1930 Balance . .	+ 266	— 259	— 158	+ 2	— 149	+ 79	.	+ 79	70
1931 Balance . .	+ 166	— 147	— 130	+ 41	— 70	+ 34	+ 46	+ 80	+ 10
1932 Balance . .	+ 163	— 113	— 141	+ 46	— 45	+ 17	+ 87	+ 104	+ 59
1933 Balance . .	+ 144	— 104	— 115	+ 36	— 39	+ 36	+ 12	+ 48	+ 9
1934 Balance . .	+ 244	— 103	— 91	+ 26	+ 76	+ 89	— 115	— 26	+ 50
1935 Credit. . .	485	6	14	24	529	8	8	16	545
Debit . . .	277	108	97	1	483	45	—	45	528
Balance . .	+ 208	— 102	— 83	+ 23	+ 46	— 37	8	— 29	+ 17
1936 Credit. . .	614	7	18	21	660	12	—	12	672
Debit . . .	293	125	107	—	525	48	52	100	625
Balance . .	+ 321	— 118	— 89	+ 21	+ 135	— 36	— 52	— 88	+ 47
1937 Credit. . .	994	11	17	16	1,038	25	—	25	1,063
Debit . . .	511	157	143	11	822	55	66	121	943
Balance . .	+ 483	— 146	— 126	+ 5	+ 216	— 30	— 66	— 96	+ 120

The practice followed with reference to imports and exports of silver coin has varied in the original statements. Those most recently received, covering the years 1932-1937, exclude silver coin imported and exported by the Government, with the exception of coin paid to the Dutch Government for reduction of the floating debt. In the above tables the same method has been applied for the years in question; for the period up to 1931, however, all silver coin has been included with merchandise. A large proportion of this trade represents coin withdrawn from circulation and a new coin substituted therefor.

The only short-term capital operations recorded in the detailed table above are those represented by the change in the floating debt of the Government (capital item 6). The balances of short-term capital items given in the Summary Table for the years 1925-1929 include, however, known capital operations on private account. For later years, such operations, as well as other omissions and errors in the account, determine the final balances shown in the last column of that table.

Reinvestments in the country of non-distributed profits earned by foreign-owned enterprises are excluded from the inward capital movement as well as from the outward payments of interest and dividends, as there were no data on which reliable estimates of the amounts in question could be based. The capital account therefore understates the extent to which the Netherlands Indies has recourse to foreign

(1) See footnote (2) on page 149.

(2) The balances in this column are due to errors and omissions.

capital, and the recorded interest and dividend payments do not give a true idea of the foreign indebtedness of the country. The reinvestments out of profits earned were considerable during prosperous years; in 1925, for example, they are believed to have reached some 30 % of the amounts entered as dividends paid abroad in the account for goods, services and gold.

Capital items 2 and 3 largely represent savings effected by Europeans living in the Netherlands Indies who intend eventually to return to their home country. It follows that the outward capital movement shown by these items does not imply a corresponding reduction of the foreign indebtedness of the Netherlands Indies.

Details concerning the methods employed in the calculations are given in the 1927-1929 edition of this volume (1).

The total amount of the Government's short-term debt due abroad (in the Netherlands) amounted to 122.4 million gulden at the end of 1934, 129.5 million at the end of 1935, 76.8 million at the end of 1936 and 10.8 million at the end of 1937 (2).

(1) Ser. L.o.N. P. 1930.II.54II.

(2) Cf. *Economisch Weekblad voor Nederlandsch Indië*, April 29th, 1938, page 752.

NEW ZEALAND

An estimate of the balance of payments of New Zealand for the fiscal year ending March 31st, 1937, has been supplied by the Government of that country and is set out below together with the figures for the three preceding years published in the last issue of this publication. The figures for the whole period are given in pounds sterling.

Goods, services and gold.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
<i>I. Merchandise.</i>								
1. Merchandise	36,067	35,610	38,955	47,217	21,555	26,981	30,240	38,310
2. Adjustment for wrong valuation	—	—	—	—	490	245	—	—
<i>II. Interest and dividends.</i>								
3. Interest on intergovernmental debts	7	7	6	6	—	—	—	—
4. Interest on :								
(a) Government debt	—	—	—	—	6,010	6,042	5,803	6,272
(b) local bodies' debt	—	—	—	—	1,090	936	936	
5. Other interest and dividends on long-term capital ⁽¹⁾	140	161	48	46	900	1,000	1,000	1,000
<i>III. Other services.</i>								
6. Shipping income :								
(a) freights ⁽²⁾	165	197	236	272	—	—	—	—
(b) passage money	253	317	400	460	—	—	—	—
7. Port fees	627	652	700	700	—	—	—	—
8. Immigrants' and emigrants' funds	72	81	103	151	320	368	462	428
9. Tourists' expenditure	563	644	796	917	1,414	1,946	2,053	3,032
10. Diplomatic and similar expenditure	30	30	30	30	60	60	60	60
11. Other Government receipts and expenditure	273	297	248	139	370	713	599	603
<i>IV. Gold.</i>								
12. Gold coin and bullion	1,140	3,314	1,482	1,175	—	2	1	—
Total	39,337	41,310	43,004	51,113	32,209	38,293	41,154	49,705
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 5,988	— 295	+ 369	+ 233				
(b) gold	+ 1,140	+ 3,312	+ 1,481	+ 1,175				
(c) goods, services and gold	+ 7,128	+ 3,017	+ 1,850	+ 1,408				

(1) The figures on the credit side represent interest received on account of Government investments alone.

(2) Maritime freight on imported goods, which is included in group I of imports, amounted to approximately £2,400,000 in 1933-34, £3,000,000 in 1934-35, £2,700,000 in 1935-36 and £3,500,000 in 1936-37. Of these amounts, about £100,000, £125,000, £160,000 and £200,000 respectively were paid to national ships and included in the figure entered on the credit side against item 6 a.

Capital items.

Items	£ (000's) sterling							
	Inward or credit capital movement				Outward or debit capital movement			
	1933-34	1934-35	1935-36	1936-37	1933-34	1934-35	1935-36	1936-37
<i>I. Long-term operations.</i>								
1. Change in Government and local bodies' debt domiciled abroad	—	—	—	—	2,240	2,293	3,078	4,652
2. Change in Government holdings of foreign government bonds	5	835	30	200	967	—	—	—
<i>II. Short-term operations.</i>								
3. Net change in Government floating assets abroad . .	—	18,932	51	231	18,575	—	—	—
4. Net change in the banks' floating assets abroad . .	.	.	916	7,793	.	.	—	—
Total	5	19,767	997	8,224	21,782	2,293	3,078	4,652
Net inward (+) or outward (—) movement of capital on account of the above items . .	— 21,777	+17,474	— 2,081	+ 3,572				

SUMMARY TABLE.

	£ (000's) sterling								
	Goods, services and gold					Capital items			All known items
	Mer-chandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1928-29 Balance ⁽¹⁾	+ 9,921	— 8,687	— 391	+ 1,102	+ 1,945	.	.	+ 6,518	+ 8,463
1929-30 Balance	— 2,790	— 8,775	— 170	+ 1,087	— 10,648	— 2,445	+ 6,290	+ 3,845	— 6,803
1930-31 Balance	— 1,437	— 9,128	— 304	+ 271	— 10,598	+ 8,058	— 7	+ 8,051	— 2,547
1931-32 Balance	+ 7,700	— 8,458	— 882	+ 1,105	— 535	+ 4,871	— 3,098	+ 1,773	+ 1,238
1932-33 Balance	+ 9,012	— 7,731	— 585	+ 2,769	+ 3,465	— 1,192	+ 2,135	+ 943	+ 4,408
1933-34 Balance	+ 14,022	— 7,853	— 181	+ 1,140	+ 7,128	— 3,202	— 18,575	— 21,777	— 14,649
1934-35 Credit	35,610	168	2,218	3,314	41,310	835	18,932	19,767	61,077
Debit	27,226	7,978	3,087	2	38,293	2,293	—	2,293	40,586
Balance	+ 8,384	— 7,810	— 869	+ 3,312	+ 3,017	— 1,458	+ 18,932	+ 17,474	+ 20,491
1935-36 Credit	38,955	54	2,513	1,482	43,004	30	967	997	44,001
Debit	30 240	7,739	3,174	1	41,154	3,078	—	3,078	44,232
Balance	+ 8,715	— 7,685	— 661	+ 1,481	+ 1,850	— 3,048	+ 967	— 2,081	— 231
1936-37 Credit	47,217	52	2,669	1,175	51,113	200	8,024	8,224	59,337
Debit	38,310	7,272	4,123	—	49,705	4,652	—	4,652	54,357
Balance	+ 8,907	— 7,220	— 1,454	+ 1,175	+ 1,408	— 4,452	+ 8,024	+ 3,572	+ 4,980

(1) For previous years, reference should be made to figures given on page 134 of the 1933 issue of this publication (Ser. L.o.N. P. 1934.II.A.19).

The only figures available concerning capital movements up to 1934-35 inclusive refer to changes in the Government and local bodies' debts abroad and in the floating foreign assets of the Government. The balance of the whole account as shown for these years in the last column of the Summary Table will be seen to be largely due to the omission of other capital items, particularly short-term operations on private account. From 1935-36 the net change in the floating assets held abroad by New Zealand banks has been entered into the account (capital item 4).

Of the unexplained credit balance of nearly £5 million sterling on the whole account for 1936-37, an amount of £750,000 sterling is attributed to "a change during the year in the time at which funds arising out of the sale of dairy produce are credited, this being due to the introduction of the present scheme of guaranteed prices of dairy produce". The remainder is believed to represent chiefly repatriation of overseas funds temporarily held in New Zealand from previous years, either on account of the opportunity offered for investment there or in anticipation of a fall in the New Zealand-London exchange rate. Finally, a part of the discrepancy is considered to be due to investment of New Zealand funds in Australian securities.

Goods, services and gold.

Merchandise. The import figures shown against item 1 (debit) represent the current domestic value of the goods in the country of export plus 10% to cover carriage, insurance and freight. As investigation had shown this percentage to be insufficient, a further addition was made up to 1934-35 inclusive (2½% for 1933-34 and 1% for 1934-35). For 1935-36 and 1936-37 no similar addition was found necessary.

Interest and dividends. The amounts shown as interest on intergovernmental debts (item 3, credit) represent interest on the loan to the Samoan Government.

No statistics exist with reference to foreign private capital invested in New Zealand. In calculating the outward payments of interest and dividends on long-term capital, the estimate of British capital invested in New Zealand compiled by Sir George Paish in 1910 was used as basis, and allowance was made for subsequent growth. No allowance was made for investments of countries other than the United Kingdom in New Zealand, but these are believed to be offset to some extent by New Zealand private investments abroad, which were also left out of account.

Tourists' expenditure. In calculating the figures entered against item 9, estimates concerning the average expenditure per head were applied to the number of tourists arriving and leaving. In arriving at the debit figure for 1936-37, an additional allowance per head was made for tourists leaving for the purpose of attending the Coronation in England. The debit figures include passage money.

Gold. Gold coin, shown in the trade returns at face value, has been converted into sterling at the rate indicated by the *Statist* gold index.

Capital items.

Long-term operations. Item 1 represents the net increase or decrease in the indebtedness abroad of the Government and local authorities. The figures shown under item 2 relate to Government investments only.

Short-term operations. The credit figures entered against item 3 for 1935-36 and 1936-37 represent the excess of Government withdrawals over fixed bank deposits and those against item 4 the decrease in the overseas funds of New Zealand banks.

International indebtedness.

The following information is available concerning the balance of international indebtedness of New Zealand at March 31st of recent years. It excludes private

floating assets and debts, with the exception of banking assets as from 1934. The figures represent the nominal value in the case of securities, and book value in the case of direct investments.

Items	£(000's) sterling				
	1933	1934	1935	1936	1937
<i>Liabilities.</i>					
1. Intergovernmental debts	24,100	24,100	24,100	24,100	24,100
2. National securities domiciled abroad	162,902	160,662	157,709	154,443	149,555
3. Other long-term debt (national real estate owned by foreigners, foreign participation in national enterprises, and other foreign direct investments)	20,000	20,000	20,000	20,000	20,000
Total liabilities (excluding floating debt)	207,002	204,762	201,809	198,543	193,655
<i>Assets.</i>					
4. Claims on account of intergovernmental debts	139	136	132	132	132
5. Foreign securities held by the Government of New Zealand (on account of other foreign government and municipal debt)	1,279	2,241	1,406	1,376	1,113
6. New Zealand Government securities held in London by New Zealand public bodies (offsetting item 2 above)	3,517	3,517	3,517	3,517	3,517
7. Estimated private holdings of foreign securities	1,500	1,500	1,500	1,500	1,500
8. Floating assets abroad of :					
(a) New Zealand Government	930	19,505	618	609	275
(b) banks		a) 11,000	36,328	35,412	27,619
Total assets shown above	7,365	37,899	43,501	42,546	34,156
Net liabilities	199,637	166,863	158,308	155,997	159,499

(a) Estimate.

The liabilities shown under item 1 represent New Zealand's funded debt to the British Government and the corresponding assets (item 4) the New Zealand loan to the Samoan Government. The debt of the central Government abroad (less the amounts shown under item 1), plus foreign debt of local authorities, is shown against item 2. The figures shown against item 3 are based on the estimate made in 1910 by Sir George Paish. Item 8a represents fixed bank deposits, the high figure for 1934 being mainly in respect of funds under the Banks' Indemnity (Exchange) Act, 1932-33, since taken over by the Reserve Bank of New Zealand. The figures shown under item 8b relate to the overseas funds of the Reserve Bank and trading banks. Information is not available prior to August 1934, but an approximate estimate is given for March 1934

Official figures have been published monthly in the *New Zealand Gazette* since the end of July 1934 concerning the amount of foreign liabilities and assets of New Zealand trading banks. The figures for certain dates during the last few years are reproduced below :

	N.Z. £(000's)			
	March 25th, 1935	March 30th, 1936	March 29th, 1937	March 28th, 1938
<i>Liabilities.</i>				
Demand liabilities elsewhere than in New Zealand incurred in respect of New Zealand business	270	527	758	1,626
Time liabilities elsewhere than in New Zealand incurred in respect of New Zealand business	854	585	446	402
<i>Assets.</i>				
Overseas assets in respect of New Zealand business :				
(a) in London	16,605	14,143	11,048	7,462
(b) elsewhere	7,313	6,226	5,442	4,200

NICARAGUA

Statement of the National Bank for 1936-37.

A statement of the balance of payments of Nicaragua in the financial year ending June 30th, 1937, has been published by the National Bank of Nicaragua ⁽¹⁾ and is reproduced below after a regrouping of the items.

Goods, services and gold.	U.S. \$ (000's)	
	Credit movement	Debit movement
<i>I. Merchandise.</i>		
1. Merchandise, as recorded	6,887	6,115
2. Freight and insurance on imports (12½% of the recorded value) ⁽²⁾ . . .	—	764
<i>II. Interest and dividends (including amortisation).</i>		
3. Service of the public debt	—	132
4. Service of the foreign loans (estimate)	—	250
5. Deficits of foreign companies operating in the country	—	— 40
<i>III. Other services.</i>		
6. Insurance	125	85
7. Pensions received and paid	24	⁽³⁾ 6
8. Tourists' expenditure	⁽⁴⁾ 36	106
9. Expenditure of Nicaraguan students abroad	—	⁽⁵⁾ 103
10. Expenditure of Nicaraguans living abroad (<i>hospitalizaciones</i>)	—	56
11. Diplomatic expenditure	54	81
12. Contribution to international institutions	—	5
13. Other Government expenditure	—	26
14. Salaries and other expenditure of the Customs	—	48
15. Expenditure abroad by :		
(a) National Bank of Nicaragua	—	61
(b) Pacific Railway of Nicaragua	—	11
(c) Pan-American Coffee Bureau	—	1
(d) <i>Compañía Mercantil de Ultramar</i>	—	15
16. Miscellaneous items (estimate)	⁽⁶⁾ 30	200
<i>IV. Gold.</i>		
17. Gold bullion exported, as recorded	920	⁽⁷⁾
Total	8,076	8,025
Surplus on account of goods, services and gold	+ 51	
Known capital items (excluding amortisation).		
1. Change in mercantile credits :		
(a) on account of exports (under clearing)	10	—
(b) on account of imports	12	—
2. Frozen debts repaid (debit), and discounts on such debts (credit)	53	1,348
Total	75	1,348
Net outward (—) movement of capital	— 1,273	
Balance (due to errors and omissions) of the above items	— 1,222	

(1) *Revista del Banco Nacional de Nicaragua*, No. 7, July and August 1937.

(2) The recorded trade values represent the foreign f.o.b. values.

(3) Including expenses for the repatriation of Nicaraguans.

(4) Including port fees.

(5) Of which 14 on account of scholarship students.

(6) Including unrecorded exports (of live-stock) over Costa-Rican and Honduran frontiers.

(7) Imported gold is included with Merchandise.

Figures of the Financial Adviser for the period 1932-1936.

The following estimate of the chief items in the balance of payments of Nicaragua during the period covered by the five calendar years 1932-1936 is contained in the first report, dated June 14th, 1937, of the Financial Adviser, Mr. James H. Edwards, presented to the President of the Republic of Nicaragua.⁽¹⁾

	Cordobas (000's) (a)	
	Credit movement	Debit movement
Merchandise, as recorded	(b)22,088	22,556
Freight and insurance on imports (12½%)	—	2,820
Service of foreign debt	—	870
Government expenditure abroad ("official services")	—	1,900
"Invisible" service items (estimates)	1,800	3,800
Gold exported	2,852	—
Foreign balances blocked in Nicaraguan banks	2,865	—
	<hr/> 29,605	<hr/> 31,946
Debit balance on account of the above items (representing increase in bank balances abroad, balance of smuggled imports and exports, and capital flight)	2,341	

(a) The exchange value of the cordoba was equivalent to that of the U.S.A. \$ in the years 1932-1934, but about 9% below that of the \$ in 1935 and 1936, with a depreciation (in relation to gold) of 47.05% and 47.2% respectively in these two years.

(b) Of which silver, 130, and specie, 208.

(1) Cf. *Boletín de la Cámara Nacional de Comercio e Industrias de Managua*, No. 25 (August 1937). — Also published in *La Nueva Prensa* for August 3rd, 1937.

NORWAY

An estimate of the Norwegian balance of payments for the year 1937, compiled by the Central Statistical Office, has been supplied by the Norwegian Government and is set out below together with the statements for 1934-1936 that appeared in the last edition of this publication. Certain figures for 1936 have, however, been revised.

Goods, services and gold.

