

# BALANCES OF PAYMENTS

1931 and 1932

including an Analysis of Capital Movements  
up to September 1933

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## CONTENTS

	Page
INTRODUCTION .....	5
SUMMARY STATEMENT CONCERNING CERTAIN ITEMS .....	8
BALANCE OF PAYMENTS STATEMENTS FOR INDIVIDUAL COUNTRIES :	
Albania .....	42
Australia .....	44
Bulgaria .....	52
Canada .....	58
China .....	64
Curaçao .....	69
Czechoslovakia .....	70
Denmark .....	74
Dutch East Indies .....	78
Estonia .....	82
Finland .....	86
France .....	90
Germany .....	96
Greece .....	103
Guatemala .....	107
Hungary .....	108
India .....	113
Irish Free State .....	117
Japan .....	120
Lithuania .....	123
Netherlands .....	129
New Zealand .....	134
Norway .....	137
Poland .....	142
Spain .....	148
Surinam (Dutch Guiana) .....	151
Sweden .....	154
Turkey .....	159
Union of South Africa .....	162
United Kingdom .....	166
United States of America .....	176
Uruguay .....	189

## INTRODUCTION

In this volume, statements of the balance of international payments for thirty-two countries are reproduced. Not all of these are complete. Several are preliminary and tentative. Owing to the nature of the inquiry all are estimates, and in all cases the figures given for certain of the items of which the balance of accounts is composed are to some extent conjectural in character. But it is believed that even in those statements where, owing to lack of essential data, no totals are given, information of value is supplied. The most instructive estimates are, however, those which are at once relatively complete and have been compiled for a series of years, for these throw light not only upon the problems of a country at a moment of time but on the trend of economic events. On this account, unless there has been some strong reason to the contrary, estimates for four or five years, when available, are shown side by side in the detailed tables. The summary tables in a number of cases give information for an additional four or five years.

The explanatory notes given after the tables for each country have this year been shortened, and reference is frequently made to the two preceding issues.

Information concerning outstanding international liabilities and assets is shown at the end of the statements for a number of countries.

The general principles upon which the statements are based were explained in the 1929 issue<sup>(1)</sup>. Attention should be paid to the fact that the statements most nearly represent a current account of international money transactions booked and that it is open to doubt whether they should properly be called balance of payments statements. This term is used, however, in the absence of a generally accepted term expressing the true nature of the accounts.

About half of the statements are based on a special form prepared by the League of Nations Secretariat, although in the case of special items the statements present some small deviations therefrom, necessitated either by the method of compilation or the nature of the transactions performed. When, in the original estimates, the general arrangement of the items differed from that proposed in the standard form — as, for example, in the statements for the United States, Greece and Bulgaria — the items have been rearranged according to that form. In such cases, care has been taken in so far as possible to achieve comparability 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. Thus, for instance, the outward capital balance for the United States in 1932 is given at \$661 million and at \$154 million in the official American statement, which excludes from the capital items amortisation receipts in respect of war debts and changes in the stock of gold earmarked for foreign account, but includes therein underwriters' commissions earned on account of capital issues floated in the country for foreign account.

The statement for the United Kingdom is very summary and had to be reproduced in its original form.

In order to save space and render the tables easier to study, the wording of the items in the standard form has been shortened and the figures for inward and outward payments on account of similar transactions have been shown in parallel columns. The full wording of the debit and credit items concerned is reproduced below.

(1) Series of publications : 1930. II. 54<sup>11</sup>.

Contractions used (credit and debit items)	Full wording of the items given in the first column	
	Credit items	Debit items
<b>Goods, services and gold.</b>		
<i>I. Merchandise.</i>		
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
<i>II. Interest and dividends.</i>		
4. Interest on inter-governmental debts	Interest received on intergovernmental debts n.e.i. (inter-allied debts, etc.)	Interest paid on intergovernmental debts n.e.i. (inter-allied debts, etc.)
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 : (a) interest (b) dividends, profits, etc.	Yield of other long-term capital investments abroad : (a) interest (b) dividends, profits, etc.	Yield of other foreign long-term capital invested in the country : (a) interest (b) dividends, profits, etc.
7. Interest on short-term capital	Interest received from short-term capital invested abroad	Interest paid on foreign short-term capital invested in the country
<i>III. Other services (1).</i>		
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. Diplomatic and similar expenditure	Diplomatic, consular and similar expenditure in the country	Diplomatic, consular and similar expenditure abroad
17. 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.
18. Reparations in cash	Government receipts in cash on account of reparation payments	Government payments in cash on account of reparations
19. Counter-value of reparations in kind	Counter-value of reparation receipts in kind, included in merchandise imports above	Counter-value of reparation deliveries in kind, included in merchandise exports above

(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 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
<b>Goods, services and gold (continued).</b>		
20. Other Government receipts and exp.	Government receipts from abroad, n.e.i.	Government expenditure abroad, n.e.i.
21. Other items	Other items	Other items
IV. Gold.		
22. Gold coin and bullion	Gold bullion and gold specie exported (according to trade returns)	Gold bullion and gold specie imported (according to trade returns)
23. Adjustment for wrong valuation	Adjustment of 22 in order to arrive at the commercial value f.o.b.	Adjustment of 22 in order to arrive at the commercial value c.i.f.
<b>Capital items.</b>		
I. Long-term operations.		
1. Amortisation :		
(a) of intergovernmental debts	Receipts on account of amortisation of intergovernmental debts, n.e.i. (inter-allied debts, etc.)	Payments on account of amortisation of intergovernmental debts, n.e.i. (inter-allied debts, etc.)
(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 formerly 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) on account of foreign government and municipal loans
(b) other	(b) other loans	(b) other capital issues
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

Explanatory notes regarding the various items in the above scheme are contained in the 1929 issue.

## Summary statement concerning certain items.

Attempts have been made in previous issues of this publication to co-ordinate certain of the data contained in the various national statements in the hope that the results thus obtained might throw some further light on the broad tendencies of the international exchange of goods and services.

It must be borne in mind, however, that the estimates differ very considerably in authority and value, and in each individual statement the figures given necessarily vary from well-founded and carefully compiled administrative statistics to confessedly doubtful inferences drawn from an unavoidably inadequate basis of established fact. The figures supplied must therefore be accepted with reserve and any conclusions drawn be treated as tentative.

In order to facilitate the study, a table of reference has been drawn up, showing for each country, in terms of United States dollars, the balances of the main groups of items during the last few years. The table, which is reproduced on the following pages, is based on the summary tables given in the chapters for individual countries. Conversion into dollars has been made at par rates for gold currencies and average rates on New York for paper currencies. The countries are given 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 dollar figures for countries whose currencies fluctuated widely and whose foreign transactions are subject to large seasonal fluctuations.

The figures should be studied in conjunction with the information in the explanatory note given after the table. Particular attention should be paid to the fact that, in some cases, where direct evidence was not available concerning the short-term capital transactions (column 8), the balance of such transactions has been calculated as the difference between the balance of long-term capital movements (column 7) and that of goods, services and gold (column 6). In these cases, the amounts (which include allowances for possible errors and omissions in other groups of items) have been given in brackets in the table. In other cases, the balances shown in the last column are due to errors and omissions in the account.

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

The interest of the table lies primarily in the evidence it affords of the balances of capital movements to and from each country, and of the relation between these and the offsetting balances of the main groups of other items in the account. Before the movement of these balances is considered, it may be of use to study briefly the tendencies which have recently affected the principal long- and short-term capital transactions.

## BALANCES DES PAIEMENTS INTERNATIONAUX (en millions de dollars).

## BALANCES OF INTERNATIONAL PAYMENTS, in terms of \$(000,000's).

Le signe plus (+) indique un mouvement net d'entrée des paiements, ou mouvement créditeur (un excédent afférent aux marchandises, services ou or, ou une importation nette de capitaux), et le signe moins (—) un mouvement net de sortie des paiements, ou mouvement débiteur (un déficit afférent aux marchandises, services ou or, ou une exportation nette de capitaux).

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).

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)
Union Sud-Africaine — Union of South Africa <sup>1</sup> .	1927	-135.9	-80.3	-21.5	-237.7	+212.1	-25.6	+30.4	(-4.8)	+25.6	—
	1928	-154.9	-77.0	-22.8	-254.7	+208.3	-46.4	+13.8	(+32.6)	+46.4	—
	1929	-183.4	-76.4	-24.1	-283.9	+218.9	-65.0	-8.6	(+73.6)	+65.0	—
	1930	-161.0	-73.5	-22.2	-256.7	+225.1	-31.6	+48.2	(-16.6)	+31.6	—
	1931	-149.3	-67.6	-21.4	-238.3	+219.3	-19.0	+1.9	(+17.1)	+19.0	—
Argentine <sup>2</sup> a) . . . . .	1927/28	+198.9	-181.8	-52.3	-35.2	-145.7	-180.9	+106.4	+24.3	+130.7	-50.2
	1928/29	+114.1	-188.4	-48.8	-123.1	+119.0	-4.1	+48.7	-10.9	+37.8	+33.7
	1929/30	-103.1	-157.8	-37.7	-298.6	+56.1	-242.5	+175.7	-8.3	+167.4	-75.1
	1930/31	+42.8	-117.2	-21.6	-96.0	+123.0	+27.0	-5.9	+7.3	+1.4	+28.4
Canada <sup>3</sup> . . . . .	1927	+100.9	-170.2	+173.3	+104.0	+33.0	+137.0	.	.	-18.7	+32.1
	1928	+75.6	-165.9	+223.7	+133.4	+68.0	+201.4	.	.	.	.
	1929	-180.9	-169.7	+239.1	-111.5	+46.5	-65.0	.	.	.	.
	1930	-162.3	-184.1	+201.0	-145.4	-13.8	-159.2	.	.	.	.
	1931	-47.7	-174.7	+183.5	-38.9	+65.6	+26.7	.	.	.	.
	1932	+36.3	-169.2	+137.8	+4.9	+58.6	+63.5	.	.	.	.
Etats-Unis d'Amérique — United States of America <sup>4</sup>	1927	+417	+679	-572	+524	-6	+518	-722	+1,005	+283	+801
	1928	+738	+680	-684	+734	+392	+1,126	-684	-348	-1,032	+94
	1929	+382	+699	-681	+400	-175	+225	-94	-40	-134	+91
	1930	+386	+769	-580	+575	-280	+295	-224	-463	-687	-392
	1931	+17	+621	-493	+145	-145	+0	+233	-398	-165	-165
	1932	+150	+455	-504	+101	+446	+547	+247	-908	-661	-114
Mexique — Mexico <sup>5</sup> . . . .	1926	+143.6	-152.9	+0.9	-8.4	—	-8.4	+7.7	.	+7.7	-0.7
Chine — China <sup>6</sup> . . . . .	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
Inde (brit.) — India <sup>b</sup> . . .	1927/28	+187.4	-114.7	-126.7	-54.0	-66.1	-120.1	+53.6	(+66.5)	+120.1	—
	1928/29	+242.8	-118.6	-113.9	+10.3	-77.4	-67.1	+1.9	(+65.2)	+67.1	—
	1929/30	+196.4	-115.3	-65.7	+25.4	-51.9	-36.5	+48.6	(-12.1)	+36.5	—
	1930/31	+135.6	-122.6	-58.1	-45.1	-46.6	-91.7	+157.8	(-66.1)	+91.7	—
	1931/32	+69.6	-108.7	-56.1	-95.2	+181.3	+86.1	+36.8	(-122.9)	-86.1	—
	1932/33	-14.3	-90.0	-42.3	-146.6	+171.3	+24.8	-17.0	(-7.8)	-24.8	—

Des notes explicatives générales sont données aux pp. 12-13.

General explanatory notes are given on pp. 12-13.

a) 1. X - 30. IX.      b) 1. IV - 31. III.

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

<sup>2</sup> Argentine (Relevé privé de M. Carlos A. Tornquist). — L'amortissement de la dette publique et de certains titres hypothécaires a été compris dans la col. 2 au lieu de la colonne 7.

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

<sup>4</sup> Etats-Unis d'Amérique. — Col. 1 et col. 3 : pour les années 1927 et 1928, non compris les frets payés aux navires nationaux pour le transport de marchandises importées.

<sup>5</sup> Mexique (Relevé privé de M. G. Butler Sherwell). — Les paiements au titre de l'amortissement sont compris dans la col. 2 au lieu de la col. 7.

<sup>6</sup> Chine (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.

<sup>1</sup> Union of South Africa. — Col. 2 and 7 : not including re-investments of profits earned in the country by foreign firms.

<sup>2</sup> Argentine (Private compilation by M. Carlos A. Tornquist). — Amortisation of the public debt and certain mortgage bonds is included with col. 2 instead of col. 7.

<sup>3</sup> Canada. — Col. 1 and col. 3 : not including freights paid to domestic ships on account of imported goods.

<sup>4</sup> United States of America. — Col. 1 and 3 : in 1927 and 1928, not including freights paid to domestic ships on account of imported goods.

<sup>5</sup> Mexico (Private compilation by Mr. G. Butler Sherwell). — Amortisation payments are included with col. 2 instead of col. 7.

<sup>6</sup> China (Private compilation by Prof. C. F. Remer). — Amortisation payments are included with col. 2 instead of col. 7.



**Balances des paiements internationaux (en millions de dollars) (suite).**  
**Balances of International Payments, in terms of \$ (000,000's) (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)
Indes néerlandaises — Dutch East Indies <sup>1</sup>	1927	+299.8	-149.5	-86.8	+63.5	-6.4	+57.1	-26.9	+2.0	-24.9	+32.2
	1928	+229.9	-142.7	-80.8	+6.4	-6.0	+0.4	-5.2	-2.4	-7.6	-7.2
	1929	+134.7	-127.0	-70.3	-62.7	-3.6	-66.3	-24.9	+56.7	+31.8	-34.5
	1930	+106.5	-104.1	-63.5	-61.1	+0.8	-60.3	+31.8	.	+31.8	-28.5
	1931	+66.7	-59.1	-52.3	-44.7	+16.9	-27.8	+13.7	+18.5	+32.2	-4.4
	1932	+71.5	-45.8	-39.8	-14.1	+18.5	+4.4	+12.1	+34.6	+46.7	+51.1
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	-68.3	-11.5	+51.5	-27.9	+189.5	+161.6	-115.6	+1.9	-113.7	+47.9
	1932 <sup>2</sup>	-16	-9	+60	+35	+32	+67	.	.	.	.
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
Allemagne — Germany <sup>3</sup> . .	1927	-688.4	-82.2	-242.5	-1,013.1	-44.8	-1,057.9	+423.5	(+634.4)	+1,057.9	—
	1928	-291.6	-134.1	-329.9	-755.6	-218.4	-974.0	+438.5	(+535.5)	+974.0	—
	1929	+7.4	-190.6	-429.2	-612.4	+104.8	-507.6	+159.1	(+348.5)	+507.6	—
	1930	+391.6	-238.2	-287.3	-133.9	+14.1	-119.8	+276.1	(-156.3)	+119.8	—
	1931	+680.8	-285.9	-136.7	+258.2	+248.0	+506.2	+46.4	(-552.6)	+506.2	—
	1932	+247.0	-214.4	+41.0	+73.6	+27.1	+100.7	-44.3	(-56.4)	-100.7	—
Belgique-Luxembourg et Congo—Belgium-Luxem- burg and Congo <sup>4</sup>	1929	-80.8	+53.0	+134.2	+106.4	-37.8	+68.6	.	.	.	.
Bulgarie — Bulgaria <sup>5</sup> . . . .	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	-0.1	+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	—
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	+33.2	-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	-31.4	-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	-10.9	-17.9	-2.3
Espagne — Spain . . . . .	1931	-50.1	+3.4	+27.8	-18.9	—	-18.9	-0.2	+19.5	+19.3	+0.4

*Des notes explicatives générales sont données aux pp. 12-13.*

*General explanatory notes are given on pp. 12-13.*

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

<sup>2</sup> Japon. — Les chiffres pour 1932 ne sont pas officiels ; ils sont basés sur des estimations de M. Kodama, Président de la Yokohama Specie Bank.

<sup>3</sup> Allemagne. — Le service de l'emprunt Dawes (intérêts : 16 millions de dollars environ ; amortissement : 6 millions de dollars environ, par an) 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 clairement 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.

<sup>4</sup> Belgique (Relevé privé du professeur F. Baudhuin). — L'amortissement de la dette interalliée est inclus dans la col. 2 au lieu de la col. 7.

<sup>5</sup> Bulgarie (Relevé privé du Dr Sagoroff et du Dr Tchakaloff). L'amortissement de la dette de l'Etat figure dans la col. 2.

<sup>1</sup> Dutch East Indies. — Col. 2 and 7 : not including re-investments of profits earned in the country by foreign firms.

<sup>2</sup> Japan. — The figures for 1932 are unofficial, based upon estimates by M. Kodama, President of the Yokohama Specie Bank.

<sup>3</sup> Germany. — Service of the Dawes Loan (interest : some \$16 million ; amortisation : some \$6 million annually) is included in col. 3, instead of col. 2 and 7. The data on capital movements do not permit an exact distribution between short- and long-term operations. The balance of such capital movements as are definitely known to be on long term has been entered in col. 7.

<sup>4</sup> Belgium (Private statement, compiled by Professor F. Baudhuin). — Amortisation of inter-allied debt is included in col. 2 instead of col. 7.

<sup>5</sup> Bulgaria (Private compilation by Dr. Sagoroff and Dr. Tchakaloff). — Amortisation of Government debt is included in col. 2.

## SUMMARY STATEMENT

11

Balances des paiements internationaux (en millions de dollars) (suite).  
Balances of International Payments, in terms of \$ (000,000's) (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)
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	+1.4
	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
Finlande — Finland . . . .	1927	-1.8	-8.0	+11.8	+2.0	—	+2.0	-4.8	+1.5	-3.3	-1.4
	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	.	.	.	.
France et territoires d'outre- mer, sauf l'Indochine — France and oversea terri- tories, excl. Indo-China <sup>1</sup>	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	-513.0	+453.5	.	-59.5	-727.2	-786.7	.	.	.	.
	1932	-394.5	+180.9	.	-213.6	-827.6	-1,041.2	.	.	.	.
Hongrie — Hungary <sup>2</sup> . . . .	1927	-65.9	-20.5	-2.2	-88.6	-0.3	-88.9	+48.6	+35.3	+83.9	-5.0
	1928	-67.4	-25.9	+2.8	-90.5	-0.9	-91.4	+55.2	+32.7	+87.9	-3.5
	1929	-7.8	-28.3	-1.1	-37.2	-0.8	-38.0	+38.2	-1.8	+36.4	-1.6
	1930	+10.8	-32.7	-0.8	-22.7	-1.4	-24.1	+34.6	+2.0	+36.6	+12.5
	1931	+2.5	-36.3	-4.6	-38.4	-0.9	-39.3	+3.4	+46.8	+50.2	+10.9
	1932	-1.5	-3.3	+1.1	-3.7	-0.6	-4.3	+0.2	+0.9	+1.1	-3.2
Irlande, Etat libre d' — Irish Free State	1927	-82.1	+32.6	.	.	+0.3	.	.	.	.	.
	1928	-65.8	+29.5	.	.	+3.4	.	.	.	.	.
	1929	-65.3	+28.8	.	.	+0.8	.	.	.	.	.
	1930	-53.2	+26.1	.	.	+0.3	.	.	.	.	.
	1931	-60.5	+20.4	.	.	+0.2	.	.	.	.	.
Italie — Italy <sup>3</sup> . . . . .	1926	-183.0	-2.1	+269.6	+84.5	-2.7	+81.8	+49.5	.	.	.
	1927	-246.2	-18.0	+279.0	+14.8	-7.6	+7.2	+115.9	.	.	.
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
Lithuanie — Lithuania . . .	1927	-2.7	-0.2	+3.9	+1.0	—	+1.0	+1.2	-2.1	-0.9	+0.1
	1928	-4.2	-0.2	+4.1	-0.3	—	-0.3	+0.2	+1.3	+1.5	+1.2
	1929	+1.3	-0.5	+4.1	+4.9	—	+4.9	+0.7	-4.4	-3.7	+1.2
	1930	-1.1	-1.0	+2.4	+0.3	—	+0.3	+1.9	-0.5	+1.4	+1.7
	1931	-4.8	-1.0	+2.7	-3.1	—	-3.1	+2.4	—	+2.4	-0.7
	1932	+1.1	-0.8	+2.3	+2.6	—	+2.6	+0.7	-2.9	-2.2	+0.4
Norvège — Norway . . . . .	1927	-63.5	-15.7	+61.2	-18.0	—	-18.0	+36.7	-14.1	+22.6	+4.6
	1928	-75.1	-18.7	+60.8	-33.0	—	-33.0	+46.1	-12.6	+33.5	+0.5
	1929	-63.3	-18.5	+71.6	-10.2	—	-10.2	-3.8	+17.7	+13.9	+3.7
	1930	-73.2	-19.3	+63.5	-29.0	—	-29.0	-3.7	+41.0	+37.3	+8.3
	1931	-74.2	-17.5	+55.4	-36.3	+9.8	-26.5	+6.8	+18.5	+25.3	+1.2
	1932	-20.9	-15.3	+41.6	+5.4	—	+5.4	+0.7	-12.6	-11.9	-6.5

Des notes explicatives générales sont données aux pp. 12-13.

General explanatory notes are given on pp. 12-13.

<sup>1</sup> France (Relevé privé de M. P. Meynial). — L'amortissement des dettes interalliées a été compris dans les col. 2 et 3.  
<sup>2</sup> 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.

<sup>3</sup> Italie (Relevé privé du professeur G. Borgatta). — Le relevé primitif contient, pour un certain nombre de rubriques, des estimations délinées par deux chiffres limites. On a utilisé dans le calcul les moyennes de ces limites.

<sup>1</sup> France (Private compilation by M. P. Meynial). — Amortisation of inter-allied debts is included in col. 2 and 3.

<sup>2</sup> 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.

<sup>3</sup> Italy (Private compilation by Professor G. Borgatta). — In the original statement, range estimates are given for a number of items; the averages of these were considered in calculating the figures in the present table.

## SUMMARY STATEMENT

Balances des paiements internationaux (en millions de dollars) (suite).  
Balances of International Payments, in terms of \$ (000,000's) (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)
Pologne — Poland <sup>1</sup>	1927	-50.5	-25.7	+22.3	-53.9	-28.4	-82.3	+62.3	-5.6	+56.7	-25.6
	1928	-97.8	-31.9	+17.7	-112.0	-11.8	-123.8	+29.2	+95.4	+124.6	+0.8
	1929	-36.3	-42.6	+20.7	-58.2	-9.1	-67.3	+6.5	+60.0	+66.5	-0.8
	1930	+10.1	-50.6	+23.9	-16.6	+15.8	-0.8	+3.3	+49.9	-46.6	-47.4
	1931	+35.2	-47.6	+24.1	+11.7	-6.8	+4.9	+16.9	-21.0	-4.1	+0.8
Royaume-Uni — United Kingdom <sup>2</sup>	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	.	.	.	.
	1931	-1,850.3	+771.0	+607.7	-471.6	+158.7	-312.9	.	.	.	.
	1932	-1,013.3	+490.9	+315.5	-206.9	-52.6	-259.5	.	.	.	.
Suède — Sweden <sup>3</sup>	1927	+7.8	+5.1	+52.0	+64.9	+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
	1931	-76.8	-1.5	+46.2	-32.1	+9.6	-22.5	-34.9	+48.0	+13.1	-9.4
	1932	-38.2	+23.6	+34.7	+20.1	+1.3	+21.4	+19.2	-41.9	-22.7	-1.3
Tchécoslovaquie — Czecho- slovakia	1927	+64.3	-20.6	+17.5	+61.2	—	+61.2	-60.9	-10.5	-71.4	-10.2
	1928	+59.9	-16.9	+18.1	+61.1	-0.2	+60.9	-50.9	-10.0	-60.9	—
	1929	+15.4	-10.7	+21.4	+26.1	-0.3	+25.8	-34.8	+6.4	-28.4	-2.6
	1930	+52.7	-16.9	+15.1	+50.8	-0.6	+50.2	+7.3	-25.0	-17.7	+32.5
	1931	+40.6	-10.5	—	+30.1	-0.7	+29.4	-15.6	+37.7	+22.1	+51.5
	1932	-4.3	-8.3	+4.6	-7.9	-18.4	-26.3	+33.1	-7.8	-25.3	-1.0
Turquie — Turkey	1926	-26.6	-3.9	+2.2	-28.3	—	-28.3	+4.9	+21.8	+26.7	-1.6
	1927	-20.0	-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
Yougoslavie — Yugoslavia	1927	-31.6	-20.0	+28.5	-23.1	-0.1	-23.2	+25.3	-5.9	+19.4	-3.8
	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
Australie — Australia a)	1928/29	-49.9	-169.7	+19.0	-200.6	+12.8	-187.5	.	.	+98.5	-89.3
	1929/30	-192.4	-176.0	+25.0	-343.4	+129.3	-214.8	.	.	+188.7	-25.4
	1930/31	+64.3	-164.8	+27.5	-73.0	+57.9	-15.9	.	.	+21.8	+6.7
	1931/32	+114.3	-110.8	+17.3	+20.8	+34.7	+55.1	.	.	-80.4	-24.9
Nouvelle-Zélande — New Zealand b)	1927/28	+43.7	-39.3	-4.0	+0.4	+2.5	+2.1	+25.2	(-28.1)	-2.9	—
	1928/29	+48.0	-41.5	-7.3	-0.8	+5.4	+4.6	+30.4	(-35.0)	-4.6	—
	1929/30	-11.2	-41.8	-5.5	-58.5	+5.2	-53.3	+20.4	(+32.9)	+53.3	—
	1930/31	-7.8	-42.4	-1.5	-51.7	+7.6	-49.1	+37.1	(+12.0)	+49.1	—
	1931/32	+31.8	-34.6	-3.7	-6.5	+4.7	-1.8	+7.4	(-5.6)	+1.8	—

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

<sup>1</sup> 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.

<sup>2</sup> Royaume-Uni. — Les transactions gouvernementales de capitaux (c'est-à-dire l'amortissement des dettes interalliées) 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.

<sup>3</sup> Suède. — Les balances au titre des capitaux à court terme jusqu'à 1930 inclusivement ne se rapportent qu'aux opérations bancaires.

<sup>1</sup> Poland. — The figures refer to Poland only. The recorded trade figures, which refer to Poland and Danzig, have been adjusted accordingly.

<sup>2</sup> United Kingdom. — Government capital transactions (e.g., amortisation of inter-allied debts) are included with col. 3. Short-term interest is included in col. 3 instead of col. 2.

<sup>3</sup> Sweden. — The balances on account of short-term capital up to 1930 inclusive refer to operations by banks only.

NOTES EXPLICATIVES GÉNÉRALES. — GENERAL EXPLANATORY NOTES.

Sauf indication contraire, les chiffres donnés sont fondés sur des relevés officiels fournis directement, dans la plupart des cas, par les gouvernements. Ces relevés ont parfois subi certains ajustements permettant de les rendre plus comparables. Tous les relevés ne constituent que des estimations, et les chiffres relatifs à certaines rubriques sont très incertains.

Unless otherwise stated, the figures are based on official statements, the majority of which have been supplied directly by the respective governments. These statements have been rearranged whenever necessary, so as to secure greater comparability. All the statements are merely estimates and the figures given for certain items are to some extent conjectural in character.

Dans les cas où les relevés originaux ont été établis en monnaies dépréciées, on a dû faire la conversion en dollars au cours moyen de l'année.

Théoriquement, le déficit ou l'excédent, pour le compte des marchandises, services et or, doit concorder avec le mouvement net des entrées ou des sorties de capitaux. La balance définitive qui apparaît pratiquement (col. 10 du tableau) représente les erreurs et les omissions. Dans certains cas, les divergences sont si grandes que l'on ne peut tirer aucune conclusion sûre quant à l'amplitude du mouvement des capitaux.

Le fait que, pour certains pays, il n'apparaît, dans la dernière colonne, aucune balance de ce genre ne signifie pas nécessairement que le relevé soit absolument exact, car, dans la plupart de ces cas, les chiffres inscrits dans la colonne relative aux opérations de capitaux à court terme (col. 8) sont obtenus en calculant la différence entre la balance du mouvement des capitaux à long terme (col. 7) et celle des marchandises, des services et de l'or (col. 6). Ils comprennent donc une marge pour les erreurs et omissions possibles dans les autres colonnes. Cette méthode implique que les chiffres relatifs aux marchandises, aux services, à l'or et aux capitaux à long terme sont assez complets ou que les erreurs et les omissions peuvent être considérées comme se compensant. Les chiffres calculés ainsi indirectement sont donnés entre parenthèses.

Voici les principales caractéristiques des rubriques du tableau :

**Marchandises** (col. 1). — Les chiffres de base pour le calcul des balances comprennent l'argent en lingots et les monnaies autres que les monnaies d'or.

Les données primitives ont été rectifiées de façon à exprimer la valeur c. i. f. des importations et la valeur f. o. b. des exportations. On a, pour cela, fait entrer en ligne de compte des éléments tels que les frets à l'importation, les sous-estimations et les surestimations des importations et des exportations, la contrebande et diverses catégories de marchandises non comprises dans les relevés du commerce.

**Intérêts et dividendes** (col. 2). — Les intérêts et dividendes investis à nouveau dans le pays où ils ont été gagnés et qui, par suite, ne sont jamais comptés dans les paiements internationaux, sont compris, dans la plupart des cas, dans cette colonne et compensés dans les colonnes relatives au mouvement des capitaux.

**Autres services** (col. 3). — Ce groupe comprend des éléments tels que le fret maritime pour transports internationaux (les importations de marchandises étant indiquées c. i. f. et les exportations de marchandises f. o. b., on a inclus le chiffre total de ces frets, c'est-à-dire même la tranche ne comportant pas de paiements internationaux), les gains de transit, les dépenses de touristes et de voyageurs, les dépenses diplomatiques et autres des gouvernements, etc., et, d'autre part, certains transferts monétaires qui n'entrent pas, à proprement parler, sous la dénomination de services, les sommes détenues par les émigrants et les remises effectuées par eux et tous les paiements faits au titre des réparations, qu'ils soient en espèces ou en nature. Les réparations en nature ont cependant été comprises, avec le signe opposé, également dans le groupe des marchandises et, par suite, n'affectent pas la balance totale du compte. La raison pour laquelle on a compris les paiements au titre des réparations dans la col. 3 est qu'il n'est généralement pas possible de les subdiviser en amortissements (mouvement de capitaux) et en intérêts. D'autre part, le service des dettes de guerre et des autres dettes intergouvernementales, sauf indication spéciale (comme dans le cas du Royaume-Uni et de la France), est subdivisé en intérêts et amortissements (col. 2 et 7).

**Total des marchandises et des services** (col. 4). — Cette rubrique est la représentation la plus approchée de la balance des transactions courantes, sauf dans le cas où l'or transféré inscrit dans la colonne suivante revêt, entièrement ou partiellement, le caractère d'une marchandise.

**Or** (col. 5). — Les chiffres donnés dans les relevés du commerce ont, dans certains cas, subi des ajustements pour tenir compte des mouvements d'or non enregistrés. Les changements survenus dans les quantités d'or réservées pour compte étranger dans le pays ou pour compte national à l'étranger sont compris dans la balance des capitaux à court terme (col. 8).

On n'a pas tenté d'établir une distinction entre les transferts bancaires d'or et les autres mouvements d'or. Ainsi, les exportations d'or provenant des mines sud-africaines sont indiquées dans la col. 5, quoique revêtant le caractère d'une exportation de marchandises.

**Opérations à long terme** (col. 7). — Cette colonne renferme les éléments tels que l'amortissement des dettes à long terme, les achats et ventes de titres et de biens immeubles, les émissions nouvelles de capital, les placements directs à long terme.

**Opérations de capitaux à court terme** (col. 8). — Ces données ont trait aux crédits sur marchandises et aux autres comptes flottants, créditeurs et débiteurs, des banques, des entreprises, etc.; en général, elles ne sont pas très complètes. Les chiffres représentent généralement la différence entre la situation du début et celle de la fin de l'année, compte tenu des changements dus aux variations dans le cours des changes, à l'insolvabilité des débiteurs, etc. Les chiffres obtenus par voie de déduction et représentant ainsi le solde des éléments connus du relevé sont donnés entre parenthèses.

Where the original statements were made out in depreciated currencies, conversion into dollars had to be made at the average exchange rate for the year.

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 safely drawn.

The absence of such a balance in the last column does not necessarily mean that the statement concerned is rigidly exact, for, in most of these cases, the figures entered in the column for short-term capital operations (col. 8) represent the difference between the balance of long-term capital movements (col. 7) and that of goods, services and gold (col. 6). They include, therefore, allowances for possible errors and omissions in the other columns. This method implies that the figures for goods, services, gold and long-term capital items are fairly complete, or that errors and omissions can be considered as offsetting each other. Such indirectly calculated figures are given in brackets.

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 payment), 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 intergovernmental 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. Changes in the amount of gold under earmark held for foreign account in the country, or for national account abroad, are included in the balance of short-term capital items (col. 8).

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. Figures obtained by deduction and entered, as mentioned above, as balancing accounts, are given in brackets.

**Long-term capital operations.**

Columns 7 and 8 of the table on pages 9 to 12 give available balances of long- and short-term capital movements. Though the data for several countries are incomplete and figures for some important countries are lacking, the table affords some evidence that the broad movements in capital balances in recent years are due mainly to the movement of short-term capital. In several cases (for example, India and Germany), a change in the short-term capital movement preceded a similar change of the balance of long-term capital.

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 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 following table 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 <sup>(1)</sup>.

	\$ (000,000's) gold					
	1929	1930	1931	1932	Jan.-Sept.	
					1932	1933
<b>U.S.A. :</b>						
Issues for domestic account <sup>(2)</sup> . . . . .	9,425	6,014	2,862	1,165	901	438
Issues for foreign account . . . . .	758	1,009	254	26	22	0.1
Foreign as % of total . . . . .	7.4	14.4	8.1	2.2	2.4	—
<b>U.K. :</b>						
Issues for domestic account . . . . .	776	620	193	294	205	238
Issues for foreign account . . . . .	459	529	209	102	73	110
Foreign as % of total . . . . .	37.2	46.1	52.0	25.8	26.2	31.6
<b>Netherlands :</b>						
Issues for domestic and colonial account	96	123	82	99	<sup>(3)</sup> 57	<sup>(3)</sup> 32
Issues for foreign account . . . . .	45	103	16	10	<sup>(3)</sup> —	<sup>(3)</sup> —
Foreign as % of total . . . . .	32.1	45.6	16.4	6.6	—	—
<b>Switzerland :</b>						
Issues for domestic account . . . . .	131	61	124	65	58	26.7
Issues for foreign account . . . . .	21	60	20	30	24	—
Foreign as % of total . . . . .	13.9	49.6	14.0	31.5	29.5	—

(1) Sources: For the United States of America, the *Financial and Commercial Chronicle* (nominal value; United States Government issues excluded; the data with reference to foreign issues differ from the official figures given elsewhere in this volume); for the United Kingdom, the *Monthly Reviews* of the *Midland Bank Ltd.* (prices of issue; United Kingdom Government issues excluded); for the Netherlands, data supplied by the Netherlands Central Bureau of Statistics (nominal values); for Switzerland, the bulletins of the *Union Bank of Switzerland* (prices of issue).

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

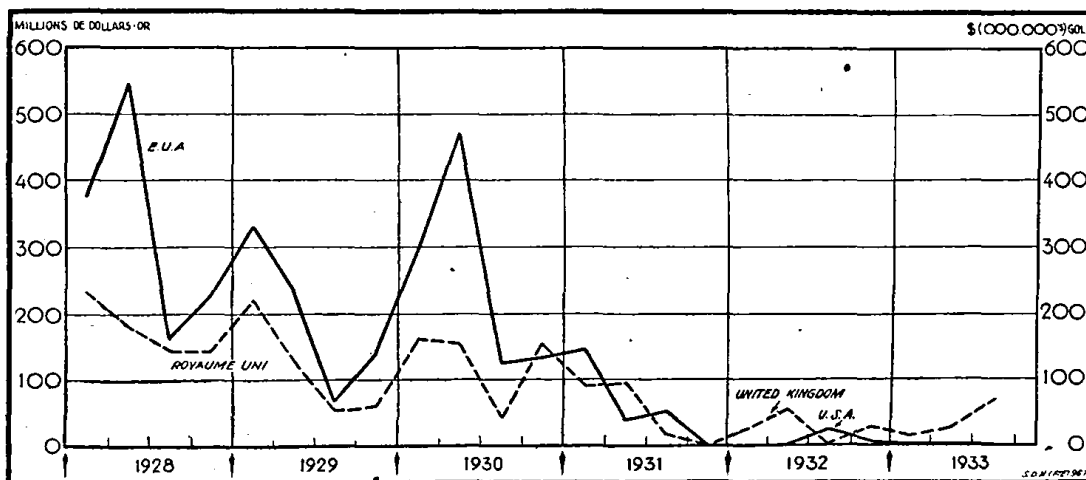
(3) January-August.

Capital issues in the main lending countries have fallen off rapidly in recent years. A slight increase in the amount of issues for domestic account occurred, however, in some countries in 1932, particularly in the United Kingdom. Part of the reduction in the foreign issues in that country must be attributed to the embargo on the majority of such issues which was introduced when the pound left the gold standard. Similar measures probably explain the complete discontinuation of issues for foreign account in most other countries during the first three quarters of 1933.

Owing to the lack of comparable figures, the French capital issues are not included in the above table. During the period of heavy capital exports that ended in 1928, France invested the bulk of her current surplus on short-term account and only floated small amounts of foreign securities. Since then, French issues for foreign account have increased; their totals (not including issues for the account of French overseas territories) are stated to have been \$43 million in 1929, \$55 million in 1930, \$146 million in 1931 and \$65 million in 1932.

The almost complete cessation of issues for foreign account in the United States and the United Kingdom since the middle of 1931 is further illustrated in the following diagram.

QUARTERLY MOVEMENT OF NEW CAPITAL ISSUES  
FOR FOREIGN ACCOUNT IN THE UNITED STATES OF AMERICA  
AND THE UNITED KINGDOM.



The reduction in the issues of foreign securities (consisting largely of bonds) has been accompanied by unwillingness of capitalists to assume risks in domestic investments. The following details of the capital issues in the United States show that investments in shares in 1932 and the first three quarters of 1933 were less than two per cent of the corresponding figure for 1929 and that investments in domestic Government bonds represented a greater share of the total than in any of the preceding years shown.

## SUMMARY STATEMENT

United States (1)	U.S. \$ (000,000's)									
	Domestic issues (2)					Issues for foreign account				
	1929	1930	1931	1932	Jan.-Sept. 1933	1929	1930	1931	1932	Jan.-Sept. 1933
Bonds and notes :										
(a) Government and municipal loans . . . . .	1,423	1,445	1,237	763	310	120	548	41	26	—
(b) industrial bonds and notes	2,078	3,066	1,314	382	104	473	419	213	—	—
Shares :										
(a) preference shares . . . . .	1,517	412	116	10	15	114	13	—	—	—
(b) ordinary shares . . . . .	4,407	1,091	195	10	80	51	29	—	—	0.1
Total . . . . .	9,425	6,014	2,862	1,165	509	758	1,009	254	26	0.1

The following table gives figures showing the geographical distribution of new foreign issues in the United States and the United Kingdom. Issues for refunding purposes are excluded. The figures for the issues in the United States refer to nominal value and those for issues in the United Kingdom to prices of issue (3).

Issues for foreign account in	U.S. \$ (000,000's)							
	Europe	Asia and Oceania	Africa	Canada and New-foundland	Latin America	Issues not specified	Total	
U.S.A.	1925 . . . . .	629	147	—	137	163	—	1,076
	1926 . . . . .	484	38	—	226	377	—	1,125
	1927 . . . . .	577	164	—	237	359	—	1,337
	1928 . . . . .	598	137	—	185	331	—	1,251
	1929 . . . . .	142	58	—	295	176	—	671
	1930 . . . . .	233	62	—	281	199	(4) 130	905
	1931 . . . . .	78	25	—	125	1	—	229
1932 . . . . .	—	—	—	29	—	—	29	
U.K.	1925 . . . . .	53	216	72	10	68	5	424
	1926 . . . . .	120	226	32	29	129	10	546
	1927 . . . . .	105	238	136	34	126	35	674
	1928 . . . . .	164	232	80	100	96	26	698
	1929 . . . . .	105	139	51	74	78	12	459
	1930 . . . . .	53	195	129	17	101	34	529
	1931 . . . . .	14	125	36	6	26	2	209
1932 . . . . .	—	40	45	9	—	8	102	

More than three-quarters of the foreign issues floated in London in 1932 and the first nine months of 1933 were for the account of British countries, particularly the Union of South Africa, India and New Zealand, and those floated in New York were all for the account of Canada.

	1930	1931	1932	Jan.-Sept. 1933
Issues for British countries as percentage of all foreign issues floated in London . . . . .	%	%	%	%
Canadian issues as percentage of all foreign issues floated in New York . . . . .	38	31	77	78
	31	55	100	100

(1) Series of the *Commercial and Financial Chronicle*. The figures exclude refunding operations.

(2) Including those for the account of United States possessions.

(3) See also pages 171 and 185.

(4) "International issues".

The French issues for foreign account have been absorbed recently by the United Kingdom, Belgium and countries in Eastern Europe — Poland, Czechoslovakia, Roumania and Yugoslavia.

The receipts from regular amortisation payments in the United States and the United Kingdom, which are normally smaller than the amount of new issues floated for foreign account, exceeded that amount considerably in the United States in 1931 and 1932 and in the United Kingdom in 1932, in spite of the fact that they were reduced through defaults and low market prices of the bonds. A considerable liquidation of long-term debts has also taken place recently through dealings in outstanding securities. The lack of confidence in international financing has, in many cases, had the effect of a greater fall in the prices of securities in foreign than in domestic markets, and large amounts of bonds held in the creditor countries have thus found their way to the debtor countries, in spite of the financial difficulties some of them have experienced in making such repurchases. United States receipts in the years 1930, 1931 and 1932 on account of net sales of foreign bonds are estimated at \$918 million, or about 6 per cent of the outstanding total. In fact, the liquidation of debts to the United States through repurchases has considerably exceeded this percentage, as almost all the securities have fallen in price, in some cases to a fraction of the nominal amounts. Of countries which have been able to repurchase a portion of their outstanding debts, the Argentine, Australia, Germany and India may be mentioned.

The cases where dealings in outstanding securities have, on balance, involved an increase in outstanding obligations appear to have been comparatively few. The rapid fall in the quotations of certain United States securities since the autumn of 1929 induced foreigners to buy such securities up to 1931 inclusive, and the United States thus recorded a net inward movement of capital on account of the movement of domestic securities. Possibly a substantial portion of the securities sold were shares. In 1932, however, the United States purchases of domestic securities are recorded to have slightly exceeded sales.

The process liquidating long-term debts is further illustrated by the table on the following page giving the total (domestic and foreign securities, etc.) recorded inward and outward transactions. Of the creditor countries included, the United States recorded a net inward movement of long-term capital in 1931 and 1932 and Sweden in 1932. In the case of the United States, the inward movement of long-term capital in post-war years has only once before — in 1923 — exceeded the outward. Of the debtor countries, the Argentine records an outward movement of long-term capital in 1931 and Germany and India in 1932.

### Short-term capital movements.

During post-war years, the instability of certain currencies, resulting from the war, and the subsequent stabilisation of certain currencies at inappropriate levels, gave rise to large international short-term obligations, in addition to those which are normally required for financing business operations. The unwillingness of creditors to convert these debts into long-term obligations helped to maintain the price of long-term capital at levels clearly above those which in pre-war years were regarded as normal, at the same time as it introduced an element of instability into international financial transactions. Unfortunately, this instability was not fully perceived in time. In many cases, the credits passed through one or several intermediaries on their way from the original creditor to the final borrower (often a country which was financially weak), so that the risk was distributed; moreover, capital was frequently tied up in medium- and long-term investment.