Items	Kroner (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. Merchandise ⁽¹⁾	578	604	684	822	733	820	922	1,287
2. Whale oil sold from herding grounds	31	39	56	62	—	—	—	—
II. Interest and dividends.								
3. Interest on intergovernmental debts	—	—	—	—	—	—	—	—
4. Interest on other public debts	3	3	3	3	56	55	58	51
5. Other interest and dividends on long-term capital	6	5	6	7	18	18	21	22
6. Interest on short-term capital	7	8	9	8	13	13	13	10
III. Other services.								
7. Shipping income	404	430	496	755	—	—	—	—
8. Port fees ⁽²⁾	4	5	6	6	202	215	250	270
9. Expenses of whaling companies abroad	—	—	—	—	8	12	12	11
10. Other transport fees ⁽³⁾	13	14	15	16	—	—	—	—
11. Post, telegraph and telephone	1	1	1	1	3	3	3	3
12. Immigrants' and emigrants' remittances	5	5	6	6	—	—	—	—
13. Tourists' expenditure	34	38	48	⁽⁴⁾ 67	⁽⁵⁾	⁽⁵⁾	⁽⁵⁾	⁽⁵⁾
14. Diplomatic and similar expenditure	—	—	—	—	3	4	4	4
15. Other items	17	18	19	30	11	10	11	18
IV. Gold.								
16. Gold coin and bullion	37	12	1	—	8	64	1	—
17. Change in earmarked gold	—	—	—	31	14	1	30	—
Total	1,140	1,182	1,350	1,814	1,069	1,215	1,325	1,676
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 56	+ 20	+ 55	+107				
(b) gold	+ 15	— 53	— 30	+ 31				
(c) goods, services and gold	+ 71	— 33	+ 25	+138				

(1) Excluding the trade with Svalbard (Spitzbergen).

(2) The figures on the debit side include expenses abroad for bunker fuel, provisions, commissions, wages, insurance, repairs, etc., i.e., all foreign expenses of national ships.

(3) Mainly earnings on account of iron ore and paper pulp coming from Sweden.

(4) Including expenditure of foreign commercial travellers which was not included in previous years. The expenditure of other visitors is believed to have been approximately of the same magnitude in 1937 as in 1936.

(5) Included in item 15.

Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Long-term operations.</i>								
1. Amortisation payments: (1)								
(a) of public debts	—	—	—	—	—	—	243	148
(b) of other debts	—	—	—	—	—	—	5	81
2. Purchases and sales:								
(a) of domestic securities . .	9	27	52	61	24	66	29	55
(b) of foreign securities . . .	(2) 35	(2) 37	(2) 29	(2) 32	35	26		
3. New capital issues:								
(a) Government and municipal	17	40	262	159	—	—	28	70
(b) other	22	10	—	82	—	—		
4. Other long-term investments. .	—	—	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
5. Change in short-term debts . .	—	—	40	2	32	2	—	—
6. Change in short-term assets(3) .	—	13	—	—	70	—	98	122
Total	83	127	383	336	161	94	403	476
Net inward (+) or outward (—) movement of capital	— 78	+ 33	— 20	—140				

SUMMARY TABLE.

	Kroner (000,000's)								
	Goods, services and gold					Capital items			All items (4)
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance . .	— 478	— 52	+ 339	—	— 191	+ 208	.	+ 208	+ 17
1924 Balance . .	— 433	— 62	+ 293	—	— 202	+ 167	.	+ 167	— 35
1925 Balance . .	— 269	— 62	+ 257	—	— 74	+ 152	— 40	+ 112	+ 38
1926 Balance . .	— 213	— 51	+ 259	—	— 5	— 35	+ 65	+ 30	+ 25
1927 Balance . .	— 238	— 60	+ 235	—	— 63	+ 141	— 54	+ 87	+ 24
1928 Balance . .	— 277	— 70	+ 227	—	— 120	+ 172	— 47	+ 125	+ 5
1929 Balance . .	— 232	— 69	+ 267	—	— 34	— 14	+ 66	+ 52	+ 18
1930 Balance . .	— 270	— 72	+ 237	—	— 105	— 14	+ 153	+ 139	+ 34
1931 Balance . .	— 293	— 70	+ 221	— 14	— 156	+ 27	+ 111	+ 138	— 18
1932 Balance . .	— 113	— 86	+ 239	+ 17	+ 57	+ 4	— 101	— 97	— 40
1933 Balance . .	— 68	— 83	+ 231	+ 3	+ 83	— 43	— 43	— 86	— 3
1934 Balance . .	— 124	— 71	+ 251	+ 15	+ 71	+ 24	— 102	— 78	— 7
1935 Credit . . .	643	16	511	12	1,182	114	13	127	1,309
Debit . . .	820	86	244	65	1,215	92	2	94	1,309
Balance . . .	— 177	— 70	+ 267	— 53	— 33	+ 22	+ 11	+ 33	± 0
1936 Credit . . .	740	18	591	1	1,350	343	40	383	1,733
Debit . . .	922	92	280	31	1,325	305	98	403	1,728
Balance . . .	— 182	— 74	+ 311	— 30	+ 25	+ 38	— 58	— 20	+ 5
1937 Credit . . .	884	18	881	31	1,814	334	2	336	2,150
Debit . . .	1,287	83	306	—	1,676	354	122	476	2,152
Balance . . .	— 403	— 65	+ 575	+ 31	+ 138	— 20	— 120	— 140	— 2

(1) Outward amortisation payments from 1936 only (the payments for previous years are included under item 2 a). The figures include conversion loans to the amount of 211 million kroner in 1936 and 195 million in 1937 (offset on the credit side against item 3).

(2) Including amortisation receipts and foreign participation in national capital issues.

(3) Excluding changes in gold deposited abroad.

(4) The balances in this column are due to errors and omissions.

The balance shown in the last column of the above table for the years 1923 and 1924 may be attributed largely to the exclusion of short-term capital operations. But even in the statements for subsequent years (with the exception of 1935), which include such operations, a perfect balance is not obtained owing to omissions and possible errors. The Central Statistical Office emphasises the fact that many of the figures given are necessarily of the character of estimates of varying accuracy. The most important items omitted are considered to be outgoings and receipts on account of commissions and insurance undertakings, etc., which, it is thought, roughly balance. Receipts from emigrants are omitted before 1926 and expenditure abroad by Norwegian tourists before 1927. Further, when calculating the movement of short-term capital, it has not been possible to eliminate certain changes in the floating assets and liabilities which do not result from international payments, *e.g.*, losses and amounts written off.

Capital items.

The estimates of the long-term capital operations are based on information received from the larger banks, brokers, insurance and shipping companies, industrial concerns and certain municipalities.

Figures concerning the annual movement of short-term capital, are available from 1925. The balances of long-term capital operations shown in the Summary Table for the years 1923-1924 include, however, allowances for changes in the floating assets arising from long-term loans abroad, the proceeds of loans brought home in each year being taken into account and not the total amounts raised.

Balance of international indebtedness.

Information concerning outstanding debts and liabilities abroad is collected annually from State Departments, the larger municipalities, commercial banks and a number of private firms. The main results of the enquiries are given below ⁽¹⁾ :

	Liabilities			Assets			Balance	
	Bonds and shares	Real estate	Floating indebtedness	Bonds and shares	Real estate	Floating assets	Kroner (000,000's)	Gold kroner (000,000's)
Market value in kroner (000,000's)								
April 30th, 1919 . . .	750	.	300	410	.	2,000	+ 1,360	+ 1,310
Sept. 30th, 1924 . . .	1,575	65	1,025	245	30	730	— 1,660	— 880
Dec. 31st, 1925. . . .	1,400	60	780	230	25	580	— 1,405	— 1,065
Dec. 31st, 1926. . . .	1,165	55	777	260	20	492	— 1,225	— 1,155
Dec. 31st, 1927. . . .	1,247	55	594	213	20	361	— 1,302	— 1,293
Dec. 31st, 1928. . . .	1,457	55	606	180	20	420	— 1,498	— 1,491
Dec. 31st, 1929. . . .	1,461	65	660	183	18	408	— 1,577	— 1,577
Dec. 31st, 1930. . . .	1,485	67	729	242	20	324	— 1,695	— 1,695
Dec. 31st, 1931. . . .	1,359	71	838	168	18	346	— 1,736	— 1,201
Dec. 31st, 1932. . . .	1,531	71	762	168	18	342	— 1,836	— 1,175
Dec. 31st, 1933. . . .	1,344	71	678	172	18	309	— 1,594	— 973
Dec. 31st, 1934. . . .	1,430	71	653	182	17	368	— 1,587	— 868
Dec. 31st, 1935. . . .	1,506	71	651	171	17	406	— 1,634	— 892
Dec. 31st, 1936. . . .	1,615	71	683	186	17	530	— 1,636	— 890
Dec. 31st, 1937. . . .	1,614	71	683	218	17	618	— 1,515	— 838

(1) For further details, see *Statistiske Meddelelser* (issued by the Norwegian Central Statistical Office), No. 5, 1938.

A specification of the figures for the last five years shown in the table is given below :

Items	Market value in kroner (000,000's) at the end of				
	1933	1934	1935	1936	1937
<i>Liabilities.</i>					
1. Norwegian bonds and shares, held abroad :					
(a) State bonds	641	698	732	749	716
(b) municipal debt	198	201	185	191	232
(c) debt of certain banks (*)	156	182	197	229	237
(d) private bonds	105	137	147	141	145
(e) shares	244	212	245	305	284
2. National real estate owned by foreigners	71	71	71	71	71
3. Floating debt of:					
(a) official institutions (including the Bank of Norway)	14	19	15	19	9
(b) banks and brokers	108	88	93	118	146
(c) other private enterprises	556	546	543	546	528
Total liabilities	2,093	2,154	2,228	2,369	2,368
<i>Assets.</i>					
4. Foreign bonds and shares, held in Norway by :					
(a) official institutions (including the Bank of Norway)	7	8	14	15	46
(b) banks and brokers	25	22	22	31	27
(c) other private enterprises	140	152	135	140	145
5. Foreign real estate owned by Norwegians	18	17	17	17	17
6. Floating assets of:					
(a) official institutions (including the Bank of Norway)	70	124	154	262	350
(b) banks and brokers	51	56	60	63	51
(c) other private enterprises	188	188	192	205	217
Total assets	499	567	594	733	853

(*) The Mortgage Bank, the Small Farm and Housing Bank and the Municipal Bank. Other banks are included with " other private enterprises ".

Norwegian participation in foreign enterprises and direct investments abroad, included under items 4b and c in this table, amounted at the end of each of the years 1933 to 1936 to 109, 118, 117, 136 and 126 million kroner respectively.

A division by countries of the market value of the Norwegian shares held abroad (item 1e in the above table) and the total face value of these shares at the end of 1935, 1936 and 1937 is given below :

Shares held in	Kroner (000,000's)			Shares held in	Kroner (000,000's)		
	1935	1936	1937		1935	1936	1937
France	74.2	106.0	84.6	Belgium	0.7	2.3	2.7
U.K.	34.8	36.6	44.8	Canada	17.4	17.6	16.2
Germany	5.5	7.9	4.4	Other countries	3.5	5.3	3.4
Sweden	34.0	39.3	39.7	Total market value	244.9	304.7	283.7
U.S.A.	33.8	34.4	38.2	Total face value	322.5	317.5	320.5
Denmark	4.9	5.4	6.4				
Switzerland	28.5	41.5	33.2				
Netherlands	7.6	8.4	10.1				

A similar division of the amounts of foreign bonds and shares held in Norway (items 4a-c) is given below for the last two years:

Country of issue	Kroner (000,000's)					
	End of 1936			End of 1937		
	Bonds	Shares	Total	Bonds	Shares	Total
United Kingdom	14.6	41.3	55.9	23.2	39.1	67.3
United States	9.4	16.3	25.7	18.8	10.7	29.5
Sweden	10.2	31.8	42.0	24.1	30.8	54.9
Switzerland	0.2	13.9	14.1	0.4	14.3	14.7
Germany	0.9	1.0	1.9	1.0	1.3	2.3
France	0.9	3.0	3.9	0.8	3.2	4.0
Finland	0.8	2.0	2.8	1.4	2.1	3.5
Denmark	4.0	2.6	6.6	4.2	3.8	8.0
Other countries	8.5	24.2	32.7	13.3	20.3	33.6
Total market value	49.5	136.1	185.6	92.2	125.6	217.8
Total face value	54.4	145.9	200.3	95.5	139.0	234.5

The floating debts and assets were distributed among different currencies as follows :

At the end of year	Amounts converted into Norwegian kroner (000,000's)								Total
	£ sterling	\$ U.S.A.	Swedish kronor	Danish Kroner	French francs	Gulden	Other foreign currencies	Norwegian kroner	
<i>Debts</i>									
1934	268.4	49.8	107.7	4.4	17.0	17.5	22.0	166.2	652.9
1935	263.6	50.5	104.4	3.0	20.1	20.4	20.2	168.8	651.0
1936	252.6	51.7	126.3	3.8	11.8	14.4	17.5	204.5	682.6
1937	247.5	60.3	93.4	4.5	1.2	12.1	31.0	233.0	683.0
<i>Assets</i>									
1934	174.6	50.9	21.1	2.8	5.2	1.5	25.5	86.2	367.9
1935	168.4	46.1	26.4	3.5	3.5	0.9	25.2	131.6	405.6
1936	253.8	53.5	43.0	2.5	1.9	3.1	18.5	153.5	529.8
1937	338.7	80.2	39.4	4.0	1.1	2.8	24.6	127.3	618.1

The information concerning the changes in the floating assets and liabilities has been utilised for determining the short-term capital items in the balance of payments statements from 1925 inclusive (capital items 5 and 6). For that purpose the changes in assets and debts due to variations in the exchange value of the currencies in which the amounts were due have been eliminated. Further, changes in assets in the form of gold deposited abroad (included with "Floating assets" in the above tables) have not been entered in the balance of payments account as a capital operation but as a gold transaction ("Change in earmarked gold"). For these two reasons there is no close correspondence between the variations in the market value of the floating assets and debts and the short-term capital operations considered in the balance of payments.

It is interesting to compare the changes in the indebtedness on account of bonds, shares and real estate with the movement of long-term capital as recorded independently from these changes :

	Kroner (000,000's)				
	1933	1934	1935	1936	1937
Net increase (+) or decrease (—) in foreign long-term indebtedness	— 191	+ 77	+ 87	+ 94	— 33
Net inward (+) or outward (—) movement of long-term capital	— 43	+ 24	+ 22	+ 38	— 20

The difference between the two sets of figures is largely due to variations in the book value of the securities.

POLAND

An estimate of the balance of payments of Poland in 1936 and a partial estimate of the balance in 1937 have been supplied by the Government of that country and are set out below, together with those for 1934 and 1935 which appeared in the preceding edition of this publication. The figures for 1936 and 1937 are provisional. As the information available for 1937 is very incomplete, no totals are given for that year.

Goods, services and gold.

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise(Poland and Danzig)	975.7	930.1	1,033.9	1,196.2	799.7	861.8	1,013.0	1,257.8
2. Adjustment of item 1 (foreign trade of Danzig) . . . . .	.	.	.	.	.	.	.	.
3. Contraband . . . . .	.	.	.	.	.	.	.	.
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts	—	—	—	—	5.8	2.9	0.6	.
5. Interest on other public debts :								
(a) Government debts	—	—	—	—	47.5	46.4	29.5	.
(b) municipal debts	—	—	—	—	9.7	9.1	10.1	.
6. Interest on private long-term debts :								
(a) of Polish banks and enterprises	—	—	—	—	22.6	21.5	20.4	.
(b) of branches of foreign enterprises	0.2	—	—	—	10.3	5.2	6.7	.
7. Dividends and profits, including <i>tantièmes</i>	0.4	0.4	0.9	.	16.1	14.4	20.2	20.0
8. Interest (incl. commissions) on short-term credits :								
(a) of Government enterprises	—	—	—	—	5.7	5.5	5.6	7.8
(b) of private enterprises	3.9	2.9	2.7	.	45.9	35.4	24.0	.
(c) on banking credits	5.8	4.5	2.3	2.0	13.6	12.6	13.8	8.1
<i>III. Other services.</i>								
9. Shipping income :								
(a) ordinary freights	11.3	14.2	15.9	45.0	—	—	—	—
(b) passage money	6.7	6.2	9.2		—	—	—	—
(c) other receipts	1.2	3.6	6.6		—	—	—	—
10. Port fees	3.7	4.1	4.0		8.4	11.8	15.9	17.0
Carried forward	1,008.9	966.0	1,075.5		985.3	1,026.6	1,159.8	

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	1,008.9	966.0	1,075.5		985.3	1,026.6	1,159.8	
11. Railway transport fees	89.8	76.8	63.7	67.4	5.6	4.2	6.0	.
12. Expenditure of the Polish State Railways in Danzig	—	—	—	—	34.9	19.8	15.5	.
13. Reinsurance	4.3	3.7	3.7	.	6.6	5.5	3.9	.
14. Post, telegraph and telephone	3.6	1.9	1.5	.	3.5	1.8	1.1	.
15. Immigrants' and emigrants' funds and remittances	151.6	168.5	168.6	163.3	42.6	64.0	58.9	41.9
16. Tourists' expenditure	32.8	34.0	35.7	38.6	41.7	48.6	50.0	45.8
17. Accounts with Danzig (customs duties) . . . . .	.	.	.	.	.	.	.	.
18. Other items	25.2	26.4	27.6	.	42.1	44.4	47.1	.
IV. Gold.								
19. Gold coin and bullion	4.2	128.6	46.6	13.0	51.3	71.2	26.4	133.9
20. Adjustment of item 19 (1).	17.7	— 27.1	.	.	— 35.8	7.9	.	.
Total	1,338.1	1,378.8	1,422.9		1,177.8	1,294.0	1,368.7	
Surplus (+) on account of :								
(a) goods and services	+ 153.9	+ 62.4	+ 34.0					
(b) gold	+ 6.4	+ 22.4	+ 20.2					
(c) goods, services and gold	+ 160.3	+ 84.8	+ 54.2					

Capital items.

Items	Zloty (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts.	—	—	—		13.4	13.4	4.9	
(b) of other Government debts.	—	—	—		10.6	10.1	9.5	
(c) of municipal debts	—	—	—		2.5	3.1	3.1	
(d) of other debts	—	—	—		11.0	8.4	12.4	
2. New capital issues :								
(a) Government	—	—	—		—	—	—	
(b) municipal	1.1	—	—		—	—	—	
(c) other	2.2	0.8	80.0		—	—	—	
3. Other long-term transactions	142.3	126.1	79.3		173.8	121.9	190.4	
II. Short-term operations.								
4. Change in short-term credits of enterprises :								
(a) assets	25.2	16.9	5.9		26.5	21.0	3.4	
(b) debts	160.1	194.8	192.7		294.2	253.5	146.6	
Carried forward	330.9	338.6	357.9		532.0	431.4	370.3	

(1) Including changes in the amount of gold earmarked abroad for the account of the Bank of Poland.

Items	Zloty (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	330.9	338.6	357.9		532.0	431.4	370.3	
5. Change in banking credits :								
(a) assets	7.7	—	7.5		—	17.3	—	
(b) debts	13.6	16.8	—		—	—	57.8	
6. Change in merchandise credits :								
(a) assets	51.3	8.4	.		—	—	.	
(b) debts	—	—	.		12.6	16.0	.	
7. Increase in assets on account of blocked merchandise credits .	—	—	.		18.0	12.0	.	
8. Change in the foreign currency holdings of :								
(a) the Bank of Poland . . .	60.0	1.4	—		—	—	2.8	
(b) other banks	—	14.8	2.8		2.4	—	—	
9. Change in clearing accounts . .	—	—	.		15.8	11.3	.	
Total	463.5	380.0	368.2		580.8	488.0	430.9	
Net outward movement of capital (—)	—117.3	—108.0	—62.7					

SUMMARY TABLE.

	Zloty (000,000's) (1)								
	Goods, services and gold					Capital items			All items (2)
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1923 Balance	+ 132.0	— 37.1	+ 119.9	— 39.8	+ 175.0	+ 33.9	+ 177.9	+ 211.8	+ 386.8
1924 Balance	— 460.3	— 113.6	+ 215.9	— 24.1	— 382.1	+ 163.8	+ 81.4	+ 245.2	— 136.9
1925 Balance	— 1,095.8	— 117.6	+ 186.4	— 94.6	— 1,121.6	+ 443.2	+ 613.5	+ 1,056.7	— 64.9
1926 Balance	+ 801.3	— 169.0	+ 176.9	+ 0.3	+ 809.5	— 43.9	— 140.2	— 184.1	+ 625.4
1927 Balance	— 417.5	— 229.5	+ 198.7	— 282.2	— 730.5	+ 548.7	— 43.4	+ 505.3	— 225.2
1928 Balance	— 988.0	— 284.5	+ 275.4	— 106.6	— 1,103.7	+ 260.3	+ 850.3	+ 1,110.6	+ 6.9
1929 Balance	— 461.9	— 380.0	+ 320.6	— 81.4	— 602.7	+ 58.5	+ 535.0	+ 593.5	— 9.2
1930 Balance	+ 67.6	— 450.9	+ 216.5	+ 141.0	— 25.8	+ 29.0	— 444.8	— 415.8	— 441.6
1931 Balance	+ 250.3	— 417.4	+ 239.4	— 60.6	+ 11.7	+ 97.8	— 101.4	— 3.6	+ 8.1
1932 Balance	+ 123.7	— 285.0	+ 205.8	— 13.7	+ 30.8	+ 23.8	— 55.2	— 31.4	— 0.6
1933 Balance	+ 98.6	— 213.0	+ 195.2	— 49.5	+ 31.3	— 16.5	— 64.1	— 80.6	— 49.3
1934 Credit	975.7	10.3	330.2	21.9	1,338.1	145.6	317.9	463.5	1,801.6
Debit	799.7	177.2	185.4	15.5	1,177.8	211.3	369.5	580.8	1,758.6
Balance	+ 176.0	— 166.9	+ 144.8	+ 6.4	+ 160.3	— 65.7	— 51.6	— 117.3	+ 43.0
1935 Credit	930.1	7.8	339.4	101.5	1,378.8	126.9	253.1	380.0	1,758.8
Debit	861.8	153.0	200.1	79.1	1,294.0	156.9	331.1	488.0	1,782.0
Balance	+ 68.3	— 145.2	+ 139.3	+ 22.4	+ 84.8	— 30.0	— 78.0	— 108.0	— 23.2
1936 Credit	1,033.9	5.9	336.5	46.6	1,422.9	159.3	208.9	368.2	1,791.1
Debit	1,013.0	130.9	198.4	26.4	1,368.7	220.3	210.6	430.9	1,799.6
Balance	+ 20.9	— 125.0	+ 138.1	+ 20.2	+ 54.2	— 61.0	— 1.7	— 62.7	— 8.5

(1) Throughout, gold zloty of the new parity (introduced in October 1926).

(2) The balances in this column are due to errors and omissions.

It will be noted that a perfect balance is not obtained. From the information available, it is not possible to state whether this is due to the inadequacy of the data relative to the credit or the debit items of the account. Were the information available complete, the accounts for each year would, of course, balance exactly. Account should be taken of the facts that, in the statement for 1936, no figures are available for a number of items, particularly those relating to merchandise credits and clearing accounts (short-term capital operations), and that it has not proved possible to adjust the recorded trade figures (which refer to the Customs territory of Poland-Danzig) on account of the trade of Danzig and of smuggled goods for any of the years shown in the detailed account.

Details concerning the composition of certain items were given in the 1931-1932 edition of this publication.⁽¹⁾ Additional information of a similar nature is given for certain items below.

Goods, services and gold.

The figures entered on the debit side against item 10 for 1932-1936 comprise the following amounts :

	1932	Zloty (000,000's)			
		1933	1935	1936	
Loading and unloading charges	3.1	2.5	3.0	3.4	
Port and canal fees	2.6	2.0	2.5	2.8	
Bunker coal, stores and repairs	2.3	2.0	1.6	5.8	
Other expenses	2.6	2.1	4.7	3.9	

A division of the figures entered on the credit side against item 11 is given below :

	1932	1933	Zloty (000,000's)		
			1934	1935	1936
Transport of goods	116.3	110.1	84.3	72.0	.
Transport of passengers and luggage	16.7	17.0			
Other railway services	4.2	4.1			

Capital items.

Item 3 comprises the following transactions :

	Zloty (000,000's)							
	Credit				Debit			
	1933	1934	1935	1936	1933	1934	1935	1936
1. Sales and purchases of :								
(a) national securities :								
bonds and mortgages	1.8	5.0	—	0.5	10.6	64.1	46.5	64.3
shares	35.1	44.3	19.5	3.8	24.9	58.4	43.4	109.0
(b) foreign securities :								
bonds and mortgages	4.9	6.5	3.3	5.6	3.6	4.3	3.9	1.8
shares (*)	1.2	4.0	18.6	25.1	—	7.7	1.6	1.7
2. Foreign participation in new capital issues of Polish banks and enterprises	14.7	49.4	68.5	18.8	—	—	—	—
3. Capital and credits of branches of foreign enterprises	11.8	33.1	16.2	25.5	10.1	39.3	26.5	13.6
4. Other long-term credits	5.9	—	—	—	—	—	—	—
Total	75.4	142.3	126.1	79.3	49.2	173.8	121.9	190.4

(*) The debit figures include Polish participation in new capital issues abroad.

(1) Ser. L.o.N. P. 1933.II.A.26.

A specification of the amounts grouped under item 4 is given below :

	Zloty (000,000's)							
	Credit				Debit			
	1933	1934	1935	1936	1933	1934	1935	1936
1. Change in credits (in cash and merchandise) of Government enterprises :								
(a) assets	(^a)	8.6	1.2	—	(^a)	7.5	1.9	—
(b) debts	(^a)	30.0	58.0	54.5	(^a)	26.5	32.5	24.3
2. Change in cash credits of Polish enterprises (in 1934-1936, private only) :								
(a) assets	20.2	14.5	13.8	5.9	17.4	18.5	18.1	3.3
(b) debts	422.4	116.0	126.0	120.3	510.7	255.7	203.3	110.6
3. Change in credits of branches of foreign enterprises :								
(a) with their head offices (assets)	.	1.9	1.8	—	.	0.3	1.0	0.1
(b) other credits :								
assets . . . . .	.	0.2	0.1	—	.	0.2	—	—
debts	5.6	14.1	10.8	17.9	14.7	12.0	17.7	11.7
Total	448.2	185.3	211.7	198.6	542.8	320.7	274.5	150.0

(^a) Cash credits included in Item 2 of this table, and merchandise credits in capital item 6.

International indebtedness.

The following details with regard to the international indebtedness of Poland are available. Owing to the absence of figures for merchandise credits (items 11 and 19) at the end of 1936, the totals for that year are not comparable with those for earlier years.

	Zloty (000,000's) at the end of				
	1932	1933	1934	1935	1936
<i>Liabilities.</i>					
A. Long-term credits.					
1. Intergovernmental debts	2,873.2	2,209.2	2,094.6	2,082.0	1,824.7
2. Other foreign debt of the Government . . .	1,641.0	1,335.2	1,008.4	944.1	833.8
3. Foreign debt of municipalities	260.9	216.8	197.5	182.8	118.6
4. Foreign debt of enterprises : bonds and mortgages	450.7	427.7	390.3	369.9	405.1
5. Foreign participation in Polish enterprises (from 1934 excluding reserve funds) . . .	2,050.7	2,054.3	1,794.6	1,747.8	1,565.3
6. Branches of foreign enterprises operating in Poland	300.9	305.5	289.0	279.7	246.2
B. Short-term credits.					
7. Credits (in cash and in merchandise) of Government enterprises	(^a)	(^a)	87.1	113.8	147.9
8. Cash credits of Polish enterprises	1,729.7	1,539.7	1,262.0	1,153.8	905.0
9. Cash credits of branches of foreign enterprises, not raised with the head office	61.6	51.7	54.9	49.2	42.3
10. Banking credits (^b)	292.2	247.6	259.4	276.3	218.5
11. Merchandise credits	150.7	133.3	109.7	93.7	.
12. Miscellaneous liabilities	60.1	38.0	51.9	61.9	116.1
Total liabilities	9,871.7	8,559.0	7,599.4	7,355.0	6,423.5

(^a) Included with items 8 and 11.

(^b) Including "rediscounted foreign exchange", amounting to 5.8, 5.3, 3.5, 3.6 and 1.3 million zloty at the end of the years 1932 to 1936 respectively.

	Zloty (000,000's) at the end of				
	1932	1933	1934	1935	1936
<i>Assets.</i>					
A. Long-term credits.					
13. Government foreign assets	80.5	73.0	57.1	42.5	26.1
14. Polish participation in foreign enterprises . .	64.2	62.4	52.6	34.0	24.4
B. Short-term credits.					
15. Credits (in cash and in merchandise) of Govern- ment enterprises	(a)	(a)	5.1	5.1	8.5
16. Cash credits of Polish enterprises	12.7	9.7	19.6	23.9	15.1
17. Credits of branches of foreign enterprises . .	.	.	6.3	3.8	1.3
18. Banking credits (b)	88.0	76.2	66.7	84.1	76.6
19. Merchandise credits	138.9	150.1	68.7	60.3	.
20. Holdings of foreign exchange and currencies of : (a) the Bank of Poland	136.7	88.3	28.3	26.9	29.7
(b) other banks	38.9	18.0	20.4	5.6	2.8
21. Miscellaneous assets	30.6	20.6	98.8	137.0	195.0
Total assets	590.5	498.3	423.6	423.2	379.5
Net liabilities	9,281.2	8,060.7	7,175.8	6,931.8	6,044.0

(a) Included with items 16 and 19.

(b) Including "rediscounted foreign exchange", amounting to 5.8, 5.3, 3.5, 3.6 and 1.3 million zloty at the end of the years 1932 to 1936 respectively.

A division by countries of the foreign-owned capital of the majority of the Polish enterprises considered in item 5 above has been published by the Polish Ministry of Industry and Commerce.⁽¹⁾ The figures refer to the share capital — excluding reserve funds — of joint-stock companies other than banks and insurance companies; for this and possibly other reasons, the total amounts of foreign capital given differ from those entered against item 5. The capital (Polish and foreign) invested in the companies in question and the percentage distribution by countries of the foreign capital were as follows at the end of the years 1932-1937 :

	1932	1933	1934	1935	1936	1937
			Zloty (000,000's)			
Total capital	3,460.4	3,451.4	3,423.0	3,427.7	3,409.6	3,361.9
of which : Polish	1,844	1,822	1,809	1,825.0	1,964.3	1,920.2
foreign	1,616	1,629	1,614	1,602.7	1,445.3	1,441.7
Distribution of foreign capital by countries :			Percentages			
France	24.4	24.9	25.6	24.4	27.1	26.2
United States	21.9	21.8	21.9	21.9	19.2	18.6
Germany	23.4	21.5	19.8	19.3	13.8	13.3
Belgium	10.0	9.7	10.5	11.0	12.5	13.3
Switzerland	2.8	3.9	4.8	4.5	7.2	8.5
United Kingdom	4.9	5.2	4.7	5.1	5.5	5.4
Austria	3.5	4.1	3.4	3.4	3.5	2.9
Netherlands	2.8	3.0	2.9	3.1	3.5	3.9
Sweden	2.3	2.3	2.3	2.4	2.7	2.6
Czechoslovakia	1.3	1.3	1.4	1.4	1.6	1.7
Other countries	2.7	2.3	2.7	3.5	3.4	3.6
Total	100	100	100	100	100	100

(1) Cf. *Polska Gospodarka*, April 10th, 1937, page 510 ; April 9th, 1938, page 600. (Cf. also *Ost Europa Markt*, March 1937, page 133.)

Liabilities and assets on account of banking credits (items 10 and 18 of the above table) at the end of 1937 amounted to 187.7 and 75.9 million zloty respectively. A division by countries of these credits at the end of the years 1933-1937 is given below : ⁽¹⁾

End of	Zloty (000,000's)											
	Austria	Belgium	Danzig	France	Germany	Italy	Netherlands	Switzerland	U. K.	U.S.A.	Other countr.	Total
<i>Liabilities.</i>												
1933	19.3	11.5	12.1	51.4	58.3	2.7	10.5	11.1	55.7	4.6	10.4	247.6
1934	12.2	14.3	21.0	53.0	57.9	0.8	10.5	10.1	56.3	4.7	18.6	259.4
1935	7.1	8.4	20.5	75.3	45.1	18.0	11.0	10.6	54.8	3.8	21.7	276.3
1936	5.7	9.1	13.5	37.9	45.3	29.0	15.0	10.0	34.5	3.0	15.5	218.5
1937 ^a	3.7	1.2	15.2	37.4	44.1	14.4	5.6	10.4	36.0	3.7	16.0	187.7
<i>Assets.</i>												
1933	2.3	0.5	17.4	11.3	19.0	0.7	3.0	4.7	5.8	5.5	5.9	76.1
1934	2.3	0.5	13.3	10.6	17.0	0.5	1.1	3.6	9.0	5.1	3.7	66.7
1935	2.3	0.5	17.4	18.6	15.3	0.1	1.9	2.7	14.4	6.4	4.5	84.1
1936	2.0	0.6	7.7	4.3	17.6	0.2	0.4	1.4	25.3	8.9	8.2	76.6
1937 ^a	1.7	0.6	11.8	3.4	18.1	0.5	0.8	1.5	16.7	11.7	9.1	75.9

(^a) On account of changes introduced in banking statistics published in the *Statistical Bulletin of the Ministry of Finance* from the beginning of 1938, it is possible that the figures for 1937 are not quite comparable with the previous years.

(1) Source : *Statistical Bulletin of the Ministry of Finance*, or *Informations statistiques de l'Office central de statistique de la République polonaise*.

SIAM

A statement for the fiscal year ending March 31st, 1937, has been supplied by the Government of Siam and is given below together with those for the calendar year 1934 and the fiscal years ending March 31st, 1935 and 1936, included in the preceding issue of this publication. The figures refer only to the foreign trade in merchandise and gold and to Government transactions.

Goods, services and gold.

Items	Baht (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1934-35	1935-36	1936-37	1934	1934-35	1935-36	1936-37
<i>I. Merchandise.</i>								
1. Merchandise	152.3	161.5	151.4	179.9	95.5	101.7	108.7	109.9
2. Contraband.	1.0	.	.	.	0.5	.	.	.
<i>II. Interest and dividends.</i>								
3. Interest on public debts . . .	—	—	—	—	4.6	4.4	4.2	3.7
4. Other interest and dividends .	—	—	—	—	.	.	.	.
<i>III. Other services.</i>								
5. Port receipts	0.2	0.2	.	.	—	—	—	—
6. Diplomatic and similar expenditure	—	—	—	—	0.4	0.5	0.5	0.3
7. Other Government expenditure .	—	—	—	—	8.2	3.5	16.2	12.3
<i>IV. Gold.</i>								
8. Gold coin and bullion	13.3	11.1	6.8	4.5	0.1	—	—	0.2
Total	166.8	172.8	158.2	184.4	109.3	110.1	129.6	126.4
Surplus (+) on account of the above items.	+ 57.5	+ 62.7	+ 28.6	+ 58.0				

Known capital item (long-term operations).

	Baht (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1934-35	1935-36	1936-37	1934	1934-35	1935-36	1936-37
Amortisation of public debts . . .	—	—	—	—	3.4	3.6	3.8	3.5

The increase during 1935-36 in Government expenditure abroad (item 7) is stated to be due mainly to purchases of naval and military equipment.

The credit balances on account of goods, services and gold, as given above, cannot be taken as representing the export of capital, as no private transactions other than trade in goods and gold are included in the table. The *Report of the Financial Adviser on the Budget of the Kingdom of Siam* for the year 1933-34 states that the "invisible" imports for which figures are lacking consist of "remittances of profits earned by foreign companies or individuals carrying on business in Siam, payments for freight and insurance so far as they are not included in the Customs declarations and private remittances which, in the main, consist of remittances of Chinese emigrants to their families in China".

According to a Chinese estimate quoted in the *Report* for 1936-37, annual remittances of Chinese emigrants to their country for some years up to 1932 amounted to about 50 million standard dollars, or 37 million baht.

The following condensed statements, contained in the *Report of the Financial Adviser* for 1934-35, 1936-37 and 1937-38, show the recorded trade and Government remittances abroad during seven consecutive financial years.

	Baht (000,000's)						
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Exports and re-exports of merchandise, coin and bullion	161.5	(a) 124.0	152.5	144.1	172.6	158.2	184.4
Recorded imports of merchandise, coin and bullion :							
private	147.8	92.9	87.8	88.3	100.5	107.1	107.9
Government	7.2	7.0	1.7	4.7	1.3	1.6	2.2
Total imports	155.0	99.9	89.5	93.0	101.8	108.7	110.1
Excess of exports over imports	6.5	24.1	63.0	51.1	70.8	49.5	74.3
Payments abroad on Government account (unrecorded imports, interest and amortisation of debts, pensions, diplomatic expenditure, etc.)	13.0	10.9	11.7	12.5	13.5	22.9	17.6
Balance in favour of Siam	— 6.5	13.2	51.3	38.6	57.3	26.6	56.7

(a) In the trade returns, the corresponding figure is given at 134.2.

It is pointed out that, until 1930-31, Siam was a gold-importing country. During the twenty years ending 1929-30, the imports of gold leaf totalled 124.4 million ticals (baht). The movement in recent years of bullion, coin, leaf and ornaments of gold has been as follows :

	Baht (000,000's)							
	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Exports	—	1.5	9.2	24.9	14.1	11.1	6.8	4.5
Imports	4.9	1.3	0.3	—	0.1	—	—	0.2
Excess of imports (—) or exports (+)	— 4.9	+ 0.2	+ 8.9	+ 24.9	+ 14.0	+ 11.1	+ 6.8	+ 4.3

SURINAM

A statement of the main items in the balance of payments for Surinam in 1937 has been supplied by the Dutch Government and is set out below in a slightly modified form, together with the estimates for 1934-1936 which appeared in last year's edition of this publication.

Goods, services and gold.

Items	Gulden (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise	3,906	3,359	5,181	7,553	5,320	5,382	5,741	6,670
2. Adjustment for wrong valuation	—	—	—	—	1,064	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest on public debts . .	—	—	—	—	361	437	499	418
<i>III. Other services.</i>								
4. Shipping	34	34	58	119	19	—	78	82
5. Other transport charges . .	9	—	11	15	6	96	—	—
6. Port fees	3	3	7	8	40	33	36	74
7. Post, telegraph and telephone	93	76	42	50	67	49	11	37
8. Immigrants' and emigrants' remittances	—	—	—	—	—	16	17	15
9. Tourists' expenditure . . .	3	25	13	9	39	31	90	48
10. Diplomatic and similar expenditure	—	—	—	—	—	9	10	5
11. Other Government receipts and expenditure	3,020	3,169	3,636	3,086	430	410	943	1,065
<i>IV. Gold.</i>								
12. Gold coin and bullion . . .	526	557	478	744	39	36	47	60
13. Adjustment of item 12 . .	—	—	—	—	8	—	—	—

Capital items.