The undermining of this system of credits during the last boom years and the early part of the depression, until its final collapse took place in 1931, was dealt with



## SUMMARY STATEMENT

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

Country	Inward movement						Outward movement					
	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932
Union of South Africa . . . .	31.4	13.8	4.3	49.1	7.0	.	1.0	—	12.9	0.9	5.1	.
Argentina (1) . .	152.5	110.0	59.8	178.7	42.4	.	(9.9)	(3.6)	(11.1)	(3.0)	(48.3)	.
United States of America . . .	1,655.0	2,641.0	2,390.0	2,238.0	1,541.0	894.0	2,377.0	3,325.0	2,484.0	2,462.0	1,308.0	647.0
India (2) . . . .	66.4	52.9	74.5	176.7	112.0	33.4	12.8	51.0	25.9	18.9	75.2	50.4
Dutch East Indies . . . .	14.1	41.4	23.7	72.4	41.4	41.8	41.0	46.6	48.6	40.6	27.7	29.7
Japan (incl. Korea and Formosa) . . . .	71.3	156.0	137.4	178.8	196.0	.	131.1	131.3	161.7	224.2	311.6	.
Germany (3) . . .	(478.8)	(919.0)	(518.3)	(601.9)	(273.9)	(23.8)	(55.3)	(480.5)	(359.2)	(325.8)	(227.5)	(68.1)
Bulgaria . . . .	7.5	22.3	5.8	6.4	4.1	.	—	—	—	0.5	—	.
Denmark . . . .	50.8	89.8	24.1	30.8	25.8	10.3	12.0	48.3	30.8	33.5	31.8	17.3
Spain . . . . .	.	.	.	.	7.3	.	.	.	.	.	7.5	.
Estonia . . . . .	0.9	0.8	—	2.0	—	—	0.1	0.1	0.2	0.3	0.2	0.1
Hungary . . . . .	63.6	78.0	55.7	65.9	20.9	1.7	15.0	22.8	17.5	31.3	17.5	1.5
Italy . . . . .	164.8	.	.	.	.	.	48.9	.	.	.	.	.
Latvia . . . . .	1.8	—	7.5	.	.	.	0.5	0.8	0.5	.	.	.
Lithuania . . . .	2.3	0.8	1.1	3.1	3.5	1.8	1.1	0.6	0.4	1.2	1.1	1.1
Norway . . . . .	70.6	70.2	21.4	42.6	42.9	11.7	33.9	24.1	25.2	46.3	36.1	11.0
Poland . . . . .	75.1	45.6	31.4	21.3	43.7	.	12.8	16.4	24.9	18.0	26.8	.
Roumania . . . .	22.0	46.0	97.4	42.0	.	.	16.8	18.3	6.8	7.8	.	.
Sweden . . . . .	98.1	52.5	76.4	58.4	119.9	41.4	84.4	100.5	76.9	163.5	154.8	22.2
Czechoslovakia .	68.6	83.7	63.3	88.5	36.9	44.5	129.5	134.6	98.1	81.2	52.5	11.4
Turkey . . . . .	2.7	5.4	13.6	5.4	5.1	.	—	2.0	7.5	4.4	1.9	.
Yugoslavia . . .	34.5	24.1	33.5	.	.	.	9.2	4.9	19.0	.	.	.
New Zealand (2)	37.1	53.6	32.1	37.1	14.1	.	11.8	23.0	11.7	—	6.7	.

Note. — The net inward or outward balances are shown in column 7 of the table on pages 9-12.

in the preceding issue of this publication. The countries most directly affected by the panic which broke out in the middle of that year were some of the debtor countries in Central Europe — Austria, Germany and Hungary — and the United Kingdom. It is not necessary to recount in detail the results of the panic — the exchange control established by numerous debtor countries, primarily in order to prevent the flight of domestic capital; the standstill agreements through which the outstanding foreign credits granted to a number of countries, particularly Germany, were immobilised; the abandonment of the gold standard by the United Kingdom and certain countries whose currencies are tied to the pound sterling, and, shortly afterwards, by a number of other countries; the rapid depreciation of the currencies of these countries as well as of some of the currencies which had previously gone off gold; the various implications of these events upon the trade in goods, and the general and rapid increase in trade barriers in the form of high tariffs, prohibitions, quotas and the expansion of the use of exchange control for regulating payments on account of transactions in goods and services.

(1) Argentina: Economic years ending September 30th. The figures for outward payments exclude amortisation of the public debt and certain mortgage loans.

(2) India, New Zealand: Economic years beginning April 1st.

(3) 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.

Though a substantial portion of the short-term obligations outstanding in the summer of 1931 and not liquidated or lost during the panic was immobilised by the subsequent standstill agreements and exchange control systems, the new instability of currencies has, during the last two years, given rise to large speculative movements of floating capital, and such movements have also accompanied several of the political events during the period.

The net outflow of short-term capital from the United States, which had amounted to \$463 million in 1930 and \$398 million in 1931, rose to \$908 million in 1932, of which amount one-half represented the withdrawal of gold under earmark in the United States. For many years, the United States had been indebted to the rest of the world on international banking account, but, as a result of the large withdrawals, she became a creditor in the course of 1932, at the end of which year amounts due from foreigners are recorded at \$1,058 million against \$913 million for debts to foreigners, largely in the form of foreign deposits <sup>(1)</sup>. Judging from information in the Press, further withdrawals of the latter took place during the first nine months of 1933.

The summary table (page 11) does not give any figures for balances of French long- and short-term capital transactions, but the indications in the section on France in this publication suggest that the balances of such movements were roughly as follows in the years 1930-1932. The net gold imports are shown under the total capital balances for purposes of comparison.

FRANCE: INWARD (+) AND OUTWARD (—) CAPITAL MOVEMENT (EXCLUDING AMORTISATION OF WAR DEBTS).  
U.S. \$ (000,000's)

	1930	1931	1932
Long-term capital . . . . .		+ 240	— 130
Short-term capital :			
(a) deposits by foreigners . . . . .	+ 90	+ 190	—
(b) withdrawal of foreign assets by commercial banks, enterprises, etc. . . . .		+ 390	+ 40 to 100
(c) withdrawal of foreign assets by the Bank of France and the French Treasury . . . . .	+ 160	+ 250	+ 800
(d) special credits granted and repaid <sup>(2)</sup> . . . . .	—	— 290	+ 270
Total inward capital movement . . . . .	+ 250	+ 780	+ 1,000 to 1,040
Net gold imports . . . . .	460	727	828

The increasing inward balances were largely determined by the withdrawal of foreign short-term assets, particularly those of the Bank of France and the French Treasury. In the course of 1932, these assets (including gold held earmarked abroad) were reduced from over one milliard dollars to \$235 million — a reduction which, together with other influx of short-term capital, corresponds closely to the net import of gold during the year. The foreign assets of the Bank of France fell by a further \$70 million during the first nine months of 1933.

The outstanding German short-term debts, which exceed those of any other country, fell from \$3.1 milliard in the middle of 1931 to \$2.1 milliard at the end of February 1933, or by one-third <sup>(3)</sup>. It is not known how much of this reduction is due to decline in the exchange value of certain of the currencies in which the debts were due. A large share of the actual repayments took place in the last half of 1931. Since February 1933, the gold value of the debts has further decreased as a result of the fall in the dollar exchange and the liquidation of certain credits by means of gold exports.

A number of countries with depreciating currencies — both creditors and debtors —

(1) Gold held by foreign banks under earmark with the Federal Reserve Banks is not included in this amount.  
(2) Credits to foreign governments and central banks.  
(3) Cf. page 101.

exported short-term capital in 1932 and the first part of 1933. Owing to the incompleteness of the information available, the table on pages 9-13 illustrates those capital exports only in the case of Scandinavian countries :

NET IMPORT (+) OR EXPORT (—) OF SHORT-TERM CAPITAL.  
U.S. \$ (000,000's)

	1930	1931	1932
Denmark . . . . .	+ 4.8	+ 35.1	— 10.9
Norway . . . . .	+ 37.3	+ 18.5	— 12.6
Sweden . . . . .	+ 21.2	+ 48.0	— 41.9

Indications in the chapter for Finland in this publication suggest that a similar reversal of the movement of short-term capital occurred also in the case of that country. Though it is not possible to trace in detail how the outflow of funds from this and other countries in a similar position — particularly the United Kingdom — has developed, the following table for the currency and gold reserves of a number of central banks indicates that it continued undisturbed during the first nine months of 1933. Further, the central banks of these countries were generally able to maintain or even increase their gold reserves.

On the other hand, the central banks of the countries whose currencies remained at par rapidly depleted their currency reserves, and certain of them — for example, those of Germany, France, Switzerland and the Netherlands — also lost gold during 1933.

GOLD AND FOREIGN CURRENCY RESERVES OF CENTRAL BANKS.  
U.S. \$ (000,000's) gold

Countries	Foreign currency reserves at the end of :				Gold reserves at the end of :			
	1930	1931	1932	Sept. 1933	1930	1931	1932	Sept. 1933
<i>Countries whose currencies have depreciated :</i>								
United Kingdom <sup>(1)</sup> . . . . .					722	590	587	933
Union of South Africa . . . . .	35	—	—	59	37	42	37	73
Australia . . . . .	—	—	7	30	75	51	41	2
Canada . . . . .	35	39	( <sup>2</sup> ) — 3	8	98	76	64	54
Finland . . . . .	24	11	11	16	8	8	8	8
India . . . . .	189	82	134	144	128	162	162	162
Sweden . . . . .	105	9	38	55	65	55	55	101
<i>Other countries :</i>								
Germany . . . . .	112	41	27	10	528	234	192	87
France . . . . .	1,027	828	176	103	2,099	2,698	3,253	3,215
Italy . . . . .	228	114	69	16	373	389	401	464
Netherlands . . . . .	99	35	29	1	171	357	415	350
Czechoslovakia . . . . .	72	31	31	27	46	49	51	51
Switzerland . . . . .	66	20	17	3	138	453	477	356

This tendency of redistribution of liquid assets between the two groups of countries is the result of a change in the balances on account of goods and services of the countries concerned, the significance of which will be further dealt with in the section which follows.

(1) Exclusive of gold which may be held by the Exchange Equalisation Fund.  
(2) Indebtedness.

**Total capital balance and its relation to other items.**

For the majority of countries, two series of total capital balances are given — those in column 9 representing the balance of the recorded capital transactions, and those in column 6 the surplus or deficit on account of goods, services and gold. If the statements were complete, the figures given in these columns should agree but bear opposite signs. The discrepancies which exist (except in cases where the figures for short-term capital are not based on direct evidence but calculated as balancing accounts) are likely in most cases to be due largely to defective recording of the capital items.

The total balance on account of goods and services (including interest and dividends) is entered in column 4. This does not always represent the balance on account of "current" items proper, as the figures for gold shown in the following column include not only bank transfers of gold but also exports of home-mined gold and gold imported for industrial purposes.

For convenience, the balances on account of goods, services and gold (column 6) of the main creditor and debtor countries, representing an indirect estimate of their capital balances, are repeated below. The signs have been reversed, so that a plus (+) means a net capital import and a minus (—) a net capital export, as in the preceding sections.

NET INWARD (+) OR OUTWARD (—) CAPITAL MOVEMENT,  
ESTIMATED INDIRECTLY FROM THE MOVEMENT OF GOODS, SERVICES AND GOLD.

	U.S. \$ (000,000's)					
	1927	1928	1929	1930	1931	1932
<i>Creditor countries :</i>						
United Kingdom <sup>(1)</sup> . . . . .	— 385	— 570	— 574	— 112	+ 313	+ 260
United States of America . . . . .	— 518	— 1,126	— 225	— 295	± 0	— 547
France <sup>(2)</sup> . . . . .	— 504	— 237	+ 20	+ 258	+ 787	+ 1,041
Sweden . . . . .	— 65	— 19	— 71	— 26	+ 23	— 21
<i>Debtor countries :</i>						
Germany . . . . .	+ 1,058	+ 974	+ 508	+ 120	— 506	— 101
Canada . . . . .	— 137	— 201	+ 65	+ 159	— 27	— 64
Australia <sup>(3)</sup> . . . . .	+ 188	+ 188	+ 214	+ 15	— 56	.
India <sup>(4)</sup> . . . . .	+ 121	+ 67	+ 37	+ 92	— 86	— 24
Argentina <sup>(5)</sup> . . . . .	— 122	+ 181	+ 4	+ 243	— 27	.
Dutch East Indies . . . . .	— 57	± 0	+ 66	+ 60	+ 28	— 4
Union of South Africa . . . . .	+ 26	+ 46	+ 65	+ 32	+ 19	.
Poland . . . . .	+ 82	+ 124	+ 67	+ 1	— 5	.
New Zealand <sup>(4)</sup> . . . . .	— 3	— 5	+ 53	+ 49	+ 2	.
Hungary . . . . .	+ 89	+ 91	+ 38	+ 24	+ 39	+ 4
Norway . . . . .	+ 18	+ 33	+ 10	+ 29	+ 27	— 5
Czechoslovakia . . . . .	— 61	— 61	— 26	— 50	— 29	+ 26
Denmark . . . . .	+ 4	— 1	— 9	+ 6	+ 12	— 16
Japan <sup>(6)</sup> . . . . .	+ 50	+ 80	— 9	— 128	— 162	— 67
Finland . . . . .	— 2	+ 40	+ 12	— 5	— 24	— 18
Turkey . . . . .	+ 28	+ 22	+ 11	+ 50	— 6	+ 3
Estonia . . . . .	— 2	+ 2	+ 2	+ 2	— 3	— 1
Lithuania . . . . .	— 1	± 0	— 5	± 0	+ 3	— 3

The figures afford ample evidence of the abnormal movements dealt with at some length in the preceding volume — the contraction of capital balances during the last boom years and their subsequent reversal until, in 1931, the United Kingdom

- (1) Excluding governmental capital transactions (e.g., receipts and payments on account of war debts).
- (2) Including French overseas territories (excluding Indo-China). Amortisation of war debts is not included.
- (3) Financial years beginning 1. VII.
- (4) Financial years beginning 1. IV.
- (5) Financial years ending 30. IX.
- (6) Including Korea and Formosa. The figure for 1932 is unofficial.

and France became the largest capital importers of the world, while the lending capacity of another big creditor country, the United States, dwindled and Germany — previously the world's largest borrower — recorded a greater outward capital movement than any other country.

Simultaneously, the nature of the capital operations represented by the figures changed : the lending on long term from the main creditor countries, after a short revival in 1930, was brought to an end, and the most prominent transactions became the withdrawal of the large outstanding balances of short-term capital and the flight of short-term capital to the countries whose currencies or banking structure were considered to offer the best security — in particular, France, the Netherlands, Belgium and Switzerland. The drying-up of the supply of foreign capital to countries which were accustomed to borrow freely abroad, and the subsequent drain upon their liquid resources, contributed to the fall in the prices of their goods and accordingly to a deterioration of their financial position which has discouraged a resumption of lending to them.

The reversal of capital movements has not in all cases been accompanied by an adequate change in the balance on account of goods and services, and a large portion of the capital transfers have been settled in gold. Gold has thus accumulated in the countries to which capital has moved.

The preceding figures suggest that certain of the tendencies now referred to were weakened or discontinued in 1932. Thus, the inflow of capital to the United Kingdom was reduced, large capital exports are recorded by the United States, and the outward capital balance of Germany was only one-fifth of that in 1931. The importance which may be attributed to these changes will only be evident from an analysis of the changes in all the main groups of items in the international accounts of the countries concerned. It is of particular interest to distinguish to what extent the modifications of the balances are due to variations in the gold movement or are accompanied by an adjustment in the "current" items of the account. In this connection it may be noted that the deterioration of the terms of trade of the countries producing primary products was mitigated or discontinued after the middle of 1931 (although prices continued to fall for another year), and that accordingly in most countries the changes in the trade balances which have occurred since that time must be attributed largely to adjustments of the volume of goods entering into their trade.

Reference to the figures given for the United Kingdom on page 12 shows that the surplus of that country on account of income from its foreign investments and services sold fell by \$637 million in 1931. The import surplus on account of trade in goods remained at almost the same figure as in 1930, and it was only thanks to a large gold export that the total deficit on account of goods, services and gold was kept as low as the figure of \$313 million in 1931 — largely representing, it would appear, a reduction in British investments overseas. In 1932, the pound depreciation and the change in tariff policy contributed to reduce the trade deficit by more than \$800 million, but the same and other factors involved also some reduction in the income from foreign investments and from services sold. The reduced deficit on account of goods and services was more than offset by the inflow of funds from India and the Dominions, and the net export of gold of 1931 gave place to an import surplus.

The capital exports from the United States in 1932 were largely offset by net gold exports, the first since 1928 (page 9). In fact, these gold exports represented the withdrawal by foreign countries of gold held by them under earmark with American banks <sup>(1)</sup>. The total surplus on account of goods and services, which had fallen in each of the years 1929-1931, continued to fall in 1932.

(1) In the present volume, the earmarking of gold abroad is reckoned as an investment not yielding interest and is accordingly recorded as a capital item, not as an adjustment of the gold balance.

The French inward capital movement in 1931 and 1932 is reflected in large gold imports (page 11). A heavy fall in the net interest income accruing to France has resulted, at the same time as the surplus on account of services sold (in particular, to foreign tourists) has dwindled and reparations receipts have discontinued. The reduction in the trade deficit by \$119 million is partly due to the inclusion of French oversea territories in the figures of the motherland ; the trade deficit of France alone fell only by \$63 million. Goods and services, including reparations, which had left a surplus up to 1930, resulted in a debit balance estimated at \$60 million in 1931 and \$214 million in 1932. The inflow of capital has thus been only partly offset by gold imports.

The same is true of Switzerland, for which country, however, no complete estimates are available. Its trade deficit rose considerably during the years 1929-1932, at the same time as its main sources of income (the yield from foreign investments and the expenditure of foreign tourists) may be estimated to have fallen. The gold imported into Switzerland, amounting to nearly \$400 million for the two years 1931 and 1932, represents to a great extent foreign capital seeking refuge.

As far as is known, the French floating assets were largely exhausted at the end of 1932. The inflow of gold has ceased and given place to a small net outflow. The French trade deficit was greater during the first nine months of 1933 than during the corresponding period of 1932. Switzerland lost gold to an amount of \$110 million during the period April-July 1933, but since then the drain on her gold reserves has ceased.

Of the debtor countries, Germany was able at the beginning of the depression to turn her trade deficit into a surplus, which grew until, in 1931, it reached \$680 million (page 10). In the middle of that year, reparations payments<sup>(1)</sup> were discontinued ; and a large gold export helped the net capital outflow during the year of over half a milliard dollars, largely in the form of repayment of short-term debts. The readjustment of the trade balance must partly be accounted for by the policy of domestic price deflation which was pursued up to the middle of 1932. With the tariff or quantitative restrictions imposed on imports by certain of Germany's important customers and the change in German monetary and tariff policy, the German trade surplus decreased by almost two-thirds in 1932 and continued to fall in the first half of 1933. In spite of the fact that no reparations payments had to be made in 1932, the total capital outflow was heavily reduced, and, after a further deterioration of the balance of her current items had taken place early in 1933, Germany suspended part of the payments due for service of her foreign debts.

The above synopsis suggests that considerable changes have recently taken place in the balance of transactions between the big trading countries. Obviously, a reduction in the surplus or an increase in the deficit on account of the transactions of certain countries must be offset by a reverse movement in the balance of others. What is interesting in the study of these movements is not simply the total balance of goods, services and gold (that is, the balance of capital movements), but rather the balance of goods and services alone. Though different factors have influenced these balances, there can be little doubt that, since the autumn of 1931, they have been largely influenced by the depreciation of the currencies of certain countries.

This fact is illustrated by the following table, showing the balances in question<sup>(2)</sup> in 1931 and 1932 for the countries in the case of which data (for both years) are available. The nine countries whose currencies did not depreciate record an active balance of \$288 million in 1931 and a passive balance of \$63 million in 1932. The nine countries whose currencies depreciated, on the other hand, "improved" their

(1) Reparations are not, in this publication, counted as a capital item. In the table on pages 9-12 they are included in column 3 ("Other services").

(2) Column 4 in the table on pages 9-12.

balance by \$534 million, which rendered it possible for them to avoid drawing upon their liquid resources to the same extent as in 1931. Almost all these countries were able, indeed, to turn their deficit into a surplus and thus to invest capital in certain of the countries whose currencies remained at parity, or to buy gold. The most outstanding change is recorded by the United Kingdom; though her balance is estimated to have remained passive in 1932, she recorded a net import of gold.

BALANCES ON ACCOUNT OF GOODS AND SERVICES IN 1931 AND 1932.  
U.S. \$ (000,000's)

Countries whose currencies did not depreciate				Countries whose currencies depreciated			
Surplus (+) or deficit (-) in		Change 1931-1932 (1)	Surplus (+) or deficit (-) in		Change 1931-1932 (1)		
1931	1932		1931	1932			
United States . . .	+ 145	+ 101	- 44	United Kingdom . . .	- 472	- 207	+ 265
France (2) . . . . .	- 60	- 214	- 154	Canada . . . . .	- 39	+ 5	+ 44
Germany . . . . .	+ 258	+ 74	- 184	Australia (3) . . . . .	- 73	+ 21	+ 94
Dutch East Indies . . . . .	- 45	- 14	+ 31	India (4) . . . . .	- 95	- 147	- 52
Czechoslovakia . . . . .	+ 30	- 8	- 38	Sweden . . . . .	- 32	+ 20	+ 52
Hungary . . . . .	- 38	- 4	+ 34 (5)	Norway . . . . .	- 36	+ 5	+ 41
Lithuania . . . . .	- 3	+ 3	+ 6	Denmark . . . . .	- 19	+ 12	+ 31
Estonia . . . . .	+ 3	+ 1	- 2	Japan . . . . .	- 30	+ 35	+ 65
Albania . . . . .	- 2	- 2	-	Finland . . . . .	+ 24	+ 18	- 6
Total (9 countries)	+ 288	- 63	- 351	Total (9 countries)	- 772	- 238	+ 534

The movement was not quite regular, for in the first group of countries the Dutch East Indies, Lithuania and Hungary record a decline in deficit, and in the second group India records an increase of deficit and Finland a reduction of surplus. The two first-mentioned countries are both agricultural, and their domestic prices have been exposed to a heavy deflationary pressure. The reduction in the deficit of Hungary is almost exclusively due to the suspension of the transfer of interest payments on account of that country's foreign debt. In India, currency depreciation encouraged exports of gold from the large domestic hoards, which permitted the trade balance to become passive; in 1933, however, exports of goods have risen, while imports have fallen, and a considerable trade surplus has resulted. In Finland, the departure from the gold standard was already in the autumn of 1931 reflected in a large export surplus, which fell somewhat in 1932, but the balances for both years compare favourably with those for the preceding years.

The changes in the balances of Australia and the Scandinavian countries are very marked. These countries have recently pursued a trade policy which has been more liberal than that of most other countries, and the importance of currency depreciation in the adjustment of their balances is therefore more evident than in the case of the United Kingdom.

The surplus on account of goods and services recorded for France before the balance became passive in 1931 had begun to fall in 1929. In that year, the fall in the surplus of the United States also began. The difficulties which the United Kingdom experienced in 1931 prior to the depreciation of the pound sterling resulted partly from an earlier breakdown in countries from which she draws a part of her current income and to which she disposes of a part of her exports; but the redressing

(1) A plus sign (+) means an increase in surplus or a reduction in deficit; a minus sign (-) a reduction in surplus or an increase in deficit.

(2) Including French oversea territories (except Indo-China).

(3) Financial years ending 30. VI.

(4) Financial years beginning 1. IV.

(5) Of this reduction in the deficit of Hungary, \$33 million represent a decrease in payments of interest and dividends abroad (the transfer moratorium was established in December 1931).

of the Australian balance, for example, had already begun in the financial year ending June 1931.

It would appear that the changes largely represent a readjustment of disequilibria which had arisen prior to 1929. In the case of Australia, for example, the recent development of export industries, and the relatively poor home trade, contrast with the situation prevailing during the years 1925-1928, when the expansion of her manufacturing industries was accompanied by a weakening of the competitive power of the export industries <sup>(1)</sup>.

The change in the gold and foreign currency reserves of central banks during the first nine months of 1933, to which attention was drawn on a previous page, indicates that the balances on account of current items of the two groups of countries under consideration continued to move in the same direction as during 1932.

A judgment of the real economic bearing of this movement of balances could not be made without taking into account such factors as the changes in domestic investment and consumption in the countries belonging to the two groups, and does not fall within the scope of the present inquiry. But at a time when long-term capital transactions are partly suspended and the commercial policy of numerous countries is largely determined by considerations of their balance of international current transactions, changes in these balances undoubtedly have a greater significance than in normal times.

Into the process of mutual adjustment of the balances of two large groups of countries over a period which, though it is bound to be transitional, at the time of writing exceeds two years, enter a number of factors of which some are indicated below.

First, certain of the countries which have successfully maintained the gold standard had previously stabilised their currencies at rates which afforded them an advantageous competitive position. Certain of these countries, moreover, possessed large floating assets abroad before the onset of the financial crisis. The instability and subsequent depreciation of a number of currencies which resulted from that crisis led to the withdrawal of these assets, and not only to an import of gold by the country owning them, but also to a decrease in their surplus (or an increase in their deficit) on account of current items.

Secondly, capitalists in countries with depreciating currencies transferred large amounts of short-term capital to France, Switzerland, Belgium and the Netherlands.

Thirdly, several of the countries whose currencies depreciated took measures to restore their reserves of gold or foreign exchange, which had become depleted before they abandoned the gold standard. Acquisition of these new reserves naturally tended to prevent the paper currencies from rising to the level which they would have reached had no such policy been pursued.

In certain cases, however, the increase in reserves was no doubt the automatic result of the repatriation of capital which took place after the risk of further exchange depreciation was believed to have expended itself.

The export of short-term capital from countries outside Europe whose currencies are more or less closely related to the pound sterling did not flow directly to countries with gold currencies, but to London, and helped to finance the British acquisitions of gold and gold currencies. Thus, a number of countries were able to repay overdrafts in London and to create larger floating assets there. The large gold exports from India and the increased active (or reduced passive) trade balance of Australia, New Zealand, Egypt and the Union of South Africa were the most important factors determining this movement.

(1) *Review of World Trade, 1932* (Series of publications : 1933.II.A.10), page 56.



The flow of funds to certain countries with gold currencies — either directly or via London — supported these currencies at the same time as it helped to depress the value of the currencies of the countries on paper and gave them the competitive advantage by the aid of which they could continue to finance this export of funds or buy gold. Gold purchases on the part of the paper countries obviously have, in the main, the same effect upon the exchange value of their currencies as an increase in their foreign currency holdings.

Naturally, the maintenance of equilibrium in the balance of payments of the two groups of countries now considered, during a period when there was, on the whole, a growing discrepancy between their price systems, has not always been so frictionless as the preceding paragraphs may suggest, and the direction of capital movements has not been uniform over the whole period. Between October 1932 and the middle of 1933, for example, the exchange value of the pound sterling did not vary considerably in relation to gold and was probably occasionally supported by sales of foreign exchange. The depreciation of the dollar provoked a considerable but temporary flight of short-term funds to the United Kingdom in the spring of 1933. Later, there would appear to have been large British purchases of gold and foreign exchange and the pound rate declined considerably. The gold reserves of the Bank of England rose by \$346 million during the first nine months of 1933, largely, it would appear, through purchases from the Exchange Equalisation Account.

Any final judgment of the readjustments which have occurred and are still at work must depend, however, upon the question whether, in the end, they will lead to more stable international business relations or whether they will cause a new international disequilibrium similar to that which is at the bottom of the present depression. During the early part of the depression, necessary changes in the economic balance of individual countries were postponed, partly by the utilisation of gold in the settlement of international accounts; but there is a risk that the violent reactions which set in when the liquid assets of numerous countries were largely exhausted will carry developments beyond the point where normal economic relations between nations could be resumed and maintained.

Not all the countries whose currencies depreciated during the last two years have been able to acquire gold or foreign currencies; similarly, some countries on gold have not attracted foreign capital. A considerable pressure upon the balance of payments of these latter countries has taken place, and some of them have established exchange control in order to prevent flight of capital and even to regulate payments on account of current transactions: Countries which officially maintain their currencies at par, but, like Austria (and, recently, to a much less extent, Germany), allow an increasing share of their foreign transactions to be conducted on the basis of lower market rates, have, in fact, in many respects associated themselves with the countries whose currencies have depreciated.

In this connection, the effect of exchange control upon the balance of payments of the countries employing such a control should, however, be considered. In times when the prices of goods entering into international trade are falling, a competitive level of prices may be reached through price deflation or currency depreciation; but exchange control — whether it is exercised in a country which keeps its currency at par or allows it to depreciate — involves an artificial restriction on the demand for foreign currencies and accordingly keeps the national currency at a higher level than it would otherwise have attained. Though the control is in reality never wholly effective, its influence upon exchange rates is thus the opposite of that of the above-mentioned acquisition of foreign exchange by some countries with depreciated currencies. As long as exchange control plays an important rôle in the balancing of the international accounts of a country, this is a sign, not only that, given the conditions of the international capital market, the balance of the country's current

transactions is unsatisfactory, but also that its prices are not on a competitive level, and, accordingly, that this balance will not easily be rendered less passive or more active.

### The price of capital.

In normal times, the movement of capital from country to country is largely determined by relative interest rates. In the preceding issue of this publication, which appeared in the middle of 1932, it was stated, however, that at that time the security of investments had become the decisive factor, and that capital had shown a tendency to move from countries where interest rates were high to countries where they were low. As a result, the discrepancy between rates in creditor and debtor countries had increased.

Since this was written, interest rates in different countries have again approached each other, and, although the credit of numerous debtor countries has by no means been restored, interest rates have fallen in others to levels which are as low as before the depression or even lower.

The special rates which best indicate the variations in the prices at which capital transactions take place vary appreciably from country to country — and the rates in any particular area which in fact exercise the greatest influence on capital movements to or from that area are necessarily determined by the general economic and financial organisation which exists there. Any comprehensive study of the problem would therefore necessitate a careful and detailed analysis of a number of widely different markets. No such analysis can be attempted here, but it may be of some interest to give a quite rough indication of the major movements of recent years. For this purpose, the yield of bonds and the market discount rates on three-months' bank bills will be taken as representing the variations in the price of capital for long- and for short-term investment respectively.

The broad movements of the yield of bonds of certain countries is illustrated by the table on the following page. Its upper part shows the yield of certain Government and similar bonds payable in sterling, the prices of which are determined mainly by quotations on the London market. The lower part of the table shows the yield of bonds the prices of which are mainly dependent on the national demand.

The movement of bond prices which the yield figures reflect is naturally influenced, not only by the economic and financial position of the countries concerned, but also by the nature of the collateral behind the individual loans and by other circumstances. The figures therefore cannot be taken as exactly representing the real price of long-term capital in the countries concerned. The essential difference between the figures for yields according to London and domestic quotations lies in the fact that the first refer to a market common to all the bonds, with common estimates of the varying risks, while, in the case of the second, there are as many markets as countries. But it must not be presumed from this that the differences in the yields according to London quotations represent simply the differences in the estimated risk covered by each bond, still less in the credit of the countries to which these bonds relate. In fact, loan conditions vary widely and help to determine the price at which the bonds are quoted.

It should be distinctly understood that the figures should not be used for comparing the level of bond yields in different countries, but only for studying fluctuations in the course of the period given (1).

(1) Further details concerning the compilation of the data, and various series not reproduced in the diagrams, are given in the League of Nations *Monthly Bulletin of Statistics*, No. 11 (November), 1933.

## ACTUAL PERCENTAGE YIELD OF BONDS.

Country	Bonds	Dec. 1929	Dec. 1930	Dec. 1931	Dec. 1932	Sept. 1933
<i>According to London quotations.</i>						
Argentina	4% Rescission Bonds	5.35	5.34	6.73	9.00	5.20
Australia	5% Registered	5.60	6.30	6.55	4.49	4.04
Brazil	5% Funding Loan 1914 <sup>(1)</sup>	7.09	7.73	8.85	7.80	6.90
China	5% Reorg. Loan 1913	8.34	9.80	8.75	7.10	5.85
Egypt	4% Unified	5.06	5.70	4.94	4.05	3.99
Germany	7% Dawes Loan 1924	6.65	7.10	12.75	8.14	10.25
Hungary	7½% Loan 1924	7.61	7.35	14.75	15.80	18.90
India	3½% Gov. Stock	5.69	5.55	7.00	3.98	4.05
Japan	6% Loan 1924	6.23	5.84	8.13	9.30	6.91
Union of South Africa	5% Inscribed	5.00	4.81	5.45	4.15	3.90
<i>According to domestic quotations.</i>						
Belgium	3% Rente	4.49	3.75	4.23	4.53	4.69
Canada	Province of Ontario Loans	4.90	4.50	5.20	4.92	.
Czechoslovakia	Gov. Bonds (average)	5.76	5.60	6.35	6.40	6.18
France	3% Rente	3.61	3.54	3.83	3.94	4.44
Germany	Misc. Bonds 8% and less (av.)	8.42	8.05	11.90	7.42	6.82
Hungary	5% Forced Loan 1924	8.66	8.59	.	24.41	( <sup>2</sup> )14.19
Italy	3½% Rente	5.26	5.16	4.87	4.56	4.31
Japan	Public Bonds (average)	5.04	5.53	6.00	4.92	( <sup>2</sup> ) 4.56
Poland	Gov. Bonds (average)	10.59	11.82	16.42	16.27	15.00
Roumania	Four Gov. Bonds average)	9.41	10.49	13.26	18.24	17.28
Sweden	Seven Gov. Bonds (average)	4.46	4.11	4.80	4.01	3.88
Switzerland	3½% Fed. Railways	4.29	3.91	3.84	3.58	3.88
United Kingdom	2½% Consols	4.75	4.35	4.55	3.38	3.35
United States	Three Treasury Bonds	3.46	3.34	3.92	3.48	( <sup>2</sup> ) 3.40

The main interest of the figures in the upper part of the table lies in the evidence they afford of the improvement of the credit in London of some important debtor countries in the course of 1932 and 1933. The yield of the bonds considered for Australia, Egypt, India and South Africa is down to about 4 per cent, or less than before 1930. The yield of Argentine bonds has regained the level of 1929-30, and the rate shown for China has been halved in three years.

The improvement of the credit of these and a few other countries included in the table is naturally not confined to the London market, but is also reflected in the domestic quotations of their bonds. It has enabled certain of the countries concerned to achieve a considerable reduction in the amounts due for the service of their outstanding debts through conversion of loans (domestic or foreign) which have matured or which were redeemable at the option of the debtor, into new ones bearing lower interest rates. It has further relieved their financial position by giving them the opportunity to consolidate their floating Government debts on favourable terms.

It is not proposed here to give a full account of these capital operations, but the following examples of the most important operations in a few countries may serve to indicate their nature and importance.

India was able to convert 338 million rupees (out of an outstanding total of 512 million) of internal 5 and 6 per cent bonds (5 per cent bonds 1933, 5 per cent War Loan 1929-47 and 6 per cent bonds 1933-36) into a 4 per cent loan early in 1933<sup>(3)</sup>. Large conversion operations have also been carried out by India in London.

(1) The Brazilian 5 per cent Funding Loan of 1914 considered in the table is one of the loans the service of which is being met by cash payments (for the majority of Brazilian Government loans, a special funding agreement has been concluded with the foreign underwriting banks, providing for the distribution of special scrip to bondholders instead of cash).

(2) August.

(3) 100 rupees (nominal) of any of the three old loans were exchanged for 100 rupees (nominal) of the new loan; but cash bonuses were paid at the rate of 7½ per cent for 5 per cent War Loan 1929-47 and 8½ per cent for the other two loans.

During the financial year ending March 31st, 1933, the issue of £10 million 5 per cent bonds at 95 was offset by the discharge of previous loans, mainly bearing a rate of 6 per cent, and, during the current financial year, two loans of £12 million and £10 million, issued in May and November at a price of 99.5 and 97 and bearing interest at a rate of 4 and 3½ per cent respectively, were intended, the former partly and the latter entirely, for conversion of 6 per cent bonds.

In the first nine months of 1933, Australia converted nearly £50 million of her outstanding foreign Government debt, bearing interest between 5¾ and 6½ per cent, into new loans with rates from 3½ to 4 per cent, involving an annual saving in interest alone of £1.1 million :

Time of flotation	Interest rate	Issue price	Amount involved £ (000,000's)	Old interest rate %
May 1933 . . . . .	3½	99	11.4	6½
July 1933 . . . . .	4	99	17.2	6
September 1933 . . . . .	3¾	98	{ 15.0 5.9	{ 6 5¾

The amounts required for the service of internal Commonwealth loans had already been reduced through the conversion in 1931 of loans totalling £556 million into new bonds bearing interest at rates which were, on an average, 22½ per cent lower than previously (the average rate was 5.2125 per cent before and 4.0375 per cent after the conversion) (1).

New Zealand has, during 1933, converted £115 million of her internal Government debt (of which amount £45 million was, however, held by Government departments) by the issue of new 4 per cent securities in exchange for old securities in a ratio involving a reduction in the rate of interest previously paid by one-fifth (2). New Zealand has also been able to carry through similar operations — although on a smaller scale — in London ; thus, in October 1933 she floated a 3½ per cent loan there at a price of 97 for conversion of her 4 per cent loan of £5 million.

Among British countries which have been able to convert part of their Government debt abroad on favourable terms may also be mentioned the Union of South Africa, which, in October 1933, replaced a 5 per cent loan of £13 million by a new issue in London bearing interest at 3½ per cent.

By means of the issue of the so-called Patriotic Loan and a few other domestic loans, the Argentine Government was able in 1932 to reduce its floating debt by over 400 million pesos (paper), or by about one-third. At the time of writing, the Argentine is engaged in a vast conversion operation aiming at the reduction of the rate of interest payable on her internal Government debt to a 5 per cent basis. Plans aiming at a substantial reduction of the amounts for the service of the funded external loans through conversions have been elaborated, but have not so far been carried into execution. On the other hand, a large proportion of the country's floating debt on private account has been turned into Government debt as a result of special arrangements with the creditor countries. Thus frozen peso balances in the Argentine of British enterprises amounting to £13.5 million were handed over to the Argentine Government in exchange for an issue of 4 per cent sterling bonds floated in London in October 1933. A similar issue of 4 per cent bonds, totalling 350 million French francs but labelled in various currencies according to the nationality of the foreign creditors, was floated the following month in Paris for the thawing of frozen French, Swiss, Dutch, Belgian, Spanish, and Italian balances in the Argentine.

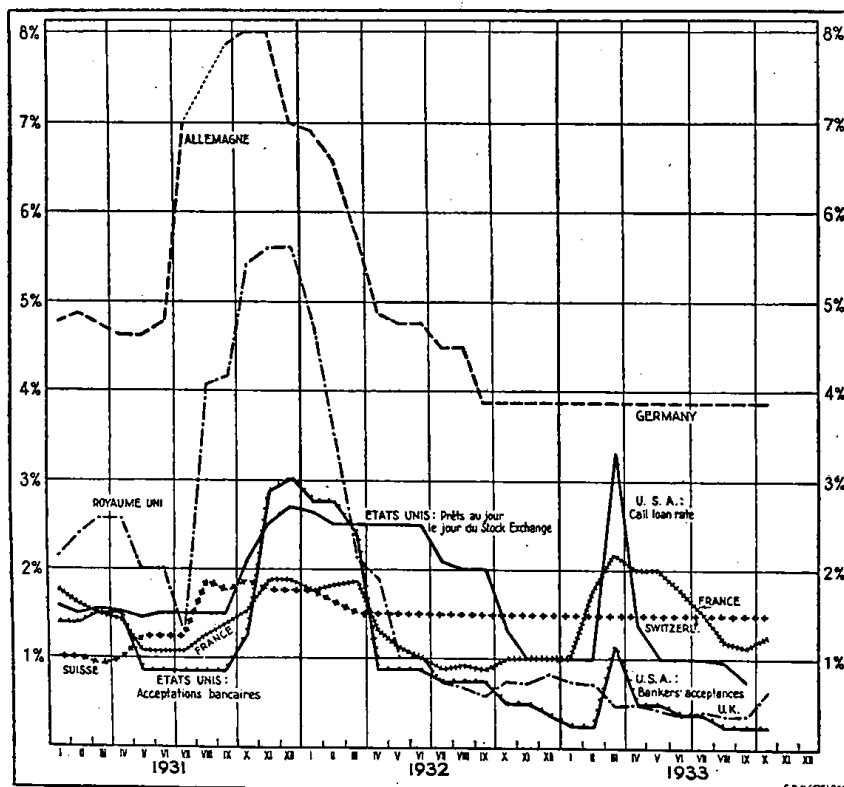
(1) In fact, only 92 per cent of the outstanding bonds were voluntarily converted, but in the case of the remainder compulsory conversion was provided for by means of a special bill.

(2) The success of this operation was facilitated, however, by the provision made for the imposition of a special tax on interest on bonds not presented for conversion.

The mitigation or discontinuation of financial strain in certain of the chief countries producing primary products, attained during a period when price relations were extremely adverse to them, the markets for certain of their products disorganised and the burden of their foreign debts in many cases more than doubled, is an event of very real significance. The improvement of the credit of these countries is the more remarkable in that it is not a result of an afflux of fresh capital from the creditor countries, but of domestic readjustments in production and consumption which are reflected in the balances on account of trade and services exchanged with other countries. The recent rise in the prices of their export products has further supported their credit. Their previous economic and financial structure, which was based on a large annual inflow of foreign capital, would appear to have undergone a substantial change, and adapted itself to a smaller capital supply derived from their own resources. The adjustments were too far-reaching to be made as rapidly as the financial position changed a few years ago; but, once taken place, they are likely to have lasting effects.

Many debtor countries whose economic structure is similar to those now dealt with have not been able to regain their credit abroad. In particular, this is true of those which have suspended, wholly or partially, the payments for the service of their foreign debts.

MARKET DISCOUNT RATES (minimum rates, prime commercial bills) <sup>(1)</sup> AND U.S.A. STOCK EXCHANGE CALL LOAN RATE (average for renewals).



(1) For the United States the rate of bankers' acceptances is given, as this rate — though not so characteristic of the American market as the somewhat higher rate of commercial paper — is the most comparable with European market discount rates.

A fact which is clearly brought out by the table is the financial strain which continues to prevail in certain countries in Central and Eastern Europe. It is true that forces of readjustment have also been at work in these countries, and the yield of their bonds — at least in domestic markets — shows a falling tendency since the middle of 1932. But the fall has not been great and the yields still remain at levels which considerably exceed the rates which any solvent debtor would be willing to pay for a new loan, and in most cases also exceed the yields prevailing before the financial crisis in 1931.

The low bond yields prevailing during 1932 and 1933 in the main creditor countries have permitted the governments of these countries to borrow on easy terms to meet budgetary deficits and carry through large conversions of outstanding loans raised when loan conditions were less favourable.

Thus, the United Kingdom converted the 5 per cent War Loan of £2,085 million to a 3½ per cent basis and has lately converted a number of minor loans; the gross savings in her budget resulting from these operations amount to over £40 million annually (1). France converted a number of 5 to 7 per cent War and post-War loans, totalling 85 milliard francs, or nearly one-third of her outstanding internal Government debt, to a 4½ per cent basis, with a saving in the annual service of over one milliard francs. In October 1933, \$1,900 million of the United States 4¼ per cent Fourth Liberty Loan was replaced by 10-12 year Treasury bonds which, from October 15th, 1934, will bear interest at the rate of 3¼ per cent. In 1932, the Government of the Netherlands, which already in 1931 had succeeded in reducing the rate on the bulk of its 5 per cent debt to 4 per cent, converted its outstanding 6 per cent debt, amounting to 300 million gulden, to a 5 per cent basis, and of the new 5 per cent bonds an amount corresponding to 186 million gulden was further converted into 4 per cent bonds early in 1933. The Swiss Federal Government issued two 3½ per cent loans in 1932 for conversion of outstanding 4 and 4½ per cent loans of together 250 million francs. During the same year and the first nine months of 1933, the Swiss Federal Railways and the Swiss Cantons converted debts amounting to 380 million francs by the issue of loans bearing interest at rates which are from one-tenth to one-fourth lower than those previously applied.

Since the autumn of 1932, some increase in the yield of French and Swiss bonds has taken place. In the case of France, the increase has been great enough to induce certain French borrowers to raise loans in foreign markets. In September 1933, the lowest yields (that is, the highest quotations) were recorded for the Government bonds of the United Kingdom and the United States. The yield of British Consols since the beginning of 1932 has been only about two-thirds of what it was during the years 1929-1931.

The price of short-term capital may be studied from available data for market rates of discount (2). The figures summarised for a few countries in the graph on page 30 illustrate the relaxation of the strain on the large money markets during the financial crisis in the latter part of 1931 and the early months of 1932. The extremely low rates which have recently prevailed in certain creditor countries are, however, a sign of the small demand for short-term capital on the part of industry and trade at the present low level of business activities.

### Interest and dividends.

International interest and dividend payments in 1929 may have amounted to about \$3,700 million, or about 11 per cent of the trade in goods for that year. Between 1923 and 1929, they had increased very rapidly, probably by about two-thirds of the

(1) Not allowing for the reduction in taxation receipts.  
(2) Cf. the League of Nations *Monthly Bulletin of Statistics*.

total payments in the former year. Both inward and outward payments of nearly all countries, creditors as well as debtors, had risen as a result of the rapid integration of economic interests that took place during the period.