Items	Gulden (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation of public debts	—	—	—	—	108	98	148	143
II. Known short-term operations.								
2. Change in short-term public debts	377	—	.	.	—	217	.	.

As the information is incomplete ⁽¹⁾, no totals have been struck. For details concerning the figures entered against certain items, reference should be made to the 1931-1932 issue of this publication. ⁽²⁾

International indebtedness.

The following items in the balance of the international indebtedness of Surinam relate to the public debt only.

	Gulden (000's) (nominal value) at the end of						
	1931	1932	1933	1934	1935	1936	1937
Bonded public debt . . .	1,906	1,800	1,692	1,584	1,487	1,383	1,280
Floating public debt . .	13,046	13,285	13,024	13,401	13,184	.	.
Total .	14,952	15,085	14,716	14,985	14,671	.	.

(1) Thus, information concerning interest and dividends paid on account of foreign capital invested in Surinam other than in Government loans, is not available.
 (2) Ser. L.o.N. P. 1933.II.A.26.

SWEDEN

A statement of the balance of payments of Sweden in 1937 has been supplied by the Government of that country and is reproduced below, together with the data for 1934-1936 published last year. The 1936 figures for certain items have been revised.

Goods, services and gold.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
<i>I. Merchandise.</i>								
1. Merchandise (special trade)	1,303	1,298	1,516	2,002	1,307	1,480	1,637	2,127
2. Adjustments of item 1:								
(a) warehouse trade	6	7	2	2	7	8	3	3
(b) re-exports and reimports	4	4	5	5	6	7	6	7
(c) fish exported direct from fishing grounds	3	3	3	3	—	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest paid abroad on Swedish public debts.	—	—	—	—	17	17	16	14
4. Other interest on long-term capital. .	73	92	78	94	5	5	7	8
5. Dividends	13	13	20	24	13	12	9	8
6. Interest on short-term capital	16	16	13	13	13	12	9	8
<i>III. Other services.</i>								
7. Shipping :								
(a) ordinary freights	219	225	238	297	—	—	—	—
(b) charter money	15	14	16	22	—	—	—	—
(c) passage money	12	13	15	17	—	—	—	—
8. Port expenditure (including provisions).	18	19	22	26	119	122	133	166
9. Railway transport fees (net)	3	3	4	4	—	—	—	—
10. Commissions	12	10	15	14	14	11	17	11
11. Post, telegraph and telephone	—	—	1	—	—	—	—	—
12. Immigrants' and emigrants' funds . .	1	1	1	1	1	1	1	1
13. Emigrants' remittances	12	12	14	17	1	1	1	1
14. Tourists' expenditure	38	54	57	60	47	51	60	67
15. Diplomatic and similar expenditure. .	1	1	1	2	4	4	4	5
Carried forward	1,749	1,785	2,021	2,603	1,541	1,719	1,894	2,418

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	1,749	1,785	2,021	2,603	1,541	1,719	1,894	2,418
16. Cinematograph film royalties	2	3	3	3	5	6	7	8
17. Lottery tickets, subscriptions to foreign Press, etc.					3	2	2	2
IV. Gold.								
18. Gold coin and bullion	7	20	1	1	—	200	41	1
19. Change in earmarked gold	71	117	—	—	—	—	168	—
Total	1,829	1,925	2,025	2,607	1,549	1,927	2,112	2,429
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 202	+ 61	+ 121	+ 178				
(b) gold	+ 78	— 63	— 208	—				
(c) goods, services and gold	+ 280	— 2	— 87	+ 178				

Capital items.

Items	Kronor (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation receipts and payments (1) .	16	16	16	16	—	—	—	131
2. Purchases and sales :								
(a) of real estate	—	—	—	—	—	—	—	—
(b) of domestic securities	33	76	114	92	39	38	70	93
(c) of foreign securities	110	67	126	103	167	99	181	109
3. Other long-term investments	—	—	(2) 18	—	1	—	—	—
II. Short-term operations.								
4. Change in short-term debts	12	22	26	90	120	22	55	42
5. Change in short-term assets	32	57	51	82	170	102	81	198
Total	203	238	351	383	497	261	387	573
Net outward (—) movement of capital . .	—294	— 23	— 36	—190				

(1) Amortisation payments, effected by means of the repurchase of Swedish bonds from abroad through Swedish banks, are included with item 2b, debit.

(2) Foreign participation in domestic capital issues.

SUMMARY TABLE.

	Kronor (000,000's)								
	Goods, services and gold					Capital items			All items (¹)
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance .	— 137	+ 3	+ 139	—	+ 5	— 34	+ 130	+ 96	+ 101
1924 Balance .	— 148	+ 6	+ 144	+ 36	+ 38	+ 80	— 66	+ 14	+ 52
1925 Balance .	— 88	+ 3	+ 162	— 2	+ 75	— 28	— 92	— 120	— 45
1926 Balance .	— 71	+ 7	+ 184	+ 2	+ 122	— 11	+ 39	+ 28	+ 150
1927 Balance .	+ 29	+ 19	+ 194	+ 1	+ 243	+ 51	— 142	— 91	+ 152
1928 Balance .	— 135	+ 25	+ 190	— 11	+ 69	— 179	+ 34	— 145	— 76
1929 Balance .	+ 37	+ 30	+ 210	— 11	+ 266	— 2	— 95	— 97	+ 169
1930 Balance .	— 116	+ 20	+ 194	—	+ 98	— 392	+ 79	— 313	— 215
1931 Balance .	— 304	— 6	+ 183	+ 38	— 89	— 138	+ 190	+ 52	— 37
1932 Balance .	— 205	+ 128	+ 166	+ 7	+ 96	+ 124	— 227	— 103	— 7
1933 Balance .	— 15	+ 78	+ 149	— 43	+ 169	+ 55	— 249	— 194	— 25
1934 Balance .	— 4	+ 67	+ 139	+ 78	+ 280	— 48	— 246	— 294	— 14
1935 Credit . .	1,312	121	355	137	1,925	159	79	238	2,163
Debit . .	1,495	34	198	200	1,927	137	124	261	2,188
Balance . .	— 183	+ 87	+ 157	— 63	— 2	+ 22	— 45	— 23	— 25
1936 Credit . .	1,526	111	387	1	2,025	274	77	351	2,376
Debit . .	1,646	32	225	209	2,112	251	136	387	2,499
Balance . .	— 120	+ 79	+ 162	— 208	— 87	+ 23	— 59	— 36	— 123
1937 Credit . .	2,012	131	463	1	2,607	211	172	383	2,990
Debit . .	2,137	30	261	1	2,429	333	240	573	3,002
Balance . .	— 125	+ 101	+ 202	—	+ 178	— 122	— 68	— 190	— 12

It will be noted that a perfect balance is not obtained. Were the information available complete, the accounts for each year would, of course, balance exactly. The considerable balance of all the items recorded for the years prior to 1931 would appear to be due largely to the incomplete record of the movement of short-term capital. In these years, only the changes in the floating assets and liabilities of the Bank of Sweden and the banking companies were taken into account, while since 1931 the short-term capital transactions of other enterprises were also included. A large balance is also recorded for 1936, in which year the unstable exchange market caused exchange speculation and displacement of merchandise credits, and thus rendered the compilation of statistics concerning the capital movement more difficult.

Goods, services and gold.

Interest. The total amount of interest and dividends received during 1936 (111 million kronor) includes coupons due earlier to the value of 6-7 million and about 0.1 million on account of "scrips" cashed; the remainder represents amounts both due and received in the course of the year. A considerable amount of interest due in 1936 was not received until 1937.

Freights. In the original statements for recent years, only half the income of Swedish ships from passage money has been included on the credit side of the account,

(1) The balances in this column are due to errors and omissions.

on the assumption that the other half represented fares paid by Swedes. In accordance with the principles applied elsewhere in this volume, the above table shows the total income from passage money as a credit item (item 7 c); the offsetting estimated payments by Swedes have been added on the debit side under item 14.

Earnings on postal shipments have been excluded from 1932 inclusive, as they are taken into account when calculating the amounts entered against item 11.

The port expenditure abroad by Swedish ships in 1932-1937 has been calculated at 49.5% of the gross earnings, in accordance with the result of an enquiry.

Item 8, credit, comprises the following amounts (in million kronor) :

	1934	1935	1936	1937		1934	1935	1936	1937
Port dues	1.8	2.0	2.1	2.5	Ships' stores	1.0	1.0	1.0	1.0
Light dues	1.9	2.0	2.1	2.4	Loading and unloading				
Pilotage charges	1.2	1.4	1.5	1.7	charges	6.8	6.7	7.5	7.7
Tonnage dues	0.3	0.3	0.3	0.4	Repairs	4.4	4.8	6.7	9.5
Canal and lock dues	0.1	0.2	0.2	0.2	Consular fees, etc.	0.5	0.5	0.5	0.5

The loading and unloading charges are taken into account, as they are generally not included in the recorded values of goods imported and exported.

Commissions. The amounts entered against item 10 do not include insurance premia and indemnities, as no enquiry concerning the insurance transactions with foreign countries has as yet been carried out.

Emigrants' remittances (item 13). Remittances proper are calculated at 7.3 million kronor in 1935, 9.3 million in 1936 and 12.7 million in 1937, on the assumption that they amount to three times the sums sent from the United States and Canada by means of postal orders. To these figures have been added donations, 0.5 million kronor in each year, and inheritances, 3.8, 4.4 and 3.3 million kronor respectively. The amounts entered on the debit side refer to Nobel prizes, inheritances, etc.

Tourists' expenditure (item 14). The *Svenska Trafikförbundet* estimates the expenditure of foreign tourists and travellers in Sweden during 1936 (excluding passage money paid to Swedish ships) at 57.4 million kronor (revised figure). The corresponding figure for 1937 is not available, but, as the number of tourists and travellers rose in that year by 4%, a provisional figure of 60 million has been entered into the account.

The outward payments entered for 1934-1937 represent the total of the sums employed for travellers' letters of credit, travellers' cheques and the purchase of foreign currency notes, estimated on the basis of information collected from banks (31, 34, 39 and 45 million kronor during the four years in question), plus expenditure through travelling bureaux, shipping agencies, etc. (about 10, 11, 13 and 14 million kronor respectively) and the passage money referred to under "Freights" above.

Capital items.

The amounts entered in the capital account are based partly upon the official bank statistics, partly upon information collected by the *Kommerskollegium* from banks and important firms.

International indebtedness.

Swedish Government bonds held abroad. According to the National Debt Office ⁽¹⁾, outstanding Swedish Government bonds held abroad amounted to 286 million kronor at the end of 1933, 219 million at the end of 1934, 212 million at the end of 1935 and 180 million at the end of 1936. As bonds payable in foreign currencies have, however, been converted at par rates, the actual foreign debt exceeded the figures indicated.

Foreign short-term assets. According to official banking statistics, the net foreign short-term assets (current account and bills) of the Swedish banks are as follows (in million kronor) :

	Bank of Sweden	Commercial banks
End of 1930	326.3	(^a) — 9.7
„ 1931	49.1	114.0
„ 1932	213.6	116.2
„ 1933	446.2	43.2
„ 1934	507.5	98.4
„ 1935	560.6	(^b) 87.1
„ 1936	646.6	19.8
„ 1937	944.1	(^a) — 134.9

(^a) Net indebtedness.

(^b) From 1935, including net assets with, and net debts to, foreign clients other than banks and bankers. Figures comparable with those for the preceding years are : 1935, 114.3 ; 1936, 39.6.

The balances of the amounts entered against capital items 4 and 5 do not agree with the changes in the recorded net foreign assets of banks, partly because these items include the movements of certain assets and debts of other enterprises, partly because they have been subject to certain adjustments. Thus, an adjustment of the banking figures was made in 1933 in order to account for the fact that certain of the transactions recorded were booked at par rates of exchange, and the amount entered on the credit side against item 4 for 1937 includes an estimated sum of 50 million kronor in addition to the known increase in debts.

(1) Riksgäldskontoret, Årsbok, Budgetåret 1936-37.

UNION OF SOUTH AFRICA

An estimate of the balance of payments of the Union of South Africa in 1936 has been supplied by the Government of that country and is set out below, together with those for 1933-1935 that appeared in the last edition of this publication.

The figures refer not only to the Union of South Africa, but also to Basutoland, Swaziland and Bechuanaland. They exclude the trade of South West Africa.

Goods, services and gold.

Items	S.A. £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933	1934	1935	1936	1933	1934	1935	1936
I. Merchandise.								
1. Merchandise	25,447	25,908	30,835	31,751	52,552	71,058	80,316	92,059
2. Adjustment of item 1 on account of rail- way freight on ex- ports	—	483	578	606	—	—	—	—
II. Interest and divi- dends.								
3. Interest on public debts	182	264	218	179	5,964	5,522	5,249	4,856
4. Other interest and divi- dends	—	—	—	—	11,694	12,316	12,864	17,143
III. Other services.								
5. Shipping freights . .	—	—	—	—	—	—	—	—
6. Port fees	458	554	650	757	—	—	—	—
7. Other transport fees .	193	13	16	17	437	675	841	843
8. Commissions, insurance, brokerage	—	—	—	—	(¹)	(¹)	(¹)	(¹)
9. Post, telegraph and telephone	—	—	—	—	155	181	220	270
10. Emigrants' funds, work- ers, etc.	—	127	148	148	735	861	967	1,261
11. Pensions received and paid	172	184	177	168	312	301	334	(²)
12. Tourists' expenditure .	929	1,165	1,355	1,662	4,210	5,074	5,491	5,883
13. Diplomatic and similar expenditure	383	402	421	438	318	234	240	236
Carried forward . .	27,764	29,100	34,398	35,726	76,377	95,921	106,188	122,551

(1) Included in item 1.

(2) Not shown separately.

Items	S.A. £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1933	1934	1935	1936	1933	1934	1935	1936
Brought forward .	27,764	29,100	34,398	35,726	76,377	95,921	106,188	122,551
14. Other Government receipts and expenditure	100	104	150	747	—	266	311	627
IV. Gold.								
15. Gold coin and bullion	69,941	56,277	71,573	82,783	208	105	187	79
Total	97,805	85,481	106,121	119,256	76,585	96,593	107,020	123,257
Surplus (+) or deficit (—) on account of :								
(a) goods and services	—48 513	—67,284	—72,285	—86,705				
(b) gold	+69,733	+56,172	+71 386	+82,704				
(c) goods, services and gold	+21,220	—11,112	—899	—4,001				

Capital items (long-term operations only).

Items	S.A. £ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1933	1934	1935	1936	1933	1934	1935	1936
1. Purchases and sales :								
(a) of domestic securities	—	—	—	4,791	2,801	8,260	16,841	23,569
(b) of foreign securities	—	330	758	171	611	932	179	135
2. New capital issues (Government and municipal)	—	12,771	10,847	—	—	—	—	—
3. Other long-term investments	1,300	8,350	1,971	8,571	—	—	—	—
Total	1,300	21,451	13,576	13,533	3,412	9,192	17,020	23,704
Net inward (+) or outward (—) movement of capital	—2,112	+12,259	—3,444	—10,171				

SUMMARY TABLE.

	S.A. £ (000's)						
	Goods, services and gold					Long-term capital items	All items ⁽¹⁾
	Merchandise	Interest and dividends	Other services	Gold	Total		
1923 Balance	- 21,917	- 15,576	- 3,840	+ 40,354	- 979	+ 3,777	+ 2,798
1924 Balance	- 29,243	- 16,977	- 4,619	+ 43,053	- 7,786	+ 7,019	- 767
1925 Balance	- 25,501	- 15,873	- 4,210	+ 41,363	- 4,221	+ 3,064	- 1,157
1926 Balance	- 36,196	- 17,134	- 3,965	+ 42,457	- 14,838	+ 4,062	- 10,776
1927 Balance	- 27,933	- 16,498	- 4,418	+ 43,588	- 5,261	+ 6,241	+ 980
1928 Balance	- 31,835	- 15,821	- 4,680	+ 42,796	- 9,540	+ 2,842	- 6,698
1929 Balance	- 37,683	- 15,703	- 4,944	+ 44,971	- 13,359	- 1,757	- 15,116
1930 Balance	- 33,075	- 15,114	- 4,556	+ 46,261	- 6,484	+ 9,905	+ 3,421
1931 Balance	- 30,680	- 13,885	- 4,405	+ 45,051	- 3,919	+ 397	- 3,522
1932 Balance	- 15,925	- 12,586	- 4,294	+ 48,329	+ 15,524	+ 4,552	+ 20,076
1933 Balance	- 27,105	- 17,476	- 3,932	+ 69,733	+ 21,220	- 2,112	+ 19,108
1934 Credit	26,391	264	2,549	56,277	85,481	21,451	106,932
Debit	71,058	17,838	7,592	105	96,593	9,192	105,785
Balance	- 44,667	- 17,574	- 5,043	+ 56,172	- 11,112	+ 12,259	+ 1,147
1935 Credit	31,413	218	2,917	71,573	106,121	13,576	119,697
Debit	80,316	18,113	8,404	187	107,020	17,020	124,040
Balance	- 48,903	- 17,895	- 5,487	+ 71,386	- 899	- 3,444	- 4,343
1936 Credit	32,357	179	3,937	82,783	119,256	13,533	132,789
Debit	92,059	21,999	9,120	79	123,257	23,704	146,961
Balance	- 59,702	- 21,820	- 5,183	+ 82,704	- 4,001	- 10,171	- 14,172

The balance in the last column of the above table may be taken to represent largely short-term capital movements, though it naturally also covers possible errors and omissions in the whole account. Among the latter omissions may be mentioned changes in the holdings of gold deposited abroad by the South African Reserve Bank. For purposes of comparison it may be useful to show the changes in these holdings as well as in other foreign assets (largely British Treasury bills) of that bank in recent years.

	£ (000's)			
	Gold held abroad		Foreign bills	
	Amount	Change	Amount	Change
End of 1928	1,500		8,326	
„ 1929	—	- 1,500	6,567	- 1,759
„ 1930	500	+ 500	7,153	+ 586
„ 1931	1,200	+ 700	41	- 7,112
„ 1932	589	- 711	—	- 41
„ 1933	8,975	+ 8,386	18,636	+ 18,636
„ 1934	4,006	- 4,969	10,517	- 8,119
„ 1935	4,428	+ 422	11,496	+ 979
„ 1936	6,422	+ 1,994	10,794	- 702
„ 1937	3,289	- 3,133	6,875	- 3,919

The value of gold shown above is calculated at the standard price applied before the suspension of gold payments at the end of 1932.

(1) The balances shown in this column represent the movement of short-term capital and errors and omissions in the whole account.

There is reason to believe that the inflow of foreign capital is understated in the table, for the non-distributed profits of foreign firms working in South Africa, which are almost entirely reinvested in the business, have been omitted from both sides of the account instead of being shown on the debit side under interest and dividends and on the credit side as new foreign capital invested in the country. The assets of oversea firms such as insurance companies increased between 1919 and 1922 by £1½ million and between 1924 and 1931 by over £6 million.

For detailed information concerning the manner in which the figures for individual items are estimated, reference should be made to the 1927-1929 and 1936 editions of this publication.⁽¹⁾

(1) Ser. L.o.N. P. 1930.IIA.54^{II} and 1937.IIA.16.

UNITED KINGDOM

Estimates of the transactions in goods, services and gold in the balance of payments of the United Kingdom are published regularly at the beginning of each year in the *Board of Trade Journal* ⁽¹⁾.

The following table, containing the figures for 1929-1937, differs from that given in the *Board of Trade Journal* mainly in that the gold movement has been included in the account for all the years.

BALANCES OF INCOME AND EXPENDITURE IN THE TRANSACTIONS (OTHER THAN LENDING AND REPAYMENT OF CAPITAL) BETWEEN THE UNITED KINGDOM AND ALL OTHER COUNTRIES.

Particulars	£ (000,000's)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
1. Excess of imports of merchandise, including silver coin and bullion	381	386	408	287	263	294	261	345	443
2. Estimated excess of Government receipts from overseas over payments made overseas (a) .	24	19	14	24	2	7	2	3	4
3. Estimated net national shipping income (b) . .	130	105	80	70	65	70	70	85	130
4. Estimated net income from oversea investments	250	220	170	150	160	170	185	205	220
5. Estimated net receipts from short interest and commissions	65	55	30	25	30	30	30	30	35
6. Estimated net receipts from other sources . .	15	15	10	15	10	10	10	10	10
Total, items 2-6	484	414	304	236	263	287	293	327	391
Estimated credit (+) or debit (—) balance on account of goods, services and Government capital transactions	+ 103	+ 28	— 104	— 51	± 0	— 7	+ 32	— 18	— 52
Excess of exports (+) or imports (—) of gold (c)	+ 15	— 5	+ 35	(— 15)	(— 196)	(— 133)	(— 70)	(— 228)	(— 79)
Estimated credit (+) or debit (—) balance on all items specified above	+ 118	+ 23	— 69	(— 66)	(— 196)	(— 140)	(— 38)	(— 246)	(— 131)
New oversea capital issues on London market in year (d)	94	109	46	29	38	43	21	26	32

(a) These include some items on loan accounts. — Minus signs indicate net payments made overseas.

(b) Including disbursements of foreign ships in British ports.

(c) In recent years, this item is not included in the account as shown by the *Board of Trade Journal* (cf. the explanatory notes).

(d) This item, not being part of the balance as compiled, is not shown in the body of the table by the *Board of Trade Journal*. It is shown above for reference.

The Government transactions shown in the statement include certain amounts properly belonging to the capital account, such as amortisation receipts and payments on account of inter-allied debts. Otherwise the statement relates to goods, services and gold only; the aggregate of new overseas issues on the London market, according to statistics issued by the Midland Bank, have, however, been added on the last line of the table for reference.

(1) See, for example, the number dated February 17th, 1938.

Merchandise. The figures for trade in merchandise and silver coin and bullion are :

	£ (000,000's)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Imports :									
Merchandise proper	1,220.8	1,044.0	861.3	701.7	675.0	731.4	756.0	847.8	1,029.1
Silver bullion and specie . .	8.3	8.5	8.4	7.8	10.4	22.2	40.5	17.1	20.3
Total	1,229.1	1,052.5	869.7	709.5	685.4	753.6	796.5	864.9	1,049.4
Exports and re-exports :									
Merchandise proper	839.0	657.6	454.5	416.0	417.0	447.2	481.1	501.4	596.8
Silver bullion and specie . .	9.1	8.4	6.8	6.0	5.3	12.5	54.9	18.1	9.8
Total	848.1	666.0	461.3	422.0	422.3	459.7	536.0	519.5	606.6
Excess of imports over exports	381.0	386.5	408.4	287.5	263.1	293.9	260.5	345.4	442.8

No account is taken of the imports of rough diamonds, which are not included in trade returns, because these diamonds are, for the most part, subsequently exported to the Continent for cutting. The reimports of cut and polished gems are likewise excluded from the trade returns, but it is stated that the net charge against the country cannot be great.

Ships' stores and bunker fuel exported on foreign vessels are likewise excluded, but are taken into account when calculating the shipping income. Old vessels bought and sold are included under "Receipts from other sources".

Government transactions. Receipts and payments in respect of loans between governments, reparations receipts, and receipts on account of Indian home charges form the chief elements under this heading. Receipts on account of Indian debt and interest on Indian railway capital are, however, not included here, but with income from foreign investments. Of less importance, but still of some magnitude, are receipts and payments on account of the overseas activities of the Admiralty, War Office, Air Ministry, Dominions Office, Colonial Office, Diplomatic and Consular Service, and other public departments. Only receipts originating overseas and payments made overseas are taken into account; for example, the value of stores sent from home and the cost of sea-transport paid in the United Kingdom are excluded.

Net national shipping income. The figures entered against this heading represent the balance of the following credit and debit items :

Credit.

Gross earnings of British shipping on account of the transport of all goods and the forwarding of passengers not normally resident in the United Kingdom ⁽¹⁾.

Compensation for services performed for shippers by shipowners, through their agencies in overseas ports.

Disbursements (wages, fuel, stores, port dues, commissions, etc.) of foreign ships in British ports.

Debit.

Disbursements of British shipping in overseas ports for wages, fuel, stores, port dues, commissions, etc.

Fares paid to foreign shipowners by passengers normally resident in the United Kingdom ⁽²⁾.

With a view to testing the accuracy of the estimate of the net shipping income in 1936, the Chamber of Shipping and the Liverpool Steam Ship Owners' Association, on the invitation of the President of the Board of Trade, repeated an enquiry carried

(1) The fares of passengers resident in the United Kingdom are excluded from the shipping income as well as from the debit figure for tourists' expenditure taken into account when calculating the "net receipts from other sources".

(2) These fares are thus not included in the debit figure for tourists' expenditure taken into account when calculating the "net receipts from other sources".

out in respect of the year 1931, and obtained from a large proportion of their members particulars of the freight receipts of their vessels engaged in oversea trade in 1936, their expenditure abroad, and the amounts received for the carriage of passengers, both normally resident and normally non-resident in the United Kingdom. Making an estimate for the small proportion of owners who did not furnish returns, the total arrived at as representing the net earnings of British shipping was about £75 million. The estimate of £95 million made by the Board of Trade, which included an addition of rather less than £10 million for the expenditure of foreign vessels in British ports, was thus too large, the recent year-to-year adjustments of the basic 1931 figures not having made sufficient allowance for the lag in the recovery of liner and tanker earnings, as to which no definite information was available. The estimate for 1936 has therefore been changed to £85 million, and the corresponding figure for 1935 reduced from £75 million to £70 million.

The earnings of British shipping in 1937 are estimated to have exceeded those in 1936 by nearly 50%, mainly on account of the higher freight rates and fuller utilisation of available tonnage space. The tonnage of British ships in traffic was also greater than in 1936. There was a small addition to the tonnage of vessels on register, and the average tonnage of vessels laid up was lower by about 315,000 tons. On the other hand, on account of greater activity of British shipping and the rise in prices, there was an appreciable increase in the total expenses of British ships in foreign ports in 1937.

The number of non-resident passengers travelling on British ships (excluding pleasure cruises) between the United Kingdom and countries outside Europe was about 4% higher in 1937 than in 1936. Passenger rates on a number of routes were also raised in the fourth quarter of 1937. An increase of about 13% in the number of non-residents travelling to and from the Continent was more than offset by an increase in the number of United Kingdom passengers travelling on foreign ships; accordingly, in this traffic there was some reduction in the net receipts from abroad. The number of United Kingdom residents travelling on foreign vessels to countries outside Europe was larger than in 1936, involving an increase in the aggregate fares paid. On balance, the net receipts from passenger traffic showed a small increase in 1937.

It is believed that there was a considerable increase in the expenditure of foreign vessels in United Kingdom ports in 1937. The aggregate tonnage of foreign vessels entered and cleared was about 8% higher than in 1936. Moreover, the prices of bunker coal, oil and other ships' stores were much higher than in 1936.

The total net shipping income in 1937 is estimated at £130 million.

Net income from oversea investments. The "net income from oversea investments" includes all income from oversea long-term investments, whether of a joint-stock or private character, and allows for the deduction of income paid to oversea residents in respect of their investments in the United Kingdom. It does not take account of receipts and payments between governments in respect of war debt settlements.

Payments from reserves in the United Kingdom to maintain plantations, etc., abroad have been taken into account as a reduction from the receipts, while as a credit item are included remittances from overseas to pay for head office expenses in the United Kingdom.

The Board of Trade estimates differ from those of Sir Robert Kindersley (published at the end of this chapter), which only include receipts distributed as interest and dividends, but not, for example, office expenses in the United Kingdom, sums added to reserves or accumulated profits not distributed as dividends, and which are not net, as payments to non-residents on account of investments in the United Kingdom have not been deducted.

The old estimates for 1935 and 1936 have been increased, the former by £5 million and the latter by £10 million, on the basis of Sir Robert Kindersley's estimates now available for these two years.

" There was a further marked improvement last year (1937) in the receipts from foreign investments. The only decline to be recorded relates to receipts from foreign and Dominion Government and Corporation stocks. Heavy repayments of loans to British countries in 1936 resulted in a considerable reduction in income paid to United Kingdom residents in 1937, and there was a slight reduction in the income from foreign bonds. The total of £59 million in 1936 under this head is believed to have been reduced by about £2½ million in 1937. Receipts in respect of other loan capital showed little change between the two years. There was a considerable increase in receipts from railway dividends, mainly as a result of the improved position of some of the South American countries which enabled some arrears of preference dividends to be paid off. Among industrial investments, the increases in the profits of oil and rubber companies and mines are outstanding, but there is no section in which profits were lower last year than in 1936. Losses to British business interests in Spain and China as a result of hostilities have, however, to be taken into account.

" On the other side of the account, the general improvement in internal trade in the United Kingdom during the past year will have led to an appreciable increase in payments to non-residents in respect of their investments in commercial undertakings in this country. These are believed in the main to consist of branches of foreign firms, and the statistics of industrial development show that there is a small increase each year in the total of factories established here by foreign capital. As regards British Government securities, the total of foreign holdings is believed to have increased to an appreciable extent in 1937. In the aggregate, the payments to overseas residents in respect of all their investments in this country were probably not less than £15 million.

" The increase in the total net receipts from overseas investments last year is thought to have been less than it was between 1935 and 1936, and a total of £220 million will be taken provisionally, pending the publication of more precise information."

Short interest and commissions. " Receipts from short interest and commissions " include earnings on account of acceptance credits, discount on foreign bills, bank interest (*i.e.*, short interest), commissions, etc., on new issues paid by overseas borrowers, merchanting commissions on overseas produce, brokers' commissions, insurance remittances from abroad, and earnings on exchange transactions. Payments are also made to foreigners for similar services.

The aggregate net receipts from the items under review are believed to have increased, mainly on account of produce brokerage, from £30 million in 1936 to £35 million in 1937. The profit earned through the Exchange Equalisation Account, it is stated, is not included.

Net receipts from other sources. This item includes receipts and outgoings on account of the sale and purchase of second-hand ships to and from other countries, emigrants' remittances, the savings of emigrants returning to the country, tourists' expenditure, foreign diplomatic expenditure in the United Kingdom, payments on film royalties, remittances of missionary societies, etc.

Information is available concerning the estimated balance of tourists' expenditure included in this item. The number of tourists and other travellers in traffic with the European continent (including visitors from and to all Mediterranean countries) was as follows, not reckoning persons visiting the Continent recorded as diplomats, etc., as seamen, as holding Ministry of Labour permits or as in transit, and also excluding British visitors to the Continent and visitors from the Continent taking week-end tickets or going on day trips, whose expenditure is relatively small, and passengers proceeding on pleasure cruises :

	1931	1932	1933	1934	1935	1936	1937
	Number (000's)						
British visitors to the Continent	910	660	780	711	805	896	1,160
Visitors from the Continent to the United Kingdom	235	195	190	230	237	276	296

The average expenditure of these visitors was taken at £30 for each year.

The number of tourists and travellers in extra-European traffic was as follows :

	1931	1932	1933	1934	1935	1936	1937
	Number (000's)						
Alien visitors to the United Kingdom from places outside Europe	90	75	62	66	78	96	118
British subjects travelling to countries outside Europe :							
on pleasure cruises	10	35	50	44	36	32	25
others : residing in the United Kingdom . .	104	103	31	37	39	51	48
residing in other British countries . .			54	58	60	67	69
residing in foreign countries			16	18	16	16	17
Total British subjects	114	138	151	157	151	166	159

The expenditure abroad of residents of the United Kingdom counts as a debit, while that in the United Kingdom of residents of British and foreign countries overseas counts as a credit. The expenditure per head of visitors to the United Kingdom from overseas is relatively heavy, but the number does not vary greatly from year to year. On the basis of the replies to a questionnaire issued to colonial officers on leave, the average expenditure per head in the United Kingdom during an average stay of about five months was between £170 and £200 in the years 1934-1937 ; between 1934 and 1936 the average tended to decline, but in 1937 it rose, it is believed on account of extra expenditure in connection with the Coronation. The number of persons covered by this sample enquiry in 1937 was about 3,300, or 4% of the total number of British visitors from overseas. The expenditure of persons on pleasure cruises in countries overseas is believed to have been small compared with the average amount spent by other United Kingdom residents travelling to countries outside Europe.

It is stated that the information available is insufficient to justify any change in the ranges of expenditure used in framing the estimates last year ; such evidence as was obtained regarding the expenditure of British visitors to countries outside Europe is believed to indicate that the average expenditure in 1937 was slightly higher than in the preceding year.

The only year since 1931 in which there was a net inward payment on account of tourists' expenditure was 1932 ; the credit balance in that year is estimated to have been £2 million. In 1934, there was a debit balance of £1 million and in 1935 of £2-3 million. In 1936, the inward as well as outward payment on tourist account is estimated to have risen by over £4 million and the debit balance to have been somewhat greater than in 1935. In 1937, a further increase in the debit balance of some £3 million is believed to have taken place ; the additional aggregate expenditure of British visitors abroad, it is stated, was roughly double that of foreign visitors to the United Kingdom⁽¹⁾.

The net payments on film royalties, when allowance is made for the annual payments made to American owners of sound-film apparatus and for receipts on account of British films, are estimated at £5 million in 1933, £5-6 million in each of the following three years and £6 million in 1937.

The tonnage of second-hand ships sold to foreigners in 1937 was considerably greater than in 1936, and the prices realised were remarkably high. The tonnage of foreign second-hand ships purchased by United Kingdom residents was also greater and the prices higher than in 1936. The net receipts from this trade are believed to have increased by over £5 million.

Enquiries addressed to missionary societies show that their aggregate remittances abroad amounted to about £2 million in each of the years 1934-1937.

(1) Fares paid to shipping companies are not included in the estimates now given (cf. " Net national shipping income " above).

The number of British emigrants to countries outside Europe was about 2,000 more in 1937 than in 1936, and the number of immigrants to the United Kingdom was about 5,000 less, and it is stated that there may have been some decrease in the aggregate savings brought into the country.

Gold. The trade in gold, as recorded in trade returns since 1931, represents the value neither in gold nor in sterling, for while bullion is valued at the price of the day, sovereigns are recorded at their face value. The following table shows the trade of gold as recorded, as well as the net imports (or exports) revalued in gold pounds at parity and in sterling.

	£ (000,000's)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
Imports, as recorded	62.4	86.7	98.3	152.2	251.6	262.5	244.1	314.3	295.1
Exports, as recorded	77.6	81.8	132.9	134.3	60.3	128.7	174.0	86.6	215.5
Excess of imports (—) or exports (+) :									
(i) as recorded	+ 15.2	— 4.9	+ 34.6	— 17.9	—191.3	—133.8	— 70.1	—227.7	— 79.6
(ii) revalued in gold pounds	+ 15.2	— 4.9	+ 34.6	— 12.5	—133	— 82.5	— 42	—138	— 48
(iii) revalued in sterling . .	+ 15.2	— 4.9	+ 34.6	— 15	—196	—132.5	— 70.5	—228	— 79

The balances shown on the last line of this table have been entered in the Summary Table on page 184. In the statements published by the *Board of Trade Journal*, the gold movement is not included in the table as from 1932, since to a large extent it represents gold sent to the United Kingdom and held there for foreign account. In 1937, the gold reserve of the Bank of England increased by about £12³/₄ million at the old parity or about £21 million at the market prices prevailing on the dates when the gold was acquired by the bank. "Now that gold transactions take place increasingly for official and not for private account, and often result in earmarking instead of in immediate export, there is little or no relation between physical movements of gold and the operations giving rise to them. Little significance, therefore, can be attached to the recorded imports and exports. It will be borne in mind that figures given by the Chancellor of the Exchequer for the combined gold holdings of the Issue Department of the Bank of England and the Exchange Equalisation Account showed an increase between March 30th and September 30th of 16,181,000 fine ounces, or some £113,000,000 at £7 an ounce."

New overseas capital issues. It has been shown by the investigations made by Sir Robert Kindersley that a large portion of the new overseas issues on the London market is subscribed by foreigners and by means of amounts received in amortisation of former lendings. The following figures represent the amount of new capital issues for overseas account and repayments according to Sir Robert Kindersley; both these series include amounts raised by issues for redemption, which are not included in the Midland Bank figures for new issues reproduced in the table on page 184.

NEW CAPITAL ISSUES FOR OVERSEA ACCOUNT, AND REPAYMENTS OF FORMER LOANS
TO OVERSEA COUNTRIES, ACCORDING TO SIR ROBERT KINDERSLEY, IN £ (000,000's).

Year	New issues	Repayments	Year	New issues	Repayments
1927	168	34	1933	83	67
1928	138	30	1934	63	42
1929	96	49	1935	51	81
1930	98	39	1936	61	107
1931	41	27	1937 . . . . .	.	.
1932	37	48			

It will be found that in certain recent years repayments have exceeded the amount of new issues floated. On the other hand, British investors may have taken part in flotations in foreign capital markets. Subscriptions to new issues may be provided for out of balances of realisations over purchases of securities previously existing. Short-term investments of foreign money in the London market have also helped indirectly in the financing of permanent loans to other countries. Account should also be taken of sums directly invested abroad in private business.

The geographical distribution of the capital issues on the London market in recent years, according to the statistics of the Midland Bank, is shown below. Issues for domestic account are shown at the foot of the table, for purposes of comparison.