Since 1929, the payments in question have fallen at a rate which considerably exceeds the rate of increase during the preceding years. The receipts of the United States fell, for example, by more than half between 1929 and 1932 and the net receipts of the United Kingdom on account of private long-term investments by 60 per cent (in terms of gold). The recorded receipts and payments of the majority of other countries for which figures are available fell relatively less, as is evident from the table on the following page, in which the information available for the years 1927-1932 is summarised. Figures are not available, however, for payments of a number of debtor countries in which there has recently been a relatively great fall in the yield of investments. Further, the receipts shown for the United Kingdom in all years and for the United States in 1931 and 1932 represent actual transfers, while the figures for the majority of countries represent the total yield on the investments, including amounts re-invested in the debtor country. Transfer difficulties have recently induced or compelled creditors to increase re-investments of amounts earned in certain countries.

Several facts have contributed to the decline in payments. One of them — the liquidation of outstanding debts — has been dealt with on a previous page. It is reflected, for example, in the rapid fall in the outward payments by the United States and in the receipts of France. In some cases, outstanding foreign assets have been employed in the liquidation of foreign debts. Provided that the interest rate in both cases is the same, the balance of interest receipts and payments is obviously not affected by such liquidations. Where the foreign assets are utilised for current expenditure or in the purchase of gold, the interest balance is likely to move to the disadvantage of the country. An amount corresponding to the French net gold imports during the years 1928-1932 (over \$2,600 million), if loaned at a rate of 5 per cent, would have yielded more than the reduction during this period in the French net interest income on account of private investments abroad.

Another factor is the reduction in the average rate of interest and dividends on outstanding assets and debts. The conversion of long-term loans referred to above is probably too recent and not extensive enough to have affected materially any of the figures in the table. Short-term investments, however, yielded less in 1932 than earlier, owing to the fall in money rates. Smaller dividend rates or profits have during several years caused a substantial reduction in the yield of equities. The fall in the outward payments of the Dutch East Indies to less than one-third of what they were in 1927 and 1928 is the most striking example in the table of such a reduction. The income of the United Kingdom from securities yielding a variable rate of interest (including preference shares) is estimated to have fallen, in sterling, by 40 per cent in 1931 and by one-third in 1932 — that is, if the income in 1930 is put at 100, it fell, in terms of gold currency, to 56 in 1931 and 29 in 1932.

The depreciation of the two currencies in which the bulk of outstanding debts are due, the pound and the dollar, has involved a reduction in the gold value of the payments due for their service by about one-third. More than half the fall between 1931 and 1932 in the net receipts in the United Kingdom on account of her investments abroad, as shown in the table, is due to the pound depreciation. The reduction has had the wholesome effect of mitigating the burden of outstanding debts, which had risen considerably — in many cases more than doubled — through the heavy fall in the prices of the products of the debtor countries. It is true, however, that the prices in sterling of numerous staples, for which the United Kingdom represents an important market, fell in price, in terms of gold, when the pound depreciated. Indeed, the prices of imports into the United Kingdom of foodstuffs and raw materials, in which such staples play an important part, continued to fall, even in sterling, after the depreciation.

RECEIPTS AND PAYMENTS OF INTEREST AND DIVIDENDS.

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

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					
		1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932
United Kingdom <sup>(1)</sup>	+ 1,216.6	1,216.6	1,216.6	1,216.6	1,070.5	771.0	490.9						
United States of America	+ 699.0	960.0	1,042.0	1,118.0	1,069.0	747.0	523.0	281.0	362.0	419.0	300.0	126.0	68.0
France (includ. the French oversea territories except Indo-China) <sup>(2)</sup>	+ 219.6	172.5	201.4	247.0	219.5	168.6	78.9	54.9	46.9	27.4	19.6	11.8	16.0
Netherlands	+ <sup>(11)</sup> 129.0	.	.	.	146.7	.	.	.	.	.	24.5	.	.
Switzerland <sup>(3)</sup>	+ 67.1	.	.	86.4-96.0	.	.	.	.	.	11.5-19.3	.	.	.
Belgium, Luxemburg and Congo	+ 53.0	.	.	100.1	.	.	.	.	.	47.1	.	.	.
Irish Free State	+ 28.8	58.4	57.4	57.4	55.0	47.6	.	25.8	27.9	28.6	28.9	27.2	.
Sweden	+ 8.1	12.9	16.1	29.5	33.6	27.3	31.0	7.8	9.4	21.4	28.2	28.8	7.4
Spain	+ <sup>(4)</sup> 3.4	.	.	.	.	14.5	.	.	.	.	.	11.1	.
Lithuania	- 0.5	0.1	0.2	0.3	0.3	0.3	0.2	0.3	0.4	0.8	1.3	1.3	1.0
Latvia	- 1.1	0.2	0.9	1.2	.	.	.	1.4	1.5	2.3	.	.	.
Estonia	- 1.6	-	-	0.4	0.3	0.3	0.1	1.8	2.1	2.0	2.1	1.6	1.5
Turkey	- 2.2	0.4	0.5	0.7	0.7	0.5	.	4.2	3.6	2.9	3.6	0.9	.
Bulgaria	- 7.8	0.4	0.5	0.7	0.7	0.3	.	8.6	6.0	8.5	8.9	8.4	.
Japan, includ. Korea and Formosa	- 9.1	47.2	39.0	47.2	44.8	37.3	.	48.7	50.1	56.3	57.3	48.8	.
Finland	- 10.3	1.3	1.3	1.0	1.0	0.7	0.5	9.3	10.1	11.3	11.4	11.1	9.5
Czechoslovakia	- 10.7	9.7	13.3	20.6	17.4	17.5	14.3	30.3	30.2	31.3	34.3	28.0	22.6
Uruguay	- 15.0	.	.	0.3	-	-	-	.	.	15.3	20.5	12.8	.
Denmark	- 16.9	9.4	10.7	11.2	9.9	8.0	6.0	22.7	24.1	28.1	23.6	25.5	20.0
Italy	- <sup>(5)</sup> 18.0	34.8	.	.	.	.	.	52.8	.	.	.	.	.
Norway	- 18.5	3.9	4.0	4.3	4.8	4.3	2.9	19.6	22.8	22.8	24.1	21.8	18.2
Yugoslavia	- 22.3	0.1	-	-	.	.	.	20.1	20.5	22.3	.	.	.
Hungary	- 28.3	3.9	3.7	2.8	2.5	3.0	0.1	24.4	29.6	31.1	35.2	39.3	3.4
Roumania	- 34.0	2.3	2.7	0.8	0.8	.	.	27.1	26.9	34.8	41.1	.	.
New Zealand <sup>(6)</sup>	- 41.8	1.8	1.6	2.5	1.1	1.0	.	41.3	43.3	44.3	43.5	35.6	.
Poland	- 42.6	2.0	3.5	3.5	3.4	1.9	.	27.7	35.4	46.1	54.0	49.5	.
Union of South Africa	- 76.4	0.7	0.7	0.9	0.8	0.9	.	81.0	77.7	77.3	74.4	68.5	.
India <sup>(6)</sup>	- 115.3	10.1	8.1	15.7	8.5	3.9	2.3	124.8	126.7	131.0	131.1	112.6	92.3
China <sup>(7)</sup>	- 118.5	.	1.0	1.5	2.0	.	.	.	115.2	119.1	96.5	.	.
Dutch East Indies	- 127.0	5.2	4.8	5.2	4.4	2.4	2.8	154.7	147.5	132.2	108.5	61.5	48.6
Canada	- 169.7	64.9	81.0	87.2	88.1	68.1	49.3	235.1	246.9	256.9	272.2	242.8	218.5
Australia <sup>(8)</sup>	- 176.0	.	11.8	12.4	11.4	9.9	.	.	181.5	188.4	176.2	120.7	.
Argentina <sup>(9)</sup>	- 188.4	0.9	0.7	0.4	0.4	0.4	.	170.1	182.5	188.8	158.2	117.6	.
Germany <sup>(10)</sup>	- 190.6	79.8	91.0	95.3	95.3	71.5	47.6	162.0	225.1	285.9	333.5	357.3	262.0

SUMMARY STATEMENT

(1) United Kingdom: The figures refer to net receipts of interest and dividends on account of private long-term investments. The net receipts on account of short interest and commissions are estimated at \$307 million in 1927, \$316 million in 1928 and 1929, \$268 million in 1930, \$136 million in 1931 and \$105 million in 1932.

(2) France: The figures for payments exclude interest paid on account of Government debt.

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

(4) 1931.

(5) 1927.

(6) New Zealand and India: Economic years beginning April 1st.

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

(8) Australia: Economic years beginning June 30th.

(9) Argentina: Economic years ending September 30th. The figures for payments include amortisation of the public debt and certain mortgage loans.

(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) 1930.



On the other hand, the depreciation entailed a considerable fall in the gold prices of manufactured goods — in the first instance, those of British origin — and thus brought relief to the debtor countries importing such products by stopping the previous deterioration of their barter terms of trade.

Finally, the amount of interest payments has recently been affected by defaults. In many cases where a default has not occurred or has been only temporary, negotiations between the debtors and the representatives of the bondholders have led to arrangements modifying the original loan contracts to the advantage of the former. Defaults or arrangements of this kind have in most cases, and properly, affected, in the first instance, amortisation payments, and, in the case of certain countries, such payments alone. Often the amounts due in the service of loans are actually paid, but into a special account in the debtor country which the creditor may be able to utilise more or less freely for purchases within the country but not transfer abroad; in other cases, the whole or part of the accounts due is added to the principal and new scrip distributed to the bondholders.

In this connection, attention is drawn to a form of scrip distributed to holders of German bonds (other than that of the Dawes and Young Loans), the coupons of which are only paid to the extent of 50 per cent in cash. This scrip, as well as the various forms of blocked foreign accounts in Germany resulting from the standstill agreements or the German exchange control and sold in the market at varying discounts, may be regarded as currencies existing side by side with the official mark currency, the use of which is restricted. The liquidation of the debts in question through the acceptance of such scrip or assets as payment for German exports in certain cases where these exports would otherwise not have taken place is a new departure in the methods of commercial and monetary policy.

If defaults of private firms and local governments be disregarded, the suspension or deferment of payments for the service of foreign debts through defaults, transfer moratoria, funding arrangements, etc., are in the main confined to two geographical regions — namely, Latin America and Central and Eastern Europe. Within each of these regions there are, however, countries which have met their payments regularly, for example, Argentine in the former and Poland and the Baltic countries in the latter (1).

The reduction on account of defaults in the interest receipts of the United Kingdom from long-term investments overseas is estimated at £1 million in 1931 and £5 million in 1932, the latter figure, however, representing only defaults of central and local governments. These figures do not include the fall in receipts due to the reduction of sinking-fund payments, which, as mentioned above, are the first to be suspended. The reduction in the United States receipts through defaults was undoubtedly greater, as she has invested larger amounts in Europe and Latin America than has the United Kingdom.

The manner in which debt adjustments have been carried out in different countries is likely to become of considerable importance for their future financial and economic position. Those countries which have been able, at a heavy cost, to make the economic readjustments which their outstanding obligations demanded during the last few years of financial strain, and which have accordingly maintained or improved their credit, have succeeded in obtaining a permanent reduction in the burden of their debts through converting outstanding loans into new ones at lower interest rates, or are likely to reach this goal in the near future. The rise in the prices of their export products which may be expected if the depression comes to an end will further improve their position, as they will be able to reduce the quantities of their goods required to be sold abroad to meet their fixed obligations. Debt moratoria and funding arrangements may well

(1) It should be noted that Venezuela repaid the remainder of her foreign public debt in 1930. The U.S.S.R. has met its obligations on account of debts (mainly medium-term mercantile credits) raised abroad during the Soviet regime. A short account of recent defaults and debt adjustments is given in *World Economic Survey, 1932-33* (Series of publications: 1933.II.A.16), pages 276-279.

have brought a greater temporary relief to the countries having recourse to them ; but the latter's credit has inevitably been affected, and they have not secured a permanent reduction of rates of interest through conversion.

### Emigrants' remittances.

During the period 1924-1929, the remittances from emigrants — including remittances by workers, seasonal and other, employed outside their own countries — involved international money transfers of about \$600 million annually. The amount represents less than 2 per cent of the payments on account of international trade in goods ; but, in the case of a few countries — for example, China and Greece — the remittances are of outstanding importance in the balancing of accounts with the outside world. The total amount involved did not show any clear tendency to increase during the period 1924-1929, a fact which must be attributed partly to restriction of immigration into a number of countries, particularly the United States. During the present depression, the amounts transferred have fallen considerably ; in 1931 and 1932 they were lower than in 1929 by probably about 25 and 40 per cent respectively. This fall was much less than the simultaneous fall in the value of world trade, which exceeded 40 and 60 per cent respectively, and it was also less than the fall in the prices of goods entering into international trade. The relative importance of emigrants' remittances would thus appear to have grown.

In the table on the following page are shown the estimated receipts of remittances in different countries in the years 1924-1932. In the last columns have been added, for comparison, the official American estimates of sums remitted to the same countries from the United States in 1927, 1929, 1931 and 1932, including, however, the funds taken out of the United States by immigrants returning to their mother-country. It is not possible to separate these funds from the remittances proper from the United States ; but, judging from information available for 1927, when remittances were estimated at \$221 million and funds of returning emigrants at \$20 million, they would be less than 10 per cent of the total.

The estimate of Belgian receipts in 1929 represents the earnings of Belgian workers and employees abroad spent in Belgium. Not far from 90 per cent of the total, or \$27 million, were earned by Belgian workers in France. The United States estimate of remittances to Canada is stated to represent earnings of Canadian workers in the United States. A considerable portion of the receipts by Italy and Poland undoubtedly represents earnings of Italian and Polish workers in France and Germany.

The amounts shown as remittances from the United States to " other countries " (countries not specified in the table) comprise the following amounts :

Remittances to :	\$ (000,000's)		
	1927	1929	1931
Austria . . . . .	3.0	2.2	0.9
Egypt . . . . .	—	0.1	0.1
Estonia . . . . .	1.2	1.2	0.1
France . . . . .	1.0	1.0	0.5
Palestine . . . . .	2.0	2.0	1.5
Portugal . . . . .	5.0	4.0	2.5
Switzerland . . . . .	1.2	1.2	1.0
United Kingdom . . . . .	7.8	7.8	6.5
Cuba . . . . .	0.2	0.3	0.2
Other areas . . . . .	—	2.4	1.0

China and Italy are the two principal receivers of remittances from emigrants abroad. According to the estimates shown in the table, they both received over \$100 million annually before the depression. Both would appear to derive a smaller

EMIGRANTS' REMITTANCES RECEIVED BY CERTAIN COUNTRIES, AND REMITTANCES FROM THE UNITED STATES TO THE SAME COUNTRIES.

Country	\$ (000,000's)													
	Emigrants' remittances received										Remittances from U.S.A. (including funds of returning immigrants)			
	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1927	1929	1931	1932
Albania . . . . .	.	.	1.7	1.7	1.9	1.9	1.4	1.4	1.2	.	—	—	—	.
Australia <sup>(1)</sup> . . . . .	.	.	.	.	2.7	2.8	2.7	1.7	.	.	.	.	.	.
Belgium . . . . .	.	.	.	.	.	30.6	.	.	.	.	1.5	0.2	0.1	.
Bulgaria <sup>(2)</sup> . . . . .	0.7	0.6	0.6	0.8	1.7	1.1	0.9	0.6	.	.	0.8	0.8	0.4	.
Canada . . . . .	<sup>(3)</sup> 13.8	<sup>(3)</sup> 15.2	25.5	26.4	28.1	27.5	17.7	11.3	6.1	.	—	13.0	3.0	.
China . . . . .	.	.	.	.	118.8	119.9	96.8	.	.	.	15.0	22.5	10.0	<sup>(4)</sup> 15.0
Czechoslovakia . . . . .	(4.5)	13.4	13.0	16.0	17.9	17.9	15.7	11.5	7.9	.	7.0	10.5	7.0	6.0
Denmark . . . . .	0.3	0.4	0.5	0.5	2.7	2.7	4.0	2.5	1.9	.	1.0	1.0	0.2	.
Finland . . . . .	5.0	4.8	5.0	5.0	5.0	4.8	4.0	2.9	3.4	.	4.0	1.5	0.9	.
Germany <sup>(5)</sup> . . . . .	14.3	14.3	14.3	14.5	14.3	14.3	.	.	.	.	10.0	10.0	8.0	.
Greece . . . . .	37.7	35.3	35.9	33.7	31.3	38.0	40.7	34.5	14.0	.	24.0	25.3	25.0	11.0
Hungary <sup>(6)</sup> . . . . .	4.3	(4.5)	5.0	4.3	6.3	7.2	5.7	3.4	1.2	.	5.3	6.6	3.5	.
Irish Free State . . . . .	13.3	14.5	14.6	11.7	12.0	12.0	11.0	<sup>(7)</sup> 18.1	.	.	12.0	11.7	8.8	.
Italy <sup>(8)</sup> . . . . .	103.3	138.5	118.8	98.9	102.7	102.7	92.1	73.0	37.8	.	25.0	46.2	26.5	26.4
Japan . . . . .	<sup>(2)</sup> 39.6	<sup>(2)</sup> 26.8	24.8	26.0	28.2	28.1	24.2	15.5	.	.	11.7	6.9	12.2	.
Latvia . . . . .	1.6	1.5	1.5	1.5	1.5	1.5	.	.	.	.	1.5	1.5	0.5	.
Lithuania . . . . .	4.2	4.3	4.2	4.2	4.4	4.6	3.7	3.2	3.0	.	1.0	1.0	2.0	.
Mexico . . . . .	.	.	13.7	.	.	.	.	.	.	.	12.0	8.7	4.0	.
Netherlands . . . . .	.	.	.	.	.	.	4.0	3.2	.	.	0.4	0.3	0.1	.
Norway <sup>(9)</sup> . . . . .	.	.	3.1	3.6	4.0	4.8	3.5	3.3	2.5	.	4.6	4.6	4.0	.
Poland <sup>(2)</sup> . . . . .	30.6	30.5	28.0	28.6	31.5	31.2	32.7	32.5	.	.	17.3	18.1	11.0	10.1
Roumania <sup>(10)</sup> . . . . .	3.5	2.9	2.3	2.4	2.1	4.8	4.2	.	.	.	7.0	4.5	1.0	2.0
Spain . . . . .	.	.	.	.	.	.	.	30.9	.	.	3.5	5.0	1.0	2.0
Sweden <sup>(6)</sup> . . . . .	8.0	8.0	9.4	9.4	9.4	9.4	8.0	6.6	6.5	.	9.5	9.4	8.5	.
Turkey . . . . .	.	.	.	1.5	1.0	1.0	0.5	0.4	.	.	1.5	1.0	0.7	.
U.S.S.R. <sup>(11)</sup> . . . . .	11.4	17.1	16.7	17.0	15.4	15.5	15.5	.	.	.	10.0	10.0	15.0	.
Yugoslavia <sup>(2)</sup> . . . . .	.	.	13.2	13.7	16.0	17.0	.	.	.	.	4.5	4.5	5.0	.
Other countries . . . . .	.	.	.	.	.	.	.	.	.	.	21.3	22.2	14.3	.
Total of countries given for the years 1924-1931	265.3	297.7	285.3	265.5	281.2	287.2	260.4	215.6	.	.	118.6	152.0	109.1	.

SUMMARY STATEMENT

(1) The figures for total receipts refer to economic years beginning July 1st.  
 (2) The figures for total emigrants' remittances received by Japan in 1924 and 1925 and by Bulgaria, Poland and Yugoslavia in all years include funds brought in by returning emigrants. The amount of such funds brought into Yugoslavia in 1926 has been estimated at \$1.8 million.  
 (3) Excluding earnings by Canadians employed in the United States (\$10 million in 1926).  
 (4) "Including certain trade items".  
 (5) The figures for total emigrants' remittances received include remittances to foreign students working in Germany.  
 (6) The figures for total emigrants' remittances received by Hungary and Sweden represent remittances from the United States only. The receipts by Hungary in 1925 have been interpolated.  
 (7) The figures for total receipts of the Irish Free State prior to 1931 are stated to be too low.  
 (8) The figures for total receipts up to 1931 are estimated by Professor Gino Borgatta (*Barometro Economico*, November 1932). As for the years 1929-1931 the funds of returning emigrants (\$15.7 million in 1928) were grouped with remittances, these funds have been estimated and deducted in the Secretariat of the League of Nations. The figure for 1932 is derived from *Trade Information Bulletin* (U.S. Dept. of Commerce), No. 814, page 65.  
 (9) Total receipts include sailors' remittances, amounting to \$1 million in 1926.  
 (10) The figures for total receipts in 1928 and earlier years according to estimates by M. Loutru.  
 (11) Total receipts as estimated by the Russian Commissariat of Finance, quoted by the Birmingham Bureau of Research on Russian Economic Conditions in its inquiry "The Balance of Payments and the Foreign Debt of the Union of Soviet Socialist Republics". The figures refer to economic years ended September 30th.

share of their receipts from the United States than the majority of other receivers of emigrants' remittances. It may be, however, that the figures for remittances from the United States to China, as shown in the table, are too small. The inquiry carried out by Professor C. F. Remer on the basis of receipts reported by Hong-Kong banks <sup>(1)</sup> suggests that total remittances to China in 1930 were composed roughly as follows:

U.S. \$ (000,000's)		U.S. \$ (000,000's)	
From U.S.A. . . . .	42.5	From the Philippines . . . . .	4.5
From Straits Settlements . . . . .	15	From Australia . . . . .	3
From the Dutch East Indies . . . . .	10.5	From French Indo-China . . . . .	2
From Siam . . . . .	7	From India . . . . .	1.5
From Canada . . . . .	6	From other countries . . . . .	5

The figure of \$42.5 million for remittances from the United States does not tally with those of \$22.5 million in 1929 and \$10 million in 1931 — which, besides remittances, include the funds of returning Chinese emigrants — derived from the official statement of the balance of payments of the United States. It would appear, however, to be well founded, as it was corroborated by an inquiry made by Mr. Remer amongst American banks known to be interested in the sale of remittances to China.

As the series of figures for Chinese receipts shown in the table is available only for the years 1928 to 1930, it is of interest to note that, according to a Chinese compilation, which put the receipts in 1930 at about U.S. \$72 million, the 1931 receipts fell to U.S. \$42 million <sup>(2)</sup>.

The reason for the heavy fall in the receipts of Greece between 1931 and 1932 (by 60 per cent) has been dealt with elsewhere in this volume <sup>(3)</sup>.

The estimated outward remittances from certain countries by immigrants and foreign workers are shown below. The figures for the United States and Uruguay include funds taken out by returning emigrants. Those for France and Germany represent exclusively earnings of foreign workers and have fallen off very rapidly in recent years.

IMMIGRANTS' REMITTANCES FROM CERTAIN COUNTRIES.

	\$ (000,000's)								
	1924	1925	1926	1927	1928	1929	1930	1931	1932
U.S.A. . . . .	285.0	275.0	253.0	241.0	250.0	240.0	199.0	173.0	138.0
France . . . . .	52.3	95.7	107.3	98.0	86.0	98.0	98.0	70.6	47.0
Argentina <sup>(4)</sup> . . . . .	28.6	28.5	27.8	35.3	32.9	31.5	26.3	14.4	.
Canada . . . . .	17.9	18.7	20.5	22.4	23.2	23.2	23.0	12.6	6.3
Germany . . . . .	11.9	11.9	11.9	11.9	11.9	11.9	5.7	1.9	—
Mexico . . . . .	.	.	8.4	.	.	.	.	.	.
Dutch East Indies . . . . .	.	6.0	6.0	6.0	6.0	6.0	4.8	4.0	3.2
Australia <sup>(5)</sup> . . . . .	.	.	.	.	3.9	4.1	3.4	1.3	.
Uruguay . . . . .	.	.	.	.	.	3.5	4.6	2.0	.
Turkey . . . . .	.	.	2.1	2.0	2.4	1.9	2.1	0.9	.

Not all the remittances are intended for the support of emigrants' relatives in the home country. A very considerable portion — particularly, it would appear, of the remittances to China, Italy and Greece — represents investments in property or bank deposits. Recently the movement of prices and exchange rates has in many cases encouraged remittances of this kind, though the fall in income — and accordingly in the savings — of the emigrants has had a restrictive influence.

(1) Cf. the section for China.

(2) Cf. *Chinese Economic Journal*, March 1932, page 267.

(3) Cf. the section for Greece.

(4) Economic years ending September 30th.

(5) Economic years beginning July 1st.

**Recettes et paiements afférents au tourisme, dans certains pays, et dépenses, dans  
Inward and outward payments on tourist account in certain countries, and**

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 ressortissants du pays National tourists' expenditure abroad					
	1927	1928	1929	1930	1931	1932	1927	1928	1929	1930	1931	1932
France . . . . .	294.0	351.9	392.0	(1)	(1)	117.6	58.7	58.7	58.7	(1)	(1)	(19.6)
Canada . . . . .	238.5	275.2	307.1	278.8	241.6	187.1	108.7	107.5	120.7	113.1	73.7	50.6
Italie (2) . . . . .	141.7	136.9	134.8	105.3	73.0	(1)	15.5	17.7	17.7	14.2	10.4	(1)
Suisse (3) . . . . .	69.4	76.2	(1)	(1)	.	.	15.4	15.4	(1)	(1)	.	.
Belgique . . . . .	.	.	34.8	.	.	.	.	.	5.6	.	.	.
Autriche . . . . .	38.0	44.2	36.6	.	.	.	7.7	9.2	9.2	.	.	.
Chine . . . . .	.	14.2	12.8	12.3	.	.	.	2.8	2.6	2.5	.	.
Roumanie . . . . .	.	5.2	3.0	2.4	.	.	.	.	2.1	1.7	.	.
Tchécoslovaquie . . . . .	21.0	22.8	24.0	23.5	17.2	12.4	18.9	20.7	21.0	20.7	22.5	12.4
Grèce . . . . .	.	.	6.8	4.9	4.5	3.0	.	.	4.7	5.0	4.4	1.1
Yougoslavie . . . . .	7.5	6.4	7.2	.	.	.	8.0	6.1	6.0	.	.	.
Japon . . . . .	16.4	17.5	20.6	17.0	19.0	.	14.5	17.4	19.4	19.6	17.1	.
Pologne . . . . .	8.0	11.0	18.7	17.7	10.6	.	13.7	19.0	18.5	27.5	20.9	.
Turquie . . . . .	2.3	2.3	2.2	2.1	1.0	.	1.6	1.5	2.3	3.1	2.5	.
Estonie . . . . .	1.2	1.3	1.0	1.0	1.0	0.7	0.8	0.8	0.9	1.0	0.9	0.8
Royaume-Uni (4)	.	.	.	(1)	(1)	(1)	.	.	.	(1)	(1)	(1)
dont touristes allant à et venant de :	.	.	.	.	.	.	.	.	.	.	.	.
a) continent européen	.	.	.	38.7	32.0	20.5	.	.	.	140.2	123.8	66.3
b) autres parties du monde	.	.	.	(1)	(1)	(1)	.	.	.	(1)	(1)	(1)
Lithuanie . . . . .	0.6	1.2	1.4	1.4	1.1	1.1	1.0	1.4	1.5	2.1	2.0	1.5
Lettonie . . . . .	3.7	3.1	4.3	.	.	.	2.3	4.4	4.6	.	.	.
Finlande . . . . .	4.0	4.3	4.8	4.8	4.5	2.9	4.3	4.5	5.5	5.5	3.8	2.2
Uruguay . . . . .	.	.	4.0	3.9	1.4	.	.	.	4.9	4.2	2.1	.
Bulgarie . . . . .	0.4	0.4	0.4	0.4	0.4	.	1.2	1.3	1.8	1.6	1.5	.
Espagne . . . . .	.	.	.	.	12.4	.	.	.	.	.	14.1	.
Danemark (5) . . . . .	1.3	2.7	4.0	4.0	2.5	1.9	2.7	4.0	6.7	6.7	5.0	3.8
Hongrie . . . . .	(6) 1.5	3.7	4.0	4.8	4.6	3.8	7.2	7.0	9.9	10.5	10.1	5.7
Suède . . . . .	(1)	(1)	(1)	(1)	9.3	6.5	(1)	(1)	(1)	(1)	8.8	5.7
Nouvelle-Zélande (7) . . . . .	3.3	3.5	3.5	2.9	1.6	.	12.1	12.4	12.2	10.3	6.3	.
Australie (8) . . . . .	.	6.0	5.5	3.9	2.6	.	.	17.6	16.3	7.5	4.5	.
Pays-Bas . . . . .	.	.	.	5.2	3.4	.	.	.	.	18.1	13.1	.
Union de l'Afrique du Sud . . . . .	4.6	5.2	5.5	5.1	4.3	.	19.4	20.9	21.7	20.7	18.7	.
Argentine (9) . . . . .	5.7	(1)	11.5	10.5	7.2	.	26.7	(1)	28.7	21.9	14.4	13.2
Allemagne (10) . . . . .	38.1	42.9	42.9	44.1	31.0	23.8	64.3	71.5	71.5	50.0	36.4	27.9
Indes néerlandaises . . . . .	1.6	2.8	2.4	2.0	2.0	1.2	43.8	41.4	34.6	33.4	23.7	13.7
Etats-Unis d'Amérique . . . . .	153.0	163.0	183.0	160.0	112.0	71.0	770.0	759.0	868.0	811.0	<sup>11)</sup> 568.0	<sup>11)</sup> 446.0
dont touristes allant à et venant de :	.	.	.	.	.	.	.	.	.	.	.	.
a) Canada . . . . .	51.0	82.0	94.0	75.0	57.0	35.0	197.0	261.0	296.0	266.0	238.0	183.0
b) frontière mexicaine . . . . .	5.0	6.0	7.0	13.0	9.0	5.0	6.0	498.0	38.0	56.0	44.0	36.0
c) outre-mer . . . . .	97.0	75.0	82.0	72.0	46.0	31.0	567.0	.	534.0	489.0	286.0	227.0
Mexique . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Cuba (12) . . . . .	18.8	28.4	28.4	30.0	22.2	15.3	.	.	.	.	.	.
Antilles britanniques . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Etat libre d'Irlande . . . . .	.	.	4.3	1.9	3.6	.	.	.	.	.	.	.
Egypte . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Palestine . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
U. R. S. S. . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Norvège . . . . .	6.0	6.7	7.2	8.8	7.5	5.4	.	.	.	.	.	.
Portugal . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Inde . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Panama . . . . .	.	.	.	<sup>13)</sup> 2.0	<sup>13)</sup> 1.0	.	.	.	.	.	.	.

(1) Voir la colonne relative à la balance des recettes et des paiements.

(2) Chiffres relatifs aux paiements et recettes totaux, d'après les évaluations du professeur Gino Borgatta (*Barometro Economico*, novembre 1932).

(3) Les chiffres relatifs aux paiements et recettes totaux sont tirés de la page 72 de l'ouvrage de M. A. Cruchon, *Le franc suisse pendant et après la guerre* (Lausanne, 1932). Les balances pour 1929 et 1930 concordent avec les estimations du professeur Bachmann, président de la Direction générale de la Banque nationale suisse.

(4) Les chiffres relatifs aux touristes britanniques ne comprennent pas le montant des billets de voyage versé aux navires nationaux.

(5) Les chiffres relatifs aux dépenses des touristes danois ne comprennent pas le montant des billets de voyage versé aux navires étrangers.

(6) Etudiants et voyageurs étrangers à Budapest seulement.

(7) Années économiques commençant le 1<sup>er</sup> avril.

(8) Années économiques commençant le 1<sup>er</sup> juillet.

(9) Années économiques se terminant le 30 septembre.

(10) Les chiffres relatifs aux recettes totales ne comprennent pas les dépenses des étudiants étrangers en Allemagne.

(11) Non compris le montant des billets de voyage versé aux navires nationaux (estimés à 49 millions de dollars en 1930).

(12) Les chiffres relatifs aux recettes totales sont tirés du numéro de février 1932 du *Cuba Importadora e Industrial*.

(13) Voir le numéro du 6 août 1932, page 121, du *South American Journal*.

les mêmes pays, par des touristes venant des Etats-Unis (en millions de dollars).  
 expenditure in the same countries by United States tourists, in \$(000,000's).  
 positive et l'ordre inverse de leur balance négative pour 1929.  
 and the inverse order of negative balances for 1929.

39

Balance des recettes (+) ou des paiements (-) Balance of receipts (+) or payments (-)						Dépenses des touristes venant des Etats-Unis Expenditure by United States tourists			Country
1927	1928	1929	1930	1931	1932	1927	1929	1931	
+ 235.3	+ 293.2	+ 333.3	+ 333.2	+ 235.2	+ 98.0	190.0	137.1	110.0	France.
+ 129.8	+ 167.7	+ 186.4	+ 165.7	+ 167.9	+ 136.5	197.0	289.0	239.0	Canada.
+ 126.2	+ 119.2	+ 117.1	+ 91.1	+ 62.6	+ 43.5	31.2	30.4	16.5	Italy (2).
+ 54.0	+ 61.8	+ 54.0	+ 47.3	.	.	15.0	10.4	7.6	Switzerland (3).
.	.	+ 29.2	.	.	.	10.0	1.7	1.2	Belgium.
+ 30.3	+ 35.0	+ 27.4	.	.	.	2.7	2.9	2.3	Austria.
.	+ 11.4	+ 10.2	+ 9.8	.	.	8.5	3.3	6.0	China.
.	.	+ 3.1	+ 1.3	.	.	0.3	0.9	1.1	Roumania.
+ 2.1	+ 2.1	+ 3.0	+ 2.8	+ 5.3	± 0	0.9	1.3	0.6	Czechoslovakia.
.	.	+ 2.1	- 0.1	+ 0.1	+ 1.9	0.9	1.6	1.2	Greece.
- 0.5	+ 0.3	+ 1.2	.	.	.	0.3	0.4	0.4	Yugoslavia.
+ 1.9	+ 0.1	+ 1.2	- 2.6	+ 1.9	.	7.0	8.4	8.2	Japan.
- 5.7	- 8.0	+ 0.2	- 9.8	- 10.3	.	6.0	1.3	0.5	Poland.
+ 0.7	+ 0.8	- 0.1	- 1.0	- 1.5	.	0.8	1.0	0.4	Turkey.
+ 0.4	+ 0.5	+ 0.1	± 0	+ 0.1	- 0.1	-	0.3	0.1	Estonia.
.	.	.	± 0	- 13.6	+ 10.5	40.8	40.6	27.0	United Kingdom (4) of which visitors to and from :
.	.	.	- 101.5	- 91.8	- 45.8	.	.	.	(a) European continent. (b) other parts of the world.
.	.	.	+ 101.5	+ 78.2	+ 56.3	.	.	.	Lithuania.
- 0.4	- 0.2	- 0.1	- 0.7	- 0.9	- 0.4	0.3	0.3	0.8	Latvia.
+ 1.4	- 1.3	- 0.3	.	.	.	0.2	0.3	0.1	Finland.
- 0.3	- 0.2	- 0.7	- 0.7	+ 0.7	+ 0.7	0.8	0.4	0.3	Uruguay.
.	.	- 0.9	- 0.3	- 0.7	.	.	.	.	Bulgaria.
- 0.8	- 0.9	- 1.4	- 1.2	- 1.1	.	-	0.2	0.1	Spain.
.	.	.	.	- 1.7	.	1.5	1.6	0.9	Denmark (5).
- 1.4	- 1.3	- 2.7	- 2.7	- 2.5	- 1.9	1.5	1.1	0.7	Hungary.
- 5.7	- 3.3	- 5.9	- 5.7	- 5.5	- 1.9	3.0	1.1	0.3	Sweden.
- 6.6	- 7.5	- 8.0	- 6.7	+ 0.5	+ 0.8	4.0	5.7	2.0	New Zealand (7).
- 8.8	- 8.9	- 8.7	- 7.4	- 4.7	.	.	.	.	Australia (8).
.	- 11.6	- 8.8	- 3.6	- 1.9	.	.	.	.	Netherlands.
.	.	.	- 12.9	- 9.7	.	0.8	0.9	0.2	Union of South Africa.
- 14.8	- 15.7	- 16.2	- 15.6	- 14.4	.	.	.	.	Argentina (9).
- 21.0	- 19.4	- 17.2	- 11.4	- 7.2	.	.	.	.	Germany (10).
- 26.2	- 28.6	- 28.6	- 5.9	- 5.4	- 4.1	20.0	15.0	8.3	Dutch East Indies.
- 42.2	- 38.6	- 32.2	- 31.4	- 21.7	- 12.5	.	.	.	United States of America, of which visitors to and from :
- 617.0	- 596.0	- 685.0	- 651.0	- 456.0	- 375.0	.	.	.	(a) Canada. (b) Mexico (border traffic). (c) overseas.
- 146.0	- 179.0	- 202.0	- 191.0	- 181.0	- 148.0	10.0	46.0	44.0	Mexico.
- 1.0	- 417.0	- 31.0	- 43.0	- 35.0	- 31.0	12.5	21.0	11.5	Cuba (12).
- 470.0	.	- 452.0	- 417.0	- 240.0	- 196.0	-	10.1	17.5	British West Indies.
.	.	.	.	.	.	8.0	4.3	2.0	Irish Free State.
.	.	.	.	.	.	7.0	4.3	2.7	Egypt.
.	.	.	.	.	.	1.1	2.1	1.4	Palestine.
.	.	.	.	.	.	1.2	1.7	10.0	U. S. S. R.
.	.	.	.	.	.	0.8	1.5	1.1	Norway.
.	.	.	.	.	.	0.3	1.1	0.6	Portugal.
.	.	.	.	.	.	-	1.0	1.5	India.
.	.	.	.	.	.	-	0.6	1.0	Panama.

- (1) Cf. the column for balance of receipts and payments.
- (2) Figures for total payments and receipts according to estimates by Prof. Gino Borgatta (*Barometro Economico*, November 1932).
- (3) The figures of total payments and receipts are quoted from A. Cruchon, *Le franc suisse pendant et après la guerre* (Lausanne, 1932), page 72. The balances for 1929 and 1930 are in accordance with the estimates of Prof. Bachmann, President of the General Directorate of the Swiss National Bank.
- (4) The figures for the expenditure of British tourists exclude fares paid to national ships.
- (5) The figures for the expenditure of Danish tourists exclude fares paid to foreign ships.
- (6) Foreign students and visitors to Budapest only.
- (7) Economic years beginning April 1st.
- (8) Economic years beginning July 1st.
- (9) Economic years ending September 30th.
- (10) The figures for total receipts exclude the expenditure in Germany of foreign students.
- (11) Excluding fares paid to national ships (estimated at \$49 million in 1930).
- (12) The figures for total receipts are derived from *Cuba Importadora e Industrial*, February 1932.
- (13) Cf. *The South American Journal*, August 6th, 1932, page 121.

**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.

The 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 per cent of the value of goods entering into international trade. During the two or three years immediately preceding, there was a marked increase in the expenditure of tourists, but between 1929 and 1932 the world total would appear to have been reduced by almost 50 per cent — a reduction which is much smaller, however, than that of trade in goods.

Available figures for inward and outward payments and the net active or passive balances between such payments are shown in the table on the two preceding pages. In view of the importance of the expenditure of United States tourists — which represents roughly half the world total — figures for the estimated expenditure of these tourists in each country have been added in the last columns of the table. The latter data, which are compiled by the United States Department of Commerce with the aid of its foreign representatives, represent the expenditure of American tourists on the soil of these countries, and exclude fares paid to ships of United States or other nationality. Their expenditure on the soil of all countries totals \$584.4 million in 1927, \$650.9 million in 1929 and \$529.1 million in 1931.

Attention should be paid to the connection which exists between the changes in the figures during the last few years and the movement of exchange rates and of prices in different countries. With the growing discrepancy between the various national price systems, international travelling has naturally, in many cases, offered considerable advantages to inhabitants of countries where the cost of living is relatively high.

In some of the countries which are large creditors on tourist account, such as France and Switzerland, the cost of living, in terms of gold, has fallen comparatively little during the depression, to the detriment of the tourist industry. French receipts from foreign tourists are estimated to have fallen between 1929 and 1932 by 70 per cent, which is much above the reduction recorded for the majority of countries.

Some of the countries whose currencies have depreciated have naturally become increasingly attractive to foreign tourists, while expenditure by their national tourists abroad has been discouraged. Such scanty information as is available for the United Kingdom suggests that the balance on tourist account changed from passive in 1931 to active in 1932. A similar change in the balance occurred as early as 1931 in Finland, Greece and Japan.

Significant as changes of this kind may be, there are several reasons why they have contributed but little to the adjustment of the international accounts of the countries affected. With the general impoverishment during the depression, the number of people who could afford to travel in foreign countries has decreased, and reductions are also recorded in the average length of stay of tourists as well as in their average daily expenditure. Another factor contributing to the shrinkage of the tourist traffic has been the restriction of purchases of currency for travel abroad in countries which have adopted foreign exchange control.

**BALANCE OF PAYMENTS STATEMENTS  
FOR INDIVIDUAL COUNTRIES**



# ALBANIA

Estimates of the balance of payments of Albania in the years 1931 and 1932 have been supplied by the Government of that country and are set out below, in a slightly modified form, together with those for 1928-1930, published last year.

## Goods, services and gold.

Items	Francs ar (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
<i>I. Merchandise.</i>										
1. Merchandise, as recorded . . . . .	14.9	14.7	12.4	7.5	4.5	32.1	38.6	33.3	29.5	22.8
2. Adjustments of item 1:										
(a) for wrong valuation . . . . .	2.2	2.2	1.8	1.1	0.7	—	—	—	—	—
(b) for goods escaping record . . . . .	—	—	—	—	—	2.6	3.1	1.7	1.5	1.1
<i>II. Interest and dividends.</i>										
3. Interest and dividends on foreign capital invested in Albanian enterprises . . . . .	—	—	—	—	—	0.2	0.2	0.2	0.2	0.2
<i>III. Other services.</i>										
4. Emigrants' funds . . . . .	—	—	—	7.0	6.0	0.5	0.5	0.1	1.0	0.2
5. Emigrants' remittances . . . . .	10.0	10.0	7.0	7.0	6.0	—	—	—		—
6. Tourists' expenditure (2) . . . . .	4.0	5.0	5.0	5.0	5.0	0.3	0.3	0.8		1.0
7. Diplomatic expenditure abroad . . . . .	—	—	—	—	—	0.6	0.7	0.9	0.9	0.8
8. Income from real estate rented to foreigners on long lease . . . . .	0.1	0.7	0.1	—	—	—	—	—	—	—
<i>IV. Gold.</i>										
9. Gold . . . . .	—	—	—	—	—	—	—	—	—	—
Total . . . . .	31.2	32.6	26.3	20.6	16.2	36.3	43.4	37.0	33.1	26.1
Deficit (—) . . . . .	—5.1	—10.8	—10.7	—12.5	—9.9					

(1) Including Government expenditure other than shown against item 7.  
(2) The debit figures include the expenditure of Albanian students abroad.

## Capital items.

Items	Francs ar (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
1. Receipts out of the loan granted by the Society for the economic development of Albania (Svea), and payment in amortisation of this loan . . . . .	2.4	9.6	12.7	15.8	7.0	—	—	0.9	—	—
2. Italian Loan of 1931. . . . .	—	—	—	1.0	7.0	—	—	—	—	—
3. Foreign participation in Albanian enterprises, other foreign investments in industry, mineral research, etc. . . . .	3.5	6.0	4.5	2.2	2.0	—	—	—	—	—
Total . . . . .	5.9	15.6	17.2	19.0	16.0	—	—	0.9	—	—
Net inward movement of capital (+) . . . . .	+ 5.9	+ 15.6	+ 16.3	+ 19.0	+ 16.0					

## SUMMARY TABLE.

	Francs ar (000,000's)						
	Goods, services and gold					Capital items	All items
	Merchandise	Interest and dividends	Other services	Gold	Total		
1926 Balance . . .	— 13.6	—	+ 11.9	—	— 1.7	+ 2.2	( <sup>1</sup> ) + 0.5
1927 Balance . . .	— 14.5	— 0.2	+ 11.9	—	— 2.8	+ 3.6	( <sup>1</sup> ) + 0.8
1928 Balance . . .	— 17.6	— 0.2	+ 12.7	—	— 5.1	+ 5.9	( <sup>1</sup> ) + 0.8
1929 Credit . . .	16.9	—	15.7	—	32.6	15.6	48.2
Debit . . .	41.7	0.2	1.5	—	43.4	—	43.4
Balance . . .	— 24.8	— 0.2	+ 14.2	—	— 10.8	+ 15.6	( <sup>1</sup> ) + 4.8
1930 Credit . . .	14.2	—	12.1	—	26.3	17.2	43.5
Debit . . .	35.0	0.2	1.8	—	37.0	0.9	37.9
Balance . . .	— 20.8	— 0.2	+ 10.3	—	— 10.7	+ 16.3	( <sup>1</sup> ) + 5.6
1931 Credit . . .	8.6	—	12.0	—	20.6	19.0	39.6
Debit . . .	31.0	0.2	1.9	—	33.1	—	33.1
Balance . . .	— 22.4	— 0.2	+ 10.1	—	— 12.5	+ 19.0	( <sup>1</sup> ) + 6.5
1932 Credit . . .	5.2	—	11.0	—	16.2	16.0	32.2
Debit . . .	23.9	0.2	2.0	—	26.1	—	26.1
Balance . . .	— 18.7	— 0.2	+ 9.0	—	— 9.9	+ 16.0	( <sup>1</sup> ) + 6.1

## AUSTRALIA

In the preceding issues of this publication, official data concerning certain of the principal items in the balance of payments of Australia have appeared. These figures, which were admittedly incomplete, have now been substituted by more detailed statements, covering, as it would appear, almost the whole field of Australia's international transactions. The figures for the four years 1928-29 to 1931-32 have appeared in the *Official Year Book of the Commonwealth of Australia* (1). It is pointed out, however, that, until further investigations have been carried out, the statements have to be regarded as tentative and any conclusions reached "as first approximations rather than as final results pretending to a substantial degree of accuracy".