	£ (000,000's)												
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	
India and Ceylon . . .	2.1	1.4	7.7	10.1	28.7	22.5	6.4	5.0	1.1	0.8	1.1	1.6	
Other British countries .	49.9	86.4	78.4	44.3	41.4	14.4	22.5	24.8	39.2	17.2	22.2	23.3	
Of which :													
Australasia	31.6	41.1	34.8	17.1	10.6	(c) 5.0	(c) 5.0	0.4	4.7	3.1	0.9	3.6	
America (chiefly Canada)	6.1	7.4	20.4	15.2	3.5	1.2	3.2	17.1	9.9	1.9	(i) 2.8	1.6	
Africa	6.4	27.8	16.6	10.4	26.5	7.9	(f) 13.0	6.3	22.7	10.1	(t) 16.1	(m) 15.2	
Asia	5.0	5.0	4.25	1.4	0.8	.	.	.	.	.	(k) 2.4	(n) 2.9
Foreign countries . . .	60.4	50.9	57.3	39.9	38.7	9.2	0.3	8.0	3.1	2.9	(l) 3.1	(o) 7.2	
Of which :													
Germany	6.0	7.0	8.25	21.5	11.0	3.0	.	.	.	.	.	.
Belgium	7.0	(a) 14.5	(b) 25.5		
Other European .	11.8					.	.	(g) 5.5	.	.	.		
Netherlands Indies	2.8	1.5	1.0	.	.	.	.	.	.	.	.	.
Japan	5.0			.	.	.	.	.	.	.	.	.
Other Asiatic . .	0.2			.	.	.	.	.	.	.	.	.
Argentina	9.0	6.0	4.5	8.5	17.75	3.5	.	(h) 1.8	.	.	.	.
Brazil	12.3	13.0	9.25	7.5		3.0	(d) 2.3		.	.	.	.
Chile	3.0	7.0	6.0						.	.	.	.
Other American .	2.2			.	.	.	.	.	.	.	.	.
Total issues for oversea account	112.4	138.7	143.4	94.3	108.8	(e) 46.1	29.2	37.8	43.4	20.9	26.4	32.1	
Issues for domestic ac- count	140.9	176.0	219.1	159.4	127.4	42.6	83.8	95.1	106.7	161.9	190.8	138.8	

(a) Italy, Greece and Poland, about £2 million each.

(b) Greece £7½ million and Hungary £1¼ million.

(c) New Zealand only.

(d) South America, other than Argentina.

(e) Of this amount, only £3 million was offered during the second half of the year.

(f) Of which South Africa £7¼ million in 1932 and £12½ million in 1936.

(g) Austria £4½ million (for the funding of a short-term credit extended by the Bank of England in the summer of 1931) and Denmark £1 million (raised by the Danish Government to finance capital development in Denmark undertaken by a Danish firm).

(h) "Private placings" by companies operating in South America.

(i) Of which West Indies £2 million.

(k) Straits Settlements and Federated Malay States £1½ million, Palestine £1 million.

(l) Mainly Denmark.

(m) Including a Government issue of £2¼ million for Southern Rhodesia, and £7½ million raised for mining undertakings in Rhodesia and Transvaal.

(n) Chiefly for Malaya.

(o) The rise is due to the Belgian Government loan.

The figures refer to issue prices and exclude all shares issued to vendors, bonus shares, issues for conversion or redemption of securities previously held in the United Kingdom, short-dated bills sold in anticipation of long-term borrowings, and loans by municipal and county authorities, except in cases where there is a specified limit to the total subscription. They do not include issues of capital by private companies except where particulars are publicly announced. Further, the issues for domestic account exclude borrowings by the British Government for purely financial purposes.

A classification of the objects of the issues, by main groups of countries, in the last nine years is given in the following table.

	£ (000,000's)								
	1929	1930	1931	1932	1933	1934	1935	1936	1937
India and Ceylon :									
Governments	9.1	27.8	21.7	3.5	4.7	—	—	—	—
Municipalities and Public Boards	—	—	—	1.0	—	—	—	—	—
Railways	—	—	—	1.3	—	—	—	—	—
Industrial undertakings .	1.0	0.9	0.8	0.6	0.3	1.1	0.8	1.1	1.6
Other British countries :									
Governments	17.7	25.5	8.9	21.2	20.2	10.7	(a) 2.9	0.9	3.0
Municipalities and Public Boards	3.8	2.7	—	—	—	0.3	—	—	3.8
Railways	4.5	5.6	0.8	—	—	—	—	—	—
Industrial undertakings	18.3	7.6	4.7	1.3	4.6	28.2	(b) 14.3	21.3	16.5
Foreign countries :									
Governments	3.6	12.6	0.2	—	5.3	—	0.5	—	5.8
Municipalities and Public Boards	0.5	—	—	—	—	—	—	—	—
Railways	7.8	9.7	3.1	—	1.4	0.4	0.4	0.2	0.3
Industrial undertakings	28.0	16.4	5.9	0.3	1.3	2.7	2.0	2.9	1.1
Total :									
Governments	30.4	65.9	30.8	24.7	30.2	10.7	3.4	0.9	8.8
Municipalities and Public Boards	4.3	2.7	—	1.0	—	0.3	—	—	3.8
Railways	12.3	15.3	3.9	1.3	1.4	0.4	0.4	0.2	0.3
Industrial undertakings	47.3	24.9	11.4	2.2	6.2	32.0	17.1	25.3	19.2
Grand total	94.3	108.8	46.1	29.2	37.8	43.4	20.9	26.4	32.1

(a) Trinidad and Southern Rhodesia.

(b) Chiefly mining companies, of which Australian, £3 million, and African, £8¼ million.

Private estimate of British overseas long-term investments.

Earlier issues ⁽¹⁾ of this publication contained summaries of enquiries by Sir Robert Kindersley with reference to the nominal value of British long-term investments abroad in the years 1927 to 1934, and the income derived from such investments in these years.

New estimates relating to 1935 and 1936 have now become available.⁽²⁾ They are based on information supplied by banks, issuing houses and a great number of companies, and cover British investments

(1) Cf., for example, the 1936 issue (Ser. L.o.N. P. 1937.II.A.16), page 208.

(2) Published in the *Economic Journal* for December 1937.

in the bonds and stocks of foreign and colonial governments (central and local), interest payments on which are made in London, in the securities quoted on the London Stock Exchange of companies, both British and foreign, operating abroad, and in a few groups of securities not quoted in London. The whole field of British foreign investments is therefore covered, with the exception of individual private investments, most of the companies operating abroad whose securities are not officially dealt in in London and, finally, the bonds and stocks of foreign governments not quoted in London. The securities of insurance companies and many financial trusts deriving a major portion of their income from abroad are also omitted, since the operations of these companies usually take the form of investments in the securities of British registered companies or in Government stocks already included in these investigations. Double counting is also to a large extent avoided by excluding the share capital of companies controlled by others.

The securities examined fall into the following three broad categories :

- (a) loans to central and local governments overseas ;
- (b) investments in British companies (*i.e.*, companies registered in the United Kingdom) operating abroad ;
- (c) investments in foreign and colonial companies (*i.e.*, companies both registered and operating abroad).

The figures refer to nominal values ; shares of no par value have been included at the values in the balance-sheets.

(a) *Loans to central and local governments overseas.*

The investments belonging to this group were examined in the manner described in the 1927-1929 edition of this publication ⁽¹⁾. A summary of the most recent information is given below.

Type of security	Proportion of total interest paid in London subject to tax		£ (000,000's)					
			Capital owned by residents in the U.K. (b)		Repayment to residents in the U.K. (c)		Interest received in the U.K.	
	1934	1936	1935	1936	1935	1936	1935	1936
<i>Dominion and colonial securities :</i>	%	%						
Central governments .	90.7	90.1	1,072.3	1,016.0	44.1	74.7	44.1	42.3
Local governments . .	87.2	86.5	84.8	84.2	1.6	2.4	4.1	4.0
<i>Foreign securities :</i>								
Central governments (a)	58.0	60.2	316.1	312.6	8.5	8.9	11.3	11.7
Local governments . .	71.1	70.9	29.9	28.4	2.0	1.5	1.0	0.9
Total			1,503.1	1,441.2	56.2	87.5	60.5	58.9

(a) The high foreign percentage in this group is due largely to payments made in London in respect of the foreign tranches of international issues.

(b) The figures for capital include British subscriptions to issues floated in the year under consideration, but on which a full year's interest would not be due until the succeeding year.

(c) The figures for repayment exclude stock converted during the years under consideration.

A summary of the information available concerning British investments in securities of governments (central and local) and income on account of such investments is given below :

Loans to :	£ (000,000's)								
	1928	1929	1930	1931	1932	1933	1934	1935	1936
Dominion and colonial governments . . .	1,036	1,061	1,080	1,104	1,109	1,147	1,163	1,157	1,100
foreign governments .	364	351	357	337	323	333	336	346	341
<i>Income from loans to :</i>									
Dominion and colonial governments . . .	43.8	46.4	46.9	48.4	48.9	49.1	49.1	48.2	46.4
foreign governments .	18.1	18.3	17.8	17.5	13.5	12.0	12.0	12.3	12.5

(1) Ser. L.o.N. P. 1930.II.54H, page 179.

(b) Investments in British companies operating abroad.

A number of large companies do extensive business both in the United Kingdom and abroad. Owing to the difficulty of segregating that part of the capital of these companies that should be considered as invested abroad, not all of them were included in the investigation. A difficulty of the same kind occurred with regard to some of the principal shipping companies whose vessels travel to and from Great Britain. In this case again, account was taken of those companies only whose vessels operate almost entirely in foreign waters.

The share and loan capital owned by, and the interest, dividend and amortisation payments made to, residents in the United Kingdom in the years 1929-1936 were as follows, in million pounds sterling ⁽¹⁾ :

	Loan capital			Share capital	
	Nominal amount	Repayment	Interest	Nominal amount	Dividends
1929	385.2	8.5	18.3	801.6	67.7
1930	389.6	9.5	17.5	815.1	59.0
1931	397.5	4.9	15.4	812.8	33.3
1932	388.6	4.8	13.5	816.2	29.0
1933	387.3	7.8	12.4	823.5	29.5
1934	387.8	13.3	13.1	840.3	32.4
1935	387.8	12.4	14.0	848.6	37.8
1936	379.3	12.5	13.6	840.4	43.4

The average dividend receipts fell from 8.4 % of the nominal amount of the share capital in 1929 to 3.6% in 1933, but rose to 3.9% in 1934, 4.5% in 1935 and 5.2% in 1936.

(c) Investments in foreign and colonial companies (i.e., companies registered outside the United Kingdom).

The type of enterprise considered in this group varies from the company which is virtually British owned and controlled to the company in which British interests are insignificant. For this and other reasons, the analysis of British investments in this group was more difficult than in either of the two preceding groups.

The capital owned by, and interest, dividend and amortisation payments made to, residents in the United Kingdom are shown below, in million pounds sterling ⁽¹⁾ :

	Loan capital			Share capital	
	Nominal amount	Repayment	Interest	Nominal amount	Dividends
1929	402.8	9.6	19.7	436.0	42.0
1930	391.5	9.7	19.3	391.1	31.7
1931	383.8	5.6	18.2	375.5	22.7
1932	375.2	3.6	17.1	344.0	22.1
1933	349.8	9.6	14.8	345.0	20.5
1934	335.1	5.5	13.8	351.6	26.0
1935	328.4	12.6	13.7	369.9	29.7
1936	325.7	6.5	13.4	377.0	35.1

Investments in United States railways were responsible for £15 million of the rise between 1934 and 1936 in the British holdings of share capital in companies registered abroad.

The dividends represented 9.6 % of the outstanding share capital in 1929, 5.9 % in 1933, 7.4 % in 1934, 8% in 1935 and 9.3% in 1936.

(1) A division between different types of companies is available, but has not been included in the present summary

Summary.

If allowance be made for investments not covered by the enquiry (British holdings of foreign securities not dealt in in the United Kingdom and other forms of British investments not examined in detail), the total of British foreign investments and receipts in respect thereof may be summarised as follows:

		£(000,000's)							
		1929	1930	1931	1932	1933	1934	1935	1936
1. Loans to central and local governments	Capital . .	1,412.4	1,437.3	1,440.9	1,431.9	1,479.6	1,499.2	1,503.1	1,441.2
	Repayment	30.4	19.7	16.3	39.7	49.4	23.2	56.2	87.5
	Income . .	64.7	64.7	65.9	62.4	61.1	61.1	60.5	58.9
2. Investments in British companies operating abroad	Capital . .	1,186.8	1,204.7	1,210.3	1,204.8	1,210.8	1,228.1	1,236.4	1,219.7
	Repayment	8.5	9.5	4.9	4.8	7.8	13.3	12.4	12.5
	Income . .	86.0	76.5	48.7	42.5	41.9	45.5	51.8	57.0
3. Investments in foreign and colonial companies .	Capital . .	838.8	782.6	759.3	719.2	694.8	686.7	698.3	702.7
	Repayment	9.6	9.7	5.6	3.6	9.6	5.5	12.6	6.5
	Income . .	61.7	51.0	40.9	39.2	35.3	39.8	43.4	48.5
4. Investments not covered by the enquiry	Capital . .	300	300	290	285	280	300	350	400
	Repayment	.	.	.	.	.	.	.	.
	Income . .	18.5	16.8	13.2	12.3	11.4	12.8	15.9	19.6
Total	Capital . .	3,738.0	3,724.6	3,700.5	3,640.9	3,665.2	3,714.0	3,787.8	3,763.6
	Repayment	48.5	38.9	26.8	48.1	66.8	42.0	81.2	106.5
	Income . .	230.9	209.0	168.7	156.4	149.7	159.2	171.6	184.0
Income as percentage of capital		6.18	5.61	4.56	4.30	4.08	4.29	4.53	4.89

Geographical distribution.

The geographical distribution of £3,185 million (85%) of the outstanding overseas investments in December 1930 (£3,725 million), and of £3,240 million (86%) of those at the end of 1936 (£3,764 million) is given below. The compilation for the former year, it is stated, is only tentative; further, the comparability between the figures for the two years is affected by a change in the methods employed.

	£ (000,000's)			£ (000,000's)	
	End of 1930	End of 1936		End of 1930	End of 1936
British Dominions, colonies, etc.:			Foreign countries:		
Australia (a)	494	505	Europe (d)	245	236
India and Ceylon	458	438	Argentina	360	372
Canada and Newfoundland	446	443	Brazil	151	160
South Africa (b)	224	248	Chile	49	50
New Zealand	123	146	Rest of South America	83	85
British Malaya (c)	108	84	United States (e)	81	81
British East Africa . . . . .	.	31	Mexico and Central America (f)	50	52
British West Africa	46	37	Cuba . . . . .	.	27
West Indies	40	.	Japan	63	53
Other British territories	48	49	China	40	41
	1,987	1,981	Other Asiatic countries	47	.
			Africa	29	.
			Rest of world	(g) 102	.
				1,198	1,259

(a) 1930, including South Sea Islands.

(b) 1936, including Rhodesia.

(c) 1930, including the Netherlands Indies.

(d) Including the whole of Turkey.

(e) The total amount of long-term British capital invested in the United States in 1930, including subsidiaries and branches of British companies and securities not dealt in in the United Kingdom, is estimated at £200 million (nominal value).

(f) The figures would be considerably increased if Mexican loans long in default were included.

(g) Comprises mainly the Netherlands Indies, Iran, Iraq, Egypt and Portuguese East Africa.

The following table shows the distribution of the £3,240 million outstanding at the end of 1936 by areas and classes of enterprise.

	£ (000,000's)					
	Government and municipal	Railways	Public utilities	Mines	Miscellaneous	Total
Australia	427	2	7	20	49	505
India and Ceylon	256	84	7	12	79	438
Canada and Newfoundland	118	216	26	4	79	443
South Africa and Rhodesia	103	21	6	72	46	248
New Zealand	131	—	—	1	14	146
British Malaya	6	—	4	7	67	84
Other British territories	59	4	6	25	23	117
Total	1,100	327	56	141	357	1,981
Europe	120	23	21	9	63	236
South America	139	362	49	7	110	667
U. S. A., Mexico and Central America	1	78	20	6	28	133
China and Japan	70	—	9	1	14	94
Other foreign territories	11	36	4	5	73	129
Total foreign territory	341	499	103	28	288	1,259
World	1,441	826	159	169	645	3,240

A similar table referring to the distribution of the overseas investments of the United Kingdom in 1930 is contained in the 1931-1932 edition of this publication.⁽¹⁾ Full comparability between the figures for the two years only exists in the case of government and municipal loans.

(1) Ser. L.o.N. P. 1933.II.A.26

UNITED STATES OF AMERICA

Estimates of the balance of payments of the United States are published annually by the Department of Commerce. The 1937 figures which have now become available ⁽¹⁾ are reproduced below, together with the statements for 1934-1936 that appeared in the preceding issue of this publication. The figures for 1935 and 1936 differ slightly from those given last year, owing to a revision of the data for certain items. The Summary Table given after the detailed account covers the whole period from 1919-1937.

The area considered includes Alaska, Hawaii, Porto Rico and, from 1935 inclusive, the Virgin Islands, but not the Philippines and the Panama Canal Zone.

The order and classification of the items in the original statements have been modified in accordance with the scheme used for the majority of statements in this volume. Full agreement with these statements has not been reached, however, for merchandise imports have not been shown at their value c.i.f. at the United States ports or frontier, except in the years 1929-1931 and 1933-1937, for which information concerning freights on imports earned by American ships was available (item 2 *g* in the table for Goods, services and gold). In other years these earnings, which, in fact, do not involve any external payments, have been omitted from both sides of the account (see also item 6 *a*); the aggregate balance is thus not affected.

The capital account as shown in the present volume includes amortisation of war debts, which is excluded therefrom by the Department of Commerce. Further, in this volume the earnings on account of underwriters' commissions (which have been deducted by the Department of Commerce from the amounts of new capital issues for foreign account) have been shown together with "Other services".

Goods, services and gold.

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Merchandise.								
1. (a) Merchandise proper . . .	2,133	2,283	2,456	3,345	1,655	2,047	2,423	3,084
(b) Silver coin and bullion . .	17	19	3	5	103	355	183	92
2. Adjustments of item 1 :								
(a) unrecorded exports of silver coin	—	—	6	4	—	—	—	—
(b) bunker coal and oil . .	19	20	25	33	6	6	5	
(c) ship chandling and repairs	30	30	30		15	12	12	(²)
(d) vessels sold and bought	2	1	1	(²)	2	1	—	
(e) unrecorded parcel post .	18	19	(³) 5		—	—	—	—
Carried forward	2,219	2,372	2,526	3,387	1,781	2,421	2,623	3,176

(1) *The Balance of International Payments of the United States in 1937* (prepared in the Finance Division under the direction of Amos E. Taylor; U.S. Department of Commerce, Economic Series, No. 3).

(2) Included with items 2 *k-l*.

(3) Parcel post to the value of \$16.6 million is already included in the recorded merchandise exports (item 1 *a*).