The statements, which are set out below in a form which has been only slightly changed, refer to fiscal years ending June 30th and are made out in pounds *sterling* (not in Australian pounds).

### Goods, services and gold.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
<i>I. Merchandise.</i>								
1. Merchandise (as recorded) . . . . .	138,646	98,255	76,628	75,467	143,300	130,787	60,586	44,059
2. Adjustment on account of :								
(a) undervaluation of imports on account of freight, insurance, etc. . . . .	—	—	—	—	2,966	5,543	3,195	3,217
(b) undervaluation of imported films . . . . .	—	—	—	—	605	1,071	446	155
(c) outside packages of imports . . . . .	—	—	—	—	2,690	1,315	—	—
(d) ships' stores exported . . . . .	2,316	2,047	1,408	1,222	—	—	—	—
(e) deduct for overvaluation of wool exported . . . . .	— 1,718	— 1,195	— 613	—	—	—	—	—
(f) deduct for household effects, etc. . . . .	— 111	— 102	— 94	— 74	— 172	— 181	— 120	— 111
<i>II. Interest and dividends.</i>								
3. Interest on Government overseas debt and investments :								
(a) Commonwealth : long- and short-term securities . . bank overdrafts (net) . . . . .	90	181	161	174	7,757	8,530	8,534	5,084
Carried forward . . . . .	—	—	—	—	— 38	171	189	5
	139,223	99,186	77,490	76,789	157,108	147,236	72,830	52,409

(1) Vol. 1932 (No. 25), page 832.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
Brought forward . .	139,223	99,186	77,490	76,789	157,108	147,236	72,830	52,409
(b) States :								
long-term securities	—	—	—	—	19,562	19,193	18,893	19,225
short-term securities . . . . .	—	—	—	—	—	148	594	1,023
bank overdrafts (net) . . . . .	—	—	—	—	80	608	551	79
4. Interest on sinking fund investments overseas	52	45	53	58	—	—	—	—
5. Interest on local bodies' debt overseas . . . . .	—	—	—	—	1,300	1,450	1,500	1,500
6. Interest on the debt, domiciled in Australia, of :								
(a) New Zealand Government . . . . .	269	293	328	330	—	—	—	—
(b) New Zealand local bodies . . . . .	388	436	436	436	—	—	—	—
7. Interest on certain Austral. assets overseas	286	701	905	1,074	—	—	—	—
8. Interest and dividends on long-term private capital invested in Australia . . . . .	—	—	—	—	8,750	8,750	6,087	4,117
9. Deduct contribution of British Government to interest on migration loans . . . . .	—	—	—	—	— 109	— 126	— 131	— 112
10. Interest on net banking balances overseas . .	1,352	896	463	470	—	—	—	—
III. Other services.								
11. Shipping income . . . . .	647	647	532	505	—	—	—	—
12. Port expenditure . . . . .	5,603	5,840	4,076	3,470	—	—	—	—
13. Duties on ships' stores consumed in Australian waters . . . . .	83	78	59	48	—	—	—	—
14. Insurances :								
(a) life . . . . .	2,741	2,954	2,605	2,000	— 2	21	24	20
(b) fire, marine and general . . . . .	30	30	25	20	975	944	471	400
15. Loan flotation and management expenditure and stamp duties on transfers .	—	—	—	—	430	174	35	31
16. Immigrants' and emigrants' funds . . . . .	1,072	705	360	207	1,190	1,516	1,370	747
17. Immigrants' and emigrants' remittances .	560	578	546	426	801	847	702	327
18. Tourists' expenditure.	1,228	1,139	811	663	3,619	3,344	1,545	1,149
19. Diplomatic expenditure	60	60	55	50	170	177	158	134
20. War pensions . . . . .	381	451	446	436	342	367	374	325
21. Upkeep of soldiers' graves . . . . .	—	—	—	—	95	95	95	—
Carried forward . .	153,975	114,039	89,190	86,982	194,422	184,870	105,229	81,486

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
Brought forward. . .	153,975	114,039	89,190	86,982	194,422	184,870	105,229	81,486
22. Reparation receipts (in cash) . . . . .	876	878	1,265	— 1	—	—	—	—
23. Oversea mail subsidy. . . . .	—	—	—	—	130	130	130	110
24. Commonwealth contribution to assisted passages . . . . .	—	—	—	—	133	58	10	—
25. Expenditure overseas by Department of Defence . . . . .	—	—	—	—	1,386	453	132	81
26. Government receipts and payments n.e.i. . . . .	12	12	12	12	122	108	95	89
IV. Gold.								
27. Gold coin and bullion, as recorded :								
(a) imports . . . . .	—	—	—	—	348	294	374	654
(b) exports divided into :								
domestic production. . . . .	1,871	1,873	2,156	3,605	—	—	—	—
exports in excess of production . . . . .	1,116	24,999	10,120	5,931	—	—	—	—
Total . . . . .	157,850	141,801	102,743	96,529	196,430	185,787	105,839	82,308
Surplus (+) or deficit (—) on account of :								
(a) goods and services. . . . .	— 41,219	— 70,564	— 14,998	+ 5,341				
(b) gold . . . . .	+ 2,639	+ 26,578	+ 11,902	+ 8,882				
(c) goods, services and gold . . . . .	— 38,580	— 43,986	— 3,096	+ 14,221				

## Capital items.

Items	£ (000's) sterling							
	Inward or credit capital movements				Outward or debit capital movements			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
1. Change in Government debt domiciled overseas :								
(a) Commonwealth :								
long-term securities	6,279	7,941	—	—	—	—	1,952	103
short-term securities	—	175	8,645	1,400	—	—	—	—
bank overdrafts (net)	—	10,618	—	2,590	1,665	—	7,817	—
(b) States :								
long-term securities	—	—	—	—	4,164	11,595	616	1,675
short-term securities	—	4,825	19,430	2,850	—	—	—	—
bank overdrafts (net)	9,580	13,056	—	—	—	—	15,309	3,743
2. Change in local bodies' debt domiciled overseas . . . . .	—	3,000	1,000	—	—	—	—	—
Carried forward . . . . .	15,859	39,615	29,075	6,840	5,829	11,595	25,694	5,521

Items	£ (000's) sterling							
	Inward or credit capital movements				Outward or debit capital movements			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
Brought forward . .	15,859	39,615	29,075	6,840	5,829	11,595	25,694	5,521
3. Change in Commonwealth Government investments overseas	86	172	155	29	—	—	—	—
4. Change in sinking fund investments overseas	7,768	38	—	84	—	—	247	—
5. Change in debt, domiciled in Australia, of:								
(a) New Zealand Government . . . . .	—	—	102	—	1	109	—	—
(b) New Zealand local bodies . . . . .	—	—	—	—	314	814	—	—
6. Change in net assets of banks . . . . .	3,927	26,479	2,357	—	—	—	—	18,505
7. Change in net assets of Australian life insurance companies . . . . .	—	—	7,537	—	—	952	—	—
8. Change in "other" Austral. assets overseas	—	—	—	—	1,260	14,065	8,819	3,513
9. Change in net assets in Australia of overseas life insurance companies . . . . .	—	4	11	—	—	—	—	—
Total . . . . .	27,640	66,308	39,237	6,953	7,404	27,535	34,760	27,539
Net inward (+) or outward (—) movement of capital	+ 20,236	+ 38,773	+ 4,477	— 20,586				

SUMMARY TABLE (1).

	£ (000's) sterling						
	Goods, services and gold					Capital items	All items
	Merchandise	Interest and dividends	Other services	Gold	Total		
1928-29 Credit . . . . .	139,133	2,437	13,293	2,987	157,850		
Debit . . . . .	149,389	37,302	9,391	348	196,430		
Balance . . . . .	— 10,256	— 34,865	+ 3,902	+ 2,639	— 38,580	+ 20,236	(2) — 18,344
1929-30 Credit . . . . .	99,005	2,552	13,372	26,872	141,801		
Debit . . . . .	138,535	38,724	8,234	294	185,787		
Balance . . . . .	— 39,530	— 36,172	+ 5,138	+ 26,578	— 43,986	+ 38,773	(2) — 5,213
1930-31 Credit . . . . .	77,329	2,346	10,792	12,276	102,743		
Debit . . . . .	64,107	36,217	5,141	374	105,839		
Balance . . . . .	+ 13,222	— 33,871	+ 5,651	+ 11,902	+ 3,096	+ 4,477	(2) + 1,381
1931-32 Cr dit . . . . .	76,615	2,542	7,836	9,536	96,529		
Debit . . . . .	47,320	30,921	3,413	654	82,308		
Balance . . . . .	+ 29,295	— 28,379	+ 4,423	+ 8,882	+ 14,221	— 20,586	(2) — 6,365

(1) In the statements published in the *Official Year Book of the Commonwealth of Australia*, the balances of certain groups of items do not in each year agree exactly with those which may be calculated from the individual items. In the present publication, the latter have been taken as correct and the group balances changed accordingly.

(2) Balance due to errors and omissions.

It will be noted that a perfect balance is not obtained. The discrepancies shown (see the last column of the summary table) are attributed to "errors of estimation, omissions and time-lags". In particular, the figures for 1928-29 are affected by the incompleteness of the record of short-term capital transactions for that year (see the detailed table of capital items). Some part of the large discrepancy for that year 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 £54,254,627". Attention is further drawn to the fact that the estimates of the changes in the banks' oversea balances are based on data for average liabilities and assets for the June quarter of each year. The use of quarterly averages, the only figures which were available at the time of the compilation, is stated to involve possibilities of error, particularly when large transactions take place near the end of the financial year.

As the tables cover only the last few years, it may be useful to reproduce the following data concerning the Australian balances on account of goods, services and gold during the years 1920-21 to 1929-30, according to a private calculation by Dr. Roland Wilson <sup>(1)</sup>. The figures represent thousands of *Australian* pounds.

Year	Merchandise	Interest and dividends	Other services	Gold	Total
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

The following explanatory notes to the tables for the years 1928-29 to 1931-32 are based on information supplied in the *Official Year Book of the Commonwealth of Australia*.

#### Goods, services and gold.

*Merchandise.* The recorded import value represents the f.o.b. value in sterling, plus an arbitrary addition of 10 per cent as an allowance for freight and charges.

As this addition was found to be insufficient, further amounts have been added under item 2a. Total freight charges on imports were estimated by applying actual freight rates to quantities imported, in the case of "bulk" imports; and by applying an estimated rate per ton to the remaining tonnage of goods discharged from overseas. The estimated rate per ton on "berth" imports was deduced from the actual average rate per ton earned on inward and outward cargoes in 1927 and 1928 by vessels carrying over one million tons of goods between Australia and Europe (*Report of the Overseas Shipping Conference, 1929*). By calculating the average freight rate per ton on "berth" exports, from actual freight quotations, and estimating the comparative tonnage of inward and outward "berth" cargoes, it was possible to break down the weighted average rate per ton, as given in the Report, into its two component rates. The

(1) Cf. Roland Wilson: *Capital Imports and Terms of Trade, examined in the Light of Sixty Years of Australian Borrowing* (Melbourne, 1931). It is understood that Mr. Wilson is also the compiler of the statements reproduced on the preceding pages.

percentage of freight charges, so estimated, on the f.o.b. values of all merchandise imports in 1927-28 was 10.6 ; in 1928-29, 11.3 ; in 1929-30, 13.7 ; in 1930-31, 14.8 ; and in 1931-32, 17 per cent. The rise in the percentage has been due to the much more rapid fall in import prices than in freight rates. For insurance and numerous small charges not included in the recorded values a further adjustment of 1 per cent of the f.o.b. values of merchandise imports was made. The excess of the total charges, so estimated, over the 10 per cent already allowed, is the final adjustment required.

Item 2*b* represents the difference between the recorded value of cinematograph films (based upon official valuations) and the sums paid as rentals and purchase price, as estimated from data collected by the Royal Commission on the Moving Picture Industry, and from information obtained privately.

“ Outside packages ” are believed to have been excluded almost entirely from the recorded values of dutiable goods and in part from the recorded values of free goods until the beginning of the calendar year 1930. For the period before that date, an adjustment of 3 per cent of the value of dutiable imports has been made (item 2*c*).

The adjustment of the value of wool exports has been made on the basis of the brokers' prices, plus an allowance for charges incurred between store and ship. The recorded export values in 1931-32 are believed to be correct in consequence of revised methods of valuation.

*Interest and dividends.* The amounts entered as interest paid on account of long and short-term securities by the Commonwealth (*cf.* item 3*a*, debit) represent actual payments in sterling during the financial year, on Commonwealth liabilities only. In 1931-32, the amount paid in interest on Commonwealth Government long-term debt was reduced by £3,919,774, payment of which was postponed under the Hoover Moratorium on war debts and reparations. Allowance has also been made for the sterling premium on dollar payments during 1931-32. The interest obligations on long- and short-term securities can be shown separately only on the basis of interest payable at June 30th in each year — namely :

	Long-term £ (000's) sterling	Short-term £ (000's) sterling
In 1929 . . . . .	8,018	.
In 1930 . . . . .	8,416	11
In 1931 . . . . .	8,320	303
In 1932 . . . . .	(1) 4,396	376

The figures entered as interest payments by the States on account of long- and short-term securities (*cf.* item 3*b*) represent the averages of the amounts payable at the beginning and the end of each financial year. Allowance has been made for the sterling premium on dollar payments during 1931-32, at the appropriate rates.

Interest on overdrafts has been calculated at 5 per cent ; and 3 per cent has been allowed on net credit balances.

The figures for interest and dividends paid on account of private long-term capital invested in Australia (item 8) are stated to be largely conjectural. Interest has been allowed at 5 per cent in the first two years, at 4 per cent in 1930-31, and at 3 per cent in 1931-32, on a capital value in Australian currency of £175 million.

*Shipping income, etc.* In estimating the shipping income (item 11), the share earned by Australian ships was allocated in accordance with the tonnage of oversea cargo discharged by Australian ships as compared with the tonnage discharged by foreign ships. The total freight charges on exports were separately estimated by applying actual and estimated freight rates to quantities exported. The total earnings

(1) Exclusive of £295,000 sterling premium on amounts payable in dollars in New York, at rate of exchange ruling on June 30th.



on exports were then allocated according to the tonnage of oversea cargo shipped by Australian ships and foreign ships respectively.

The expenditure of foreign ships in Australia (item 12) is estimated at 20 per cent of the total freight earnings of foreign shipping, from data in *Report of the Overseas Shipping Conference* (1929) and sundry sources. The item covers numerous expenses (other than stores, fuel and duties) in Australian ports, and crews' expenditures in Australia.

*Insurance* (item 14). The credit figures represent actual excess of receipts over outward payments by Australian companies (those entered against item 14 *b* representing business in New Zealand), and the debit figures the corresponding data for oversea companies on account of transactions in Australia.

*Immigrants' funds, etc.* The amounts entered on the credit side against item 16 are estimated on the assumption that £30 per head were imported by immigrants from British and North American countries, and £25 per head by other immigrants, in the years 1928-29 to 1930-31, and £25 and £15 respectively in the year 1931-32. The debit side shows amounts taken out of the country, estimated at varying amounts per head, allowing for fares, by "Australian residents departing permanently" to various groups of countries.

The figures for immigrants' and emigrants' remittances (item 17) are based upon figures concerning the gross value of postal money orders payable and receivable abroad. It is recognised that the remittances falling under this item are not made only through such orders; on the other hand, it is pointed out that "some part of the issues and payments of money orders will be to travellers and other migrants". In consideration of the large import of goods by parcels post from the United Kingdom, part of which is largely paid for through money orders, deduction was made from the outward payments of half the amount of money orders issued for payment in that country.

*Tourists' expenditure* (item 18). The amounts entered against this item are estimated in detail from the numbers of "temporary visitors arriving" from various groups of countries and of "Australian residents departing temporarily" to various groups of countries. The average length of stay and average expenditure per head assumed (in the case of Australian tourists including fares) differ considerably for the various classes.

*Gold* (item 27). The export of gold has been divided into two parts: (i) an amount corresponding to the value of domestic gold production, and (ii) the exports in excess of that amount. In the original statement, the former sum has been grouped with merchandise. In the above tables, both amounts have, however, been included under the item for gold, in accordance with principles which had to be applied for other countries (1).

### Capital items.

The capital movements stated for each year are calculated on the basis of the corresponding items in the balance of international indebtedness (see below). It is stated that movements in the capital items recorded in Australian or United States currency had been so small since the depreciation of the Australian and sterling exchanges that the effects of the exchange fluctuations could be ignored.

(1) Cf. the 1929 issue of this publication (Series of publications: 1930.11.54.11), page 6.

**International indebtedness.**

The following approximate balance of outstanding foreign liabilities and assets of Australia is given.

Items	£ (000's) sterling at June 30th				
	1928	1929	1930	1931	1932
<i>Liabilities.</i>					
1. Government debt domiciled overseas :					
(a) Commonwealth :					
long-term securities . . . . .	153,507	159,786	167,727	165,775	165,672
short-term securities . . . . .			175	8,820	10,220
bank overdrafts (net) . . . . .	150	( <sup>1</sup> )— 1,515	9,103	1,286	( <sup>1</sup> )— 1,30
(b) States :					
long-term securities . . . . .	416,661	412,497	400,902	400,286	398,611
short-term securities . . . . .			4,825	24,255	27,105
bank overdrafts (net) . . . . .	( <sup>1</sup> )— 3,957	5,623	18,679	3,370	( <sup>1</sup> )— 373
2. Local bodies' debt domiciled overseas . . . . .	26,000	26,000	29,000	30,000	30,000
3. Excess of assets over liabilities of over-sea life insurance companies ( <sup>2</sup> ) . . . . .	42	42	46	57	57
4. Long-term private capital invested in Australia ( <sup>2</sup> ) . . . . .	175,000	175,000	175,000	175,000	175,000
Total liabilities . . . . .	767,403	777,433	805,457	808,849	804,988
<i>Assets.</i>					
5. Commonwealth Government investments overseas . . . . .	3,320	3,234	3,062	2,907	2,878
6. Sinking fund investments in securities domiciled overseas, or in bank accounts . . . . .	8,899	1,131	1,098	1,345	1,261
7. Excess of assets over liabilities overseas of Australian banks less excess of assets over liabilities in Australia of oversea banks . . . . .	47,016	43,089	16,610	14,253	32,758
8. Excess of assets over liabilities overseas of Australian life insurance companies . . . . .	6,293	6,293	7,245	( <sup>3</sup> ) — 292	( <sup>3</sup> ) — 292
9. New Zealand Government debt domiciled in Australia ( <sup>2</sup> ) . . . . .	4,169	4,168	4,277	4,175	4,175
10. New Zealand local bodies' debt domiciled in U.S.A. . . . .	7,072	7,386	8,200	8,200	8,200
11. " Other assets overseas " . . . . .	5,721	6,981	21,046	29,865	33,378
Total . . . . .	82,490	72,282	61,538	60,453	82,358
Net liabilities . . . . .	684,913	705,151	743,919	748,396	722,630

The information is not complete ; thus, for example, the figures for liabilities do not include the outstanding merchandise credits raised abroad (<sup>4</sup>), and 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 (item 4) was " chosen after consideration of a number of estimates, none of which is very firmly based ".

(1) Net asset.

(2) Australian pounds.

(3) Net liability.

(4) " The view is held in responsible quarters that from £7 million to £10 million of trade money was held temporarily in Australia during the early stages of exchange depreciation and that practically the whole of this amount has now been repatriated."

## BULGARIA

Last year's edition of this publication contained a provisional statement of the balance of payments of Bulgaria in the years 1924 to 1931, compiled by Dr. S. Sagoroff and Dr. A. Tchakaloff. The revised statement has since then appeared <sup>(1)</sup> and is reproduced, in a slightly modified form, on pages 54-55.

The fact that a perfect balance is struck in the summary table should not be taken as a proof that the figures are rigidly correct, for the amount entered as adjustment of the value of exported goods (item 2, credit) is not based upon direct evidence but interpolated as a balancing item of the account and includes, therefore, allowances for possible omissions and errors in the other items.

### Goods, services and gold.

*Merchandise.* Item 2 shows the difference between the recorded trade (item 1) and the estimated total payments received and made as estimated by the compilers. Payments made for imports are taken to be represented by the amount of foreign exchange which was delivered by the National Bank for the purpose of paying for imports, plus payments made by Government offices on account of purchases by the State abroad; to the figures thus obtained have been added the estimated transport costs in the cases where these were not included in the invoice value.

	Leva (000,000's)							
	1924	1925	1926	1927	1928	1929	1930	1931
Payments for imported goods:								
Foreign exchange delivered by the National Bank . . . . .	5,010	6,020	5,036	5,138	5,840	6,603	4,169	3,890
State purchases . . . . .	410	520	370	376	414	365	561	520
Transport costs not included above . . .	180	260	180	200	240	270	150	120
• Total . . . . .	5,600	6,800	5,586	5,714	6,494	7,238	4,880	4,530

Total payments received on account of exports were taken as equal to the deficit on account of all other items (including capital items) of the account.

*Interest and dividends.* The credit figures entered against item 3 refer to interest received by the Government on account of its foreign assets deriving mainly from pre-war loans and to some extent from post-war loans — namely, the Refugee Loan of 1926 and the Stabilisation Loan of 1928. In addition, payments by foreign banks to Bulgarian holders of Bulgarian Government bonds issued abroad have been included in the same figure.

(1) Cf. *Archiv für Sozialwissenschaft und Sozialpolitik*, May 1933.

Outward payments by the Government for the service of loans (item 3, debit) comprise the following amounts :

	Leva (000,000's)							
	1924	1925	1926	1927	1928	1929	1930	1931
Pre-war loans . . . . .	211	311	286	662	260	277	261	360
Refugee Loan . . . . .	—	—	4	183	169	169	170	164
Stabilisation Loan . . . . .	—	—	—	—	29	315	330	292
Government guaranteed loans . . . . .	25	16	12	13	21	48	31	33

The outward payments on account of long-term investments entered against item 4 consist entirely of dividends, and those on account of short-term investments mainly of interest paid by the National Bank and private banks.

*Shipping income, etc.* The amounts entered against item 5 represent the freight earnings of the Bulgarian merchant marine, except in coastal trade, plus 1 million leva annually on account of passage fares.

Item 7, credit, shows the income of the Bulgarian railways on account of transit traffic, plus the Bulgarian share of the value of tickets to Bulgarian stations bought abroad.

Item 8 shows the commissions paid on account of imported goods, estimated at 2 per cent of two-thirds of the import value. No corresponding earnings on account of exported goods accrue to Bulgaria.

Details of the figures for insurance (item 9) since 1927 are given below (in million leva) :

Year	Payments		Receipts	
	Premia	Indemnities	Premia	Indemnities
1927 . . . . .	241	55	72	213
1928 . . . . .	255	60	98	213
1929 . . . . .	265	61	118	233
1930 . . . . .	204	64	114	180
1931 . . . . .	85	120	112	89

The figures for emigrants' remittances to Bulgaria and funds brought in by returned emigrants (item 11-12) are estimated on the basis of the value of the foreign exchange of such origin bought by the National Bank. The outward remittances comprise those of foreign immigrants and of Bulgarians immigrated from Macedonia, both taken at 10 million leva annually (8 million in 1931), and of *tantièmes* earned in Bulgaria by foreigners living abroad.

The tourist income is calculated on the basis of an average expenditure of 250 leva during 15 days of about 12,000 foreign tourists and travellers, plus 5 million annually for goods purchased and not included in the figures for merchandise exports. The expenditure of Bulgarian tourists and travellers abroad is estimated on the basis of the data concerning foreign exchange sold for travelling purposes by the National Bank.

The comparatively large amount of gifts received (item 13) in 1928 represents foreign assistance to the victims of the earthquake in Southern Bulgaria.

## Goods, services and gold.

Items	Leva (000,000's)							
	Inward or credit movements (Exports)							
	1924	1925	1926	1927	1928	1929	1930	1931
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	5,876	6,242	5,618	6,627	6,231	6,397	6,191	5,934
2. Adjustment for wrong valuation . . .	+ 110	+ 398	- 225	+ 24	+ 27	- 933	- 103	- 705
<b>II. Interest and dividends (1).</b>								
3. Gov. receipts and service of Gov. debts (1) . . . . .	13	8	15	13	16	69	60	23
4. Interest on private investments :								
long-term	27	25	70	34	48	29	32	15
short-term								
<b>III. Other services.</b>								
5. Shipping freights . . . . .	20	20	23	24	20	24	26	30
6. Port fees . . . . .	33	33	30	35	33	42	35	35
7. Railways . . . . .	26	27	40	33	57	49	40	34
8. Commissions . . . . .	80	100	80	80	100	110	60	60
9. Insurance . . . . .	200	250	250	296	315	326	268	205
10. Post, telegraph, telephone . . . . .	10	10	11	15	13	4	10	12
11. Emigrants' funds . . . . .	100	80	80	110	180	150	130	80
12. Emigrants' remittances . . . . .								
13. Gifts . . . . .	—	—	2	3	55	1	—	—
14. Tourists' expenditure . . . . .	50	50	50	50	50	50	50	50
15. National students abroad . . . . .	—	—	—	—	—	—	—	—
16. Patents . . . . .	1	2	2	2	2	3	4	2
17. Cinematograph film royalties . . . . .	—	—	—	—	—	—	—	—
18. Gov. receipts and expenditure, n.e.i.:								
(a) legations, etc. . . . .	120	115	147	113	115	118	123	95
(b) in execution of peace treaties . . .	—	4	3	61	113	268	169	60
<b>IV. Gold.</b>								
19. Gold coin and bullion . . . . .	—	—	—	—	—	—	—	—
20. Unrecorded gold transfers . . . . .	—	—	—	—	—	—	—	—
Total . . . . .	6,666	7,364	6,196	7,520	7,375	6,707	7,095	5,930
Deficit (—) on account of :								
(a) goods and services . . . . .	— 232	— 935	— 931	— 473	— 937	— 2,933	— 119	— 619
(b) gold . . . . .	— 8	— 8	— 22	— 30	— 15	— 22	— 22	— 19
(c) goods, services and gold . . . . .	— 240	— 943	— 953	— 503	— 952	— 2,955	— 141	— 638

## Capital items. (2)

Items	Leva (000,000's)							
	Inward or credit capital movement							
	1924	1925	1926	1927	1928	1929	1930	1931
<b>I. Long-term operations.</b>								
1. Government borrowing abroad . . . . .	—	—	47	925	2,763	529	765	413
2. Participation in new share issues . . . . .	140	54	125	117	159	246	76	38
3. Other long-term investments . . . . .	—	5	—	7	185	33	53	114
<b>II. Short-term operations.</b>								
4. Changes in the foreign assets of the National Bank . . . . .	135	574	731	—	—	1,667	415	573
5. Changes in short-term indebtedness . . . . .	70	310	100	160	250	480	—	—
Total . . . . .	345	943	1,003	1,209	3,357	2,955	1,309	1,138
Net inward (+) movement of capital . . .	+ 210	+ 943	+ 953	+ 503	+ 952	+ 2,955	+ 141	+ 638

(1) Including amortisation of Government debt.

## Goods, services and gold.

Leva (000,000's)								Items
Outward or debit movements (Imports)								
1924	1925	1926	1927	1928	1929	1930	1931	
5,678	7,834	5,631	6,197	7,109	8,324	4,588	4,660	I. <i>Merchandise.</i>
— 78	— 1,034	— 45	— 483	— 615	— 1,086	+ 292	— 130	1. Merchandise.
								2. Adjustment for wrong valuation.
								II. <i>Interest and dividends</i> (1).
236	327	302	858	479	809	762	849	3. Gov. receipts and service of Gov. debts (1).
250	260	230	280	290	310	360	250	4. Int. on private investments :
5	5	31	53	62	68	111	60	long-term.
								short-term.
								III. <i>Other services.</i>
15	16	15	14	19	23	23	25	5. Shipping freights.
1	1	1	—	—	1	1	—	6. Port fees.
—	—	—	—	—	—	—	—	7. Railways.
192	240	240	285	311	351	294	201	8. Commissions.
4	4	6	1	6	5	2	4	9. Insurance.
—	—	—	—	—	—	—	—	10. Post, telegraph, telephone.
30	35	30	35	35	35	40	26	11. Emigrants' funds.
—	—	—	—	—	—	—	—	12. Emigrants' remittances.
50	50	50	50	65	130	95	95	13. Gifts.
150	125	120	110	110	125	120	105	14. Tourists' expenditure.
—	—	—	—	—	—	—	—	15. National students abroad.
7	7	8	11	13	13	19	20	16. Patents.
78	78	82	86	105	106	92	94	17. Cinematograph film royalties.
280	351	426	496	323	426	415	290	18. Gov. receipts and expenditure, n.e.i. :
								(a) legations, etc.
								(b) in execution of peace treaties.
								IV. <i>Gold.</i>
8	8	22	30	15	21	20	19	19. Gold coin and bullion.
6,906	8,307	7,149	8,023	8,327	9,662	7,236	6,568	20. Unrecorded gold transfers.
								Total.

## Capital items. (2)

Leva (000,000's)								Items
Outward or debit capital movement								
1924	1925	1926	1927	1928	1929	1930	1931	
—	—	—	—	—	—	—	—	I. <i>Long-term operations.</i>
—	—	—	—	—	—	68	—	1. Government borrowing abroad.
5	—	—	—	—	—	—	—	2. Participation in new share issues.
—	—	—	—	—	—	—	—	3. Other long-term investments.
—	—	—	706	2,405	—	—	—	II. <i>Short-term operations.</i>
100	—	50	—	—	—	1,100	500	4. Changes in the foreign assets of the National Bank.
105	—	50	706	2,405	—	1,168	500	5. Changes in short-term indebtedness.
								Total.

(2) Excluding amortisation of Government debt.

## SUMMARY TABLE.

	Leva (000,000's)								
	Goods, services and gold					Capital items (1)			All items
	Mer- chandise	Interest and divi- dends (1)	Other services	Gold	Total	Long- term	Short- term	Total	
1924 Balance . . . . .	+ 386	- 451	- 167	- 8	- 240	+ 140	+ 100	+ 240	—
1925 Balance . . . . .	- 160	- 559	- 216	- 8	- 943	+ 59	+ 884	+ 943	—
1926 Balance . . . . .	- 193	- 478	- 260	- 22	- 953	+ 172	+ 781	+ 953	—
1927 Balance . . . . .	+ 937	- 1,144	- 266	- 30	- 503	+ 1,049	- 546	+ 503	—
1928 Balance . . . . .	- 236	- 767	+ 66	- 15	- 952	+ 3,107	- 2,155	+ 952	—
1929 Credit . . . . .	5,464	98	1,145	—	6,707	808	2,147	2,955	9,662
Debit . . . . .	7,238	1,187	1,215	22	9,662	—	—	—	9,662
Balance . . . . .	- 1,774	- 1,089	- 70	- 22	- 2,955	+ 808	+ 2,147	+ 2,955	—
1930 Credit . . . . .	6,088	92	915	—	7,095	894	415	1,309	8,404
Debit . . . . .	4,880	1,233	1,101	22	7,236	68	1,100	1,168	8,404
Balance . . . . .	+ 1,208	- 1,141	- 186	- 22	- 141	+ 826	- 685	+ 141	—
1931 Credit . . . . .	5,229	38	663	—	5,930	565	573	1,138	7,068
Debit . . . . .	4,530	1,159	860	19	6,568	—	500	500	7,068
Balance . . . . .	+ 699	- 1,121	- 197	- 19	- 638	+ 565	+ 73	+ 638	—

## Capital items.

The amounts entered against item 1 are composed as follows :

	Leva (000,000's)								
	1924	1925	1926	1927	1928	1929	1930	1931	
7 % Refugee Loan 1926 . . . . .	—	—	47	925	243	304	288	198	
7½ % Stabilisation Loan 1928 . . . . .	—	—	—	—	2,520	225	409	215	
Treasury bonds purchased by the Bank for International Settlements . . . . .	—	—	—	—	—	—	68	—	

The debit figure entered against item 2 for 1930 represents the participation of the National Bank in the Bank for International Settlements.

Item 4 shows the changes in the foreign assets of the National Bank, after allowance for changes due to variations in the book values (that is, not to transactions).

Details of the amounts entered against item 5 are given below :

	Leva (000,000's)								
	1924	1925	1926	1927	1928	1929	1930	1931	
<i>Credit.</i>									
Increase in the short-term debts of :									
(a) private banks . . . . .	—	300	—	100	150	400	—	—	
(b) industrial enterprises (2). . . . .	70	10	100	60	100	80	—	—	
<i>Debit.</i>									
Decrease in the short-term debts of :									
(a) private banks . . . . .	100	—	50	—	—	—	900	450	
(b) industrial enterprises (2). . . . .	—	—	—	—	—	—	200	50	

(1) Amortisation of Government debt is included with " Interest and dividends ".

(2) Exclusive of merchandise credits (as the figures for trade in goods represent payments received and made).

**International indebtedness.**

According to the report by the Stresa Conference of September 1932,<sup>(1)</sup> the foreign debts of Bulgaria were as follows :

	Swiss francs (000,000's)
Public debt (consolidated) . . . . .	630
Other consolidated foreign debts . . .	51
Floating debt :	
of the National Bank . . . . .	4 <sup>(2)</sup>
other . . . . .	30 <sup>(3)</sup>

The same report gives the foreign exchange reserve of the National Bank at 6.5 million Swiss francs at the end of June 1932.

The service of the foreign public debt is stated to have been as follows, in million Swiss francs :

	Interest	Amortisation	Total
1929-30 . . . . .	22	2	24
1930-31 . . . . .	29	2	31
1931-32 . . . . .	27	3	30

The following table, showing the outstanding foreign short-term debts of Bulgaria at the end of 1931, distributed between the main foreign currencies in which the debts were due, summarises a more detailed statement of these debts published by the National Bank of Bulgaria <sup>(4)</sup>.

Nature of credit	Amounts converted into leva (000'000'a)											Total
	£	\$	S. fr.	R. M.	F. fr.	Lire	Č. kr.	Schil- lings	Bel- gas	Leva	Other cur- ren- cies	
1. Merchandise credits raised by mer- chants, industrialists, etc. . . . .	480	675	284	210	115	88	84	186	79	96	35	2,332
2. Foreign credits and deposits through the intermediary of banks :												
(a) credits . . . . .	141	529	127	1	166	12	7	—	4	—	50	1,037
(b) deposits . . . . .	31	16	3	6	10	4	2	—	—	<sup>(5)</sup> 121	5	198
3. Liabilities on account of goods in consignment, sold or not . . . . .	41	192	19	10	9	3	15	2	—	132	8	431
4. Liabilities of autonomous public in- stitutions on account of goods pur- chased . . . . .	25	201	8	145	8	1	8	13	3	61	4	477
5. Finance credits . . . . .	31	152	106	8	51	5	19	—	95	41	8	516
<b>Total . . . . .</b>	<b>749</b>	<b>1,765</b>	<b>547</b>	<b>380</b>	<b>359</b>	<b>113</b>	<b>135</b>	<b>201</b>	<b>181</b>	<b>451</b>	<b>110</b>	<b>4,991</b>

An amount of 200 million leva, representing deposits in foreign currencies of residents in Bulgaria, has not been included in the above table, as it did not represent a foreign liability of the country taken as a whole.

(1) League of Nations, Series of publications : 1932.VII.11.

(2) Blocked debt ; this figure represents only the declared debt (the amount of other debts is stated to be unknown).

(3) Of which 4, blocked debt.

(4) *Bulletin mensuel*, February 15th, 1932 (No. 1-2).

(5) Of which 116 representing " foreign deposits in foreign leva ".



## CANADA

Official statements of Canada's balance of international payments are published regularly by the Dominion Bureau of Statistics. The last publications contain, besides new data for 1931 and 1932, revised figures for the years 1926-1930. (1) The table on pages 60 to 63 brings out the information available concerning trade in goods, services and gold during the whole period 1926-1932 (the summary table covers, in addition, the years 1920-1925). The grouping of the items, as given in the original statements, has been slightly changed so as to agree with that employed for the majority of the statements in this volume. It should be noted, however, that the debit side of the merchandise group (items 1-6) 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 items 11 and 12, and the exclusion accordingly 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 (1920-1932). The direct information concerning the movement of capital is rather incomplete and has been entered (in the summary table) for the years 1925-1927 only. (2) For later years some indications are available which confirm the direction (outward or inward) of the balances calculated for goods, services and gold.

Thus, in 1929, when these items showed a deficit of \$65 million, the short-term funds employed by the chartered banks, largely in New York, fell from \$188 million to \$98 million, and there was also a considerable repatriation of private short-term capital. In 1930, there was a deficit on account of goods, services and gold of \$159 million, which, unlike that in 1929, was met largely by an inflow of foreign capital and only to a small extent by the repatriation of Canadian funds.

In 1931 and 1932, when the trade in goods, services and gold shows a net surplus of \$28 million and \$72 million respectively, the main capital items also point to a net outflow of capital, as the following figures show (*see next page*).

(1) See *Canada's Balance of International Payments, 1926-1932* (Department of Trade and Commerce, Dominion Bureau of Statistics, Internal Trade Branch; Ottawa 1933). This publication also contains estimates of the balance of payments between Canada and Great Britain and between Canada and the United States, in 1931-32, and between Canada and other countries in 1932. A complete explanation of the methods employed in the compilation is contained in *Estimated Balance of International Payments for Canada, 1926-1930, together with Description of Methods used* (reissued document issued by the same authority in 1932).

(2) Details of these capital balances are given in the 1928 edition of this publication (Series of publications : No. 1929.11.51.11).

	Canadian \$ (000,000's)	
	Credit	Debit
1931 :		
Refunding, repayment, redemptions, etc. . . . .	—	256
New issues sold abroad and new direct investments in Canada . . . . .	207	—
New foreign issues bought . . . . .	—	10
Old foreign securities bought . . . . .	—	15
Resale to foreigners of securities previously held and of direct investments ; decreases in other investments abroad . . . . .	11	—
Total . . . . .	<u>218</u>	<u>281</u>
Net outflow of capital (1931) . . . . .	—	63
1932 :		
Sale and purchase of securities, including repurchases, redemptions, sinking funds, etc. . . . .	150	100
Maturities paid during the year . . . . .	—	75
Direct investments by other countries in Canada . . . . .	2	—
Total . . . . .	<u>152</u>	<u>175</u>
Net outflow of capital (1932) . . . . .	—	23

The gold exports (partly consisting of home-produced gold) have in recent years encroached somewhat upon the reserves held by the Canadian Government and chartered banks, which fell from \$230.6 million at the end of 1926 to \$137.4 million at the end of 1932.

### International indebtedness.

An estimate of Canada's outstanding foreign debts and assets at the end of 1929 and 1930, divided according to the nature of the investments, was given in the preceding issue of this publication. The following data taken from the *Canada Year Book* show foreign investments in Canada and Canadian investments abroad, by countries.

	Canadian \$(000,000's) at the end of					
	1925	1926	1927	1928	1929	1930
Foreign investments in Canada :						
by U.K. . . . .	2,128.6	2,155.2	2,187.1	2,158.0	2,228.0	2,204.9
by U.S.A. . . . .	3,015.4	3,184.8	3,410.9	3,571.8	3,726.8	4,107.8
by other countries . . . . .	160.4	151.9	160.7	162.6	171.2	165.2
Total . . . . .	<u>5,304.4</u>	<u>5,491.9</u>	<u>5,758.7</u>	<u>5,892.4</u>	<u>6,126.0</u>	<u>6,477.9</u>
Canadian investments abroad :						
in U.K. . . . .	124.2	118.5	131.9	94.4	80.9	84.8
in U.S.A. . . . .	626.3	723.3	874.6	987.2	1,021.8	1,047.3
in other countries . . . . .	388.9	488.8	572.6	657.6	678.6	699.2
Total . . . . .	<u>1,139.4</u>	<u>1,330.6</u>	<u>1,579.1</u>	<u>1,739.2</u>	<u>1,781.3</u>	<u>1,831.3</u>

The *Canada Year Book* contains a division of the above amounts according to debtors and industries in which the investments were made. According to information in the Press, the amount of Canadian investments abroad rose to \$1,836 million at the end of 1931 and fell to \$1,817 million at the end of 1932. Of the latter amount, \$75.5 million represented investments in the United Kingdom, \$1,014 million investments in the United States and \$727.5 million investments in other countries. Foreign investments in Canada are stated to have amounted to \$6,284 million at the end of 1932, against some \$6,335 million at the end of 1931.

## Goods, services and gold.

Items	Canadian \$ (000,000's)						
	Inward or credit movements (Exports)						
	1926	1927	1928	1929	1930	1931	1932
<i>I. Merchandise.</i>							
1. Merchandise, as recorded <sup>(1)</sup> . . . .	1,283.9	1,238.8	1,374.3	1,208.3	905.4	617.2	502.8
2. Adjustment on account of over-valuation of imports due to exchange depreciation . . . . .	—	—	—	—	—	—	—
3. Import freights paid to foreign carriers :							
(a) ocean freights . . . . .	—	—	—	—	—	—	—
(b) railway freights paid to U.S.A. . . . .	—	—	—	—	—	—	—
4. Export freights (earned in carrying exports to Canadian ports or boundary) . . . . .	49.5	48.8	47.8	45.8	36.0	( <sup>2</sup> ) 26.0	( <sup>2</sup> ) 20.4
5. Unrecorded imports of ships . . . . .	—	—	—	—	—	—	—
6. Deductions for settlers' effects and miscellaneous items . . . . .	— 12.3	— 11.0	— 10.9	— 11.7	— 10.9	— 9.3	— 6.5
<i>II. Interest and dividends.</i>							
7. Interest on intergovernmental debts					1.3		
8. Interest on other public debts . . . . .					—		
9. Other interest and dividends on long-term capital . . . . .	55.4	64.9	81.0	87.9	84.0	70.7	56.0
10. Interest on short-term capital . . . . .					2.9		
<i>III. Other services.</i>							
11. Shipping earnings on account of Canadian exports by sea . . . . .	15.6	12.7	12.1	9.3	7.0	( <sup>2</sup> ) 23.7	18.5
12. Other transport earnings . . . . .	23.6	28.3	28.4	30.4	25.8		
13. Insurance . . . . .	10.8	19.2	35.8	32.0	29.5	27.0	24.0
14. Immigrants' and emigrants' funds . . . . .	14.9	14.5	14.8	14.1	11.1	5.2	4.4
15. Earnings of Canadians employed in U.S.A. (net) . . . . .	10.0	11.0	13.7	13.7	3.7	1.8	0.8
16. Immigrants' and emigrants' remittances . . . . .	15.5	15.4	14.4	14.0	14.0	10.0	6.1
17. Charitable and missionary contributions . . . . .	0.8	0.9	1.4	0.9	0.9	0.9	0.5
18. Tourists' expenditure . . . . .	201.2	238.5	275.2	309.4	279.2	250.8	212.4
19. Reparation receipts . . . . .	1.8	6.8	4.7	4.3	4.0	1.3	—
20. Diplomatic and similar expenditure . . . . .	11.9	11.9	11.8	11.8	11.8	11.7	8.9
21. Other Government expenditure . . . . .	—	—	—	—	—	—	—
22. Advertising . . . . .	3.1	4.5	3.9	4.0	4.0	3.0	2.0
23. Cinematograph film royalties . . . . .	—	—	—	—	—	—	—
Carried forward . . . . .	1,685.7	1,705.2	1,908.4	1,774.2	1,409.7	1,040.0	850.3

(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.

## Goods, services and gold.

Canadian \$ (000,000's)							Items
Outward or debit movements (Imports)							
1926	1927	1928	1929	1930	1931	1932	
1,008.3	1,087.1	1,222.3	1,299.0	1,008.5	628.1	452.6	<i>I. Merchandise.</i>
—	—	—	—	—	— 5.0	— 22.0	1. Merchandise, as recorded <sup>(1)</sup> .
31.3	35.3	34.2	40.1	33.5	76.5	58.9	2. Adjustment on account of over-valuation of imports due to exchange depreciation.
75.0	73.9	81.3	90.8	67.4			3. Import freights paid to foreign carriers:
—	—	—	—	—	—	—	(a) ocean freights.
—	1.9	19.2	19.4	7.5	0.5	—	(b) railway freights paid to U.S.A.
— 21.8	— 22.5	— 21.4	— 24.6	— 23.8	— 16.7	— 14.0	4. Export freights (earned in carrying exports to Canadian ports or boundary).
							5. Unrecorded imports of ships.
							6. Deductions for settlers' effects and miscellaneous items.
							<i>II. Interest and dividends.</i>
223.6	235.1	246.9	258.9	51.9	252.1	248.0	7. Interest on intergovernmental debts.
				220.7			8. Interest on other public debts.
				—			9. Other interest and dividends on long-term capital.
				—			10. Interest on short-term capital.
							<i>III. Other services.</i>
—	—	—	—	—	—	—	11. Shipping earnings on account of Canadian exports by sea.
—	—	—	—	—	—	—	12. Other transport earnings.
23.8	29.5	29.0	24.4	22.1	20.0	17.0	13. Insurance.
14.7	12.6	11.2	11.5	9.4	3.8	3.8	14. Immigrants' and emigrants' funds.
—	—	—	—	—	—	—	15. Earnings of Canadians employed in U.S.A. (net).
20.5	22.4	23.2	23.4	23.0	13.1	7.1	16. Immigrants' and emigrants' remittances.
1.9	1.8	1.8	1.8	1.8	1.8	1.0	17. Charitable and missionary contributions.
98.7	108.7	107.5	121.6	113.3	76.5	57.4	18. Tourists' expenditure.
—	—	—	—	—	—	—	19. Reparation receipts.
10.9	11.8	11.0	11.3	3.7	11.0	10.4	20. Diplomatic and similar expenditure.
				( <sup>3</sup> ) 6.7			21. Other Government expenditure.
4.5	4.8	5.0	5.3	6.0	5.0	3.5	22. Advertising.
3.5	3.5	3.7	3.7	3.7	3.7	3.2	23. Cinematograph film royalties.
1,494.9	1,605.9	1,774.9	1,886.6	1,555.4	1,070.4	826.9	Carried forward.

(2) In the original statement, only the total freight income in 1931 and 1932 (\$49.7 and \$38.9 million respectively) is given. In the above table, this total has been distributed between items 4 and 11-12 on the basis of the proportion between the respective earnings in 1930.

(3) Pensions paid to persons not resident in Canada.

Items	Canadian \$ (000,000's)						
	Inward or credit movements (Exports)						
	1926	1927	1928	1929	1930	1931	1932
Brought forward . . .	1,685.7	1,705.2	1,908.4	1,774.2	1,409.7	1,040.0	850.3
24. Trade in electrical energy (1) . . .	4.6	4.8	—	—	—	—	—
25. Miscellaneous services (2) . . . . .	—	—	—	—	—	—	—
26. Allowance for exchange discrepancies, London and New York, on interest and maturity payments and receipts . . . . .	—	—	—	—	—	—	10.0
<b>IV. Gold.</b>							
27. Gold coin and bullion (3) . . . . .	80.1	64.2	107.6	50.6	20.4	70.1	60.8
28. Unrecorded gold exports . . . . .	—	—	—	—	4.9	—	—
29. Correction for exchange discrepancy . . . . .	—	—	—	—	—	—	7.9
<b>Total . . . . .</b>	<b>1,770.4</b>	<b>1,774.2</b>	<b>2,016.0</b>	<b>1,824.8</b>	<b>1,435.0</b>	<b>1,110.1</b>	<b>929.0</b>
Surplus (+) or deficit (—) on account of :							
(a) goods and services . . . . .	+ 195.4	+ 104.0	+ 133.4	— 112.4	— 145.7	— 40.4	+ 5.6
(b) gold . . . . .	+ 33.0	+ 33.0	+ 68.0	+ 46.9	— 13.8	+ 68.1	+ 66.5
(c) goods, services and gold . . . . .	+ 228.4	+ 137.0	+ 201.4	— 65.5	— 159.5	+ 27.7	+ 72.1

## SUMMARY TABLE.

	Canadian \$ (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold (3)	Total	Long- term	Short- term	Total	
1920 Balance . . .	— 161.9	— 207.3	+ 73.6	+ 27.7	— 267.9				
1921 Balance . . .	— 83.1	— 211.8	+ 122.2	+ 35.6	— 137.1				
1922 Balance . . .	+ 55.7	— 206.8	+ 131.8	— 48.7	— 68.0				
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	— 166.7	— 10.0	— 176.7	(1) + 100.5
1926 Balance . . .	+ 228.3	— 168.2	+ 135.3	+ 33.0	+ 228.4	— 14.1	— 71.2	— 85.3	(4) + 87.8
1927 Balance . . .	+ 100.9	— 170.2	+ 173.3	+ 33.0	+ 137.0	— 11.7	— 7.0	— 18.7	(4) + 32.1
1928 Balance . . .	+ 75.6	— 165.9	+ 223.7	+ 68.0	+ 201.4				
1929 Balance . . .	— 182.3	— 171.0	+ 240.9	+ 46.9	— 65.5				

(1) Included in merchandise since 1928.

(2) "Known omissions such as direct magazine subscriptions, artists' and entertainers' receipts, radio programmes, etc."

Canadian \$ (000'000's)							Items
Outward or debit movements (Imports)							
1926	1927	1928	1929	1930	1931	1932	
1,494.9	1,605.9	1,774.9	1,886.6	1,555.4	1,070.4	826.9	Brought forward.
—	0.1	0.1	—	—	—	—	24. Trade in electrical energy <sup>(1)</sup> .
—	—	—	—	—	5.0	4.0	25. Miscellaneous services <sup>(2)</sup> .
—	—	—	—	—	—	—	26. Allowance for exchange discrepancies, London and New York, on interest and maturity payments and receipts.
—	—	—	—	—	5.0	23.8	
47.1	31.2	39.6	3.7	39.1	2.0	2.2	IV. Gold.
—	—	—	—	—	—	—	27. Gold coin and bullion <sup>(3)</sup> .
—	—	—	—	—	—	—	28. Unrecorded gold exports.
—	—	—	—	—	—	—	29. Correction for exchange discrepancy.
1,542.0	1,637.2	1,814.6	1,890.3	1,594.5	1,082.4	856.9	Total.

## SUMMARY TABLE.

	Canadian \$ (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold <sup>(3)</sup>	Total	Long- term	Short- term	Total	
1930 Credit . . . .	930.5	88.2	391.0	25.3	1,435.0				
Debit . . . .	1,093.1	272.6	189.7	39.1	1,594.5				
Balance . . . .	— 162.6	— 184.4	+ 201.3	— 13.8	— 159.5				
1931 Credit . . . .	633.9	70.7	335.4	70.1	1,110.1				
Debit . . . .	683.4	252.1	144.9	2.0	1,082.4				
Balance . . . .	— 49.5	— 181.4	+ 190.5	+ 68.1	+ 27.7				
1932 Credit . . . .	516.7	56.0	287.6	68.7	929.0				
Debit . . . .	475.5	248.0	131.2	2.2	856.9				
Balance . . . .	+ 41.2	— 192.0	+ 156.4	+ 66.5	+ 72.1				

(3) Including, in exports, all subsidiary coin and, in imports, British and Canadian subsidiary coin. The figures for certain years differ somewhat from those given in trade returns.

(4) Balance due to errors and omissions.

## CHINA <sup>(1)</sup>

In his book *Foreign Investments in China*, Professor C. F. Remer of the University of Michigan has included a study of the balance of payments of China during the period 1902-1930. Detailed information is given for each of the years 1928 to 1930 and is reproduced below, after a slight rearrangement of the items in accordance with the scheme used for the majority of countries in this volume.

The statements are made out in Chinese dollars, taken as equal to two-thirds of the Haikwan tael (the previous silver unit of account used by the Chinese Customs), or to approximately 47.4, 42.7 and 30.7 U.S. cents respectively during the three years under review.

### Goods, services and gold (including amortisation payments).

Items	Chinese \$ (000,000's)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1928	1929	1930	1928	1929	1930
<b>I. Merchandise.</b>						
1. Merchandise proper, including copper coin <sup>(2)</sup> . . . . .	1,487.4	1,523.6	1,342.3	1,796.1	1,898.8	1,964.6
2. Adjustment of merchandise exports for undervaluation . . . . .	74.4	114.3	134.2	—	—	—
3. Silver bullion and specie . . . . .	7.9	23.4	53.3	167.5	182.1	153.8
<b>II. Interest and dividends. <sup>(3)</sup></b>						
4. Service of Government foreign debts . .	—	—	—	63.0	79.1	111.4
5. Yield of foreign business investments .	—	—	—	180.0	200.0	200.0
6. Interest on foreign securities in China .	1.0	1.5	2.0	—	—	—
<b>III. Other services.</b>						
7. Insurance . . . . .	—	—	—	15.0	15.0	20.0
8. Emigrants' remittances <sup>(4)</sup> . . . . .	250.6	280.7	316.3	0.5	0.5	1.0
9. Missionary expenditure and philanthropic remittances . . . . .	25.0	30.0	40.0	—	—	—
10. Tourists' expenditure <sup>(5)</sup> . . . . .	30.0	30.0	40.0	6.0	6.0	8.0
11. Foreign military and naval establishments . . . . .	139.7	124.0	100.0	—	—	—
12. Diplomatic expenditure . . . . .	30.0	32.0	38.0	4.4	4.4	5.0
13. Cinematograph film royalties . . . . .	—	—	—	—	—	8.0
Carried forward . . . . .	2,046.0	2,159.5	2,066.1	2,232.5	2,385.9	2,471.8

(1) From C. F. Remer: *Foreign Investments in China* (New York, 1932). By permission of the Macmillan Company, publishers.

(2) With the consent of the author, the small trade in copper coin has been added to the figures for merchandise as given in *Foreign Investments in China*.

(3) Including amortisation of foreign debt.

(4) The debit figures refer to remittances by foreign professional men in China.

(5) The credit figures include the expenditure of crews of foreign merchant-vessels and for repairs of such ships; the debit figures include the expenditure of Chinese students abroad.

Items	Chinese \$ (000,000's)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1928	1929	1930	1928	1929	1930
Brought forward . . . . .	2,046.0	2,159.5	2,066.1	2,232.5	2,385.9	2,471.8
IV. Gold.						
14. Gold bullion and specie . . . . .	0.4	4.5	28.7	9.5	1.5	3.9
15. Adjustment for unrecorded gold exports (Hong-Kong) . . . . .	—	—	22.5	—	—	—
Total . . . . .	2,046.4	2,164.0	2,117.3	2,242.0	2,387.4	2,475.7
Surplus (+) or deficit (—) on account of :						
(a) goods and services . . . . .	— 186.5	— 226.4	— 405.7			
(b) gold . . . . .	— 9.1	+ 3.0	+ 47.3			
(c) goods, services and gold . . . . .	— 195.6	— 223.4	— 358.4			

## Capital items (excluding amortisation).

Items	Chinese \$ (000,000's)					
	Inward or credit capital movement			Outward or debit capital movement		
	1928	1929	1930	1928	1929	1930
1. Sale of domestic securities to Chinese overseas . . . . .	4.0	—	—	—	—	—
2. New foreign business investments in China	100.0	190.0	210.0	—	—	—
3. Purchase of foreign securities . . . . .	—	—	—	4.0	20.0	8.0
Total . . . . .	104.0	190.0	210.0	4.0	20.0	8.0
Net inward (+) capital movement . . . . .	+ 100.0	+ 170.0	+ 202.0			

## SUMMARY TABLE.

	Chinese \$ (000,000's)						
	Goods, services and gold					Capital items (1)	All items
	Merchandise	Interest and dividends (1)	Other services	Gold	Total		
1928 Credit . . . . .	1,569.7	1.0	475.3	0.4	2,046.4	104.0	2,150.4
Debit . . . . .	1,963.6	243.0	25.9	9.5	2,242.0	4.0	2,246.0
Balance . . . . .	— 393.9	— 242.0	+ 449.4	— 9.1	— 195.6	+ 100.0	(2)— 95.6
1929 Credit . . . . .	1,661.3	1.5	496.7	4.5	2,164.0	190.0	2,354.0
Debit . . . . .	2,080.9	279.1	25.9	1.5	2,387.4	20.0	2,407.4
Balance . . . . .	— 419.6	— 277.6	+ 470.8	+ 3.0	— 223.4	+ 170.0	(2)— 53.4
1930 Credit . . . . .	1,529.8	2.0	534.3	51.2	2,117.3	210.0	2,327.3
Debit . . . . .	2,118.4	311.4	42.0	3.9	2,475.7	8.0	2,483.7
Balance . . . . .	— 588.6	— 309.4	+ 492.3	+ 47.3	— 358.4	+ 202.0	(2)— 156.4

(1) Amortisation of the foreign debt is included with "Interest and dividends".  
(2) Balance due to errors and omissions.



As is shown by the last column of the summary table, there remains a considerable debit balance unexplained in each year. This balance is larger in 1930 than in the two preceding years, and the author suggests that the increase is due partly to the omission of short-term debts, which may have risen in 1930 as a result of the fall in the value of silver (in gold currencies), or to "deferred obligations in gold currencies".

For more detailed information concerning the individual items than can be made below, reference should be made to Professor Remer's book.

### Goods, services and gold.

*Merchandise.* Owing to the special importance of silver imports in the balance of payments of China, the trade in silver has been entered separately against item 3. No estimate could be made of the unrecorded trade over the Chinese frontier to Russia or via Hong-Kong. It is pointed out that the closeness of the relations between Mongolia and Russia in recent years takes away most of the significance for China of the trade with Russia which escapes attention.

Amounts representing 5, 7½ and 10 per cent of the recorded export value have been added under item 2 on account of the probable undervaluation of exports.

*Emigrants' remittances* (item 8). Almost all remittances from Chinese emigrants abroad pass through sixteen banks in Hong-Kong. Information concerning the amounts involved was collected from these banks. Data were also obtained concerning remittances to Amoy, but only half of these were taken into account, as the other half was estimated to represent amounts originally remitted to Hong-Kong.

*Foreign military and naval establishments.* The figures include the expenditure of foreign naval vessels in Chinese waters, estimated at 60 million Chinese dollars in 1930. The remainder represents the expenditure of foreign troops on Chinese soil. The annual expenditure of British troops is estimated at about £1.3 million, that of American troops at U.S. \$2.5 million. The Japanese railway guards in Manchuria are reported to have cost the Japanese Government from 6 to 11 million yen annually in recent years. "The remaining troops probably involved expenditures no greater than the American".

### Capital items.

Item 1 shows the sale outside China, chiefly in the United States of America, of the bonds of a domestic loan issued in 1928.

The figures entered against item 2 are based on direct information concerning the investments in question.

### Foreign investments in China.

Professor Remer's book contains a detailed study on foreign investments in China, collected with the aid of a number of students carrying out their inquiries in China, as well as in the main creditor countries, on behalf of a Committee created for the purpose, and finally brought together by Professor Remer (who also took an active part in the collection of the material). A few summary figures out of the rich information contained in the study are reproduced below.

The investments of the industrial creditor countries considered total U.S. \$3,242.5 million for 1931. "Taking into account the errors in any such estimate, it may still be said with some certainty that the total falls between U.S. \$3,000 million and U.S. \$3,500 million". The figures are stated to represent "a reasonable valuation of all sources within China from which an income is received or is normally to be expected by persons who are not Chinese" (1).

A distribution of this total between the various creditor countries and between business investments and obligations of the Chinese Government is given below, together with similar data for 1902 and 1914.

(1) Elsewhere in this volume, "foreign" investments in a given country means investments by persons living outside that country, disregarding their nationality.

*Foreign investments in China.*  
U.S. \$ (000,000's)

Country	1902			1914			1931		
	Business invest-ments	Govern-ment obli-gations	Total	Business invest-ments	Govern-ment obli-gations	Total	Business invest-ments	Govern-ment obli-gations	Total
Great Britain <sup>(1)</sup> . . . . .	150.0	110.3	260.3	400.0	207.5	607.5	963.4	225.8	1,189.2
Japan <sup>(2)</sup> . . . . .	1.0	—	1.0	210.0	9.6	219.6	912.8	224.1	1,136.9
Russia <sup>(3)</sup> . . . . .	220.0	26.0	246.0	236.5	32.8	269.3	273.2	—	273.2
U.S.A. <sup>(4)</sup> . . . . .	17.5	2.2	19.7	42.0	7.3	49.3	155.1	41.7	196.8
France . . . . .	29.6	61.5	91.1	60.0	111.4	171.4	95.0	97.4	192.4
Germany . . . . .	85.0	79.3	164.3	136.0	127.6	263.6	75.0	12.0	87.0
Belgium . . . . .	—	4.4	4.4	—	22.9	22.9	41.0	48.0	89.0
Netherlands . . . . .	—	—	—	—	—	—	10.0	18.7	28.7
Italy . . . . .	—	—	—	—	—	—	4.4	42.0	46.4
Denmark . . . . .	—	—	—	—	—	—	1.0	0.8	1.8
Norway . . . . .	—	—	—	—	—	—	0.5	—	0.5
Sweden . . . . .	—	—	—	—	—	—	0.5	0.1	1.1
Others . . . . .	—	0.6	0.6	—	6.7	6.7	—	—	—
Total . . . . .	503.1	284.3	787.4	1,084.5	525.8	1,610.3	2,531.9	710.6	3,242.5

The "business investments" were almost entirely in the form of direct investments (the capital remaining in the legal possession of the foreigner). Only in the case of Japan are figures available concerning borrowings by Chinese firms; of the Japanese investments shown above, U.S. \$17.5 million in 1914 and U.S. \$38.7 million in 1931 represent investments of this kind.

The distribution by region and nature of the business investments in 1931 of the four principal creditor countries is estimated as follows.

*Distribution of direct business investments by regions and the nature of business.*  
U.S. \$ (000,000's)

	Great Britain	Japan	Russia	U.S.A.	Total	Per cent of total
<b>Regions :</b>						
Shanghai . . . . .	737.4	215.0	—	97.5	1,049.9	46.4
Manchuria . . . . .	—	550.2	261.8	—	812.0	36.0
Rest of China (incl. Hong-Kong) . . . . .	226.0	108.9	11.4	52.7	399.0	17.6
Total . . . . .	963.4	( <sup>5</sup> ) 874.1	273.2	( <sup>6</sup> ) 150.2	2,260.9	100.0
<b>Nature of business :</b>						
Transportation . . . . .	134.9	204.3	210.5	10.8	560.5	24.8
Public utilities . . . . .	48.2	15.6	—	35.2	99.0	4.4
Mining . . . . .	19.3	87.5	2.1	0.1	109.0	4.8
Manufacturing . . . . .	173.4	165.6	12.8	20.5	372.3	16.5
Banking and finance . . . . .	115.6	73.8	—	25.3	214.7	9.5
Real estate . . . . .	202.3	73.0	32.5	8.5	316.3	14.0
Import and export . . . . .	240.8	183.0	12.2	47.7	483.7	21.4
Miscellaneous . . . . .	28.9	71.3	3.1	2.1	105.4	4.6
Total . . . . .	963.4	( <sup>5</sup> ) 874.1	273.2	( <sup>6</sup> ) 150.2	2,260.9	100.0

(1) The figures for 1931 have been converted from pounds sterling into dollars at par rates.

(2) The figures relate to the years 1900, 1914 and 1930.

(3) The figures relate to the years 1904, end of 1913 and 1930.

(4) The figures relate to the years 1900, 1914 and 1930. Mission property (not included in the above figures) amounted to \$5, 10 and 43.1 million respectively during the three years in question.

(5) Excluding \$38.7 million, representing amounts lent to Chinese firms.

(6) Excluding investments valued at \$1.9 million for which details were not available.

Of investments in Manchuria, only those made by Japan and Russia are shown. "If British and American investments in Manchuria were known, the Manchurian total would probably be increased by not more than U.S. \$40 million".

The foreign holdings of Government obligations in 1902, 1914 and 1930 were distributed as follows according to the use of the funds :

*Foreign holdings of Government obligations distributed by the use of the funds.*

	U.S. \$ (000,000's)		
	1902	1914	1931
General purposes . . . . .	248.2	330.3	427.6
Railway obligations . . . . .	35.3	192.3	248.5
Communications other than railway . . . . .	1.2	3.2	20.3
Obligations of municipalities . . . . .			14.2
Total . . . . .	284.7	525.8	710.6

In this connection, some figures concerning Japanese investments in Manchuria may be quoted from the report of the League of Nations Commission of Inquiry on account of the appeal by the Chinese Government, and from the supplementary documents of the same report (1). "According to a Japanese source of information, Japanese investments were estimated in 1928 at about 1,500 million yen, a figure which, if correct, must have grown to-day to approximately 1,700 million yen. A Russian source puts Japanese investments at the present time at about 1,500 million yen for the whole of Manchuria, inclusive of the Kwantung Leased Territory, and at about 1,300 million yen for the Three Provinces, the bulk of Japanese capital being invested in Liaoning Province". A statement given by the South Manchuria Railway, which the Commission was not able to verify, puts Japanese investments in Manchuria on March 31st, 1931, at the following amounts :

*Investors and items of investment.*

	Yen (000,000's)
South Manchuria Railway Company (including affiliated undertakings and companies, etc.) . . . . .	1,063
Japanese Government's guarantee: Loans to Chinese Government . . . . .	99
Japanese Corporations: Loans to Chinese Government and individuals. . . . .	20
Japanese Corporations: Capital funds invested . . . . .	439
Japanese individuals: Capital funds invested . . . . .	95
Total . . . . .	1,716

Details are also supplied with reference to investments in Manchuria of other countries, though in most cases no exact information concerning their magnitude is given.

(1) Series of publications : 1932.VII.12 and 14.

## CURAÇAO

Figures for a number of items in the balance of payments of Curaçao in 1930, 1931 and 1932 have been supplied by the Netherlands Government and are set out below.

### Goods, services and gold.

Items	Gulden (000's)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1930	1931	1932	1930	1931	1932
<i>I. Merchandise.</i>						
1. Merchandise . . . . .	417,000	343,000	183,000	407,000	248,000	141,000
2. Contraband . . . . .	10	8	6	4	3	2
<i>II. Interest and dividends.</i>						
3. Interest on intergovernmental debts . .	—	—	—	84	160	124
4. Other interest and dividends on long-term capital . . . . .	400	265	186	—	—	—
<i>III. Other services.</i>						
5. Shipping freights . . . . .	—	—	—	114	151	(1) 135
6. Port fees . . . . .	770	632	617	26	22	23
7. Post, telegraph and telephone . . . .	657	602	477	199	202	262
8. Immigrants' and emigrants' funds . . .	150	80	45	200	—	—
9. Immigrants' and emigrants' remittances	100	53	32	280	130	100
10. Tourists' expenditure . . . . .	405	350	320	200	100	30
11. Government receipts and expenditure .	4,017	1,144	.	137	140	143
12. " Films " . . . . .	—	—	—	—	—	211
13. Other items . . . . .	185	145	80	—	—	—
<i>IV. Gold.</i>						
14. Gold coin and bullion . . . . .	—	6,759	75	—	6,400	300

As the statement is not complete, no totals are given. Salaries paid to foreign workers (12 million gulden in 1930 and 9 million in 1931), mainly by petroleum concerns, are not included above, as it is not known what portion of these amounts was spent in Curaçao.

The only known capital item is long-term investments effectuated abroad, amounting to 19,000 gulden in 1930 and 1931 and 5,000 gulden in 1932 (debit item, not entered in the table).

(1) Of which ordinary freights, 23, charter money, 72, and passage money, 40.

## CZECHOSLOVAKIA

Estimates of the Czechoslovak balance of payments during the years 1926-1930, prepared by Dr. P. Smutný and published in the *Československý Statistický věstník (Bulletin statistique de la République tchécoslovaque)*, were reproduced in last year's edition of this volume. New statements for 1931 and 1932 by the same author have now been supplied by the Czechoslovak Government and are set out below in a slightly modified form together with the estimates for 1928-1930.

### Goods, services and gold.

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
<b>I. Merchandise.</b>										
1. Merchandise . . . . .	21,215	20,489	17,463	13,109	7,343	19,192	19,969	15,684	11,736	7,487
<b>II. Interest and dividends.</b>										
2. Interest on intergovern- mental debts . . . . .	42	41	39	38	35					
3. Interest on other Govern- ment debts . . . . .	—	—	—	—	—	291	292	431	281	232
4. Interest on municipal debts	—	—	—	—	—	39	38	38	36	31
5. Yield of securities . . . . .	218	417	341	383	336	190	215	180	177	100
6. Interest on the current accounts of banks . . . . .	152	174	150	113	64	79	90	61	43	32
7. Yield of foreign-owned real estate . . . . .	—	—	—	—	—	330	330	330	300	280
8. Other interest and dividends	36	65	56	57	47	90	93	118	110	88
<b>III. Other services.</b>										
9. Shipping freights (river traffic) . . . . .	61	53	48	38	32	14	13	15	18	9
10. Port fees . . . . .	2	2	1	2	1	7	7	6	5	4
11. Railway receipts and ex- penditure :										
(a) freight for goods in transit . . . . .	528	569	435	348	216	12	5	21	17	—
(b) wagon hire, etc. . . . .	18	8	—	—	—	—	—	—	—	—
12. Agency commissions . . . . .	296	310	248	199	108	610	606	514	437	230
13. Insurance . . . . .	—	—	—	—	—	36	34	10	58	43
14. Post, telegraph and teleph.	—	1	—	—	—	30	30	28	21	12
15. Emigrants' funds, etc. :										
(a) travelling costs of emi- grants . . . . .	—	—	—	—	—	52	40	24	5	2
(b) personal cash of emi- grants leaving or return- ing . . . . .	8	—	—	—	—	30	25	16	5	3
16. Emigrants' remittances . . . . .	600	606	532	384	264	—	—	—	—	—
17. Donations . . . . .	3	2	3	3	2	19	21	22	16	15
Carried forward . . . . .	23,179	22,737	19,316	14,674	8,448	21,021	21,808	17,498	13,265	8,568

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
Brought forward . .	23,179	22,737	19,316	14,674	8,448	21,021	21,808	17,498	13,265	8,568
18. Tourists' expenditure . .	770	810	795	580	420	700	710	700	760	420
19. Diplomatic and consular representation . . . . .	35	35	36	36	37	88	75	88	81	79
20. Fees collected by legations and consulates . . . . .	19	16	14	11	7	9	7	8	8	7
21. Contribution to interna- tional institutions . . . . .	.	—	—	—	—	20	6	6	7	6
22. Import of electric power . .	.	.	.	—	—	16	17	20	18	16
23. Cinematogr. film royalties	4	6	5	4	3	54	65	90	110	52
24. Patent royalties and taxes	15	20	22	25	25	50	55	60	65	60
IV. Gold.										
25. Gold coin and bullion . .	9	10	11	40	49	16	19	31	65	671
Total . . . . .	24,031	23,634	20,199	15,370	8,989	21,974	22,762	18,501	14,379	9,870
Surplus (+) or deficit (—) on account of :										
(a) goods and services . .	+2,064	+ 881	+1,727	+1,016	— 268					
(b) gold . . . . .	— 7	— 9	— 20	— 25	— 622					
(c) goods, services and gold	+2,057	+ 872	+1,698	+ 991	— 890					

## Capital items.

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
I. Long-term operations.										
1. Amortisation receipts and payments :										
(a) by the Government . .	28	33	15	30	33	500	58	62	48	27
(b) by municipalities . . .	—	—	—	—	—	9	9	10	11	9
(c) by industries and banks	489	261	720	235	230	196	182	510	147	97
2. Payments through the Cze- choslovak clearing-house	3	8	9	4	2	2	2	7	1	1
3. Purchases and sales :										
(a) of real estate in the country . . . . .	—	—	—	—	—	100	110	120	100	80
(b) of securities . . . . .	2,220	1,728	1,307	906	155	3,080	2,167	1,632	1,154	104
4. New loans raised and granted :										
(a) by the Government . .	—	—	—	—	798	—	—	—	—	—
(b) by industries and banks	90	85	939	68	184	503	713	84	309	46
5. Change in participation in foreign enterprises . . . .	—	23	—	4	103	158	73	319	2	22
Carried forward . .	2,830	2,138	2,990	1,247	1,505	4,548	3,314	2,744	1,772	386

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
Brought forward . . . . .	2,830	2,138	2,990	1,247	1,505	4,548	3,314	2,744	1,772	386
II. Short-term operations.										
6. Change in current accounts of banks with foreign cor- respondents :										
(a) debts . . . . .	67	—	—	—	—	—	304	469	826	420
(b) claims . . . . .	—	314	—	( <sup>1</sup> )2,500	14	325	—	383	—	—
7. Change in other short-term debts and claims of in- dustries and banks :										
(a) debts . . . . .	238	573	877	273	57	160	242	563	580	403
(b) claims . . . . .	4	2	3	42	20	9	11	27	32	93
8. Changes in gold earmarked abroad . . . . .	—	—	—	—	( <sup>2</sup> ) 563	152	115	283	104	—
Total . . . . .	3,139	3,027	3,870	4,062	2,159	5,194	3,986	4,469	3,314	1,302
Net inward (+) or outward (—) movement of capital . . . . .	-2,055	- 959	- 599	+ 748	+ 857					

## SUMMARY TABLE.

	Kč (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchan- dise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1925 Balance . . . . .	+ 1,212	- 739	+ 95	- 9	+ 559	+ 597	- 1,012	- 415	( <sup>3</sup> ) + 144
1926 Balance . . . . .	+ 2,575	- 814	+ 100	+ 5	+ 1,866	- 298	- 947	- 1,245	( <sup>3</sup> ) + 621
1927 Balance . . . . .	+ 2,172	- 697	+ 591	+ 1	+ 2,067	- 2,058	- 353	- 2,411	( <sup>3</sup> ) - 344
1928 Balance . . . . .	+ 2,023	- 571	+ 612	- 7	+ 2,057	- 1,718	- 337	- 2,055	( <sup>3</sup> ) + 2
1929 Balance . . . . .	+ 520	- 361	+ 722	- 9	+ 872	- 1,176	+ 217	- 959	( <sup>3</sup> ) - 87
1930 Credit . . . . .	17,463	586	2,139	11	20,199	2,990	880	3,870	24,069
Debit . . . . .	15,684	1,158	1,628	31	18,501	2,744	1,725	4,469	22,970
Balance . . . . .	+ 1,779	- 572	+ 511	- 20	+ 1,698	+ 246	- 845	- 599	( <sup>3</sup> ) + 1,099
1931 Credit . . . . .	13,109	591	1,630	40	15,370	1,247	2,815	4,062	19,432
Debit . . . . .	11,736	947	1,631	65	14,379	1,772	1,542	3,314	17,693
Balance . . . . .	+ 1,373	- 356	- 1	- 25	+ 991	- 525	+ 1,273	+ 748	( <sup>3</sup> ) + 1,739
1932 Credit . . . . .	7,343	482	1,115	49	8,989	1,505	654	2,159	11,148
Debit . . . . .	7,487	763	958	671	9,879	386	916	1,302	11,181
Balance . . . . .	- 144	- 281	+ 157	- 622	- 890	+ 1,119	- 262	+ 857	( <sup>3</sup> ) - 33

(1) Including foreign securities, cheques, etc., valued at 350 million Kč.

(2) Calculated as the difference between the gold purchases by the National Bank during the year (59 million Kč) and recorded net imports of gold as shown against item 25 of the account for goods, services and gold (622 million Kč).

(3) Balance due to errors and omissions.

Changes in outstanding merchandise credits are not recorded in the capital account, a fact which may explain part of the discrepancy shown in the last column of the summary table. Were the information available complete, the account for each year would, of course, balance exactly.

The methods employed in compiling the figures were summarised in the 1927 issue of this volume <sup>(1)</sup>, and details of the calculation of emigrants' remittances and tourists' expenditure for the years 1928 to 1930 were given in the three subsequent issues.

### International indebtedness.

The Czechoslovak balance of international indebtedness at the end of the years 1928 to 1932 is estimated as follows :

<i>Liabilities.</i>	Kč (000,000 <sup>a</sup> )				
	1928	1929	1930	1931	1932
Government debt <sup>(2)</sup> . . . . .	6,758	7,120	8,406	8,344	8,838
Municipal debt . . . . .	506	497	486	412	397
Private debts :					
(a) long-term debts of industries and banks . .	1,077	971	1,498	1,193	1,275
(b) foreign participation in national enterprises and other foreign direct investments . . .	1,180	1,253	1,156	1,277	1,239
(c) short-term : credits received by industries and banks . . . . .	304	656	973	665	323
banks' foreign correspondents . . . . .	2,776	2,472	2,003	1,178	757
merchandise credits . . . . .	1,271	1,063	.	.	.
Total . . . . .	13,872	14,032	<sup>(3)</sup> 14,522	<sup>(3)</sup> 13,069	<sup>(3)</sup> 12,829
<i>Assets.</i>					
Assets of the Czechoslovak Government abroad . .	617	584	569	536	503
Private assets :					
(a) long-term loans . . . . .	1,011	1,477	841	913	732
(b) participation in foreign enterprises and other direct investments abroad . . . . .	571	644	842	855	749
(c) short-term : credits granted by industries and banks . . . . .	11	20	44	34	107
banks' foreign correspondents . . . . .	4,655	4,331	4,626	1,974	1,960
merchandise credits . . . . .	3,315	3,262	.	.	.
Total . . . . .	10,180	10,318	<sup>(3)</sup> 6,922	<sup>(3)</sup> 4,312	<sup>(3)</sup> 4,051
<i>Net indebtedness</i> . . . . .	3,692	3,714	<sup>(3)</sup> 7,600	<sup>(3)</sup> 8,757	<sup>(3)</sup> 8,778

Comparison between the 1929 and 1930 totals is affected by the exclusion of merchandise credits in the latter year (the foreign assets on account of such credits granted increased during 1930) and the inclusion in the figures for the Government debt in the same year of all the liabilities resulting from the Peace Treaties, the amount of which was not finally fixed until 1930.

<sup>(1)</sup> Memorandum on International Trade and Balances of Payments 1913-1927, Volume I (Series of publications : 1928. II. 53/1), page 82.

<sup>(2)</sup> The figures for 1928-1930 are revised.

<sup>(3)</sup> Excluding merchandise credits.



# DENMARK

The Danish Government has supplied a statement of the international balance of payments of Denmark during the years 1931 and 1932, which is set out below together with the estimates for 1929 and 1930 which were 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)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	1,712	1,610	1,330	1,137	1,794	1,727	1,465	1,142
2. Adjustment for wrong valuation . . . . .	—	—	—	—	—	—	—	—
<b>II. Interest and dividends.</b>								
3. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
4. Interest on other public debts . . . . .	—	—	—	—	65	50	60	70
5. Other interest and dividends on long-term capital . . . . .	12	12	12	12	18	18	20	18
6. Interest on short-term capital . . . . .	30	25	20	20	22	20	22	18
<b>III. Other services.</b>								
7. Shipping <sup>(1)</sup> :								
(a) ordinary freights . . . . .	172	150	130	133	20	15	10	1
(b) charter money <sup>(2)</sup> . . . . .	33	25	13	9				
(c) passenger money . . . . .	10	10	10	10				
8. Ships' stores and bunkers . . . . .	—	40	42	50	25	70	53	53
9. Port fees . . . . .	10							
10. Commissions, insurance, brokerage . . . . .	25	20	15	10	10	10	10	10
11. Post, telegraph and telephone . . . . .	3	3	3	3	5	5	5	5
12. Immigrants' and emigrants' funds and remittances . . . . .	10	15	10	10	5	5	5	5
13. Tourists' expenditure <sup>(4)</sup> . . . . .	15	15	10	10	25	25	20	20
14. Diplomatic and similar expenditure . . . . .	5	5	5	5	4	4	4	4
<b>IV. Gold.</b>								
15. Gold coin and bullion . . . . .	—	—	28	20	—	—	—	—
<b>Total . . . . .</b>	<b>2,037</b>	<b>1,930</b>	<b>1,628</b>	<b>1,429</b>	<b>2,003</b>	<b>1,949</b>	<b>1,674</b>	<b>1,346</b>
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 34	— 19	— 74	+ 63				
(b) gold . . . . .	—	—	+ 28	+ 20				
(c) goods, services and gold . . . . .	+ 34	— 19	— 46	+ 83				

(1) Maritime freight on goods imported in national ships, which is included in the freight income (items 7a and b, credit) as well as in the import figure for merchandise (item 1, debit), amounted to approximately 50 million Kroner in 1929, 45 million in 1930, 40 million in 1931 and 35 million in 1932. 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 30 million Kroner in 1929, 55 million in 1930, 60 million in 1931 and 65 million in 1932.

(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 (items 8 and 9, debit).

(3) Net figures.

(4) Passenger fares paid by national tourists to foreign ships are excluded (included with item 7).

## Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Long-term operations.</b>								
1. Amortisation :								
(a) of intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
(b) of other public debts . . . . .	—	—	—	—	10	30	35	40
(c) of other debts . . . . .	5	—	—	—	5	—	5	5
2. Purchases and sales of :								
(a) domestic securities . . . . .	65	70	75	49	95	80	75	42
(b) foreign securities . . . . .		5	20	6		15	12	5
3. New capital issues :								
(a) Government and municipal . . . . .	—	40	—	—	5	—	—	—
(b) other . . . . .	20	—	8	—	—	—	—	—
4. Participation in new capital issues . . . . .	—	—	—	—	—	—	—	—
<b>II. Short-term operations.</b>								
5. Change in short-term debts . . . . .	—	—	( <sup>1</sup> ) 140	—	20	12	—	74
6. Change in short-term assets . . . . .	10	30	—	16	—	—	—	—
<b>Total . . . . .</b>	<b>100</b>	<b>145</b>	<b>243</b>	<b>71</b>	<b>135</b>	<b>137</b>	<b>127</b>	<b>166</b>
Net inward (+) or outward (—) movement of capital . . . . .	— 35	+ 8	+ 116	— 95				

## SUMMARY TABLE.

	Kroner (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1923 Balance . . . . .	— 406	— 57	+ 281	+ 28	— 154	+ 80	( <sup>2</sup> )	+ 80	— 74
1924 Balance . . . . .	— 293	— 45	+ 285	—	— 53	+ 14	( <sup>2</sup> )	+ 14	— 39
1925 Balance . . . . .	— 141	— 70	+ 241	—	+ 30	— 13	( <sup>2</sup> )	— 13	+ 17
1926 Balance . . . . .	— 174	— 55	+ 183	—	— 46	+ 35	+ 10	+ 45	( <sup>3</sup> )— 1
1927 Balance . . . . .	— 194	— 50	+ 203	+ 27	— 14	+ 145	— 103	+ 42	( <sup>3</sup> ) + 28
1928 Balance . . . . .	— 79	— 50	+ 124	+ 9	+ 4	+ 155	— 155	—	( <sup>3</sup> ) + 4
1929 Balance . . . . .	— 82	— 63	+ 179	—	+ 34	— 25	— 10	— 35	( <sup>3</sup> )— 1
1930 Credit . . . . .	1,610	37	283	—	1,930	115	30	145	2,076
Debit . . . . .	1,727	88	134	—	1,949	125	12	137	2,086
Balance . . . . .	— 117	— 51	+ 149	—	— 19	— 10	+ 18	+ 8	( <sup>3</sup> )— 11
1931 Credit . . . . .	1,330	32	238	28	1,628	103	140	243	1,871
Debit . . . . .	1,465	102	107	—	1,674	127	—	127	1,801
Balance . . . . .	— 135	— 70	+ 131	+ 28	— 46	— 24	+ 140	+ 116	( <sup>3</sup> ) + 70
1932 Credit . . . . .	1,137	32	240	20	1,429	55	16	71	1,500
Debit . . . . .	1,142	106	98	—	1,346	92	74	166	1,512
Balance . . . . .	— 5	— 74	+ 142	+ 20	+ 83	— 37	— 58	— 95	( <sup>3</sup> )— 12

(1) Short-term debts rose by 48 million Kroner and short-term assets fell by 113 million Kroner in 1931. The net short-term assets thus fell by 160 million Kroner; but, as of this reduction 20 million was due to the fall in the exchange value of the Krone, only 140 million has been entered in the table.

(2) 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.

(3) Balance due to errors and omissions.

It will be noted that, even in the statements for 1929-1932, 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 from public authorities, financial institutions, commercial companies and private business men. The number of companies and private individuals questioned in 1928, 1929 and 1930 was about 5,000; in 1931 and 1932, about 6,000.

The following table gives a summary of debits and credits. In the last column, the net debit amounts are converted into gold Kroner, in accordance with the dollar rate prevailing during the various periods :

At the end of year	Nominal value in Kroner (000,000's)						
	Debits		Credits		Difference		
	Danish bonds, etc., held abroad	Floating	Foreign bonds, etc., in Danish hands	Floating	Nominal	Dollar rate	Gold Kroner according to dollar rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1907 . . . . .	608	100	69	52	— 587	3.73	— 587
1912 . . . . .	941	70	70	64	— 877	3.73	— 877
1925 . . . . .	1,075	565	160	480	— 1,000	4.05	— 921
1926 . . . . .	1,045	460	200	365	— 940	3.75	— 935
1927 . . . . .	1,188	437	215	445	— 965	3.73	— 965
1928 . . . . .	1,360	415	225	555	— 995	3.73	— 995
1929 . . . . .	1,335	395	225	545	— 930	3.73	— 960
1930 . . . . .	1,335	380	235	520	— 960	3.73	— 960
1931 . . . . .	1,682	429	255	405	— 1,451	5.37	— 1,008
1932 . . . . .	1,773	355	255	390	— 1,483	5.83	— 949

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:					
	1927	(1) 1928	1929	1930	1931	1932
<i>Liabilities.</i>						
1. Danish bonds, etc., held abroad :						
(a) Danish State bonds . . . . .	485	648	623	610	835	904
(b) Municipal debt . . . . .	330	325	319	319	406	435
(c) State Housing Fund bonds . . . . .	41	97	93	94	111	114
(d) Mortgage-Bank bonds . . . . .	62					
(e) other Danish securities (2) . . . . .	270	290	300	310	330	320
2. Floating debt (3) of :						
(a) banks . . . . .	190	145	125	142	107	140
(b) other private enterprises and individuals . . . . .	247	270	270	240	322	215
Total liabilities . . . . .	1,625	1,775	1,730	1,715	2,111	2,128

See footnotes on following page.

	Kroner (000,000's) at the end of :					
	1927	( <sup>1</sup> ) 1928	1929	1930	1931	1932
<i>Assets.</i>						
3. Foreign bonds, etc., held in Denmark ( <sup>2</sup> ).	215	225	225	235	255	255
4. Floating assets ( <sup>3</sup> ) of :						
(a) banks . . . . .	180	260	250	240	105	110
(b) other private enterprises and individuals . . . . .	265	295	295	280	300	280
Total assets . . . . .	660	780	770	755	660	645

A distribution of the floating debts and assets between different foreign currencies at the end of 1931 and 1932 is given below.

At the end of the year	Amounts converted into Danish Kroner (000,000's)									
	£	\$	RM	French francs	Swedish kronor	Gulden	Swiss francs	Other foreign currencies	Danish Kroner	Total
<i>Debts</i> 1931 . . . .	91.6	114.3	25.9	13.0	12.5	28.0	8.6	13.4	121.6	428.9
1932 . . . .	109.0	63.4	9.8	10.0	8.9	21.1	27.5	6.7	98.2	354.6
<i>Assets</i> 1931 . . . .	127.5	62.6	19.1	19.7	13.7	5.3	3.3	32.9	120.5	404.6
1932 . . . .	143.8	47.1	27.0	18.4	14.4	13.5	5.5	30.8	88.7	389.2

(1) The figures for 1927 and 1928 are not closely comparable as the number of private firms supplying information was increased in the latter year.

(2) The figures entered against items 1e and 3 include small amounts of other debts and assets, *inter alia*, on account of national real estate owned by foreigners and foreign real estate owned by nationals of Denmark.

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

## DUTCH EAST INDIES

Official statements of the balance of payments of the Dutch East Indies for 1931 and 1932 are shown below together with the statements for 1928-1930 given in the previous edition of this volume. Certain of the figures for 1930 have been revised ; those for 1932 are provisional.