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	2,219	2,372	2,526	3,387	1,781	2,421	2,623	3,176
2. Adjustments of item 1 (<i>cont.</i>):								
(<i>f</i>) undervaluation of exports by rail	18	20	23	34	—	—	—	—
(<i>g</i>) freights on imports, paid to American ships	—	—	—	—	40	47	45	82
(<i>h</i>) ditto, paid to foreign ships	—	—	—	—	75	78	103	186
(<i>i</i>) ditto, paid to Canadian railways	—	—	—	—	9	13	17	24
(<i>k</i>) deduction for household goods of immigrants and departing aliens	— 7				— 4			
(<i>l</i>) other adjustments, includ- ing contraband	19	35	5	(¹) 46	58	67	24	(¹) 42
II. Interest and dividends.								
3. Interest on intergovernmental debts	1	—	1	—	—	—	—	—
4. Yield of other long-term capital:								
(<i>a</i>) yield of securities	215	188	176	158	125	(²) 105	(²) 152	(²) 177
(<i>b</i>) earnings on direct invest- ments	240	320	380	440		40	55	65
(<i>c</i>) yield of other investments	(³) 17	—	—	—		25	30	35
5. Interest on short-term capital	21	13	12	10	1	1	1	1
III. Other services.								
6. Shipping freights : (⁴)								
(<i>a</i>) on United States imports	40	47	45	82	—	—	—	—
(<i>b</i>) on United States exports	40	40	40	65	—	—	—	—
7. Port fees	—	8	10	19	—	—	—	—
8. Railway transit	3	3	5	8	12	16	19	19
9. Insurance	16	16	21	33	35	31	43	33
10. Underwriters' commissions	—	1	3	4	—	—	—	—
11. Brokerage receipts	9	11	20	(⁵)	—	—	—	—
12. Telegraph and telephone	13	17	19	(⁵)	9	14	14	(⁵)
13. Immigrants' and emigrants' funds	5	5						
14. Immigrants' and emigrants' remittances	—	—	24	25	105	92	172	170
15. Missionary and charitable contributions	—	—	—	—	31	28	32	35
16. Tourists' expenditure : (⁴)								
(<i>a</i>) Canada	39	75	89	102	120	192	228	280
(<i>b</i>) Mexico	4	5	5	5	45	34	40	45
(<i>c</i>) overseas	43	37	45	49	166	183	229	269
Carried forward	2,955	3,213	3,449	4,467	2,608	3,387	3,827	4,639

(1) Including adjustments referred to under items 2c-e on the credit side and items 2b-d on the debit side.

(2) Of which interest, 22 in each year; dividends, 83 in 1935, 130 in 1936 and 155 in 1937.

(3) "Interest and earnings funded."

(4) The passage money (comprising fare payments and incidental expenditure on board ship) paid to United States ships by United States tourists, amounting to \$31 million in 1936 and \$29 million in 1937, is included neither under item 6, credit, nor under item 16, debit. On the other hand, passage money paid to United States ships by foreign tourists, amounting to \$9 million in 1936 and \$8 million in 1937, is included under item 16c (not under item 6).

(5) Included with items 19a-e.

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	2,955	3,213	3,449	4,467	2,608	3,387	3,827	4,639
17. Diplomatic and similar expenditure	8	9	9	9	9	10	12	11
18. Government receipts and expenditure n.e.i. (1) . . .	23	19	21	20	59	74	84	115
19. Other items :								
(a) cinematogr. film royalties	75	85	110	(3) 197	5	5	6	(3) 31
(b) Canadian electric power .	—	—	—		2	2	4	
(c) Press subscriptions . . .	4	.	.		2	.	.	
(d) patents, copyrights and royalties	—	.	(2) 21		—	.	(2) 1	
(e) advertising	2	.	.		7	.	.	
IV. Gold.								
20. Gold coin and bullion . . .	53	2	28	46	1,187	1,741	1,144	1,632
21. Changes in earmarked gold (net)	—	—	86	200	83	—	—	—
Total	3,120	3,328	3,724	4,939	3,962	5,219	5,078	6,428
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 375	— 152	— 324	— 103				
(b) gold	—1,217	—1,739	—1,030	—1,386				
(c) goods, services and gold .	— 842	—1,891	—1,354	—1,489				

Capital items.

Items	\$ (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts	—	—	—	—	—	—	—	—
(b) of other debts :								
(i) bond redemption payments	51	131	120	141	25	15	15	15
(ii) sinking fund payments . .	63	54	61	49				
2. Purchases and sales :								
(a) of domestic securities . . .	480	1,305	2,685	2,274	480	970	2,070	2,014
(b) of foreign securities	510	425	595	666	405	475	510	602
3. New capital issues	—	—	—	—	—	45	23	14
4. Direct long-term investments	12	24	8	6	48	25	60	20
5. Resale and repurchase of direct long-term investments . . .	14	52	21	47	—	—	12	—
6. Estimated transfer of funds in arbitrage operations (net) . .	30	—	—	—	—	—	—	—
Carried forward	1,160	1,991	3,490	3,183	958	1,530	2,720	2,665

(1) Receipts on account of war debts are shown against item 3 and capital item 1a.

(2) Including possible corrections to items 11, 12 and 19a-b.

(3) Including brokerage receipts, telegraph and telephone (cf. items 11 and 12).

Items	\$ (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1934	1935	1936	1937	1934	1935	1936	1937
Brought forward	1,160	1,991	3,490	3,183	958	1,530	2,720	2,665
II. <i>Short-term operations.</i>								
7. Changes in international banking accounts (net)	192	971	404	290	—	—	—	—
8. Movement of commercial and other funds (net)	—	105	—	5	—	—	12	—
9. Reconstruction Finance Corporation credits	—	—	—	—	8	—	—	—
10. Movement of currency notes (through reporting banking channels)	30	31	57	52	56	31	35	52
Total	1,382	3,098	3,951	3,530	1,022	1,561	2,767	2,717
Net inward (+) movement of capital.	+ 360	+1,537	+ 1,184	+ 813				

SUMMARY TABLE.

	\$ (000,000's)								
	Goods, services and gold					Capital items			All items (1)
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1919 Balance	+ 3,749	+ 224	— 939	+ 160	+ 3,194	— 2,126	+ 90	— 2,036	+ 1,158
1920 Balance	+ 2,866	+ 56	— 736	— 50	+ 2,136	— 1,051	+ 100	— 951	+ 1,185
1921 Balance	+ 1,908	+ 119	— 628	— 686	+ 713	— 742	— 100	— 842	— 129
1922 Balance	+ 663	+ 351	— 546	— 235	+ 233	— 735	+ 375	— 360	— 127
1923 Balance	+ 313	+ 417	— 628	— 295	— 193	+ 66	+ 53	+ 119	— 74
1924 Balance	+ 939	+ 464	— 662	— 216	+ 525	— 631	+ 166	— 465	+ 60
1925 Balance	+ 619	+ 515	— 719	+ 102	+ 517	— 516	— 121	— 637	— 120
1926 Balance	+ 139	+ 627	— 564	— 72	+ 130	— 648	+ 310	— 338	— 208
1927 Balance	+ 417	+ 679	— 572	+ 154	+ 678	— 740	+ 845	+ 105	+ 783
1928 Balance	+ 738	+ 680	— 684	+ 272	+ 1,006	— 671	— 228	— 899	+ 107
1929 Balance	+ 382	+ 699	— 681	— 120	+ 280	— 90	— 95	— 15	+ 95
1930 Balance	+ 386	+ 769	— 580	— 278	+ 297	— 213	— 465	— 678	— 381
1931 Balance	+ 17	+ 621	— 493	+ 176	+ 321	+ 234	— 719	— 485	— 164
1932 Balance	+ 150	+ 455	— 504	— 11	+ 90	+ 247	— 489	— 242	— 152
1933 Balance	+ 83	+ 404	— 271	+ 173	+ 389	+ 48	— 475	— 427	— 38
1934 Balance	+ 290	+ 368	— 283	— 1,217	— 842	+ 202	+ 158	+ 360	— 482
1935 Credit	2,427	521	378	2	3,328	1,991	1,107	3,098	6,426
Debit	2,626	171	681	1,741	5,219	1,530	31	1,561	6,780
Balance	— 199	+ 350	— 303	— 1,739	— 1,891	+ 461	+ 1,076	+ 1,537	— 354
1936 Credit	2,554	569	487	114	3,724	3,490	461	3,951	7,675
Debit	2,812	238	884	1,144	5,078	2,720	47	2,767	7,845
Balance	— 258	+ 331	— 397	— 1,030	— 1,354	+ 770	+ 414	+ 1,184	— 170
1937 Credit	3,467	608	618	246	4,939	3,183	347	3,530	8,469
Debit	3,510	278	1,008	1,632	6,428	2,665	52	2,717	9,145
Balance	— 43	+ 330	— 390	— 1,386	— 1,489	+ 518	+ 295	+ 813	— 676

(1) The balances shown in this column are due to errors and omissions.

The practice followed in compiling the statements was, it is explained, "to use all those figures which are reported in various Government documents, such as merchandise trade, war-debts receipts, certain governmental expenditures and receipts, and gold movements, revised up to date". In the case of items estimated on the basis of questionnaires, "the figures used are those actually returned, subject only, in the case of the international securities movement, to uniform percentage estimates for omissions".

As the last column of the Summary Table shows, a perfect balance is not obtained in the account for any year — a fact due to erroneous or incomplete record of certain transactions. That the residual item in certain years is very small should not be taken as a proof, however, that the errors or omissions in those years are insignificant.

The large debit balance on account of all recorded payments during the years 1934-1937 (aggregating \$1,682 million) is connected with the heavy gold imports which occurred during this period and which, it is stated, were almost entirely unrelated to the ordinary trade and service items but were a counterpart of the inflow of capital — particularly the repatriation of the United States short-term funds previously held abroad. Such transactions, it is stated, "are exceedingly elusive, and their aggregate measurement involves considerable difficulty". At the same time, exchange control systems and other artificial factors operating in the exchange markets have increased the difficulties of estimating certain other important items in the account.

The large excess of outward payments in 1934 was attributed in large part to the following four factors :

1. The aggregate of such factors as repatriated balances of American corporations, unrecorded currency exports, and short-term capital items representing the counterpart of the possible importation of gold which was held under earmark abroad by governmental agencies at the end of 1933 and which had therefore been carried as an "invisible" gold import in the 1933 balance ;
2. Repatriation of foreign dollar bonds and sales in foreign markets of American securities by methods which precluded the recording of their value in the questionnaire returns ;
3. Inflow of private funds (balances in foreign banks or hoarded abroad) expatriated roughly between April 1933 and the end of January 1934 ;
4. Unrecorded foreign-owned funds sent to the United States after devaluation as a result of political uncertainty and economic instability abroad.

The excess of recorded payments over recorded receipts declined in 1935 and 1936, but in 1937 it rose to \$676 million. Among unrecorded transactions that may help to explain this balance, mention is made of the operations of the United States Stabilisation Fund ⁽¹⁾ and certain gold earmarking operations known to have led to a substantial loss of gold during the final months of the year.

The report on the balance of payments in 1937 did not become available in time for inclusion in the present volume of the particulars concerning certain items of the account that have usually been supplied.

Foreign assets and liabilities.

The following information on the foreign investments in the United States and United States investments abroad is derived in part from the official reports on the balance of payments, and in part from other publications of the United States Department of Commerce (*Foreign Investments in the United States*, issued in 1937, and *American Direct Investments in Foreign Countries*, issued in 1938).

(1) It is pointed out that, since the active portion of the Stabilisation Fund is limited to \$200 million, fund operations would not affect the size of the residual item either way by more than this amount.

The table below summarises the data available back to 1931, though they are not fully comparable throughout the period. The table does not include the claims on account of war debts and other debts due to the United States Government by foreign governments. The total of such claims (including interest postponed, funded or unpaid) as on January 31st, 1938, amounted to \$12,892 million — of which \$12,493 million represented funded debts of fifteen European countries (the shares of the United Kingdom, France and Italy in this amount were 42.1, 33.0 and 16.2% respectively) and \$399 million unfunded debts due mainly by Russia — plus 3,085 million Reichsmarks due by Germany on account of “army costs” and “mixed claims”.

<i>Foreign investments in the United States.</i>		\$ (000,000's) at the end of					
	1931	1932	1933	1934	1935	1936	1937
Long-term investments :							
direct investments (book value) . . . .	.	.	.	1,518	1,580	1,640	1,675
common stocks (market value) . . . .	.	.	.	1,202	1,840	2,700	1,850
preferred stocks (par value) . . . .	.	.	.	351	390	455	430
bonds (par value) . . . . .	.	.	.	536	549	563	565
other investments . . . . .	.	.	.	750	750	750	750
Total	2,250	.	.	4,357	5,109	6,108	5,270
Short-term investments (bank balances and other short-term funds owed to foreign- ers, as reported by banks and brokers)	1,465	870	487	(^a) 614	1,220	1,530	1,766
Total foreign investments	3,715	.	.	4,971	6,329	7,638	7,036
<i>United States investments abroad.</i>							
Long-term investments :							
direct investments (book value)	8,096	8,122	7,767	7,818	7,835	(^b) 6,755	6,870
“portfolio” investments (largely bonds, nominal value)	6,539	5,830	6,032	5,296	4,795	4,741	4,204
Total	14,635	13,952	13,799	13,114	12,630	11,496	11,074
Short-term investments (American-owned bank balances and other short-term credits abroad, as reported by banks and brokers)	1,239	1,053	1,082	(^c) 1,234	869	775	721
Total United States investments .	15,874	15,005	14,881	14,348	13,499	12,271	11,795
Estimated net creditor position.	12,159	.	.	9,377	7,170	4,633	4,759

(^a) New series (the figure comparable with that given for 1933 is 573).

(^b) New series (the figure comparable with that given for 1935 is 7,745).

(^c) New series (the figure comparable with that given for 1933 is 976).

Short-term credits granted by American manufacturers and exporters, and corresponding credits granted by foreign concerns to American customers are not included in this table. There was, it is stated, a net foreign asset of the United States on this account of several hundred million dollars at the end of 1935 and 1936.

Foreign long-term investments in the United States.

The nature of the investments in question is described in last year's edition of this publication, which also gives the distribution by geographical and industrial groups of the various categories of such investments at the end of 1934.

United States long-term investments abroad.

The United States private long-term investments abroad are divided into *direct investments* (including foreign security holdings of industrial and commercial corporations) and *portfolio investments*.

The following table shows the amount of these investments and their distribution by groups of countries at the end of 1935, 1936 and 1937.

UNITED STATES LONG-TERM INVESTMENTS IN FOREIGN COUNTRIES AT THE END OF 1935, 1936 AND 1937.

Area	\$ (000,000's)								
	1935			1936			1937		
	Direct (a)	Portfo- lio (b)	Total	Direct (a)	Portfo- lio (b)	Total	Direct (a)	Portfo- lio (b)	Total
Canada and Newfoundland	2,130	1,634	3,764	1,952	1,647	3,599	2,009	1,621	3,630
Central America and Mexico	855	42	897	628	38	666	627	29	656
West Indies	975	132	1,107	753	128	881	766	117	883
South America	1,570	1,367	2,937	1,466	1,354	2,820	1,525	1,037	2,562
Europe	1,460	2,083	3,543	1,245	1,949	3,194	1,279	1,093	2,372
Africa	130	2	132	93	2	95	94	18	112
Asia	435	385	820	417	374	791	428	187	615
Oceania	155	250	405	111	249	360	116	102	218
Total	7,710	5,895	13,605	6,665	5,741	12,406	6,844	4,204	11,048
Add : Bank capital	125	—	125	(c) 26	—	(c) 26	(c) 26	—	(c) 26
Deduct : Estimated net repurchases by foreigners .	—	1,100	1,100	—	1,000	1,000	—	(d)	(d)
Net total	7,835	4,795	12,630	e) 6,691	4,741	11,432	6,870	4,204	11,074

(a) Book values.

(b) Par values.

(c) "international".

(d) The estimated amounts of repurchases by foreigners have been deducted from the figures for the various areas.

(e) Revised total : 6,755 (geographical distribution not available).

Direct investments. Detailed information concerning the American direct investments abroad at the end of 1936 has been published by the Department of Commerce, ⁽¹⁾ as a result of an enquiry carried out on the same lines as that referring to the end of 1929, summarised in the 1930 edition of this publication.⁽²⁾ In spite of a few discrepancies, the sources employed and the methods of compilation and presentation are sufficiently similar to permit a comparison of the data for the two years.

The direct investments considered in this study embrace "all American investments in those corporations or enterprises which are controlled by a person

(1) *American Direct Investments in Foreign Countries, 1936*, by Paul D. Diekens (U.S. Department of Commerce Economic Series No. 1).

(2) Ser. L.o.N. P. 1931.11.A.28 II. This edition also contains a geographical distribution of the investments at the end of 1930. Similar data referring to the end of 1933 were reproduced in the 1933 edition (Ser. L.o.N. P. 1934.11.A.19).

UNITED STATES DIRECT INVESTMENTS ABROAD, BY COUNTRIES.

Country	\$ (000,000's)		Country	\$ (000,000's)	
	End of 1929	End of 1936		End of 1929	End of 1936
<i>Canada and Newfoundland :</i>			<i>South America :</i>		
Canada	2,010	1,936	Argentina	332	348
Newfoundland		16	Bolivia	62	18
Total	2,010	1,952	Brazil	193	194
<i>Europe :</i>			Chile	422	484
Austria	14	6	Colombia	124	108
Belgium	64	35	Ecuador	12	5
Czechoslovakia	5	5	Guianas	6	8
Denmark	16	14	Paraguay	13	5
Finland	1	2	Peru	124	96
Other Baltic States (a)	10	2	Uruguay	28	14
France	145	146	Venezuela	232	186
Germany	217	228	Total	1,548	1,466
Greece	5	8	<i>Africa :</i>		
Hungary	8	9	Algeria	3	(f) 1
Ireland	2	—	British South Africa	(g) 77	55
Italy	113	70	Egypt	7	8
Netherlands	43	19	Portuguese Africa	9	11
Norway	23	27	French Africa	1	18
Poland	51	33	Other	5	
Portugal	12	(b) 6	Total	102	93
Roumania	14	44	<i>Asia :</i>		
Bulgaria	1		British Malaya	27	24
Spain	72	(c) 80	French Indo-China and Siam		(h) 3
Sweden	19	25	China	114	90
Switzerland	17	9	Cyprus, Palestine and Syria	7	29
Turkey	9	(d)	Iraq	6	
United Kingdom	485	474	India	33	30
Yugoslavia	7	3	Iran	1	(i) 18
Total	1,353	1,245	Japan	61	47
<i>Mexico and Central America :</i>			Netherlands Indies	66	70
Costa Rica	22	13	Philippine Islands	80	92
Guatemala	70	50	Turkey	(d)	14
Honduras	(e) 72	36	Total	395	417
Mexico	683	480	<i>Oceania :</i>		
Nicaragua	13	5	Australia	149	89
Panama	28	27	New Zealand		22
Salvador	29	17	Total	149	111
Total	917	628	<i>" International "</i>		
<i>West Indies :</i>				—	26
Cuba	919	666	World		
Dominican Republic	69	41		7,528	(k) 6,691
Haiti	14	10			
Jamaica	22	36			
Other	30				
Total	1,054	753			

(a) Danzig, Estonia, Latvia and Lithuania.

(b) Including Azores and Madeira Islands.

(c) Including Canary Islands.

(d) Turkey is included under Europe in 1929 and under Asia in 1936.

(e) Including British Honduras.

(f) Including Madagascar and Tunisia.

(g) Including other British Africa.

(h) Including New Caledonia.

(i) Including Arabia.

(k) Revised total : 6,755 (distribution by countries not available).

or small group of persons (corporate or natural) domiciled in the United States, or in the management of which such person or group has an important voice". This definition, it is stated, bases the classification of the investment on the domicile of the control of the enterprise. Holdings of the securities of American-controlled foreign enterprises by investors who do not themselves participate in the control or management of the business are included with direct investments.