### Goods, services and gold.

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
<b>I. Merchandise.</b>										
1. Merchandise, as recorded . . . . .	1,585	1,483	1,186	774	573	1,011	1,152	920	607	400
2. Adjustments of item 1 on account of :										
(a) export duty . . . . .	14	13	9	4	3	—	—	—	—	—
(b) statistical duty . . . . .	4	4	3	2	2	—	—	—	—	—
(c) purchases of ships . . . . .	—	—	—	—	—	20	13	13	7	—
<b>II. Interest and dividends (1).</b>										
3. Int. and div. received by the Govt.	12	13	11	6	7	—	—	—	—	—
4. Interest paid abroad on :										
(a) Government debt . . . . .	—	—	—	—	—	54	53	—	—	—
(b) debt of municipalities, private companies, etc. . . . .	—	—	—	—	—	26	26	81	89	90
5. Dividends paid abroad by :										
(a) planting companies (including profits of private estates) . . . . .	—	—	—	—	—	171	132	97	17	—
(b) other companies . . . . .	—	—	—	—	—	111	116	90	45	31
6. Trade profits of individuals . . . . .	—	—	—	—	—	5	2	2	2	—
<b>III. Other services.</b>										
7. Tourists' expenditure :										
(a) passenger fares . . . . .	—	—	—	—	—	34	29	29	25	17
(b) other . . . . .	7	6	5	5	3	69	57	54	34	17
8. Remittances to relatives abroad . . . . .	—	—	—	—	—	15	15	12	10	8
9. Government expenditure n.e.i. . . . .	—	—	—	—	—	18	18	16	15	10
10. Administration expenditure abroad :										
(a) <i>tantièmes</i> . . . . .	—	—	—	—	—	27	16	—	—	—
(b) other . . . . .	—	—	—	—	—	20	20	24	20	16
11. Pensions paid abroad . . . . .	—	—	—	—	—	25	26	28	31	34
<b>IV. Gold.</b>										
12. Gold coin and bullion . . . . .	5	5	5	44	46	20	14	3	2	—
Total . . . . .	1,627	1,524	1,219	835	634	1,626	1,689	1,369	904	623
Surplus (+) or deficit (—) on account of :										
(a) goods and services . . . . .	+ 16	—156	—152	—111	— 35					
(b) gold . . . . .	— 15	— 9	+ 2	+ 42	+ 46					
(c) goods, services and gold . . . . .	+ 1	—165	—150	— 69	+ 11					

(1) 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.

## Capital items. (1)

Items	Gulden (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
<b>I. Long-term operations.</b>										
1. Amortisation :										
(a) of Government debt . . . . .	—	—	—	—	—	42	95	43	33	47
(b) of other debts . . . . .	—	—	—	—	—	9	10			
2. Purchases of dom. securities abroad	—	—	—	—	—	36	33	25	15	10
3. Remittances on account of pension funds :										
(a) of the Government . . . . .	—	—	—	—	—	19	24	24	21	17
(b) of private companies . . . . .	—	—	—	—	—	5	3	9		
4. Life insur. premia remitted abroad.	—	—	—	—	—	5	6			
5. New foreign long-term investments	103	59	180	103	104	—	—	—	—	—
<b>II. Short-term operations.</b>										
6. Recorded changes in short-term assets and debts (2) . . . . .	—	141		46	86	6	—		—	—
Total . . . . .	103	200	180	149	190	122	121	101	69	74
Net inward (+) or outward (—) movement of capital . . . . .	—19	+79	+79	+80	+116					

## SUMMARY TABLE.

	Gulden (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance . . . . .	+ 974	— 359	— 136	— 14	+ 465	— 18	— 198	— 216	(3) + 249
1926 Balance . . . . .	+ 700	— 408	— 160	— 21	+ 111	— 56	+ 79	+ 23	(3) + 135
1927 Balance . . . . .	+ 746	— 372	— 216	— 16	+ 142	— 67	+ 5	— 62	(3) + 80
1928 Balance . . . . .	+ 572	— 355	— 201	— 15	+ 1	— 13	— 6	— 19	(3) — 18
1929 Balance . . . . .	+ 335	— 316	— 175	— 9	— 165	— 62	+ 141	+ 79	(3) — 86
1930 Credit . . . . .	1,198	11	5	5	1,219	180	(4)	180	1,399
Debit . . . . .	933	270	163	3	1,369	101	(4)	101	1,470
Balance . . . . .	+ 265	— 259	— 158	+ 2	— 150	+ 79		+ 79	(4) — 71
1931 Credit . . . . .	780	6	5	44	835	103	46	149	984
Debit . . . . .	614	153	135	2	904	69	—	69	973
Balance . . . . .	+ 166	— 147	— 130	+ 42	— 69	+ 34	+ 46	+ 80	(3) + 11
1932 Credit . . . . .	578	7	3	46	634	104	86	190	824
Debit . . . . .	400	121	102	—	623	74	—	74	697
Balance . . . . .	+ 178	— 114	— 99	+ 46	+ 11	+ 30	+ 86	+ 116	(3) + 127

(1) 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.

(2) The figures for 1931 and 1932 refer only to the increase of the Government debt on balance with the Dutch Colonial Department.

(3) Balance due to errors and omissions.

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

It will be noted that a perfect balance is not obtained, a fact which is probably due largely to the incomplete record of capital movements. For 1930 and 1931 no information is available with regard to the changes in short-term assets and debts; that for 1931 and 1932 refers only to the Government debt on balance with the Dutch Colonial Department.

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 Dutch East Indies has recourse to foreign 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 per cent of the amounts entered as dividends paid abroad in the account for goods, services and gold.

Capital items 2-4 largely represent savings effected by Europeans living in the Dutch East 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 Dutch East Indies.

Details concerning the methods employed in the calculations are given in the 1927-1929 edition of this volume.

### International indebtedness.

An official publication which has recently appeared <sup>(1)</sup> contains certain information concerning the foreign investments in planting companies and planting estates in the Dutch East Indies. This information is summarised below.

	Gulden (000,000's) at the end of 1929										
	Sugar	Rubber	To-bacco	Oil-palm	Coffee	Tea	Cin-chona	Fibre	Coco-nuts	Gam-bier	Total
<i>Investments in Java :</i>											
Dutch . . . . .	779.7	145.9	—	—	71.7	104.2	16.6	—	—	—	1,118.1
British . . . . .	10.1	80.8	—	—	20.0	28.5	2.7	—	—	—	142.1
French, Belgian . .	—	20.9	—	—	8.4	6.6	0.1	—	—	—	36.0
German . . . . .	—	1.6	—	—	—	4.2	—	—	—	—	5.8
Italian . . . . .	—	2.1	—	—	0.1	—	—	—	—	—	2.2
Japanese . . . . .	3.7	1.7	—	—	—	0.5	—	—	—	—	5.9
Unknown . . . . .	—	16.8	—	—	4.9	—	0.6	—	—	—	22.3
Total . . . . .	793.5	269.8	—	—	105.1	144.0	20.0	—	—	—	1,332.4
<i>Investments in the province East Coast of Sumatra :</i>											
Dutch . . . . .	—	128.9	116.3	47.9	—	24.4	—	40.0	3.3	—	360.8
British . . . . .	—	104.7	—	3.0	—	14.6	—	—	1.4	1.0	124.7
United States . . .	—	53.0	—	—	—	—	—	—	—	—	53.0
French, Belgian . .	—	41.9	3.0	27.7	—	—	—	—	—	—	72.6
Swiss . . . . .	—	3.6	0.7	—	—	—	—	—	0.1	—	4.4
Japanese . . . . .	—	11.1	—	2.6	—	—	—	—	—	—	13.7
German . . . . .	—	3.2	—	2.5	—	2.4	—	—	—	—	8.1
Other . . . . .	—	4.9	—	—	—	—	—	—	—	—	4.9
Total . . . . .	—	351.3	120.0	83.7	—	41.4	—	40.0	4.8	1.0	642.2

(1) *Mededeelingen van het Centraal Kantoor voor de Statistiek, No. 96 (De beteekenis van Nederlandsch-Indië uit internationaal-economisch oogpunt).*

	Gulden (000,000's) at the end of 1929										
	Sugar	Rubber	To- bacco	Oil- palm	Coffee	Tea	Cin- chona	Fibre	Coco- nuts	Gam- bier	Total
<i>Investments in South Sumatra :</i>											
Dutch . . . . .	—	17.6	—	5.1	17.6	12.3	3.7	1.0	—	—	57.3
British . . . . .	—	6.9	—	—	1.9	2.5	—	—	—	—	11.3
German . . . . .	—	1.3	—	—	1.4	—	1.3	—	—	—	4.0
French, Belgian . . . . .	—	3.2	—	—	—	—	—	—	—	—	3.2
Swiss . . . . .	—	—	—	—	0.8	—	—	—	—	—	0.8
Unknown . . . . .	—	10.1	—	—	3.4	—	0.3	—	—	—	13.8
Total . . . . .	—	39.1	—	5.1	25.1	14.8	5.3	1.0	—	—	90.4

The above values are calculated on the basis of assumed average values per hectare of the estates concerned — for example, sugar : 4,000 gulden ; rubber : Java, 1,200 gulden ; East Coast of Sumatra, 1,400 gulden ; South Sumatra, 1,500 gulden ; oil-palm, 1,000 to 1,500 gulden ; coffee : Java, 1,100 gulden ; South Sumatra, 1,200 gulden ; tea : Java, 1,500 gulden ; East Coast of Sumatra, 2,000 gulden ; South Sumatra, 2,000 gulden ; cinchona : Java, 1,200 gulden ; South Sumatra, 2,000 gulden ; fibre : 2,000 gulden ; copra : 600 gulden.

The investments on the East Coast of Sumatra, which, according to the above table, were valued at 642.2 million gulden at the end of 1929, are estimated to have amounted to only 206.2 million gulden in 1913 and 438.7 million in 1924.

Besides the investments included in the above table, there are large foreign investments in mineral-oil production (Dutch and American interests), shipping, commerce and banking in the Dutch East Indies.



# ESTONIA

Statements of the balance of international payments of Estonia in the years 1929-1932, prepared by M. A. Tooms, of the Estonian Central Statistical Bureau (1), have been supplied by the Government of that country and are set out below in a slightly modified form. The summary table shows, in addition, the balances of the main groups of items in the statements for 1925-1928, which were published in the 1928 edition of this publication (2).

## Goods, services and gold.

Items	Kr. (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	117.5	96.4	71.0	42.6	122.9	98.3	61.2	36.8
2. Adjustment on account of ships sold and bought . . . . .	0.14	0.1	—	—	1.4	1.7	0.6	0.5
<b>II. Interest and dividends.</b>								
3. Interest on intergov. debts . . . . .	—	—	—	—	1.9	1.8	1.0	1.8
4. Interest on other public debts . . . . .	—	—	—	—	2.0	2.7	2.4	1.5
5. Other interest and dividends on long- and short-term capital . . . . .	1.4	1.3	0.9	0.5	3.4	3.3	2.5	2.4
<b>III. Other current items.</b>								
6. Shipping freights . . . . .	7.9	8.3	8.8	7.7	—	—	—	—
7. Port fees and shipping expenditure . . . . .	0.6	0.6	0.6	0.4	4.7	5.0	5.6	5.2
8. Railway earnings and expenditure (3) :								
(a) transit . . . . .	0.2	0.2	0.8	0.4	—	—	—	—
(b) other . . . . .	0.4	0.4	1.0	0.5	0.3	0.2	0.2	0.2
9. Insurance . . . . .	2.0	2.9	1.7	1.8	2.2	2.3	2.1	2.1
10. Post, telegraph and telephone (4) . . . . .	1.2	0.8	0.7	0.3	0.6	0.5	0.4	0.6
11. Immigrants' and emigrants' funds . . . . .	—	0.6	0.6	0.6	1.0	0.7	0.5	0.2
12. Tourists' and students' expenditure . . . . .	3.6	3.7	3.7	2.5	3.5	3.7	3.3	2.9
13. Diplomatic and similar expenditure . . . . .	1.3	1.2	1.1	1.0	0.8	0.6	0.6	0.4
14. Contributions to international institutions . . . . .	—	—	—	—	0.1	0.1	0.1	0.1
15. Other Government receipts and expenditure . . . . .	0.1	0.1	0.1	0.1	0.6	1.3	0.7	0.6
16. Shipping repairs . . . . .	0.1	0.1	0.1	0.1	—	—	—	—
17. Cinematograph film royalties . . . . .	—	—	—	—	0.1	0.1	0.1	0.1
<b>IV. Gold.</b>								
18. Gold coin and bullion . . . . .	0.1	—	0.1	0.5	—	—	—	0.1
<b>Total . . . . .</b>	<b>136.5</b>	<b>116.7</b>	<b>91.2</b>	<b>59.0</b>	<b>145.5</b>	<b>122.3</b>	<b>81.3</b>	<b>55.5</b>
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	— 9.1	— 5.6	+ 9.8	+ 3.1				
(b) gold . . . . .	+ 0.1	—	+ 0.1	+ 0.4				
(c) goods, services and gold . . . . .	— 9.0	— 5.6	+ 9.9	+ 3.5				

(1) Published in the *Eesti Statistika* for May 1933 (No. 138 (5)).

(2) Series of publications: 1929.II.51<sup>11</sup>, page 71.

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

(4) 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			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergov. debts . . . . .	—	—	—	—	0.2	0.5	0.1	0.1
(b) of other public debts . . . . .	—	—	—	—	0.3	0.4	0.5	0.2
2. Repurchase of bonds of the League of Nations Loan . . . . .	—	—	—	—	0.2	0.2	0.2	0.2
3. Government loan raised with the Match Trust . . . . .	—	7.5	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
4. Change in the foreign assets and debts of :								
(a) the Bank of Estonia . . . . .	5.0	0.1	7.8	2.1	—	—	—	—
(b) other banks . . . . .	1.2	1.7	—	0.1	—	—	5.5	—
5. Adjustment of item 4: change due to the depreciation of sterling <sup>(1)</sup> . . . . .	—	—	—	—	—	—	7.1	—
Total . . . . .	6.2	9.3	7.8	2.2	0.7	1.1	13.4	0.5
Net inward (+) or outward (—) movement of capital . . . . .	+ 5.5	+ 8.2	— 5.6	+ 1.7				

## SUMMARY TABLE.

	Kr. (000,000's)								
	Goods, services and gold					Known capital items			All items
	Mer- chandise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1925 Balance . .	+ 0.2	— 3.1	+ 3.5	—	+ 0.6	— 1.8	.	— 1.8	<sup>(2)</sup> — 1.2
1926 Balance . .	+ 1.0	— 4.4	+ 4.7	—	+ 1.3	+ 2.8	.	+ 2.8	<sup>(2)</sup> + 4.1
1927 Balance . .	+ 8.7	— 6.6	+ 4.2	—	+ 6.3	<sup>(3)</sup> + 3.0	.	+ 3.0	<sup>(2)</sup> + 9.3
1928 Balance . .	— 5.3	— 7.7	+ 5.9	+ 0.1	— 7.0	+ 3.0	+ 9.2	+ 12.2	<sup>(4)</sup> + 4.7
1929 Credit . . .	117.6	1.4	17.4	0.1	136.5	—	6.2	6.2	142.7
Debit . . .	124.3	7.3	13.9	—	145.5	0.7	—	0.7	146.2
Balance . . .	— 6.7	— 5.9	+ 3.5	+ 0.1	— 9.0	— 0.7	+ 6.2	+ 5.5	<sup>(4)</sup> — 3.5
1930 Credit . . .	96.5	1.3	18.9	—	116.7	7.5	1.8	9.3	126.0
Debit . . .	100.0	7.8	14.5	—	122.3	1.1	—	1.1	123.4
Balance . . .	— 3.5	— 6.5	+ 4.4	—	— 5.6	+ 6.4	+ 1.8	+ 8.2	<sup>(4)</sup> + 2.6
1931 Credit . . .	71.0	0.9	19.2	0.1	91.2	—	7.8	7.8	99.0
Debit . . .	61.8	5.9	13.6	—	81.3	0.8	12.6	13.4	94.7
Balance . . .	+ 9.2	— 5.0	+ 5.6	+ 0.1	+ 9.9	— 0.8	— 4.8	— 5.6	<sup>(4)</sup> + 4.3
1932 Credit . . .	42.6	0.5	15.4	0.5	59.0	—	2.2	2.2	61.2
Debit . . .	37.3	5.7	12.4	0.1	55.5	0.5	—	0.5	56.0
Balance . . .	+ 5.3	— 5.2	+ 3.0	+ 0.4	+ 3.5	— 0.5	+ 2.2	+ 1.7	<sup>(4)</sup> + 5.2

(1) Allowance has to be made for the change in the book value of foreign assets and debts due to the depreciation of sterling, as this change is not offset by other items in the account.

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

(3) 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.

(4) 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. The account for goods, services and gold is believed to be fairly complete; omissions are stated to represent less than 5 per cent of the total transactions.

### Goods, services and gold.

*Freights.* Information concerning the gross freight earnings in foreign trade (item 6) was collected for about half the tonnage of steamships. The figure for the average earnings calculated on this basis was applied to the total effective tonnage of ships in foreign trade, reduced by 5 per cent in 1929 and 1930, 8 per cent in 1931 and 12.5 per cent in 1932 on account of laid-up ships. Sailing vessels were reckoned at a reduced tonnage (the coefficient employed was 0.3 for ordinary sailing vessels and 0.6 for auxiliary sailing vessels). Special information was collected for the income of salvage ships.

The expenses of Estonian ships in foreign ports (item 7, debit) was reckoned at 60 per cent of the gross earnings in 1929, 62 per cent in 1930, 65 per cent in 1931 and 68 per cent in 1932.

*Emigrants' funds* (item 11). Each emigrant was assumed to have brought 700 kroon out of the country.

*Tourists' expenditure.* The expenditure of students, which is included with item 12, is reckoned at 780 kroon annually for each foreign student in Estonia, and 1,000 kroon for each Estonian student abroad.

*Diplomatic expenditure.* From the expenditure as given in the public accounts have been deducted the income-tax repaid to Estonia.

### International indebtedness.

The following official estimate of the outstanding international liabilities and assets of Estonia excludes ordinary commercial credits and short-term debts. The information concerning private debts has been collected by the Bank of Estonia.

	Kr. (000,000's) at the end of			
	1929	1930	1931	1932
<i>Liabilities.</i>				
Intergovernmental debts . . . . .	81.4	82.1	75.4	78.4
League of Nations Loan . . . . .	27.2	27.1	22.9	22.3
Other Government debts (1) . . . . .	2.8	10.1	9.1	8.8
Foreign long-term investments in enterprises and banks.	32	33	28	27
Real estate owned by foreigners. . . . .	.	.	.	2
Total . . . . .				138.5
<i>Assets.</i>				
Bonds of the League of Nations Loan held in Estonia . . . . .	.	.	.	3
Foreign assets of :				
(a) the Bank of Estonia. . . . .	30.4	30.3	22.4	20.3
(b) other banks. . . . .	10.5	10.1	5.9	4.0
Long-term investments and deposits abroad . . . . .	.	.	.	15
Real estate abroad . . . . .	.	.	.	5
Total . . . . .				47.3
Net indebtedness on account of the above items . . . . .				91.2

(1) This item includes: (1) the loan raised in the United Kingdom 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, and (3) the loan raised in Sweden in connection with the establishment of the Match Monopoly.

The Government debt was reduced by 12 million kroon in 1931 as a result of the depreciation of sterling. In 1932 this debt again rose owing to the discontinuation of payments for the service of intergovernmental debts, and at the end of the year it amounted to 110 million kroon. -

The short-term debts of commercial banks (not included above) amounted at the end of the four years 1929-1932 to 20.4, 21.6, 11.9 and 10.1 million kroon.

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## FINLAND

Estimates of the items relating to goods, services and gold in the balance of payments of Finland in 1931 and 1932 have been supplied by the Finnish Government and are set out below, together with the statements for 1929 and 1930 which were published in the last issue of this *Memorandum*.

It is pointed out that, in establishing the figures for the new statements, foreign currencies have, as far as possible, been converted into markka at the rates actually paid.

### Goods, services and gold.

Items	Markka (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	6,430	5,405	4,458	4,630	7,001	5,227	3,457	3,500
2. Adjustment for wrong valuation . . . . .	65	55	20	30	—	—	—	—
3. Contraband . . . . .	—	—	—	—	70	50	40	30
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
5. Interest on other public debts . . . . .	—	—	—	—	200	222	254	362
6. Other interest and dividends on long-term capital . . . . .	—	—	—	—	95	110	142	170
7. Interest on short-term capital . . . . .	40	40	30	30	155	120	70	81
<i>III. Other services.</i>								
8. Shipping freights (net receipts) . . . . .	250	240	260	300	—	—	—	—
9. Port fees . . . . .	70	60	50	50	—	—	—	—
10. Other transport fees : included with item 12. . . . .	—	—	—	—	—	—	—	—
11. Insurance . . . . .	180	160	145	145	150	150	130	120
12. Post, telegraph and telephone . . . . .	35	35	35	30	28	25	25	20
13. Emigrants' and sailors' remittances . . . . .	190	160	120	220	—	—	30	10
14. Tourists' expenditure . . . . .	190	190	190	190	220	220	160	140
15. Diplomatic and similar expenditure . . . . .	20	20	20	20	27	27	24	31
16. Other Government expenditure . . . . .	—	—	—	—	2	2	3	4
<i>IV. Gold. (1)</i>								
17. Gold bullion . . . . .	—	—	(2)	(2)	—	21	8	(2)
<b>Total . . . . .</b>	<b>7,470</b>	<b>6,365</b>	<b>5,328</b>	<b>5,645</b>	<b>7,048</b>	<b>6,174</b>	<b>4,343</b>	<b>4,468</b>
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	- 478	+ 212	+ 993	+1,177				
(b) gold (1). . . . .	—	- 21	- 8	—				
(c) goods, services and gold . . . . .	- 478	+ 191	+ 985	+1,177				

(1) Gold bullion only (gold coin is included with merchandise).  
(2) Included with merchandise.

## SUMMARY TABLE.

	Markka (000,000's)				
	Goods, services and gold				
	Mer- chandise	Interest and divi- dends	Other services	Gold	Total
1922 Balance . . . . .	+ 428	— 293	+ 268	—	+ 403
1923 Balance . . . . .	— 283	— 234	+ 269	— 1	— 249
1924 Balance . . . . .	+ 225	— 258	+ 362	— 60	+ 269
1925 Balance . . . . .	— 15	— 325	+ 431	— 1	+ 90
1926 Balance . . . . .	— 116	— 284	+ 420	— 1	+ 19
1927 Balance . . . . .	— 72	— 318	+ 466	—	+ 76
1928 Balance . . . . .	— 1,778	— 350	+ 525	—	— 1,603
1929 Balance . . . . .	— 576	— 410	+ 508	—	— 478
1930 Credit . . . . .	5,460	40	865	—	6,365
Debit . . . . .	5,277	452	424	21	6,174
Balance . . . . .	+ 183	— 412	+ 441	— 21	+ 191
1931 Credit . . . . .	4,478	30	820	( <sup>1</sup> )	5,328
Debit . . . . .	3,497	466	372	8	4,343
Balance . . . . .	+ 981	— 436	+ 448	— 8	+ 985
1932 Credit . . . . .	4,660	30	955	( <sup>1</sup> )	5,645
Debit . . . . .	3,530	613	325	( <sup>1</sup> )	4,468
Balance . . . . .	+ 1,130	— 583	+ 630		+ 1,177

An explanation of the methods of compilation used is given in the 1929 edition of this publication. (<sup>2</sup>)

Complete information concerning the capital movement in 1931 and 1932 is not available, but, as in previous years, it is possible to trace certain important items in this movement.

In 1931, no long-term credits were raised abroad, but about 300 million markka were paid abroad in redemption of loans and the repurchase of Finnish bonds during the summer months of the year, when they were quoted at unusually low prices. Of short-term credits raised abroad, about 1,400 million markka were repaid, partly by means of a reduction of 444 million markka in the foreign currency reserve of the Bank of Finland. The items now mentioned represent a net outflow of capital of 1,256 million markka. As the surplus on account of goods, services and gold amounted to only 987 million, it is believed that also foreign assets other than those of the Bank of Finland were reduced.

The surplus on account of goods, services and gold in 1932 (calculated at 1,177 million markka) is partly accounted for by the reduction in the short-term foreign indebtedness in the course of the year, amounting to 600 million markka (net), and the regular redemption of long-term foreign loans, about 170 million markka. In addition, considerable amounts of Finnish bonds issued in foreign currency were purchased from abroad, and some capital flight, in the narrower sense of the word, also occurred.

(1) Included with merchandise.

(2) Series of Publications: 1930.II.54<sup>11</sup>.

### Foreign indebtedness.

The following data concerning the balance of international indebtedness of Finland are available. <sup>(1)</sup>

<i>Liabilities.</i>	Gold markka (000,000's) at the end of						June
	1927	1928	1929	1930	1931	1932	1933
1. Finnish bonds owned by foreigners .	5,020	5,260	5,350	6,140	( <sup>2</sup> )5,900	.	.
2. Medium-term debts ( <sup>3</sup> ), foreign investments in Finnish stocks and shares, real estate owned by foreigners (rough estimate) . . . . .	.	.	.	.	500	.	.
3. Short-term debts . . . . .	3,580	4,140	4,280	3,560	2,200	1,570	1,930
Total . . . . .	.	.	.	.	8,600	.	.
<i>Assets.</i>							
4. Long-term assets (rough estimate) . .	.	.	.	.	200	.	.
5. Short-term assets . . . . .	1,900	1,250	1,180	1,400	1,100	880	1,240
Total . . . . .	.	.	.	.	1,300	.	.
Net indebtedness . . . . .	.	.	.	.	7,300	.	.

As the above figures refer to gold markka at par rates of exchange, the outstanding amounts at the end of 1931 and later dates, calculated in current markka, exceeded the figures given above.

The long-term loans issued in foreign currency (including bonds held in Finland) and outstanding at the end of 1931 are distributed among different borrowers and currencies as follows :

Borrowers	Gold markka (000'000's)	Currencies	Gold markka (000,000's)
The State . . . . .	2,893	U.S.A. dollars . . . . .	3,494
Municipalities . . . . .	992	Pounds sterling . . . . .	1,543
Credit institutions . . . . .	2,428	French francs . . . . .	542
Industrial concerns . . . . .	150	Swedish crowns . . . . .	328
Other borrowers . . . . .	40	Dutch florins . . . . .	144
		Swiss francs . . . . .	140
		Other currencies ( <sup>4</sup> ) . . . . .	312
Total . . . . .	6,503	Total . . . . .	6,503

The bulk of the foreign short-term debts are due by the exporting industries and their associations. A great part of the short-term debts of the importers was liquidated in the autumn of 1931.

Of the short-term debts outstanding at the end of 1931, 43 per cent were due to the United States, 28 per cent to the United Kingdom, 8 per cent to France and 8 per cent to Sweden. Over 11 per cent of the short-term debts was in markka. The distribution of short-term debts and assets at the end of December 1932 and of June 1933 was as follows :

(1) Sources : Bank of Finland, *Monthly Bulletin*, No. 10 (October) 1932, and *AB. Nordiska Föreningsbanken "Unitas"*, *Quarterly Review*, No. 3 (August), 1933.

(2) The total amount raised abroad was 6,500 million gold markka, but 700 million were originally subscribed or subsequently repurchased by Finland. To the remaining amount of 5,800 million have been added 100 million on account of bonds issued in Finland but sold to foreigners.

(3) Debts for a term of 3 to 5 years.

(4) Including a small amount of unspecified currencies.

## FINLAND

89

Short-term debts			Short-term assets		
	Dec. 1932	June 1933		Dec. 1932	June 1933
State . . . . .	230	359	State . . . . .	10	12
Municipalities . . . . .	28	21	Bank of Finland :		
Joint-stock Banks . . . . .	132	190	correspondents . . . . .	314	571
Bank guarantees . . . . .	890	980	foreign bills . . . . .	236	329
Importers : bank and other credits	50	150	Joint-stock banks :		
Export associations . . . . .	111	162	correspondents . . . . .	105	136
Central co-operative concerns . .	37	18	foreign bills . . . . .	25	60
Other debts . . . . .	90	53	Export associations . . . . .	188	136
	<u>1,548</u>	<u>1,933</u>		<u>878</u>	<u>1,244</u>

While both short-term debts and assets rose in the first half of 1933 — after having fallen during the preceding years — the net short-term indebtedness remained practically unchanged.



## FRANCE

In the absence of official estimates of the balance of payments of France, the private estimates for 1931 and 1932 by Monsieur Pierre Meynial, published in the *Revue d'économie politique* <sup>(1)</sup>, are set out below together with the estimates for 1929 and 1930 by the same author which appeared in last year's volume.

The statements are compiled in such a manner as to refer, not to the Customs territory of France, but to *France and her overseas territories*, with the exception of Indo-China. Thus the merchandise 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 trade figures have been revised on the basis of information which was not available when the original statements were compiled, and a few adjustments of other items have been introduced. For these reasons the figures differ somewhat from those given in the *Revue d'économie politique*.

### Goods, services and gold <sup>(2)</sup>.

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise trade of France with countries other than French overseas territories <sup>(3)</sup> . . . . .	41,816	35,135	23,880	13,997	51,911	46,548	36,468	24,060
2. Trade balance of French overseas territories <sup>(3)</sup> in trade with countries other than each other and France . . . . .	—	—	—	—	1,012	<sup>(4)</sup> 1,500	<sup>(4)</sup> 500	<sup>(4)</sup> —
<b>II. Interest, dividends and other services <sup>(2)</sup>.</b>								
3. Service of Government loans floated in the U. S. A., and interest on other Government commercial debt. . . . .	—	—	—	—	600	426	650	500
4. Service of inter-allied debts: (a) payments to U.S.A. on account of: war debts proper . . . . .	—	—	—	—	867	<sup>(5)</sup> 1,387	510	—
war material . . . . .	—	—	—	—	—	—	—	—
Carried forward . . . . .	41,816	35,135	23,880	13,997	54,390	49,861	38,128	24,560

(1) Vol. 1932, page 578, and vol. 1933, page 662.

(2) Including amortisation of war debts to the United States and the United Kingdom.

(3) Excluding Indo-China.

(4) Estimates by M. Meynial.

(5) Of which amount 894 million francs represent amortisation and 493 million interest.

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
Brought forward	41,816	35,135	23,880	13,997	54,390	49,861	38,128	24,560
(b) payments to U.K. on account of:								
war debts proper . . .	—	—	—	—	1,116	1,397	770	—
war material . . .	—	—	—	—	124			
5. Interest and dividends received on account of:								
(a) long-term investments abroad by French nationals . . .	4,100	4,100	3,200	1,500	—	—	—	—
(b) long-term investments abroad by foreigners living permanently in France . . .	500	500	400	250	—	—	—	—
(c) foreign short-term assets of the Bank of France and the Treasury . . . . .	1,700	1,000	700	263	—	—	—	—
6. Interest and dividends paid (excl. Government payments) . . . . .	—	—	—	—	700	500	300	400
7. Shipping income . . . . .	3,720	3,240	( <sup>1</sup> ) 2,400	( <sup>1</sup> ) 2,000	—	—	—	—
8. Deduct earnings in traffic between France and French overseas territories ( <sup>2</sup> ) . . . . .	— 620	— 540	( <sup>1</sup> ) —	( <sup>1</sup> ) —	—	—	—	—
9. Railway transit . . . . .	500	400	300	200	—	—	—	—
10. Insurance . . . . .	—	—	—	—	—	—	—	—
11. Foreign workers . . . . .	—	—	—	—	2,500	2,500	1,800	1,200
12. Tourists' expenditure . . . . .	10,000	8,500	6,000	3,000	1,500	( <sup>3</sup> )	( <sup>3</sup> )	500
13. Reparations in cash . . . . .	—	—	—	—	—	—	—	—
14. Counter-value of reparations in kind ( <sup>5</sup> ) . . . . .	7,030	( <sup>4</sup> ) 7,244	2,600	—	—	—	—	—
15. Occupation costs . . . . .	—	—	—	—	330	160	—	—
III. Gold.								
16. Trade of France in gold coin and bullion with countries other than French overseas territories ( <sup>2</sup> ) . . . . .	84	577	3,213	2,428	8,673	12,306	21,765	23,540
Total . . . . .	68,830	60,156	42,693	23,638	69,333	66,724	62,763	50,200
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 8,086	+ 5,161	— 1,518	— 5,450				
(b) gold . . . . .	— 8,589	— 11,729	— 18,552	— 21,112				
(c) goods, services and gold.	— 503	— 6,568	— 20,070	— 26,562				

(1) The figures for the shipping income shown against item 7 for 1931 and 1932 represent the net figure (after deduction of earnings which, for earlier years, were shown against item 8).

(2) Excluding Indo-China.

(3) The net income is shown on the credit side.

(4) Including 890 million francs representing receipts out of the proceeds of the blocks of the Young Loan floated in countries other than France. The proceeds of the French block (2,515 million francs sold at a rate of 98 ½ %) remained entirely in the hands of the French Government and have not been considered either in the above item or in capital item 4.

(5) Reparations in kind are included also in merchandise imports (item 1, debit).

Known capital items <sup>(1)</sup>.

Items	Francs (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
1. Amortisation of Gov. debts in so far as not incl. in items 3 and 4 of the account for goods, services and gold . . . . .	—	—	—	—	130	2,107	—	—
2. Other known amortisation payments . . . . .	—	—	—	—	—	—	770	2,125
3. Amortisation receipts :								
(a) from the Bank of England . . . . .	—	—	—	1,863	—	—	—	—
(b) from the British Treasury . . . . .	—	—	—	5,000	—	—	—	—
4. Repurchases of domestic bonds . . . . .	—	—	—	—	—	1,000	1,500	—
5. New capital issues :								
(a) Government and municipal . . . . .	—	—	—	—	480	—	3,375	1,645
(b) other bond issues . . . . .	—	—	—	—	500	—	350	—
(c) shares issued . . . . .	200	—	—	—	120	—	—	—
6. Miscellaneous credits granted :								
(a) by the French Government to foreign governments . . . . .	—	—	—	—	—	—	1,083	—
(b) by the Bank of France to foreign issuing banks . . . . .	—	—	—	—	—	—	3,766	—
(c) by a bank syndicate to the Treasury of the United Kingdom . . . . .	—	—	—	—	—	—	2,500	—
7. Change in the floating assets in foreign currency of :								
(a) the Bank of France . . . . .	6,576	—	( <sup>2</sup> )3,250	16,378	—	268	—	—
(b) the Government . . . . .	—	4,408	3,100	1,466	—	—	—	—
8. Reduction in the amount of gold held by the Bank of France under earmark in the Federal Reserve Banks . . . . .	—	—	—	2,550	—	—	—	—

SUMMARY TABLE (Goods, services and gold <sup>(3)</sup>).

	Francs (000,000's)				
	Merchandise	Interest and dividends	Other services <sup>(3)</sup>	Gold	Total
1927 Balance . . . . .	+ 108	+ 12,222	—	+ 525	+ 12,855
1928 Balance . . . . .	— 3,299	+ 15,804	—	— 6,473	+ 6,032
1929 Balance . . . . .	— 11,107	+ 19,193	—	— 8,589	— 503
1930 Credit . . . . .	35,135	24,444	—	577	60,156
Debit . . . . .	48,048	6,370	—	12,306	66,724
Balance . . . . .	— 12,913	+ 18,074	—	— 11,729	— 6,568
1931 Credit . . . . .	23,880	15,600	—	3,213	42,693
Debit . . . . .	36,968	4,030	—	21,765	62,763
Balance . . . . .	— 13,088	+ 11,570	—	— 18,552	— 20,070
1932 Credit . . . . .	13,997	7,213	—	2,428	23,638
Debit . . . . .	24,060	2,600	—	23,540	50,200
Balance . . . . .	— 10,063	+ 4,613	—	— 21,112	— 26,562

(1) Excluding amortisation of inter-allied debts, which is included in the account for goods, services and gold.

(2) Excluding decrease due to losses on depreciated currencies.

(3) Including reparation receipts and amortisation of war debts to the United States and the United Kingdom.

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 the Government payments on account of the service of foreign debt have not been strictly divided into interest and amortisation. Thus the amounts entered against item 3 of the account for goods, services and gold include amortisation of the loans considered, and item 4 shows the total service of war debts to the United States and the United Kingdom.

According to the above tables, the transactions in goods and services (including receipts and payments on account of political debts) resulted in a debit balance in 1931 of 1,518 million francs, and those in gold in a debit balance of 18,552 million francs. There should thus have been a net capital import of 20,070 million francs. The few capital items specified above account, however, for a capital export of 6,994 million francs. If the figures are accepted as correct, a non-specified capital import of some 27 milliard francs took place during the year. M. Meynial accounts roughly for this capital import by estimating the repatriation of foreign short-term assets of French banks and industrial and commercial enterprises during the year at about 10 milliard francs, new deposits in France on short term by foreigners at 4 to 5 milliard francs, and foreign securities resold and French securities sold abroad, together about 12 milliard francs.

In 1932, the recorded trade in goods and services left a debit balance of 5,450 million francs, and the gold movement a debit balance of 21,112 million francs. These two items suggest a capital import of over 26,500 million francs. The specified capital items account for almost 23,500 million francs, and there remains an unexplained capital import of over 3,000 million francs — largely representing, as it would appear, sales of American, Swiss and Dutch securities and influx of foreign short-term capital. (1)

The 1929 issue of this publication (2) contained a detailed explanation of the manner in which the statements are compiled. Certain additional information concerning the figures for 1931 and 1932 is given below.

### Goods, services and gold.

*Interest and dividends.* The service of French Government loans floated abroad amounted to about 900 million francs in both 1931 and 1932, but, as a large share of the bonds in question is held in France, only 650 and 500 million francs respectively have been entered into the account as outward payments.

Of the interest income entered against item 5c, about 500 million francs in 1931 and 238 million in 1932 represent receipts by the Bank of France and the remainder receipts by the Treasury.

*Foreign workers.* While the number of foreign workers in France is estimated to have risen by 140,000 in 1929 and 132,000 in 1930, it remained practically stable in 1931 and fell by 55,000 in 1932. In estimating the remittances abroad by foreign workers, account has been taken of the fall in the wages earned and of the fact that the stability of the exchange value of the franc has induced the workers to keep within France a relatively large share of their savings.

*Tourists' expenditure* (item 12). According to the statistics published by the National Tourist Office (*Office national du tourisme*) the number of foreign visitors to France in the years 1930 to 1932 was as follows :

(1) In M. Meynial's original statement, as published in the *Revue d'économie politique*, the unexplained capital import amounts to only 1,500 million francs, which is roughly accounted for by estimating the sales of foreign securities at 1,000 million francs and the influx of foreign capital at 1,000 million francs, these two items being partly offset by the repurchase of French bonds to the value of up to 500 million francs.

(2) Series of publications : 1930.11.54<sup>11</sup>.

	Number (000's)		
	1930	1931	1932
British . . . . .	( <sup>1</sup> ) 850	870	522
Americans . . . . .	275	205	143
Spaniards . . . . .	( <sup>2</sup> ) 250	200	120
Belgians . . . . .	25	52	41
Swiss . . . . .	41	46	35
Dutch . . . . .	53	51	30
Others . . . . .	174	118	53
<b>Total . . . . .</b>	<b>1,668</b>	<b>1,541</b>	<b>944</b>

The net tourist income, which in 1930 was shown at 8,500 million francs, is estimated to have fallen by 30 per cent (to 6 milliard francs) in 1931 on account of the reduction in the number of visitors (17 per cent) and in the average individual expenditure (15 to 20 per cent). The expenditure of the American visitors is believed to have amounted to 2 milliard francs, or one-third of the corresponding figure for 1928. The number of visitors continued to fall considerably in 1932, at the same time as their average length of stay was shortened and their daily expenditure reduced. The tourist income for that year is given at 3 milliard francs, offset by 500 million francs representing the minimum expenditure of French tourists abroad.

#### Capital items.

The amortisation payments shown against item 2 comprise the following amounts :

Debtors	Loans raised in	Francs (000,000's)	
		1931	1932
Compagnie générale transatlantique . . . . .	Canada . . . . .	95	—
French State Railways . . . . .	Netherlands . . . . .	300	—
Chemins de fer d'Alsace-Lorraine . . . . .	Switzerland . . . . .	375	—
Département de la Seine . . . . .	U.S.A. . . . .	—	625
Chemins de fer P.L.M. . . . .	U.S.A. . . . .	—	( <sup>3</sup> ) 1,500

The figures for new capital issues for the account of foreign governments (item 5a) in the same years are composed as follows :

	Francs (000,000's)	
	1931	1932
Yugoslavia . . . . .	540	—
Roumania . . . . .	460	—
United Kingdom (one-year bonds subscribed by the public)	2,375	—
Belgium (800 million francs, 5½%, sold at 93.5 per cent)	—	740
Czechoslovakia (600 million francs, 5%, sold at 99 per cent)	—	570
Belgian Treasury (500 million Belgian francs in one-year bonds, 4½%, sold at 95½ per cent)	—	335

A few loans issued in Switzerland and the Netherlands in 1932 for the account of French enterprises and municipalities have not been entered on the credit side against item 5, as they were used for the repayment of old loans.

The amount shown as direct advances by the French Government to foreign governments (item 6a) in 1931 comprises 354 million francs to Hungary, 513 million to Yugoslavia and 216 million to Poland.

The sum shown as advances by the Bank of France to foreign issuing banks in the same year (item 6b) comprises 1,266 million francs to the Bank of Spain (guaranteed by deposit of gold), 1,863 million to the Bank of England, this amount

(1) Of which 450,000 stayed for some time in France.

(2) Excluding persons living near the frontier or merely passing through the country (in 1930, 400,000 and 150,000 respectively).

(3) Two loans of U. S. \$40 and 20 million respectively.

representing the balance outstanding at the end of the year after repayment of 1,242 million francs (£10 million) out of the original credit of 3,105 million francs (£25 million), and 637 million francs (\$25 million) to the Reichsbank.

Item 3 shows the repayments in 1932 of the credits to the Bank of England and the British Treasury included in items 5 and 6.

The assets in foreign currencies of the Bank of France and the French Government have been heavily reduced by withdrawals during the last few years (*cf.* item 7). At the end of 1929, they amounted to 25,954 and 9,286 million francs respectively, but, at the end of 1932, to only 4,222 and 1,783 million francs.

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# GERMANY

Estimates of the balance of payments of Germany for 1931 and 1932 and revised data for the years 1926-1930 have been supplied by the German Government. The estimates for the years 1929-1932 are set out in detail below. The balances of main groups of items in the years 1924-1928 are included in the summary table.

## Goods, services and gold.

Items	Reichsmarks (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	12,690	11,348	9,220	5,757	13,491	10,420	6,775	4,716
2. Adjustment of item 1:								
(a) adjustment for wrong valuation . . . . .	—	—	—	—	—	—	—	—
(b) sales and purchases of ships . . . . .	8	6	18	—	—	—	—	—
(c) high-seas fishing . . . . .	10	8	6	3	—	—	—	—
(d) improvement trade . . . . .	128	123	107	69	133	128	111	76
3. Reparations in kind . . . . .	819	707	393	—	—	—	—	—
<b>II. Interest and dividends. (1)</b>								
4. Interest on German long-term investments abroad . . . . .	200	200	—	—	—	—	—	—
5. Interest on German long-term debts:								
(a) foreign-owned real estate in Germany . . . . .	—	—	300	200	50	50	—	—
(b) foreign-owned German securities . . . . .	—	—	—	—	275	250	760	575
(c) loans and credits . . . . .	—	—	—	—	375	450	—	—
6. Interest on short-term capital . . . . .	200	200	—	—	500	650	740	525
<b>III. Other services.</b>								
7. Shipping income:								
(a) ocean freights . . . . .	760	624	494	340	—	—	—	—
(b) charter money, salvage money, etc. . . . .	47	39	31	25	—	—	—	—
(c) passage money . . . . .	179	210	155	135	—	—	—	—
Carried forward . . . . .	15,041	13,465	10,724	6,529	14,824	11,948	8,386	5,892

(1) Service of the Dawes Loan is included in reparation payments under item 17. This amounts yearly to approximately 67 million marks for interest and 26 million for amortisation.