In collecting the statistics, the following items were considered: (1) holdings of American corporations, (2) investments of individuals in securities of the foreign enterprises included under (1), and (3) such holdings of individuals involving direct control of foreign companies.

Investments of American citizens domiciled abroad, properties of missionary and charitable institutions, foreign assets of the United States Government and its agencies and claims of American citizens against foreign governments are excluded from the recorded direct (as well as portfolio) investments.

The statistics were based largely upon the replies to questionnaires mailed to about 3,000 American companies and letters sent to about 500 foreign (Canadian, Cuban and Mexican) companies. The replies numbered about 2,500 and 200 respectively. More than half of the replying companies reported investments in foreign countries, and practically all of the corporations with large foreign investments supplied information. Other sources of information were corporation manuals, registration statements of the Securities and Exchange Commission, and reports from the foreign offices of the Department of Commerce.

"The valuation adopted was based on the books of the foreign company. The aim was to arrive at *the net investment of the American company in the foreign company as shown on the books of that foreign company*." Since balance-sheet values are more frequently written down than written up, the estimates are believed to be conservative.

The method of valuation differs in some details from that employed for 1929. "The earlier questionnaire requested the book value of wholly owned investments without specifying whether the records of the parent or of the foreign subsidiary should be used, and the market or fair value of partially owned investments. In the present survey, on the other hand, both partially and wholly owned investments were valued on one basis. It is to be presumed that the type of value most often reported in reply to the 1929 questionnaire was book value as shown by the parent company's books." The use of market values for partially owned foreign companies, it is stated, tended to increase the estimated total of direct investments as at the end of 1929.

An accurate allocation by countries of certain investments was not possible and the compilers had in some cases to make arbitrary estimates; accordingly, the figures by countries are subject to some errors not present in the totals.

The table on the preceding page shows the geographical distribution of American direct investments abroad at the end of 1929 and 1936. The figure for Canada and Newfoundland for 1929 has been revised by the addition of \$50 million on account of investments in insurance branches and affiliates.

Comparison between the figures for Canada in the two years shown is affected by a reduction of \$300 million in the total for 1936, accounted for entirely by technical changes in the valuation of two large items (thus the investment in the Canadian Pacific Railway Co., which in 1929 had been included among direct investments, was transferred to the portfolio category in 1936). Actually, there was a net increase in the direct investments in Canada between 1929 and 1936.

The following table shows the distribution of American direct investments abroad at the end of 1929 and 1936 by main industrial groups and by large geographical areas.

UNITED STATES DIRECT INVESTMENTS, BY INDUSTRIAL GROUPS AND GEOGRAPHICAL AREAS.

Area	\$ (000,000's)															
	Manufac- turing		Distri- bution		Agriculture		Mining and smelting		Petroleum		Public utilities and trans- portation		Miscellaneous		Total	
	1929	1936	1929	1936	1929	1936	1929	1936	1929	1936	1929	1936	1929	1936	1929	1936
Canada (a)	541	530	38	78	15	10	400	239	55	108	541	520	(b) 420	(b) 451	2,010	1,936
Newfoundland																16
Mexico and Central America	14	10	10	13	130	68	241	215	209	71	298	236	15	15	917	628
West Indies	47	29	15	15	663	310	10	19	35	29	224	324	60	27	1,054	753
South America	170	153	94	72	24	23	480	473	373	353	366	378	41	14	1,548	1,466
Europe	629	611	133	144	(c)	(c)	(c)	43	231	275	145	89	215	83	1,353	1,245
Africa	6	10	16	14	(c)	(c)	43	19	31	40	—	(c)	6	10	102	93
Asia	78	55	34	39	(d) 43	71	10	18	114	147	(d) 36	78	80	9	395	417
Oceania	50	42	22	12	—	—	(c)	5	69	43	—	(c)	8	9	149	111
International	—	—	—	3	—	—	—	—	—	9	—	14	—	—	—	26
World (e)	1,535	1,441	362	390	875	482	1,210	1,035	1,117	1,075	1,625	1,640	804	612	7,528	6,691

(a) In 1929, including Newfoundland.

(b) Of which : paper and wood pulp, 279 in 1929, 269 in 1936 ; insurance, 50 and 120 respectively.

(c) Included under "Miscellaneous".

(d) A further amount is included under "Miscellaneous".

(e) The figures on this line differ in some cases from the totals obtained by the addition of the figures shown in the respective columns, as certain investments which were entered in the "Miscellaneous" group (cf. notes (c) and (d)) on the preceding lines have been distributed between the world totals for the specified industrial groups. Moreover, the investments in Newfoundland in 1936 are included in the final total, but not distributed between the various industrial groups.

Of the total amount of American direct investments abroad at the end of 1936, about 94% represented corporations and the remaining 6% direct ownership in the form of branches of American firms. Details available with reference to the financial structure of about 70% of the corporate investments and three-fourths of the branch investments are given below.

	\$ (000,000's)				
	Canada and Newfoundland	Europe	Latin America	Rest of world	Total
Corporations :					
Common stock	510	414	898	250	2,072
Surplus or deficit (a)	255	134	137	73	599
Preferred stock	93	14	183	15	305
Bonds, notes and mort- gages	303	14	455	28	800
Advances and inter- company accounts	74	149	331	69	623
Total	1,235	725	2,004	435	4,399
Branches :					
Fixed assets	33	6	85	36	160
Current assets	23	21	32	60	136
Total	56	27	117	96	296

(a) A part of these amounts is capital and appraisal surplus.

The income of American direct investments can be estimated on the basis of a sampling covering, in 1934, 37%, in 1935, 56%, and in 1936, 63% of these investments. The average rates of return were 5.4% in 1935, 5.7% in 1936 and 6.5% in 1937. Income in the form of ordinary dividends on common stock only averaged 3.9% in 1934, 5% in 1935 and 5.3% in 1936, while total earnings (including those reinvested) applicable to common stock attained 4.9%, 6.1% and 7.4% respectively. The share of total earnings paid out in common-stock dividends was 80% in 1934 and 1935 and 70% in 1936. The earnings reinvested amounted approximately to \$50 million in each of the first two years and to \$100 million in 1936.

Portfolio investments. The estimate of the portfolio investments is based on the nominal value of the foreign dollar bonds held in the United States and on the estimated value of miscellaneous other securities, chiefly common stocks. The net amount of foreign dollar bonds held in the United States at the end of 1937 was obtained by deduction from the "American share" outstanding for each issue of the estimated net repurchases by foreigners. These repurchases comprise both repatriations to the country of issue and purchases by the nationals of foreign countries other than the debtor nation. The geographic distribution of the amounts in question is given below, together with that of other portfolio investments at the end of 1937.

End of 1957.

Area	\$ (000,000's)			Miscellaneous other securities
	Foreign dollar bonds			
	" American share " out- standing	Estimated repurchases by foreigners	Net amount held in the United States	
Canada and Newfoundland.	1,409	20	1,389	232
Central America	37	8	29	—
West Indies	122	10	112	5
South America	1,168	137	1,031	6
Europe.	1,678	717	961	132
Asia	370	189	181	6
Africa	249	148	2	16
Oceania			99	3
Total	5,033	1,229	3,804	400

The figures for repurchases by foreigners, it is stated, "are subject to a wide margin of error, since for many issues, as well as for several important countries, little or no exact data were obtainable".

Figures for the market value of United States portfolio investments in foreign countries have been computed for the years 1934-1936 and, in part, for 1937. These data, which relate, not to the net amount held in the United States, but to the "American share" outstanding before adjustment for repurchases by foreigners, are shown below together with the corresponding par values :

Year	Par value	\$ (000,000's)	
		Market value	Market value as percentage of par value
1934	6,396	4,774	74.6
1935	5,895	4,302	73.0
1936	5,741	4,288	74.7
1937 (a)	5,033	.	(b) 67.5

(a) Figures referring to investments in foreign dollar bonds only.

(b) The corresponding figure computed on the basis of the net amount held in the United States (after deduction of repurchases by foreigners) is 69.3.

Foreign dollar bonds in default. The interest-default status of outstanding foreign dollar bonds at the end of 1937 is shown in the following table :

INTEREST-DEFAULT STATUS OF FOREIGN DOLLAR BONDS ON DECEMBER 31ST, 1937.

	Par value of defaulted bonds \$ (000,000's)			Percentage of total defaults by areas	Ratio of defaults to total investments by areas %	Market price of defaulted bonds (% of par value)
	Complete defaults	Partial defaults	Total defaults			
<i>Bonds held in the U.S.A. :</i>						
Canada	1	35	36	2.7	2.6	51.5
Central America	16	3	19	1.4	65.5	29.6
West Indies	59	—	59	4.4	52.7	64.6
South America	459	241	700	52.0	67.9	15.1
Europe	349	177	526	39.0	54.7	32.0
Asia	7	—	7	0.5	3.9	33.2
All areas, net	891	456	1,347	100.0	35.4	25.2
Total "American share" out- standing (*)	1,244	616	1,860	—	37.0	26.0
Ditto on December 31st, 1936	1,445	583	2,028	—	35.3	31.7

(*) Without deduction for estimated repurchases by foreigners.

Negotiations often result in the lowering of the contract rate of interest, the cancellation of past-due coupons, the issuance of income bonds in exchange for the original bonds, or some other permanent solution. When such revisions are accepted by the bondholders and adhered to by the debtors, the contracts are considered as having been amended, and the issues affected are treated as no longer in default.

The classification of these defaults is based on the status of the last coupon payable in 1937. Payment of interest confined to coupons previously due was not considered a proper basis for removing issues from the defaulted lists. Issues were considered as in partial default if they were serviced with payments of partial cash, scrip, or funding bonds. Issues on which interest payments were deposited in restricted foreign currencies in the debtor countries were by definition included among complete defaults.

Recent changes in the interest-default status of foreign dollar bonds are illustrated by the following figures :

	Percentages			
	1933	1935	1936	1937
Share of total portfolio investments in default	32	36	35	37
Share of defaulted issues in complete default	47.4	70.3	71.3	66.9

The relative decrease which occurred during 1937 in the issues in complete default was due partly to the transfer of certain Canadian defaulted bonds from the portfolio to the direct-investment category.

Short-term debts and assets.

Liabilities and assets in the United States international banking accounts are shown below :

Items	About 165 banks					All banks (new series)			
	\$ (000,000's) at the end of								
	1930	1931	1932	1933	1934	1934	1935	1936	1937
<i>Due to foreigners :</i>									
Deposits	1,640	1,025	715	389	480	496	1,056	1,325	1,437
Advances and overdrafts	36	26	30	20	39	104	123	158	291
Short-term loans, investments, etc.	1,046	394	115	63	41				
Acceptance credits	15	20	10	15	13				
Total	2,737	1,465	870	487	573	614	1,220	1,530	1,766
<i>Due from foreigners :</i>									
Deposits.	294	113	144	250	288	302	91	103	113
Advances and overdrafts	629	677	377	332	451	691	603	514	460
Short-term loans, investments, etc.			190	129					
Acceptance credits			342	371					
Total	1,802	1,239	1,053	1,082	976	1,234	869	775	721
Net short-term liabilities (—) or assets (+) . . .	— 935	— 226	+ 183	+ 595	+ 403	+ 620	— 351	— 755	— 1,045
Net short-term capital movement under the above items (cf. capital item 7 in the balance of payments account) . . .	— 486	— 709	— 409	— 412	+ 192	.	+ 971	+ 404	+ 290

The following table shows the amounts outstanding at the end of the last three years in somewhat greater detail :

<i>Due to foreigners.</i>	\$ (000,000's) at the end of		
	1935	1936	1937
Liabilities payable in dollars :			
deposits for foreign account	1,056	1,325	1,437
loans to brokers and dealers in securities for foreign account	—	—	—
bills held for foreign account	41	51	104
short-term United States Government obligations held for foreign account	(^a)	2	89
others	6	14	17
Total liabilities payable in dollars	1,103	1,392	1,647
Liabilities payable in foreign currencies :			
borrowing from foreign banks	48	46	37
acceptances made by foreign banks	41	47	38
others	9	7	8
Total liabilities payable in foreign currencies	98	100	83
Brokers' balances	19	38	36
Total short-term liabilities	1,220	1,530	1,766

(^a) Negligible.

<i>Due from foreigners.</i>		\$ (000,000's) at the end of		
		1935	1936	1937
Assets payable in foreign currencies :				
banks' own deposits abroad	73	78	72	
deposits abroad for account of domestic clients	18	25	41	
others	38	37	39	
Total assets payable in foreign currencies . .	129	140	152	
Assets payable in dollars :				
loans to foreign banks	145	97	117	
acceptances made for foreign account	175	158	148	
others	329	277	238	
Total assets payable in dollars	649	532	503	
Brokers' balances	91	103	66	
Total short-term assets	869	775	721	

VENEZUELA

An estimate of the balance of payments of Venezuela for 1936, prepared by M. R. E. Tello and published in the *Revista de Hacienda*, issued by the Ministry of Finance (1), is reproduced below, in a slightly modified form, together with the figures for 1935 which appeared in the preceding issue of the present publication.

	Bolivares (000,000's)			
	Credit items		Debit items	
	1935	1936	1935	1936
1. Merchandise (including silver), as recorded	697.5	748.5	164.9	211.6
2. Adjustment of imports on account of :				
(a) freights	—	—	8.0	12.0
(b) insurance	—	—	0.9	0.8
3. Adjustment of exports on account of :				
(a) silver coin exported for reminting	— 1.4	—	—	—
(b) unrecorded exports of live-stock to Colombia	1.8	—	—	—
4. Deduction of exports of petroleum and derivatives	—649.2	—684.2	—	—
5. Deduction of goods imported free of duty under the oil contracts	—	—	— 46.7	— 46.9
6. "Petroleum drafts" (<i>giros petróleo</i>)	120.0	125.0	—	—
7. Gold coin and bullion, as recorded	14.3	19.9	60.3	—
8. Deductions from item 7 :				
(a) gold exported but not sold	—	— 1.2	—	—
(b) gold exported by foreign mining companies	— 10.5	— 10.5	—	—
9. Deduction of goods imported free of duty by foreign gold-mining companies	—	—	— 1.5	— 0.7
10. Expenditure of the same companies in Venezuela	4.2	5.2	—	—
11. Interest receipts and payments (in 1936, net)	1.0	—	6.0	5.0
12. Transit of Colombian goods	1.3	1.6	—	—
13. Fire and life insurance	—	—	1.6	1.5
14. Tourists' expenditure (in 1936, net)	0.6	—	4.6	6.0
15. Government expenditure abroad	—	—	6.5	5.1
Total	179.6	204.3	204.6	194.4
Balance on account of the above items	— 25.0	+ 9.9		
16. Sale of the national participation in a foreign shipping enterprise		+ 3.9		—
17. Sale of petroleum concessions		+ 21.7		—
Balance on account of items 16-17		+ 25.6		
Balance on account of all items		+ 35.5		

The estimates differ considerably in arrangement from those given for other countries in this volume. In their original form, the statements exclude the value of petroleum and petroleum derivatives exported, representing as much as 91 % of total exports (merchandise and gold) in 1935 and 89% in 1936, the reason being that the exploitation of the oil deposits is entirely in the hands of foreign concerns. Similarly, they exclude the export of gold produced by foreign gold-mining companies, while goods imported duty-free by the petroleum companies under the oil

(1) No. 5, July-September 1937, page 33.

contracts and by the foreign gold-mining enterprises are deducted from total imports, as they were not paid for out of domestic resources. Moreover, the statements exclude the principal offsetting financial transactions of the foreign oil and gold-mining companies — namely, (i) interest and dividend payments abroad on account of investments in Venezuela, (ii) amortisation of capital thus invested, and (iii) new investments in the country by the companies concerned. On the other hand, the expenditure of the same companies in Venezuela in the form of taxes, wages, transport and other charges is included as a credit item in the account. The foreign enterprises in Venezuela are thus considered as “foreign country” and the statements aim at summarising the “foreign” transactions in Venezuelan currency rather than the balance of payments of Venezuelan territory.

For the purpose of this volume, it has been thought of interest to give an indication also of the magnitude of the transactions of the foreign oil and gold-mining companies; accordingly, total imports and exports, as recorded in Venezuelan trade returns, have been indicated in the table on the preceding page and the imports and exports of these companies entered as deductions.

The debit balance in 1935 on account of items 1-15 indicates that, during that year, there was a reduction in Venezuelan assets abroad. It is pointed out that at the end of 1934 a sum of Bs. 5.7 million was deposited abroad to cover the cost of gold imports in 1935, and it is suggested that foreign securities in the hands of Venezuelan citizens may have been sold during the year. In 1936, there was a surplus on account of these items, at the same time as a recorded inflow of funds on account of the sale of Venezuelan investments abroad (item 16) and of petroleum concessions (item 17). If the figures are correct, there was an unrecorded export of capital in the year of Bs. 35.5 million.

The cost of freights and insurance added to imports (item 2) refers to goods other than those imported by the foreign oil and gold-mining companies (*cf.* items 5 and 9). The freight rate was assumed to have been Bs. 50 per ton, allowing for the expenditure of foreign ships in Venezuelan ports; the insurance premia were counted at 0.5 % of the value of the goods concerned.

The exploitation of Venezuelan oil deposits is wholly in the hands of Anglo-Dutch and American firms. The exports of petroleum and petroleum derivatives have been deducted from the account, as well as the imports of the oil concerns, which are admitted into the country free of duty (items 4 and 5). All the expenditure of these concerns in Venezuela on account of concession fees, taxes, working expenses, transport and other charges, etc., is met by them through sale of foreign currency (¹); the amount in question, which thus represents the portion of the value of oil exports that accrues to Venezuelan economy, is entered on the credit side against item 6 (“Petroleum drafts”, *giros petróleo*).

Of the Venezuelan gold exports, entered under item 7, Bs. 10.5 million in each year represents gold produced by foreign gold-mining companies and deducted under item 8*b*. Of the remainder, Bs. 3.8 million in 1935 and 4.2 million in 1936 represent gold produced by Venezuelan miners in small concessions or free zones, and 5.2 million in 1936, gold coin exported. Of the latter amount, however, only Bs. 4 million was sold abroad, and a deduction of Bs. 1.2 million has accordingly been entered against item 8*a*. The expenditure in Venezuela of the gold-mining companies is shown under item 10.

The bulk of the recorded gold imports in 1935 represents coin bought abroad by the Government.

The expenditure of foreign tourists (item 14, credit) in 1935 is counted at \$10 for each of the 14,500 tourists arriving. The number of foreign visitors to the country,

(1) *Cf. Revista de Hacienda*, No. 1, October 1936, page 25.

it is stated, remained practically unchanged in 1936, but the number of Venezuelan tourists abroad increased. Though some Venezuelan residents abroad returned to the country during that year, a debit balance of about Bs. 6 million is believed to have arisen on account of tourists' expenditure.

In the original statement, the Government expenditure abroad (*cf.* item 15, debit) in 1936 is given at Bs. 10 million. This amount includes Bs. 4.9 million for the payment of silver and nickel coin minted abroad, deducted from the recorded amount of merchandise imports. In the above table, the recorded import figure is entered unchanged against item 1, and the figure for the Government expenditure is accordingly given at Bs. 5.1 million.

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