Items	Reichsmarks (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
Brought forward . . .	15,041	13,465	10,724	6,529	14,824	11,948	8,386	5,892
8. Port expenditure :								
(a) fees . . . . .	12	13	12	11	441	391	305	225
(b) other . . . . .	14	15	10	9				
9. Railway transit and inland water freight . . . . .	172	145	140	129	36	33	30	27
10. Insurance . . . . .	57	27	17	.	38	49	55	40
11. Commissions, brokerage, etc. . . .	10	25	20	.	45	75	15	.
12. Post, telegraph and telephone . . .	2	3	4	4	23	32	25	19
13. Emigrants' remittances . . . . .	50	( <sup>1</sup> )	( <sup>1</sup> )	.	.	.	.	.
14. Wages of seasonal and other workers, expenditure of stu- dents, etc. . . . .	10	10	.	.	50	24	8	—
15. Tourists' expenditure ( <sup>2</sup> ) . . . . .	180	185	130	100	300	210	153	117
16. Diplomatic and similar expendi- ture . . . . .	20	27	25	.	46	48	38	.
17. Reparations in cash . . . . .	—	—	—	—	1,534	992	597	162
18. Reparations in kind (as booked)	—	—	—	—	967	707	393	—
19. Difference between the amounts in items 3 and 18 ( <sup>3</sup> ) . . . . .	148	—	—	—	—	—	—	—
20. Services to troops of occupation, etc. . . . .	40	—	—	—	—	—	—	—
21. Other items :								
(a) trade in electric power . . . . .	3	3	3	3	8	8	8	8
(b) cinematograph film royalti- ties . . . . .	8	15	15	18	18	3	3	4
(c) payments to the Inter- national Steel Combi- nation . . . . .	—	—	—	—	8	—	—	—
(d) other items . . . . .	—	25	—	—	—	—	—	—
IV. Gold.								
22. Gold coin and bullion . . . . .	947	523	1,410	432	507	464	369	318
Total . . . . .	16,714	14,481	12,510	7,235	18,845	14,984	10,385	6,812
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	— 2,571	— 562	+ 1,084	+ 309				
(b) gold . . . . .	+ 440	+ 59	+ 1,041	+ 114				
(c) goods, services and gold . . . . .	— 2,131	— 503	+ 2,125	+ 423				

(1) Included with item 21 d.

(2) Of the outward payments in the years 1930, 1931 and 1932, 170, 120 and 90 million marks were spent by Germans visiting the European continent, and the remainder in oversea countries and on foreign ships.

(3) Cf. the text, page 100.



## Capital items.

Items	Reichsmarks (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Long-term operations.</b>								
1. Amortisation payments, including repurchases of domestic bonds . . . . .	—	—	—	—	111	130	227	136
2. Other purchases and sales of existing bonds . . . . .					(1)	(1)	(1)	(1)
3. Purchases and sales :								
(a) of domestic shares . . . . .	1,546	1,013	512	—	1,361	1,175	723	150
(b) of foreign shares . . . . .								
(c) of real estate in the country . . . . .	7	—	—	—				
4. New capital issues . . . . .	329	1,098	337	100	19	(2) 63	—	—
5. Release of German property in United States of America . . . . .	275	377	80	—	—	—	—	—
6. Other long-term investments . . . . .	19	39	(3) 221	—	17	—	5	—
<b>II. Short-term operations.</b>								
7. Change in the gold deposits of the Reichsbank abroad . . . . .	—	—	110	68	64	72	—	—
8. Increase or decrease :								
(a) in foreign deposits in German banks . . . . .	987	—	—	—	—	428	1,900	437
(b) in the foreign exchange holdings of the banks of issue . . . . .	—	52	427	79	281	—	—	—
(c) in foreign assets of other German banks . . . . .	—	56	1,700	250	438	—	—	—
9. Short-term loans and credits raised and repaid . . . . .	389	1,135	791	—	45	572	305	239
10. Increase in cash balances of the Reparation Agent . . . . .	199	—	—	—	—	(4) 159	—	—
11. Other known movements of short-term capital . . . . .	—	—	191	—	—	—	—	337
<b>III. Undefinable capital movement.</b>								
12. Undefinable net import or export of capital (5) . . . . .	716	—	—	379	—	668	3,334	—
<b>Total . . . . .</b>	<b>4,467</b>	<b>3,770</b>	<b>4,369</b>	<b>876</b>	<b>2,336</b>	<b>3,267</b>	<b>6,494</b>	<b>1,299</b>
<b>Net inward (+) or outward (—) movement of capital . . . . .</b>	<b>+ 2,131</b>	<b>+ 503</b>	<b>— 2,125</b>	<b>— 423</b>				

(1) Included with item 3.

(2) Participation in the Bank for International Settlements.

(3) Of which 185 sales of shares (not through banks) and other increase in foreign participation in German enterprises.

(4) Decrease in balance.

(5) The figures entered against this item are not based on direct evidence (cf. page 99).

## SUMMARY TABLE.

	Reichsmarks (000,000's)									
	Goods, services and gold					Capital items				All items
	Mer. chandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Undefinable	Total	
1924 Balance . . . .	- 1,848	+ 159	- 12	- 67	- 1,768	+ 1,000	+ 355	+ 413	+ 1,768	—
1925 Balance . . . .	- 2,362	- 6	- 636	- 630	- 3,634	+ 1,214	+ 716	+ 1,704	+ 3,634	—
1926 Balance . . . .	+ 817	- 173	- 742	- 567	- 665	+ 1,454	+ 127	- 916	+ 665	—
1927 Balance . . . .	- 2,890	- 345	- 1,018	- 188	- 4,441	+ 1,778	+ 2,353	+ 310	+ 4,441	—
1928 Balance . . . .	- 1,224	- 563	- 1,385	- 917	- 4,089	+ 1,841	+ 1,265	+ 983	+ 4,089	—
1929 Balance . . . .	+ 31	- 800	- 1,802	+ 440	- 2,131	+ 668	+ 747	+ 716	+ 2,131	—
1930 Credit . . . . .	12,192	400	1,366	523	14,481	2,527	1,243	—	3,770	18,251
Debit . . . . .	10,548	1,400	2,572	464	14,984	1,368	1,231	668	3,267	18,251
Balance . . . . .	+ 1,644	- 1,000	- 1,206	+ 59	- 503	+ 1,159	+ 12	- 668	+ 503	—
1931 Credit . . . . .	9,744	300	1,056	1,410	12,510	1,150	3,219	—	4,369	16,879
Debit . . . . .	6,886	1,500	1,630	369	10,385	955	2,205	3,334	6,494	16,879
Balance . . . . .	+ 2,858	- 1,200	- 574	+ 1,041	+ 2,125	+ 195	+ 1,014	- 3,334	- 2,125	—
1932 Credit . . . . .	5,829	200	774	432	7,235	100	397	379	876	8,111
Debit . . . . .	4,792	1,100	602	318	6,812	286	1,013	—	1,299	8,111
Balance . . . . .	+ 1,037	- 900	+ 172	+ 114	+ 423	- 186	- 616	+ 379	- 423	—

In the above tables, as in previous editions of this publication, the differences which are due to unavoidable errors and omissions 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.

Amortisation of the Dawes and Young Loans and of the debt regulated by the Mark Agreement with Belgium is not included with the capital items. The whole service of these obligations (interest and amortisation) is grouped with reparation payments and included in "Other services".

A detailed explanation of the manner in which the items in the above statement were estimated was given in the 1929 issue of this publication (2). Supplementary information concerning a few items is given below.

### Goods, services and gold.

*Shipping.* The data for the shipping income and the expenditure of German ships in foreign ports have been revised from 1926 onwards. The new figures for the years 1926-1928, which are not shown in the detailed table above, are as follows (in millions of marks) :

(1) In *Wirtschaft und Statistik* (No. 16, 1933), published by the Statistical Office of the Reich, the amounts in question are shown as "Nicht aufgliederbare Kapitalbewegung (Saldo)".  
 (2) Series of publications : 1930.11.54.11.

## GERMANY

Items	Credit			Debit		
	1926	1927	1928	1926	1927	1928
7. Shipping income :						
(a) ocean freights . . . . .	563	685	734	—	—	—
(b) charter money, salvage money, etc. . . . .	38	44	45	—	—	—
(c) passage money . . . . .	95	135	153	—	—	—
8. Port expenditure (the credit figures are unrevised).	20	26	26	281	347	381

The passage money shown includes only earnings on account of non-German passengers.

*Reparations.* Reparation payments are shown in full on the debit side (goods, services and gold : items 17 and 18), but the amounts on this account are partly offset by entries on the credit side. Reparation deliveries in kind actually exported are shown under item 3. The figures do not agree with the deliveries in kind booked by the Agent-General for Reparation Payments as shown in item 18. The difference, which has been entered against item 19, is attributable to the fact that the Agent-General makes his entries on the date of the closing of the accounts, whereas trade statistics record the goods at the moment when they cross the frontier ; further, the figures of the Agent-General comprise services rendered abroad. The expenditure of the Agent-General in respect of armies of occupation and commissions resident in Germany has been entered on the credit side against item 20. Finally, the increase in the cash reserve of the Agent-General has been included with the figures shown on the credit side against capital item 10. A summary of the items in question is given below.

	Reichsmarks (000,000's)								
	1924	1925	1926	1927	1928	1929	1930	1931	1932
Reparation payments (including the service of the Dawes loan, of two-thirds of the Young loan and of the debt on account of the German-Belgian Mark Agreement) :									
in cash (goods, services and gold : item 17) <sup>(1)</sup> . . . . .	162	554	570	877	1,230	1,534	992	597	162
in kind, as booked (item 18) . . . . .	119	503	621	707	769	967	707	393	—
Total . . . . .	281	1,057	1,191	1,584	1,999	2,501	1,699	990	162
Of which a part is entered also on the credit side under offsetting items, viz. :									
deliveries in kind actually exported (item 3) . . . . .	119	492	631	579	663	819	707	393	—
difference between these and deliveries booked (item 19) . . . . .	—	11	<sup>(2)</sup> —10	128	106	148	—	—	—
sums spent in Germany (item 20) <sup>(3)</sup> . . . . .	83	162	93	77	69	40	—	—	—
movement of cash balances of the Reparation Agent (capital item 10) . . . . .	6	78	29	27	62	199	—159	—	—
Total offsetting items . . . . .	208	743	743	811	900	1,206	548	393	—
Net debit balance . . . . .	73	314	448	773	1,099	1,295	1,151	597	162

The amounts shown on the last line of the above table (" Net debit balance ") comprise the net sums transferred by the Agent for Reparation Payments, including amounts directly retained under the Reparation Recovery Acts by the Transfer Committee as well as the service (interest and amortisation) of the Dawes and Young Loans and of the debt regulated by the Mark Agreement with Belgium.

(1) The amounts entered include casual receipts and exchange losses of the Agent-General of 1, 3, 2, 7 and 11 million marks during the years 1925-1929.

(2) Excess of deliveries exported, entered on the debit side in the balance of payments account.

(3) Costs of occupation and a part of the costs of the commissions.

### Capital items.

*New capital issues.* Capital item 4 shows the market value of the German long-term loans floated abroad in the open market. The geographical origin and the net proceeds of the loans (except the Dawes loan) is as follows :

	Reichsmarks (000,000's)								
	1924	1925	1926	1927	1928	1929	1930	1931	1932
<i>Long-term loans</i> (nominal value) issued in :									
United States of America . . . . .	42.00	922.95	1,082.70	890.38	1,017.09	165.82	(1) 269.5	8.4	
United Kingdom . . . . .	—	122.22	142.00	152.79	136.21	56.40	—	—	
Netherlands . . . . .	—	142.13	189.50	262.40	201.73	65.39	(1) 131.9	6.8	
Switzerland . . . . .	—	67.85	66.24	51.96	57.56	57.51	59.4	15.6	
Sweden . . . . .	—	10.31	43.35	51.94	11.78	3.20	210.0	315.0	
Other countries (2) . . . . .	—	—	31.05	2.26	40.80	0.25	(3) 506.1	—	
Total, par value . . . . .	(4) 42.00	1,265.46	1,554.84	1,411.73	1,465.17	348.57	1,176.9	345.8	
Total, market value . . . . .	(4) 41	1,186	1,487	1,360	1,394	329	1,098	337	
Total net proceeds . . . . .	40	1,096	1,400	1,285	1,341	321	1,058	322	100

### International indebtedness.

Data concerning the outstanding German debts and assets at the end of July 1931 were published in the preceding issue of this publication. Later censuses of foreign investments in Germany in the form of foreign loans and credits were taken as at November 30th, 1931, February 29th, 1932, September 30th, 1932, and February 28th, 1933. The following figures show the movement of these debts, excluding debtors whose foreign debt did not reach 5,000 marks (estimated at some 100 million marks) together with the estimated amount of other foreign investments in Germany — i.e., in the form of shares in German enterprises, in real estate, in German branches of foreign enterprises, etc., and in German bonds issued in Germany, but in the hands of foreigners : (5)

Date	Reichsmarks (000,000,000's)				
	Loans and credits				Other foreign investments (estimate)
	Long-term	Short-term		Total	
		Total	Of which standstill credits (6)		
July 31st, 1931 . . . . .	10.7	13.1	6.3	23.8	5.9
November 30th, 1931 . . . . .	10.7	10.6	5.4	21.3	5.3
February 29th, 1932 . . . . .	10.5	10.1	5.0	20.6	5.3
September 30th, 1932 . . . . .	10.2	9.3	4.3	19.5	4.3-5.3
February 28th, 1933 . . . . .	10.3	8.7	4.1	19.0	(7) 4.2

(1) The Siemens loan is included at its market value.

(2) Indivisible amounts included.

(3) Including the Young loan, which in this table is not distributed by creditor countries.

(4) Except the Dawes loan.

(5) For further details, see *Wirtschaft und Statistik*, No. 16 (2. August-Heft), 1932, p. 490, No. 9 (1. Mai-Heft), 1933, page 273, and No. 16 (2. August-Heft), 1933, page 486.

(6) Credits which, according to their nature, fall under the Standstill Agreements. In practice, the amount to which the Agreements have applied has been somewhat smaller (on September 30th, 1932, it was 4,028 million marks).

(7) Of which direct investments, 4., and domestic bonds in the hands of foreigners, 0.2.

As short-term credits have been reckoned those which fall due within a year from the date of the census (disregarding the original period of credit).

It is pointed out that the data are too high by the amount of German bonds issued abroad, which without the knowledge of the debtors are in the hands of Germans.

Since February 28th, 1933, the amount of outstanding debt has been affected by the repayment of the rediscount credit of the Reichsbank and the credit to the Golddiskontbank (552 million marks) and by the depreciation of the dollar.

The following details concerning the composition of the foreign loans and credits outstanding on February 28th, 1933 (18,967 million marks), may be reproduced. The figures refer to million marks.

Long-term debts					Short-term debts					
	Debtors					Debtors				
	Central and local governments	Banks	Other debtors <sup>(1)</sup>	Total		Central and local governments	Reichsbank and Golddiskontbank	Other banks	Other debtors <sup>(1)</sup>	Total
<b>By creditor countries :</b>					<b>By creditor countries :</b>					
U.S.A. . . . .	1,670	989	2,537	5,196	U.S.A. . . . .	231	190	1,435	681	2,537
U.K. . . . .	505	102	473	1,080	U.K. . . . .	55	—	575	414	1,044
France . . . . .	428	28	36	492	France . . . . .	12	—	209	129	350
Netherlands . . . . .	711	179	933	1,823	Netherlands . . . . .	61	—	302	1,148	1,511
Switzerland . . . . .	250	126	826	1,202	Switzerland . . . . .	54	—	534	903	1,491
Belgium . . . . .	36	3	20	59	Belgium . . . . .	1	—	38	87	126
Italy . . . . .	40	—	44	84	Italy . . . . .	2	—	15	40	57
Sweden . . . . .	131	18	9	158	Czechoslovakia . . . . .	6	—	43	71	120
Other countries . . . . .	3	16	152	171	Sweden . . . . .	15	—	33	53	101
					Other countries . . . . .	3	—	259	493	755
					Bank for International Settlements . . . . .	—	610	—	—	610
<b>Total . . . . .</b>	<b>3,774</b>	<b>1,461</b>	<b>5,030</b>	<b>10,265</b>	<b>Total . . . . .</b>	<b>440</b>	<b>800</b>	<b>3,443</b>	<b>4,019</b>	<b>8,702</b>
<b>By nature of debt :</b>					<b>By nature of debt :</b>					
Loans . . . . .	3,376	1,063	3,234	7,673	Reimbursement and other acceptance credits . . . . .	—	—	1,874	361	2,235
Mortgages . . . . .	15	31	647	693	Booked debts on merchandise . . . . .	0	—	—	894	894
Other debts :					Acceptances and sola bills . . . . .	41	—	11	100	152
to banks . . . . .	350	300	587	1,237	Loans . . . . .	96	—	29	103	228
other . . . . .	33	67	562	662	Mortgages . . . . .	1	—	5	73	79
					Other debts . . . . .	302	800	1,524	2,488	5,114
<b>Total . . . . .</b>	<b>3,774</b>	<b>1,461</b>	<b>5,030</b>	<b>10,265</b>	<b>Total . . . . .</b>	<b>440</b>	<b>800</b>	<b>3,443</b>	<b>4,019</b>	<b>8,702</b>

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

## GREECE

The most comprehensive statements on the balance of payments of Greece are those published for the years 1929-1932 by the Bank of Greece (1). These statements are reproduced below after some modification in the classification of the items, aiming at separation, in so far as possible, of capital items from goods and services. As amortisation of the foreign public debt is not given separately from interest payments in the original statements, the total debt service is grouped with interest below. The gold movement would appear to be included largely with capital item 3 ("Decrease in the cover of the Bank of Greece").

The figures for 1932, which in the original statement are given in U.S. dollars (gold), have been converted into gold pounds in order to achieve comparability between the data over the whole period.

### Goods and services (including amortisation of the Government debt).

	Gold £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>Merchandise.</i>								
1. Merchandise . . . . .	18,717	15,782	11,118	7,173	35,400	28,935	23,348	13,400
<i>Services, including interest and dividends.</i>								
2. Service of public debt (2) . . . . .	1,300	1,450	833	729	4,600	4,776	4,960	1,213
3. Interest and dividends on foreign investments in Greece . . . . .	—	—	—	—	500	650	758	399
4. Interest received on account of the short-term foreign assets of:								
(a) the Bank of Greece . . . . .	423	230	137	35	—	—	—	—
(b) the "Greek market" . . . . .	212	63	—	29	—	—	—	—
5. Shipping income (net) . . . . .	955	872	1,205	904	—	—	—	—
6. Insurance premiums . . . . .	—	—	—	—	176	194	238	34
7. Emigrants' remittances . . . . .	7,815	8,359	7,084	2,877	—	—	—	—
8. Tourists' expenditure (3) . . . . .	1,400	1,000	998	854	964	1,033	981	308
9. Reparations, etc. . . . .	153	1,084	962	—	—	—	—	—
10. Government expenditure . . . . .	—	—	—	—	3,192	4,089	1,144	1,061
11. "Incomes of Greeks residing abroad, other invisible resources, etc." . . . . .	4,682	3,795	1,523	1,439	—	—	—	—
Total . . . . .	35,657	32,635	23,860	14,040	44,832	39,677	31,429	16,415
Deficit (—) on account of goods and services . . . . .	— 9,175	— 7,042	— 7,569	— 2,375				

(1) *The Economic Situation in Greece and the Bank of Greece in 1931*; ditto, in 1932; Reports read by M. E. J. Tsouderos, Governor of the Bank of Greece, before the general meetings of shareholders held on April 20th, 1932, and February 15th, 1933.

(2) The figures include amortisation. — 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 (excluding amortisation of the Government debt).

Items	Gold £ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
1. Repurchase of national securities.	—	—	—	—	1,560	2,840	914	—
2. "Foreign assistance":								
(a) through the Bank of Greece .	3,029	6,184	2,653	49	—	—	—	—
(b) through market . . . . .	2,837	2,049	4,700	—	—	—	—	—
(c) "unascertained" . . . . .	—	—	—	677	—	—	—	—
3. Decrease in the cover of the Bank of Greece . . . . .	2,999	279	2,018	2,318	—	—	—	—
4. "Banking credits" . . . . .	3,120	2,470	685	—	1,250	1,100	1,573	669
Total . . . . .	11,985	10,982	10,056	3,044	2,810	3,940	2,487	669
Net inward (+) movement of capital .	+ 9,175	+ 7,042	+ 7,569	+ 2,375				

## SUMMARY TABLE.

	Gold £ (000's)				
	Goods and services			Capital items (2)	All items
	Merchandise	Services, including interest and dividends (1)	Total		
1929 Credit . . . . .	18,717	16,940	35,657	11,985	47,642
Debit . . . . .	35,400	9,432	44,832	2,810	47,642
Balance . . . . .	— 16,683	+ 7,508	— 9,175	+ 9,175	—
1930 Credit . . . . .	15,782	16,853	32,635	10,982	43,617
Debit . . . . .	28,935	10,742	39,677	3,940	43,617
Balance . . . . .	— 13,153	+ 6,111	— 7,042	+ 7,042	—
1931 Credit . . . . .	11,118	12,742	23,860	10,056	33,916
Debit . . . . .	23,348	8,081	31,429	2,487	33,916
Balance . . . . .	— 12,230	+ 4,661	— 7,569	+ 7,569	—
1932 Credit . . . . .	7,173	6,867	14,040	3,044	17,084
Debit . . . . .	13,400	3,015	16,415	669	17,084
Balance . . . . .	— 6,227	+ 3,852	— 2,375	+ 2,375	—

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 one of the items in each year (as it would appear, item 11 of the account for goods and services in the years 1929-1931

(1) Including amortisation of the Government debt.

(2) Including gold movements, but excluding amortisation of the Government debt.

and capital item 2 c in 1932) is not based on direct evidence, but interpolated as a balancing account, and includes, therefore, allowances for possible errors in the other items.

### Goods and services.

*Service of the public debt.* The figures entered on the credit side against item 2 represent payments on account of bonds repurchased from abroad by persons residing in Greece, and the difference between the debit and the credit figures thus represents the amount actually transferred abroad. The suspension of payments for the service of the debt therefore appears to have involved a decrease in transfers from £4,127,000 gold in 1931 to £484,000 gold in 1932. It should be noted, however, that the outward payments do not include the 30 per cent (£753,000 gold) of the annual interest due in the financial year 1932-33, part of which constitutes a charge on the year 1932. Payment of the 1932 portion of this sum — after deducting the value of the coupons paid within the country (in drachmai) — would have had the effect of increasing for that year by an equal sum capital item 3 ("Decrease in the cover of the Bank of Greece").

*Shipping income.* The net income on account of shipping in foreign trade is entered against item 5. The gross earnings in 1932 are calculated at £4,203,500 sterling, of which 30 per cent or £1,260,000 sterling (£904,000 gold) are considered as having remained within the country in the form of wages, taxes, net profits, etc.

*Emigrants' remittances (item 7).* The amounts of emigrants' remittances received since 1925, as calculated by the Bank of Greece, were as follows (in thousands of gold pounds):

1925 . . . . .	7,304	1929 . . . . .	7,815
1926 . . . . .	7,369	1930 . . . . .	8,359
1927 . . . . .	6,923	1931 . . . . .	7,084
1928 . . . . .	6,432	1932 . . . . .	2,877

Whereas, up to 1931 inclusive, the bulk of the remittances was effected through banks, it is estimated that nearly half of the remittances in 1932 were in the form of bank-notes sent directly to the emigrants' relatives. The above figure for 1932 includes these concealed remittances as estimated by the Bank of Greece.

It is pointed out in a recent report by the League of Nations Financial Committee<sup>(1)</sup> that a very considerable part of the remittances in question appears to constitute a capital item. This part is represented by remittances which are not sent primarily for the purpose of supporting the emigrants' relatives — that is, for current consumption — but are deposited with Greek banks for ultimate investment in Greece (in house property, etc.). Such remittances are particularly sensitive to changes in the economic and financial conditions both in the country of origin (mainly, the United States) and in Greece. This fact explains both the magnitude of the total remittances in the past and their enormous reduction in times of crisis. The legislative measures taken in 1932 against foreign currency deposits in Greece, and the discouragement of drachmai deposits which was entailed by the currency depreciation, largely contributed to the drop in emigrants' remittances by over one-half in that year.

"*Incomes of Greeks residing abroad, other invisible resources, etc.*" (item 11). No details are available concerning this credit item, which for the years 1929-1931 is calculated as a balancing item for the whole account. The amounts in question would appear to be accounted for, however, largely by the income of Greeks on account

(1) League of Nations, Financial Committee (extraordinary session held in London, June 6th to 14th, 1933). *Report to the Council on Greece* (Series of publications : 1933.II.A.14).



of long-term investments abroad, which is not shown elsewhere. They may also include trading profits and commissions earned on account of Greek exports.

### Capital items.

The character of the "foreign assistance" received through the Bank of Greece and the market, as shown in items 2 *a* and *b*, may be judged from the following detailed statement prepared by the Bank of Greece and relating to the period from May 1928 to October 1931. It will be seen that the total of \$100.6 million almost equals the amounts entered against items 2 *a* and *b* for the three years 1929-1931 (£21.45 million gold = \$104.4 million).

*Foreign assistance through the Bank of Greece and the market.*

	\$ (000,000's)				Total
	1928 May 14-Dec. 31	1929	1930	1931 Jan.-Oct.	
Refugee Settlement . . . . .	4.1	8.2	5.0	0.3	17.6
Hellenic General Trust Ltd. (industrial loans). . . . .	0.6	0.9	0.6	0.1	2.2
National Mortgage Bank . . . . .	4.6	1.6	6.0	2.8	15.0
<i>Engrais chimiques</i> . . . . .	—	—	—	1.5	1.5
Loans for productive works . . . . .	—	15.9	14.0	6.6	36.5
Ditto, Greek <i>tranches</i> . . . . .	—	—	—	4.0	4.0
Advances of the Bank of Greece for productive works . . . . .	—	—	1.4	2.7	4.1
Tripartite Loan (Budget Account) . . . . .	—	2.0	8.0	4.6	14.6
Loan for the building of schools . . . . .	—	—	4.1	—	4.1
Bank for International Settlements . . . . .	—	—	1.0	—	1.0
Total . . . . .	9.3	28.6	40.1	22.6	100.6

The amount entered against item 2 *c* ("unascertained foreign assistance") for 1932 represents the debit balance of all the other items of the account. The amount, it is stated, "may have been derived from emigrants' remittances that had escaped the control of the statistical service, or may also have accrued from Greek capital funds or from funds in search of speculation that had flowed into the country in order to take advantage of the depreciation of the drachma".

### Foreign indebtedness.

The following statement of the public and private foreign debt of Greece at the end of March 1932 has been published by the Bank of Greece. The data are stated to represent "tentative conclusions from the researches of the Supreme Economic Council".

	\$ (000's)
Public foreign loans . . . . .	382,833
Loans for works of communication . . . . .	3,436
Harbour and shipping loans . . . . .	2,411
Industrial loans . . . . .	15,903
Banking loans : to mortgage banks . . . . .	16,422
to other banks . . . . .	15,000
Commercial loans : to merchants . . . . .	28,198
to monopolies . . . . .	7,500
Foreign enterprises . . . . .	18,225
Participation of foreigners in Greek enterprises . . . . .	15,124
Miscellaneous, not possible to determine statistically . . . . .	10,000
Total . . . . .	515,052

The public loans in pounds sterling were converted into dollars at the rate of £1 = \$3.40.

## GUATEMALA

The following data with reference to certain items in the balance of payments of Guatemala in 1931 have been supplied by the Government of that country.

Items	\$ o/a (000's) (1)	
	Inward or credit movements	Outward or debit movements
<i>Goods, services and gold.</i>		
1. Merchandise, as recorded . . . . .	15,167	12,971
2. Interest and dividends paid on account of foreign long-term investments . . . . .	—	1,665
3. Commissions, insurance, brokerage . . . . .	224	—
4. Post, telegraph and telephone . . . . .	1,324	1,850
5. Diplomatic expenditure . . . . .	596	1,424
6. Miscellaneous . . . . .	—	—
<i>Capital items.</i>		
New loans floated abroad . . . . .	2,500	—

As the statement is not complete, no totals have been struck.

### Foreign indebtedness.

The following data with reference to the outstanding international liabilities and assets have been supplied.

The public foreign debt at the end of the financial years 1929-30 and 1930-31 respectively was as follows :

1929-30	1930-31
£1,667,403	£1,579,503
\$2,345,000	\$6,711,278 (2)

The floating liabilities and assets of Guatemalan banks were as follows at the end of the years 1929, 1930 and 1931 :

Liabilities :	Quetzals (000's)		
	1929	1930	1931
current account deposits of foreign correspondents . . . . .	371	100	722
credits granted abroad to Guatemalan banks and bankers . . . . .	4,860	3,825	4,202
Assets . . . . .	2,552	2,745	1,141

(1) "\$ oro americano", or U.S.A. gold dollars, equivalent (during 1931) to the national currency unit "Quetzal".

(2) "A loan of 3 million quetzals was obtained in April 1931 from the Anglo-South American Bank, Ltd., secured by an additional tax upon coffee export duties and by the share in the profits of the Central Bank assigned to the Government." (U.K. Department of Overseas Trade, *Report on Economic Conditions in the Republics of Guatemala, Honduras and Nicaragua*, November 1932).

# HUNGARY

The Hungarian Central Office of Statistics has compiled an estimate of Hungary's balance of payments for 1931 which is set out below together with statements for 1928-1930 published in last year's edition of this publication. Further details of the statements are published in the *Revue hongroise de Statistique* (1).

## Goods, services and gold.

Items	Pengő (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<b>I. Merchandise.</b>								
1. Merchandise (including exports on account of reparations) . . . . .	826.2	1,039.1	912.1	572.6	1,211.5	1,069.6	841.6	551.2
2. Adjustment on account of :								
(a) passive improvement trade (2) . . . . .	—	23.6	32.2	23.0	—	37.3	41.2	30.3
(b) repairs (passive trade) (2) . . . . .	—	—	0.5	0.5	—	—	0.5	0.5
<b>II. Interest and dividends.</b>								
3. Receipts :								
(a) by the Treasury . . . . .	1.1	0.2	—	—				
(b) on account of foreign exchange holdings of the National Bank . . . . .	11.2	4.2	3.9	0.9				
(c) on account of other short-term investments . . . . .	—	—	0.5	7.1				
(d) dividends . . . . .	7.7	10.2	7.3	4.5				
(e) from real estate abroad . . . . .	1.2	1.2	1.2	2.0				
(f) interest on foreign bonds . . . . .	—	—	1.4	2.4				
4. Payments in respect of :								
(a) Government debts . . . . .					64.0	47.1	54.3	49.5
(b) debts of local government authorities (including municipalities) . . . . .					26.4	27.2	32.9	39.5
(c) mortgage bonds held abroad . . . . .					17.0	21.9	23.6	27.3
(d) industrial and other long-term debts . . . . .					8.0	16.8	29.8	21.5
(e) dividends . . . . .					18.0	20.7	23.3	19.5
(f) real estate owned by foreigners . . . . .					6.5	6.5	6.6	6.3
(g) short-term debts (2) . . . . .					29.3	37.8	30.9	61.0
<b>III. Other services.</b>								
5. Shipping freights . . . . .	(4) 6.7	6.9	6.6	(5) —	—	—	—	—
6. Port fees (6) . . . . .	0.2	0.2	0.1	0.3	—	5.2	4.6	—
7. Railway transit . . . . .	14.4	15.2	18.8	(5) 13.6	—	—	—	—
8. Hire of railway wagons . . . . .	1.8	3.1	—	2.2	1.2	1.3	1.0	0.6
Carried forward . . . . .	870.5	1,103.9	984.6	629.1	1,381.9	1,291.4	1,090.3	807.2

(1) Figures for 1931 in the number for August 1932.

(2) Estimates. Prior to 1929 repairs are included in item 1.

(3) Except interest on public short-term debt (included with items 4 a and b).

(4) Net.

(5) Net income from shipping (river transit traffic) in 1931 is included with item 7.

(6) The amounts entered on the debit side include expenditure on account of bunkers and stores.

Items	Pengö (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . . .	870.5	1,103.9	984.6	629.1	1,381.9	1,291.4	1,090.3	807.2
9. Insurance . . . . .	46.5	49.9	49.8	44.3	52.6	55.8		45.3
10. Commissions :							51.1	
(a) underwriters' commissions . . . . .						1.4		
(b) trading commissions . . . . .								5.0
11. Post, telegraph and telephone . . . . .	5.6	5.9	5.6	2.7	4.9	5.5	5.4	2.4
12. Immigrants' and emigrants' funds . . . . .	9.1	1.8	2.1	2.9	7.2	7.6	5.0	1.6
13. Immigrants' and emigrants' remittances . . . . .	35.8	41.3	32.5	19.6	0.6	1.0	0.7	
14. Remittances to students . . . . .	0.9	0.9	0.8	0.7		4.4	3.2	1.5
15. Hungarian scientific institutes abroad and State scholarships . . . . .					5.9			
16. Tourists' expenditure . . . . .	20.6	21.9	26.7	25.6	38.1	52.3	57.0	56.0
17. Diplomatic and similar expenditure . . . . .	2.8	3.5	4.0	3.8	5.1	7.7	6.5	5.7
18. Receipts of legations and consulates . . . . .	2.8	3.2	2.8	1.9	1.8	1.8	1.5	1.5
19. Pensions paid abroad . . . . .					3.7	3.6	3.6	7.9
20. Reparation payments :								
(a) in cash . . . . .					0.2		4.7	4.6
(b) in kind (countervalue of) . . . . .					5.6	5.9	6.6	2.3
21. Trade-marks and patent royalties . . . . .		0.6	0.6	0.6				3.2
22. Cinematograph film royalties . . . . .		0.1			3.5	5.0	3.0	2.7
23. Press subscriptions . . . . .		1.1	1.2	1.3		1.5	1.6	1.1
24. Other services . . . . .		0.2	0.1	0.1	1.0	0.4	0.4	3.9
IV. Gold.								
25. Gold coin and bullion . . . . .			0.1	0.8	5.0	8.0	8.1	5.8
26. Adjustment of item 25 . . . . .						3.5		
Total . . . . .	994.6	1,234.3	1,110.9	733.4	1,517.1	1,451.2	1,249.1	958.2
Deficit (—) on account of :								
(a) goods and services . . . . .	-517.5	-212.4	-130.2	-219.8				
(b) gold . . . . .	-5.0	-4.5	-8.0	-5.0				
(c) goods, services and gold . . . . .	-522.5	-216.9	-138.2	-224.8				

## Capital items.

Items	Pengö (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
I. Long-term operations.								
1. Amortisation :								
(a) of Government debts . . . . .					31.2	32.0	32.8	29.8
(b) of debts of local government author- ities . . . . .					5.8	6.2	7.1	6.1
(c) of mortgage bonds . . . . .					3.6	5.0	11.8	19.9
(d) of other debts . . . . .	2.1	0.7			1.3	1.8	3.4	6.9
2. Purchases and sales :								
(a) of real estate abroad . . . . .		0.4						
(b) of real estate in the country . . . . .	1.3		0.8	0.4	0.1	0.2	1.0	0.7
Carried forward . . . . .	3.4	1.1	0.8	0.4	42.0	45.2	56.1	63.4

Items	Pengö (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . .	3.4	1.1	0.8	0.4	42.0	45.2	56.1	63.4
of domestic securities :								
(c) in large denominations . . . . .	40.4	36.4	19.3	7.0	36.2	41.6	23.3	28.1
(d) stock exchange transactions . . . . .	33.5	.	.	.	15.7	.	.	.
of foreign securities :								
(e) in large denominations . . . . .	18.2	14.8	21.1	7.6	22.2	12.0	42.5	8.4
(f) stock exchange transactions . . . . .	3.9	.	.	.	4.4	.	.	.
3. New long-term loans raised abroad :								
(a) Government loans . . . . .	43.8	22.2	—	—	—	—	—	—
(b) loans by local govt. authorities . . . . .	18.0	—	—	—	—	—	—	—
(c) municipal bonds . . . . .	—	17.4	—	—	—	—	—	—
(d) mortgage bonds . . . . .	110.0	33.8	21.1	29.9	—	—	—	—
(e) other bonds . . . . .	128.0	161.0	1.4	(1) 63.0	—	—	—	—
(f) shares . . . . .	—	32.0	—	—	—	—	—	—
4. Participation in new capital issues . . . . .	46.7	—	15.6	11.5	10.1	1.4	0.6	—
II. Medium- and short-term operations								
5. Medium- and short-term loans (2) raised and repaid by :								
(a) the Treasury . . . . .	—	—	95.7	122.1	—	—	—	1.2
(b) publ. enterprises, incl. the National Bank . . . . .	—	—	—	285.7	—	—	—	146.1
(c) commercial banks . . . . .	—	—	62.0	—	—	—	56.6	100.0
(d) misc. other enterprises . . . . .	—	—	140.2	—	—	—	—	—
6. Change in the foreign assets of the Hungarian National Bank . . . . .	99.1	57.5	5.5	107.1	—	—	—	—
7. Change in other short-term assets and debts in so far as not included above . . . . .	88.0	—	6.0	—	—	68.0	—	—
Total . . . . .	633.0	376.2	388.7	634.3	130.6	168.2	179.1	347.2
Net inward movement of capital (+) . . . . .	+502.4	+208.0	+209.6	+287.1				

## SUMMARY TABLE.

	Pengö (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Medium- & short-term (2)	Total	
1923 Balance . . . . .	— 101.7	+ 5.1	+ 5.8	+ 6.7	— 84.1	+ 9.2	+ 5.2	+ 14.4	(3) —69.7
1924 Balance . . . . .	— 151.8	— 16.0	+ 14.4	+ 0.5	— 152.9	— 14.9	+ 125.8	+ 110.9	(3) —42.0
(4) 1926 Balance . . . . .	— 76.3	— 87.4	+ 17.1	— 1.2	— 147.8	+ 167.4	— 20.9	+ 146.5	(3) — 1.3
1927 Balance . . . . .	— 376.8	— 117.4	— 12.3	— 2.0	— 508.5	+ 277.9	+ 201.8	+ 479.7	(3) —28.8
1928 Balance . . . . .	— 385.3	— 148.0	+ 15.8	— 5.0	— 522.5	+ 315.3	+ 187.1	+ 502.4	(3) —20.1
1929 Credit . . . . .	1,062.7	15.8	155.8	—	1,234.3	318.7	57.5	376.2	1,610.5
Debit . . . . .	1,106.9	178.0	161.8	4.5	1,451.2	100.2	68.0	168.2	1,619.4
Balance . . . . .	— 44.2	— 162.2	— 6.0	— 4.5	— 216.9	+ 218.5	— 10.5	+ 208.0	(3) — 8.9

(1) Other securities issued by commercial banks (the amount permitted the repayment of an important short-term debt).

(2) Medium-term transactions before 1930 are grouped with long-term transactions. The figures entered against item 5 for 1930 refer to medium-term transactions only, those for 1931 to medium- and short-term transactions.

(3) Balance due to errors and omissions.

(4) No information is available for 1925.

## SUMMARY TABLE (concluded).

	Pengö (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Medium- & short-term (*)	Total	
1930 Credit . . . . .	944.8	14.3	151.7	0.1	1,110.9	377.2	11.5	388.7	1,499.6
Debit . . . . .	883.3	201.4	156.3	8.1	1,249.1	179.1	—	179.1	1,428.2
Balance . . . . .	+ 61.5	- 187.1	- 4.6	- 8.0	- 138.2	+ 198.1	+ 11.5	+ 209.6	(2) + 71.4
1931 Credit . . . . .	596.1	16.9	119.6	0.8	733.4	119.4	514.9	634.3	1,367.7
Debit . . . . .	582.0	224.6	145.8	5.8	958.2	99.9	247.3	347.2	1,305.4
Balance . . . . .	+ 14.1	- 207.7	- 26.2	- 5.0	- 224.8	+ 19.5	+ 267.6	+ 287.1	(2) + 62.3

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 edition of this publication.

**Foreign indebtedness.**

An estimate of the outstanding foreign debts of Hungary at the end of 1931, with distribution between the main creditor countries, is given below (3).

	Pengö (000,000's)									
	France	U. S. A.	U. K.	Switzerland	Austria	Germany	Czechoslovakia	Netherlands	Other countries	Total
<i>Long-term debts.</i>										
Government debt . . . . .	926	51	153	27	—	12	19	10	54	1,252
Other public debt . . . . .	30	211	244	—	—	—	—	19	12	516
Private debts :										
on account of Hungarian securities held abroad . . . . .	1	230	149	45	10	9	1	7	215	667
other . . . . .	—	1	—	14	5	7	4	1	4	36
Total of long-term debts	957	493	546	86	15	28	24	37	285	2,471
<i>Short-term debts.</i>										
Government debt . . . . .	95	33	39	50	10	9	—	3	7	246
Other public debt . . . . .	16	18	8	55	2	25	—	—	1	125
Debt of the National Bank . . . . .	—	—	—	117	—	28	—	—	—	145
Private debts :										
of commercial banks for their own account . . . . .	16	29	17	77	67	13	30	10	57	316
of commercial banks for the account of others . . . . .	18	181	82	5	—	—	—	6	2	294
of other enterprises . . . . .	19	59	39	110	133	105	80	63	104	712
Total short-term debts . . . . .	164	320	185	414	212	180	110	82	171	1,838
Total long- and short-term debts . . . . .	1,121	813	731	500	227	208	134	119	456	4,309

(1) Medium-term transactions before 1930 are grouped with long-term transactions. The figures entered against item 5 for 1930 refer to medium-term transactions only, those for 1931 to medium- and short-term transactions.

(2) Balance due to errors and omissions.

(3) Further details are published in the *Revue hongroise de Statistique* for August 1932.

**Balance of payments in 1932.**

At the moment of sending this volume to be printed, the following statement on the balance of payments in 1932 was received from the Hungarian Government.

	Pengö (000,000's)	
	Credit	Debit
<i>Goods, services and gold.</i>		
I. Merchandise . . . . .	343.4	352.0
II. Interest and dividends . . . . .	0.6	19.1
III. Other services :		
shipping and railway transport . . . . .	21.0	4.7
post, telegraph and telephone . . . . .	1.0	2.1
emigrants' and immigrants' funds . . . . .	—	0.7
emigrants' remittances . . . . .	7.1	—
tourists' expenditure . . . . .	21.6	32.4
diplomatic expenditure . . . . .	2.3	7.0
IV. Gold . . . . .	0.1	3.6
Total . . . . .	397.1	421.6
Deficit on account of goods, services and gold . . . . .	24.5	
 <i>Capital items.</i>		
I. Long-term operations :		
amortisation payments . . . . .	—	8.6
outstanding securities sold . . . . .	7.0	—
new capital issues . . . . .	3.0	—
II. Short-term operations :		
net reduction in foreign assets . . . . .	8.4	—
net reduction in foreign debts . . . . .	—	3.2
Total . . . . .	18.4	11.8
Net inward capital movement . . . . .	6.6	

This statement shows a deficit on account of goods, services and gold of 24.5 million pengö, which is only partly offset by the recorded net inflow of capital of 6.6 million. There remains thus a final debit balance of the whole account of 18 million pengö, due to errors or omissions.

Net outward payments of interest and dividends fell from 208 million pengö in 1931 to 19 million in 1932 as a result of the transfer moratorium for interest and amortisation payments on account of the bulk of the foreign debt. The long-term capital movements recorded for 1932 comprise a small amount of amortisation payments, certain investments within Hungary out of the foreign blocked assets and an amount on account of securities sold. It is admitted, however, that the information concerning the movement of securities is incomplete.

# INDIA

The following statements of the estimated balance of payments of British India for the commercial years 1931-32 and 1932-33 have been received from the Government of that country. The figures for the two preceding years published last year are reproduced for purposes of comparison.

The statements refer to commercial years ending March 31st.

## Goods, services and gold.

Items	Rupees (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929-30	1930-31	1931-32	1932-33	1929-30	1930-31	1931-32	1932-33
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	3,204.6	2,282.8	1,630.4	1,370.1	2,630.3	1,865.5	1,350.3	1,366.5
2. Adjustments on account of:								
(a) land-frontier trade . . . . .	200.0	160.0	110.0	90.0	180.0	150.0	100.0	80.0
(b) wrong valuation . . . . .	—	—	—	—	56.2	56.0	67.5	68.3
<b>II. Interest and dividends.</b>								
3. Interest and dividends on long-term capital . . . . .	30.8	21.6	9.7	6.3	(1) 359.0	(1) 359.0	(1) 360.1	(1) 353.0
4. Interest on short-term capital . . . . .	12.2	1.6	2.8	2.6				
<b>III. Other services.</b>								
5. Shipping freights . . . . .	—	—	—	—	—	—	—	—
6. Port fees . . . . .	28.0	25.0	24.0	22.5	—	—	—	—
7. Commissions, insurance, brokerage . . . . .	—	—	—	—	12.0	12.0	10.0	10.0
8. Post, telegraph and telephone . . . . .	1.4	1.2	—	—	0.9	0.9	1.0	1.2
9. Tourists, diplomatic expenditure, etc. (net) (2) . . . . .	—	—	—	—	45.0	45.0	40.0	40.0
10. Reparations in cash . . . . .	3.3	3.2	0.8	—	—	—	—	—
11. Other Government receipts and expenditure . . . . .	114.6	85.0	90.8	88.3	269.5	215.6	244.0	221.2
<b>IV. Gold.</b>								
12. Gold coin and bullion . . . . .	0.1	4.9	607.7	668.4	142.3	132.5	28.0	13.2
<b>Total . . . . .</b>	<b>3,595.0</b>	<b>2,585.3</b>	<b>2,476.2</b>	<b>2,248.2</b>	<b>3,695.2</b>	<b>2,836.5</b>	<b>2,200.9</b>	<b>2,153.4</b>
<b>Surplus (+) or deficit (—) on account of:</b>								
(a) goods and services . . . . .	+ 42.0	— 123.6	— 304.4	— 560.4				
(b) gold . . . . .	— 142.2	— 127.6	+ 579.7	+ 655.2				
(c) goods, services and gold . . . . .	— 100.2	— 251.2	+ 275.3	+ 94.8				

(1) Of which on Government account 190.0, 203.6, 204.7 and 199.1 during the four respective years.  
(2) Including funds and remittances of emigrants and immigrants and certain other items.



## Capital items.

Items	Rupees (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929-30	1930-31	1931-32	1932-33	1929-30	1930-31	1931-32	1932-33
<i>I. Long-term operations.</i>								
1. Amortisation of Government debts . . . . .	—	—	—	—	20.0	20.8	21.4	22.0
2. Purchases and sales :								
(a) of real estate abroad . . . . .	—	—	—	—	—	—	—	—
(b) of domestic securities . . . . .	—	—	0.6	—	51.0	31.1	219.1	124.6
(c) of foreign securities . . . . .	43.9	114.9	181.3	—	—	—	—	46.3
3. New Government and municipal issues . . . . .	160.3	369.2	174.4	126.5	—	—	—	—
4. Other long-term investments . . . . .	—	—	1.8	1.7	—	—	—	—
<i>II. Short-term operations.</i>								
5. Net change in Government short-term debt abroad . . . . .	—	—	—	—	—	26.4	54.2	—
6. Net change in Government short-term assets abroad . . . . .	41.2	—	—	—	—	26.9	32.6	81.5
7. Change in other short-term debts and assets (1) . . . . .	—	—	—	51.7	74.2	127.7	306.1	—
Total . . . . .	245.4	484.1	358.1	179.6	145.2	232.9	633.4	274.4
Net inward (+) or outward (—) movement of capital . . . . .	+ 100.2	+ 251.2	— 275.3	— 94.8				

## SUMMARY TABLE.

	Rupees (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term (1)	Total	
1923-24 Balance	+ 1,105.3	— 323.7	— 433.0	— 292.1	+ 56.5	+ 221.0	— 277.5	— 56.5	—
1924-25 Balance	+ 1,176.6	— 317.8	— 333.7	— 738.8	— 213.7	— 122.5	+ 336.2	+ 213.7	—
1925-26 Balance	+ 1,189.5	— 289.9	— 364.8	— 348.6	+ 187.2	— 165.3	— 21.9	— 187.2	—
1926-27 Balance	+ 351.0	— 297.8	— 347.2	— 194.0	— 488.0	+ 383.8	+ 104.2	+ 488.0	—
1927-28 Balance	+ 513.4	— 314.4	— 347.0	— 181.0	— 329.0	+ 146.8	+ 182.2	+ 329.0	—
1928-29 Balance	+ 665.0	— 324.7	— 312.2	— 212.0	— 183.9	+ 5.2	+ 178.7	+ 183.9	—
1929-30 Balance	+ 538.1	— 316.0	— 180.1	— 142.2	— 100.2	+ 133.2	— 33.0	+ 100.2	—
1930-31 Credit .	2,442.8	23.2	114.4	4.9	2,585.3	484.1	—	484.1	3,069.4
Debit .	2,071.5	359.0	273.5	132.5	2,836.5	51.9	181.0	232.9	3,069.4
Balance	+ 371.3	— 335.8	— 159.1	— 127.6	— 251.2	+ 432.2	— 181.0	+ 251.2	—

(1) Interpolated as balancing accounts.

## SUMMARY TABLE (continued).

		Rupees (000,000's)								
		Goods, services and gold					Capital items			All items
		Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term (1)	Total	
1931-32	Credit .	1,740.4	12.5	115.6	607.7	2,476.2	358.1	—	358.1	2,834.3
	Debit .	1,517.8	360.1	295.0	28.0	2,200.9	240.5	392.9	633.4	2,834.3
	Balance	+ 222.6	— 347.6	— 179.4	+ 579.7	+ 275.3	+ 117.6	— 392.9	— 275.3	—
1932-33	Credit .	1,460.1	8.9	110.8	668.4	2,248.2	127.9	51.7	179.6	2,427.8
	Debit .	1,514.8	353.0	272.4	13.2	2,153.4	192.9	81.5	274.4	2,427.8
	Balance	— 54.7	— 344.1	— 161.6	+ 655.2	+ 94.8	— 65.0	— 29.8	— 94.8	—

The fact that a perfect balance is struck in the above table should not be taken as a proof that the figures are rigidly exact, for the amounts entered against the last item in the capital account are not based on direct evidence but are interpolated as balancing accounts and include, therefore, allowances for possible errors and omissions in the other items of the account.

The transactions in England have been converted into rupees at the rates of 1s. 5<sup>7</sup>/<sub>8</sub> d. in 1929-30, 1s. 5<sup>25</sup>/<sub>32</sub> d. in 1930-31, 1s. 5<sup>29</sup>/<sub>32</sub> d. in 1931-32 and 1s. 6<sup>1</sup>/<sub>16</sub> d. in 1932-33 — the averages for the years in question.

#### Goods, services and gold.

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

*Interest and dividends.* The credit figures shown against item 3 represent interest on investment of the gold standard reserve balance in long-term securities in London. Item 4 represents the interest on investments of Government treasury and reserve balances in British treasury bills.

The debit figures for interest and dividends are based on an estimate of foreign investments in India made a few years ago. During 1931-32, a fresh loan of £10 million was floated in May, of which one half-year's interest was due during 1931-32. A loan amounting to £15 million was discharged in January and the temporary loan of £4 million outstanding on March 31st, 1931, was also repaid in the first quarter of the year. These transactions raised the interest charges on Government account to an amount exceeding those in 1930-31 by 1.1 million rupees. In 1932-33, the decrease in the debit balance of the Government reduced interest charges on Government account by 5.6 million rupees; dividends, etc., on private accounts are assumed to have fallen also.

*Other services.* The figures entered on account of port receipts (item 6) are stated to be very rough estimates. The manner in which they are obtained was explained in the 1927-1929 issue of this volume.

A small debit sum should be entered against item 5 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 9.

(1) Interpolated as balancing accounts.

The payments on account of post, telegraph and telephone services (item 8), and of Government expenditure abroad not elsewhere indicated (item 11) represent expenditure in England after excluding interest charges (items 3 and 4). Item 10 shows India's share of German reparation payments.

### Capital items.

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

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

	Rupees (000,000's)			
	1929-30	1930-31	1931-32	1932-33
1. Value of Government rupee securities re-transferred from London to India . . . . .	2.9	0.8	(1) 215.2	1.3
2. Sinking Fund purchases on account of Government of India sterling loans . . . . .	3.8	3.9	3.9	2.6
3. Repayment of railway companies' stocks, the liability for which was taken over by the Government on purchase of the railways :				
(a) Burmah Railway Company . . . . .	—	—	—	—
(b) South Punjab Railway Company . . . . .	44.3	26.4	—	—
4. Repayment of 6% India Bonds 1932-33 (£4.7 million) and repurchase of 6% India Bonds 1933-35 (£4.4 million) in 1932-33	—	—	—	120.7

Item 2c shows 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 gold standard reserve in London.

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

The figure under item 4 for 1931-32 and 1932-33 represents reduction in the deposits in provident funds in England.

*Short-term capital operations.* The figure entered against item 5 for 1930-31 represents the net discharge of short-term loans obtained in England by the Government. The sums entered against item 6 represent 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.

The amounts under item 7 are interpolated as balancing accounts.

### 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) rose from £366.1 million on March 31st, 1930, to £387.8 million on March 31st, 1931, and fell to £379.6 million on March 31st, 1932, and £379.0 million on March 31st, 1933.

The assets of the Government on account of treasury and reserve balances held in London on these dates amounted to £46.5, £39.7, £28.7 and £38.3 million respectively. No information is available concerning private assets and liabilities abroad.

(1) Repayment of £14.8 million, being the balance of 5½% India Stock, 1932, and repurchase of 6% India Bonds, 1932-33 (for cancellation), to the value of £1.3 million.

## IRISH FREE STATE

The Government of the Irish Free State has supplied official statements for 1930 and 1931 which are reproduced below together with the estimates for 1928 and 1929 published last year.

### Goods, services and gold.

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	46,374	48,058	45,856	37,179	59,897	61,479	56,791	50,527
2. Contraband . . . . .	—	—	—	—	2	2	1	1
<i>II. Interest and dividends.</i>								
3. Interest on long-term capital, and dividends . . . . .	11,800	11,800	11,300	10,500	5,728	5,871	5,944	6,000
<i>III. Other services.</i>								
4. Port fees . . . . .	195	191	202	190	—	—	—	—
5. Post . . . . .	—	—	40	—	—	—	—	133
6. Emigrants' funds . . . . .	—	—	—	—	750	624	700	60
7. Emigrants' remittances <sup>(1)</sup> . . . . .	2,470	2,465	2,261	4,000	14	9	—	—
8. Foreign tourists' expenditure . . . . .	—	881	800	400	—	—	—	—
9. Diplomatic and similar expenditure . . . . .	74	80	85	90	32	49	55	56
10. Other Government receipts and expenditure . . . . .	37	92	42	19	—	—	—	—
11. Payments abroad in respect of pensions . . . . .	—	—	—	—	110	129	156	137
12. Receipts from the United Kingdom . . . . .	(2) 3,010	3,299	3,170	5,800	—	—	—	—
13. Repayments of British expenditure on Free State services (Royal Irish Constabulary pensions, etc.) . . . . .	—	—	—	—	1,384	1,347	1,338	—
<i>IV. Gold.</i>								
14. Gold coin and bullion . . . . .	693	165	67	39	—	—	—	—

(1) The credit figures up to 1930 inclusive may be too low (*cf.* the explanatory notes).  
(2) Of which 2,080, war pensions, and 930, Royal Irish Constabulary pensions.

## Capital items.

Items	£ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergovernmental debts	—	—	—	—	—	—	—	10
(b) of other public debts . . . .	—	—	—	—	4,044	4,057	4,001	3,990
2. Repurchase of national securities	—	—	—	—	1,259	729	312	—
3. New capital issues (Government and municipal) . . . . .	3,492	—	—	—	—	—	—	—
4. Receipts from the United Kingdom in respect of British Savings Bank withdrawal warrants cashed in the Free State . . . . .	639	629	456	—	—	—	—	—

No totals are shown in the tables, as information is lacking concerning a number of the "invisible" items of the balance.

## Goods, services and gold.

*Interest and dividends* (item 3). The credit figures are based on returns made by bankers to the Revenue Commissioners showing the dividend and interest warrants of foreign securities cashed by them, on the interest on United Kingdom Government securities inscribed at the Bank of Ireland, and on information regarding foreign income included in income-tax returns.

The debit figure for 1931 is stated to comprise (i) the income derived by non-residents from capital invested in the country; (ii) trading profits arising in the Irish Free State of foreign-controlled companies; and (iii) interest on the portion of the Second National Loan held in the United States of America. The estimate for the first of these three groups was derived from British and Irish income-tax returns, that for the second was conjectural and that for the third was obtained from official sources (the 1929 and 1930 figures for this group were £71,132 and £43,752 respectively).

*Funds taken out by emigrants.* The amounts of such funds up to 1930 inclusive are estimated by assuming that each of the emigrants (numbering 27,148 in 1927, 24,691 in 1928, 20,802 in 1929 and 15,966 in 1930) to non-European countries spent approximately £30 (in 1930 £44) on passage and travelling.

The figure for 1931 is based on data supplied by the United States Commissioner-General of Immigration and the United States Consulate-General at Dublin.

*Emigrants' remittances.* The estimates of remittances from emigrants abroad (item 7, credit) up to 1930 inclusive are based mainly upon figures concerning the receipts from the United States published by the United States Department of Commerce. Account was also taken of the receipts through the Post Office from the British Dominions, amounting to £65,000 and £61,000 respectively in 1929 and 1930.

Later enquiries not yet completed made by the Irish Free State Department of Industry and Commerce indicate that the amounts shown in the table probably underestimated actual receipts, and the figure for 1931 has provisionally been set at £4 million.

*Receipts from the United Kingdom, etc.* Item 12 includes war, police, civil and other pensions received by ex-officers of the British Government resident in the Irish Free State, and receipts from the Irish Hospitals Sweepstakes.

#### **Capital items.**

Payments to the United Kingdom Government on account of land purchase annuities, amortisation of local loans and similar liabilities amounted to £3,989,000 in 1930. A sum of £12,000 was spent in the same year on the purchase of 5% dollar bonds of the National Loan of 1927 for the external sinking fund. The total of these two amounts has been entered against item 1b.

Item 2 shows the repurchase of dollar bonds of the National Loan mentioned above by holders resident in the country.

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# JAPAN

A statement of the balance of payments of Japan — including Chosen (Korea) and Taiwan (Formosa) — in 1930, arranged according to the League of Nations scheme, has been supplied by the Japanese Government. Official figures concerning the invisible items in the balance of payments of Japan in 1931 were also available, although not arranged according to the scheme just mentioned. It proved possible, however, to rearrange these in the League of Nations Secretariat so as to concord with the figures for earlier years, and to supplement them with data from the Japanese trade returns concerning the movement of goods and gold. The figures for both 1930 and 1931 are set out below, together with those for 1928 and 1929 published in the preceding issue.

When studying the table, it should be kept in mind that the data for 1931 are not throughout strictly comparable with those for earlier years.

## Goods, services and gold.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<b>I. Merchandise.</b>								
1. Merchandise :								
(a) Japan proper . . . . .	1,975.4	2,152.1	1,472.3	1,148.6	2,198.6	2,216.4	1,546.7	1,237.8
(b) Chosen . . . . .	32.1	35.8	25.9	12.8	118.3	107.7	89.1	53.0
(c) Taiwan . . . . .	33.9	33.2	22.8	19.4	58.2	64.5	45.1	30.9
2. Adjustment of item 1 :								
(a) ships' stores purchased by foreign ships . . . . .	10.5	12.1	9.0	6.7	—	—	—	—
(b) other items . . . . .	25.7	17.0	17.8	12.0	25.9	25.3	21.6	17.7
<b>II. Interest and dividends.</b>								
3. Interest on public debts . . . . .	11.9	12.2	11.0	10.5	69.0	65.7	64.3	55.0
4. Other interest and dividends on long-term capital . . . . .	65.7	84.8	73.2	65.8	36.4	47.4	42.7	38.1
5. Interest on short-term capital	6.4	5.4	6.5		2.6	9.1	8.9	6.7
<b>III. Other services.</b>								
6. Shipping freights <sup>(1)</sup> :								
(a) ordinary freights . . . . .	187.4	205.3	161.0	140.2	—	—	—	—
(b) charter money . . . . .	1.5	1.8	4.0	2.2	1.3	0.9	0.3	0.6
(c) passage money . . . . .	13.8	15.0	16.8	13.9	—	—	—	—
7. Port fees . . . . .	3.5	3.8	3.2	3.0	46.1	47.9	40.9	40.6
8. Other transport fees . . . . .	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—	—	—	—
9. Commissions, insurance, brokerage . . . . .	110.7	125.7	116.2	108.8	106.0	117.4	115.9	105.9
10. Post, telegraph, telephone . . . . .	1.0	1.1	0.8	( <sup>3</sup> )	7.7	7.0	5.6	( <sup>3</sup> )
Carried forward . . . . .	2,479.5	2,705.3	1,940.5	1,543.9	2,670.1	2,709.3	1,981.1	1,586.3

(1) 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 approximately 78 million yen in 1927, 93 million yen in 1928, 103 million yen in 1929 and 69.5 million yen in 1930.

(2) Included in item 6.  
(3) Included in item 17.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . .	2,479.5	2,705.3	1,940.5	1,543.9	2,670.1	2,709.3	1,981.1	1,586.3
11. Immigrants' and emigrants' funds . . . . .	60.7	60.9	49.0	31.7	3.4	4.6	3.5	2.4
12. Immigrants' and emigrants' remittances . . . . .	37.6	44.6	35.1	38.8	37.4	42.1	39.7	35.0
13. Tourists' expenditure . . . .	5.1	5.1	4.6	4.4	10.4	11.9	9.8	9.9
14. Diplomatic and similar expenditure . . . . .	2.0	3.5	6.7	—	—	—	—	—
15. Reparation receipts in cash . .	2.9	4.3	2.5	7.6	—	—	—	—
16. Counter-value of reparations in kind included in merchandise imports above . .	2.8	4.4	5.9	—	29.0	29.8	24.4	37.9
17. Other Government receipts and expenditure . . . . .	1.5	1.8	1.5	1.3	14.4	13.2	14.6	13.4
18. Other services . . . . .								
<b>IV. Gold.</b>								
19. Gold coin and bullion :								
(a) Japan proper . . . . .	—	—	308.6	419.8	0.4	0.5	9.0	9.1
(b) Chosen . . . . .	—	—	—	—	—	0.1	11.4	21.6
(c) Taiwan . . . . .	—	—	—	—	—	—	1.5	1.1
Total . . . . .	2,592.1	2,829.9	2,354.4	2,047.5	2,765.1	2,811.5	2,095.0	1,716.7
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . .	— 172.6	+ 18.9	— 27.3	— 57.2				
(b) gold . . . . .	— 0.4	— 0.5	+ 286.7	+ 388.0				
(c) goods, services and gold .	— 173.0	+ 18.4	+ 259.4	+ 330.8				

**Capital items.**

Items	Yen (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
<b>I. Long-term operations.</b>								
1. Amortisation :								
(a) of public debts . . . . .	20.7	56.4	5.6	(1)	7.3	9.4	6.1	98.0
(b) of other debts . . . . .	31.6	42.0	35.1	(1)	57.8	28.3	9.8	12.4
2. Purchases and sales :								
(a) of real estate . . . . .	—	—	—	—	—	—	—	—
(b) of domestic securities . .	85.9	65.7	109.8	74.4	148.2	87.9	168.7	231.5
(c) of foreign securities . . .	17.3	110.8	108.9	242.6	33.3	152.5	193.2	225.0
3. New capital issues :								
(a) Government and municipal	180.8	23.0	102.5	—	—	—	—	—
(b) other . . . . .	—	—	—	49.7	—	—	—	—
4. Other long-term investments	—	—	—	34.6	36.3	72.6	76.1	71.1
<b>II. Short-term operations.</b>								
5. Change in short-term debts . .	18.1	129.3	—	1.2	—	133.4	221.4	—
6. Change in short-term assets . .	45.0	—	18.0	2.7	—	—	—	—
Total . . . . .	399.4	427.2	379.9	405.2	282.9	484.1	675.3	638.0
Net inward (+) or outward (—) movement of capital . . . . .	+ 116.5	— 56.9	— 295.4	— 232.8				

(1) Included in item 2.



## SUMMARY TABLE.

	Yen (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1924 Balance . . . . .	- 729.2	- 7.5	+188.9	—	-547.8	+238.0 <sup>(1)</sup>	+309.8	+547.8	—
1925 Balance . . . . .	- 361.6	- 10.5	+170.6	+ 21.9	-179.6	+ 63.9 <sup>(1)</sup>	+115.7	+179.6	—
1926 Balance . . . . .	- 439.0	- 17.5	+154.1	+ 31.7	-270.7	+ 36.9 <sup>(1)</sup>	+233.8	+270.7	—
1927 Balance . . . . .	- 283.0	- 3.2	+145.0	+ 36.0	-105.2	-126.2	+172.7	+ 46.5 <sup>(2)</sup>	-58.7
1928 Balance . . . . .	- 323.4	- 24.0	+174.8	- 0.4	-173.0	+ 53.4	+ 63.1	+116.5 <sup>(2)</sup>	-56.5
1929 Credit . . . . .	2,250.2	102.4	477.3	—	2,829.9	297.9	129.3	427.2	3,257.1
Debit . . . . .	2,413.9	122.2	274.8	0.6	2,811.5	350.7	133.4	484.1	3,295.6
Balance . . . . .	- 163.7	- 19.8	+202.5	- 0.6	+ 18.4	- 52.8	- 4.1	- 56.9 <sup>(2)</sup>	-38.5
1930 Credit . . . . .	1,547.8	90.7	407.3	308.6	2,354.4	361.9	18.0	379.9	2,734.3
Debit . . . . .	1,702.5	115.9	254.7	21.9	2,095.0	453.9	221.4	675.3	2,770.3
Balance . . . . .	- 154.7	- 25.2	+152.6	+286.7	+259.4	- 92.0	-203.4	-295.4 <sup>(2)</sup>	-36.0
1931 Credit . . . . .	1,199.5	76.3	351.9	419.8	2,047.5	401.3	3.9	405.2	2,452.7
Debit . . . . .	1,339.4	99.8	245.7	31.8	1,716.7	638.0	—	638.0	2,354.7
Balance . . . . .	- 139.9	- 23.5	+106.2	+388.0	+330.8	-236.7	+ 3.9	-232.8 <sup>(2)</sup>	+98.0

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 all the other items of the account and include, therefore, allowances for possible errors and omissions in the other items of the account.

Item *1a* in the account for goods, services and gold represents the trade of Japan proper with countries other than Chosen and Taiwan, and items *1b* and *c* the trade of Chosen and Taiwan with countries other than Japan proper. The exports shown against item *2b* represent mainly unrecorded exports of aquatic products; the import figures against the same item include articles for the use of the Imperial family, books and periodicals not imported as parcels post, ships' stores purchased abroad by Japanese ships, etc.

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

(2) Balance due to errors and omissions.

# LITHUANIA

Statements of the balance of payments of Lithuania for the years 1931 and 1932 have been supplied by the Lithuanian Government and are set out below, together with the figures for 1928-1930 published last year.

## Goods, services and gold.

Items	Litas (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
<b>I. Merchandise.</b>										
1. Merchandise (special trade) . . . . .	256.9	329.8	333.7	273.1	189.1	290.9	306.2	312.4	278.0	166.8
2. Adjustments :										
(a) goods excluded from trade returns <sup>(1)</sup> . . . . .	—	—	—	—	—	—	—	6.2	11.1	—
(b) export freights included in trade returns . . . . .	5.0	6.0	11.8	14.2	7.0	—	—	—	—	—
(c) other forms of inexact valuation . . . . .	—	—	10.0	13.6	—	—	—	—	—	—
3. Contraband <sup>(2)</sup> . . . . .	1.5	1.5	0.1	0.1	1.1	4.6	5.6	4.3	4.3	5.3
<b>II. Interest and dividends.</b>										
4. Interest on intergov. debts paid to :										
(a) U. S. A. . . . .	—	—	—	—	—	1.0	1.8	1.9	1.3	0.9
(b) France and U. K. . . . .	—	—	—	—	—	—	0.3	0.2	0.2	—
5. Interest on other public debts . . . . .	—	—	—	—	—	0.9	1.8	2.5	4.5	2.6
6. Other int. and div. on long-term capital . . . . .	—	0.3	0.2	1.0	(3)1.2	—	3.2	(4)6.5	(4)5.7	(4)5.2
7. Interest on short-term capital . . . . .	2.1	2.6	3.2	1.8	0.6	2.4	0.8	2.0	1.2	0.9
<b>III. Other services.</b>										
8. Shipping freights . . . . .	—	—	—	—	—	—	—	0.1	0.1	0.1
9. Port fees . . . . .	0.3	0.3	0.3	0.3	0.3	—	—	0.1	0.1	0.1
10. Other transport fees <sup>(5)</sup> . . . . .	11.7	13.7	11.5	11.6	4.0	5.2	6.4	0.6	0.6	0.6
11. Insurance . . . . .	2.0	9.0	4.3	6.7	5.2	3.4	6.0	6.3	6.9	6.6
12. Commissions <sup>(5)</sup> . . . . .	0.6	0.3	0.4	0.3	—	0.2	0.2	0.1	0.1	—
Carried forward	270.1	351.5	331.9	267.1	194.5	308.6	332.3	343.2	314.1	189.1

(1) Russian wood entered for improvement and Government imports not recorded in import returns.  
(2) The credit figures include fish sold directly from fishing-grounds.  
(3) Consisting entirely of dividends.  
(4) Of which dividends, 3.3, 2.7 and 2.4 million litas and interest, 2.2, 2.0 and 2.8 million in 1930, 1931 and 1932 respectively; yield of foreign direct investments, 1 million in 1930 and 1931.  
(5) Incomplete data. The debit figures up to 1929 inclusive are partly to be regarded as deduction from the merchandise exports (cf. item 2 b).

Items	Litas (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
Brought forward	270.1	351.5	331.9	267.1	194.5	308.6	332.3	343.2	314.1	189.1
13. Post, telegraph and telephone . . . . .	1.4	1.4	1.4	1.5	1.1	0.2	0.1	0.1	0.3	0.1
14. Emigrants' funds . . . . .	1.5	1.5	0.9	0.9	1.6	10.5	17.8	14.8	7.0	4.6
15. Emigrants' remittances . . . . .	43.8	46.3	37.3	32.1	29.6	1.0	1.5	3.5	2.5	2.5
16. Tourists' expenditure . . . . .	11.7	13.5	13.6	11.1	10.8	13.9	15.2	21.2	19.7	14.9
17. Diplomatic and similar expenditure . . . . .	2.5	2.5	2.5	2.7	2.2	2.7	2.8	3.3	3.9	3.1
18. Receipts of Lithuanian legations and consulates abroad . . . . .	1.2	1.1	1.2	0.9	0.8	—	—	—	—	—
19. Contributions to international institutions . . . . .	—	—	—	—	—	0.2	0.2	0.2	0.2	0.2
20. Pensions and annuities received from abroad . . . . .	3.0	1.9	0.9	0.7	0.7	—	—	—	—	—
21. Printing of bank notes abroad . . . . .	—	—	—	—	—	0.4	0.1	0.4	0.3	0.4
22. Subscription to foreign Press, etc. . . . .	—	—	—	—	—	0.4	0.4	0.4	0.3	0.3
IV. Gold.										
23. Gold coin and bullion . . . . .	—	—	—	—	—	0.2	0.2	—	—	0.1
Total . . . . .	335.2	419.7	389.7	317.0	241.3	338.1	370.6	387.1	348.3	215.3
Surplus (+) or deficit (—) on account of:										
(a) goods and services . . . . .	— 2.7	+49.3	+ 2.6	—31.3	+26.1					
(b) gold . . . . .	— 0.2	— 0.2	—	—	— 0.1					
(c) goods, services and gold	— 2.9	+49.1	+ 2.6	—31.3	+26.0					

## Capital items.

Items	Litas (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
I. Long-term operations.										
1. Amortisation:										
(a) of intergov. debts . . . . .	—	—	—	—	—	2.1	1.8	6.1	4.5	—
(b) of other gov. debts . . . . .	—	—	—	—	—	—	—	—	4.1	6.3
(c) of municipal debts . . . . .	—	—	—	—	—	0.2	0.1	0.4	0.4	0.5
(d) of other debts . . . . .	—	—	—	—	—	3.2	2.0	4.2	1.4	3.8
2. Purchases and sales:										
(a) of real estate abroad	—	—	—	—	—	0.1	—	—	0.1	—
(b) of real estate in the country . . . . .	0.8	0.2	—	—	0.1	—	—	—	—	—
(c) of securities . . . . .	0.7	1.2	0.1	(1)0.7	(1)0.5	0.1	0.5	0.8	(2)0.8	(2)0.7
3. New capital issues (Government) . . . . .	—	—	18.9	29.6	13.1	—	—	—	—	—
4. Participation in new capital issues . . . . .	—	—	11.4	—	—	—	—	—	—	—
5. Other long-term investments . . . . .	6.7	9.9	0.8	5.1	4.3	—	—	—	—	—
Carried forward . . . . .	8.2	11.3	31.2	35.4	18.0	6.7	4.4	11.5	11.3	11.3

(1) Of which national securities, 0.1 in 1931 and 0.3 in 1932.

(2) Of which national securities, 0.2 in 1931 and 0.2 in 1932.

Items	Litas (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1928	1929	1930	1931	1932	1928	1929	1930	1931	1932
Brought forward . . .	8.2	11.3	31.2	35.4	18.0	5.7	4.4	11.5	11.3	11.3
II. Short-term operations.										
6. Change in short-term debts	5.0	—	4.2	—	—	—	4.0	—	45.5	44.1
7. Change in amounts of gold deposited abroad . . .	—	—	—	—	—	2.0	0.7	4.1	10.6	—
8. Change in Lithuanian holdings of foreign bills (1) .	7.9	—	1.9	1.0	—	—	32.4	—	—	—
9. Change in other short-term assets . . . . .	2.1	—	—	55.3	15.6	—	7.1	7.0	—	—
Total . . . . .	23.2	11.3	37.3	91.7	33.6	7.7	48.6	22.6	67.4	55.4
Net inward (+) or outward (—) movement of capital . . .	+15.5	—37.3	+14.7	+24.3	—21.8					

## SUMMARY TABLE.

	Litas (000,000's)									
	Goods, services and gold					Capital items			All items	
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total		
1924 Balance . .	+ 50.6	— 2.0	+ 37.5	—	+ 86.1	— 1.2	— 24.9	— 26.1	(2) + 60.0	
1925 Balance . .	— 23.1	— 3.3	+ 37.1	—	+ 10.7	— 2.5	+ 27.7	+ 25.2	(2) + 35.9	
1926 Balance . .	— 0.8	— 3.3	+ 30.0	—	+ 25.9	— 2.0	— 16.1	— 18.1	(2) + 7.8	
1927 Balance . .	— 26.5	— 1.8	+ 38.5	—	+ 10.2	+ 12.0	— 21.0	— 9.0	(2) + 1.5	
1928 Balance . .	— 42.1	— 2.2	+ 41.6	— 0.2	— 2.9	+ 2.5	+ 13.0	+ 15.5	(2) + 12.0	
1929 Balance . .	+ 13.5	— 5.0	+ 40.8	— 0.2	+ 49.1	+ 6.9	— 44.2	— 37.3	(2) + 11.8	
1930 Credit . .	312.0	3.4	74.3	—	389.7	31.2	6.1	37.3	427.0	
Debit . .	322.9	13.1	51.1	—	387.1	11.5	11.1	22.6	409.7	
Balance . .	— 10.9	— 9.7	+ 23.2	—	+ 2.6	+ 19.7	— 5.0	+ 14.7	(2) + 17.3	
1931 Credit . .	245.4	2.8	68.8	—	317.0	35.4	56.3	91.7	408.7	
Debit . .	293.4	12.9	42.0	—	348.3	11.3	56.1	67.4	415.7	
Balance . .	— 48.0	— 10.1	+ 26.8	—	— 31.3	+ 24.1	+ 0.2	+ 24.3	(2) — 7.0	
1932 Credit . .	183.2	1.8	56.3	—	241.3	18.0	15.6	33.6	274.9	
Debit . .	172.1	9.6	33.5	0.1	215.3	11.3	44.1	55.4	270.7	
Balance . .	+ 11.1	— 7.8	+ 22.8	— 0.1	+ 26.0	+ 6.7	— 28.5	— 21.8	(2) + 4.3	

It will be noted that a perfect balance is not obtained. As the total of all the credit items included exceeds that of all the debit items in eight of the nine years shown in the summary table, it would appear that either the former are somewhat over-estimated or the latter underestimated or incomplete.

(1) Held by foreign correspondents of the Bank of Lithuania.  
(2) Balance due to errors and omissions.

### Goods, services and gold.

*Merchandise.* The value of goods sold c. i. f. foreign destination is sometimes declared by the exporters at the invoice value instead of f. o. b. Lithuanian port. A deduction has accordingly been made from the recorded export value (item 2 *b*). In 1930 and 1931 the declared export values are believed only incompletely to reflect the actual fall in the prices obtained, and a further reduction has been made (item 2 *c*).

The estimates of contraband (item 3, debit) are based on the assumption that the goods seized represented 3 per cent of the total smuggled.

*Interest and dividends.* Of the amount entered against item 5, debit, for 1931 and 1932, 0.7 million litas each year represent interest on municipal debts, 1.0 million each year interest on the Lithuanian Liberty Loan (*Emprunt de liberté*) issued in the United States, 2.1 million litas in 1931 interest on the loan from the Swedish Match Company, 0.7 million litas in the same year interest paid to foreign contractors building bridges at Kaunas and 0.9 million litas in 1932 interest on the loans raised abroad for the construction of Government buildings.

The amounts entered on the credit side against item 7 represent interest receipts of banks (mainly the Bank of Lithuania).

*Emigrants funds* (item 15). The amounts shown on the credit side represent exclusively funds brought in by returning emigrants, except in 1932, when 0.8 million litas estimated to have been brought in by foreign emigrants have been included.

The debit figure for 1932 comprises 2 million litas taken out by national emigrants (calculated at the rate of 2,000 litas per head), and 2.6 million litas taken out by foreign immigrants leaving the country (at the rate of 1,500 litas per head).

*Tourists' expenditure* (item 16). The expenditure of foreign visitors to Lithuania in the years 1929-1932 is calculated as follows :

Category	Average expenditure. Litass	Number of visitors				Total expenditure in litas (000,000's)			
		1929	1930	1931	1932	1929	1930	1931	1932
Persons taking a cure . . .	( <sup>1</sup> )500	11,273	14,053	14,413	14,837	5.6	5.6	5.8	4.4
Lithuanians living in U. S. A. on visit . . . . .	3,000	979	1,352	972	1,272	2.9	4.1	2.9	3.8
Other visitors . . . . .	( <sup>2</sup> )150	33,129	39,268	24,613	26,053	5.0	3.9	2.4	2.6
Total . . . . .	—	45,381	54,673	39,998	42,162	13.5	13.6	11.1	10.8

The expenditure of Lithuanian tourists abroad in the same years is calculated on the basis of the number of passport visas issued to Lithuanian subjects (22,142 in 1928, 24,537 in 1929, 29,679 in 1930, 24,333 in 1931 and 21,891 in 1932). The average expenditure in 1932 was estimated at 1,200 litas for visitors to foreign health resorts, 2,500 litas for students abroad, 800 litas for officials on duty, 600 litas for excursionists, 100 litas for workers and 400 litas for ordinary tourists. To the amounts thus reached were added 0.4, 0.2, 0.2 and 0.1 million litas respectively, representing amounts paid to foreign hospitals for the account of Lithuanians.

(1) In 1930 and 1931, 400 litas; in 1932, 300 litas.  
 (2) In 1930-1932, 100 litas.

**Capital items.**

*Long-term operations.* The payments in amortisation of intergovernmental debts (item 1 a) were composed as follows :

	Litas (000,000's)							
	1924	1925	1926	1927	1928	1929	1930	1931
Payments to :								
U. S. A. . . . .	0.02	0.30	0.30	0.32	0.34	0.35	0.36	0.4
U. K. . . . .	0.71	—	—	—	1.76	1.47	1.56	1.5
France . . . . .	0.63	0.60	0.39	—	—	—	4.17	2.6
Total . . . . .	1.36	0.90	0.69	0.32	2.10	1.82	(1) 6.09	(1) 4.5

The amortisation of other Government debts in 1931 refers to loans raised in connection with the construction of bridges at Kaunas and the railway-line Telšiai-Kretinga, as well as the extension of the port of Kaunas.

Of the amounts entered against item 1 d for the years 1927-1931, 1.5, 1.8, 1.6, 0.3 and 0.7 million litas were paid by Lithuanian banks and the remainder by other enterprises.

The amounts shown as securities bought abroad (item 2 c, debit) refer to purchases through banks only. Domestic securities (shares) represented only a fraction of the securities bought.

The amounts entered against item 3 in the years 1930-1932 are composed as follows :

	Litas (000,000's)		
	1930	1931	1932
Payments received out of the loan raised with the Swedish Match Co.	18.9	18.6	—
Loans raised abroad for the construction of Government buildings .	—	11.0	13.1

*Short-term operations.* The data supplied for the years 1924 to 1927 refer entirely to transactions of the Bank of Lithuania. For the years 1928-1932, however, the fluctuations in short-term debts and assets of other important domestic banks and undertakings have been included in the amounts shown against items 6 and 9. The amounts entered against these two items for 1931 and 1932 are composed as follows :

	Increase (+) or decrease (-)	
	Litas (000,000's)	
	1931	1932
Item 6 (Change in short-term debts) :		
Treasury . . . . .	—	— 0.8
Bank of Lithuania : due to foreign correspondents . . . . .	+ 1.2	— 1.8
Other banks :		
amounts due to foreign correspondents and liabilities on account of foreign bills of exchange . . . . .	— 7.9	— 2.4
debts for the account of private enterprises . . . . .	+ 1.2	
foreign deposits . . . . .	— 10.0	
Enterprises . . . . .	— 30.0	(2) — 39.1
Total . . . . .	— 45.5	— 44.1

(1) Including 4.28 million litas in 1930 and 2.7 million litas in 1931 repaid to the " Allied Powers " (of which 4.17 and 2.7 million respectively to France) on account of the administration of the Territory of Klaipeda before it was finally taken over by Lithuania.

(2) Of which repayment of merchandise credits, 30 million litas in 1931 (second half) and 35 million in 1932.

Item 9 (Change in other short-term assets):	Increase (+) or decrease (—) Litas (000,000's)	
	1931	1932
Bank of Lithuania:		
holdings of foreign means of payment ("devises") . . . . .	— 1.5	— 18.3
due from foreign correspondents . . . . .	— 56.1	
Other banks:		
holdings of foreign means of payment ("devises") . . . . .	— 0.3	+ 1.4
due from foreign correspondents . . . . .	— 1.5	
Enterprises: deposits with foreign banks . . . . .	+ 0.2	+ 1.3
Total . . . . .	— 59.2	— 15.6
Of this total, however, losses on foreign exchange were covered by sums amounting to . . . . .	3.9	—
Remainder . . . . .	— 55.3	— 15.6

### International indebtedness.

The following details have been supplied with regard to the international indebtedness of Lithuania at the end of the years 1929-1932:

	Litas (000,000's) at the end of			
	1929	1930	1931	1932
<i>Liabilities.</i>				
1. Intergovernmental debts . . . . .	66.8	69.9	65.2	67.2
2. Lithuanian Government bonds held abroad . . . . .	18.5	62.8	81.0	89.6
3. Lithuanian municipal bonds held abroad . . . . .	10.3	10.0		
4. Foreign-owned real estate . . . . .	0.2	0.2	0.2	0.2
5. Private long-term debts . . . . .	32.7	44.1	(1) 72.9	(1) 75.8
6. Foreign participation in Lithuanian enterprises . . . . .	21.4	20.5		
7. Floating foreign debt:				
(a) of the central Government and local authorities . . .	—	—	4.1	2.7
(b) of banks: on account of current account deposits of foreign correspondents . . . . .	16.0	18.5	13.1	6.2
(c) of banks: other . . . . .	—	—	—	2.7
(d) of other private enterprises . . . . .	7.3	12.2	7.1	8.0
Total liabilities . . . . .	173.2	238.2	243.6	252.4
<i>Assets.</i>				
8. Foreign securities held in Lithuania . . . . .	—	0.7	0.8	—
9. Foreign real estate owned by Lithuanians . . . . .	3.9	4.3	4.3	4.1
10. Other long-term assets (participation in foreign enterprises and other direct investments abroad) . . . . .	3.8	4.0	4.0	2.8
11. Floating foreign assets:				
(a) of the central Government and local authorities . . .	—	—	—	—
(b) of banks:				
deposits on current account with foreign correspondents . . . . .	76.5	82.8	29.0	17.4
bills of exchange payable abroad . . . . .	8.5	6.6	5.4	3.5
gold deposited abroad by the Bank of Lithuania . . .	34.9	39.0	49.6	48.4
(c) of other enterprises . . . . .	1.3	1.8	4.3	5.6
Total assets . . . . .	128.9	139.2	97.4	81.8
Net liabilities . . . . .	— 44.3	— 99.0	— 146.2	— 170.6

The intergovernmental debts (item 1) at the end of 1929 comprised 62.7 million litas due to the United States of America and 4.1 million litas to the United Kingdom. The debt to France was liquidated in 1926.

(1) According to the *Annuaire statistique de la Lithuanie, Année 1932*, the foreign participation in the share capital of Lithuanian enterprises was 38.8 and 40.5 million litas respectively at the end of 1931 and 1932.

## NETHERLANDS

Data concerning a number of items in the balance of payments of the Netherlands for 1931 and 1932, compiled by Dr. J. C. Witteveen, have been supplied by the Government of that country and are reproduced below, together with the figures for 1929 and 1930 published last year.

The statements for the years up to 1931 have appeared, in a slightly different form, in the *Maandschrift* of the Dutch Central Bureau of Statistics (1).

### Goods, services and gold.

Items	Gulden (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	2,005	1,728	1,316	850	2,766	2,427	1,896	1,306
2. Adjustment for :								
(a) trade by air (estimate) (2) . . . .	4	—	—	—	4	—	—	—
(b) fishery products sold from fishing grounds and bought from foreign vessels . . . . .	—	—	—	—	1	1	1	1
<i>II. Interest and dividends.</i>								
3. Interest received on intergovernmental debts . . . . .	11	11	10	11	—	—	—	—
4. Interest paid on Government debts . .	—	—	—	—	2	1	1	—
5. Yield of securities (interest and divi- dends) :								
(a) recorded receipts and payments through certain banks . . . . .	.	.	(3) 183	(3) 148	.	.	(3) 72	(3) 63
(b) estimate of other receipts and payments . . . . .	(4)	(4)	.	.	.	.	.	.
6. Yield of direct investments in property	.	.	.	.	40	36	29	20
7. Interest on short-term capital . . . .	.	(5) 54	(6) 44	(6) 26	.	(5) 23	(3) 19	(3) 11
<i>III. Other services.</i>								
8. Shipping freights (net income) (?) . . .	196	155	125	86	—	—	—	—
9. Receipts on account of transshipment, port fees received, repair of ships, Rhine traffic . . . . .	.	76	52	34	—	—	—	—

- (1) *Cf.*, for example, Vol. 1933, No. 1.  
(2) Included in trade returns from November 1st, 1929.  
(3) Figures for 23 banks.  
(4) The previous estimates of the total yield of foreign securities held in the Netherlands (350 million gulden in 1929 and 300 million in 1930) are omitted in the revised statements.  
(5) Figures for 21 banks.  
(6) Receipts through 23 banks, including discounts on all foreign acceptances eligible for discount at the Netherlands Bank.  
(7) The earnings of the Dutch Rhine fleet are included with item 9.



Items	Gulden (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
10. Bank commissions (incomplete data) . . . . .	.	10	10	8	.	2	1	1
11. Post, telegraph and telephone . . . . .	7	8	7	7	9	8	7	6
12. Pensions, salaries, etc. :								
(a) paid by the Governments of the Dutch East Indies, Surinam and Curaçao . . . . .	.	27	27	27	—	—	—	—
(b) paid by private concerns <sup>(1)</sup> . . . . .	40	30	27	23	—	—	—	—
13. Emigrants' remittances (from the Dutch East Indies) . . . . .	.	10	8	6	—	—	—	—
14. Government receipts and expenditure . . . . .	.	10	8	4	.	12	12	12
IV. Gold.								
15. Gold coin and bullion . . . . .	42	53	111	352	16	34	605	641

## Capital items.

Items	Gulden (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
1. Amortisation of intergovernmental debts	7	7	8	6	—	—	—	—
2. Amortisation of other Government debts	—	—	—	—	44	—	—	9
3. Private amortisation receipts and pay- ments . . . . .	.	.	<sup>(2)</sup> 53	<sup>(2)</sup> 39	.	.	<sup>(2)</sup> 22	<sup>(2)</sup> 12
4. Purchases and sales of securities through 24 banks . . . . .	.	.	444	303	.	.	483	344
5. New capital issues for foreign account :								
(a) Government and municipal . . . . .	—	—	<sup>(3)</sup>	<sup>(3)</sup>	18	70	17	8
(b) other . . . . .	—	—	<sup>(3)</sup>	<sup>(3)</sup>	81	126	19	15
6. Foreign participation in domestic capital issues . . . . .	.	.	.	.	.	.	.	.
7. Payments to pension funds in the Nether- lands by :								
(a) colonial governments, etc. . . . .	.	25	12	10	—	—	—	—
(b) private concerns . . . . .	.	9	9	9	—	—	—	—
8. Changes in the gold-stock of the Nether- lands Bank through earmarking opera- tions . . . . .	18	15	166	.	—	10	108	.
9. Known movement of :								
(a) short-term foreign debts . . . . .	.	<sup>(2)</sup> 95	<sup>(4)</sup> 11	<sup>(4)</sup> 41	.	<sup>(2)</sup> 92	<sup>(4)</sup> 240	<sup>(4)</sup> 55
(b) short-term assets abroad . . . . .	.	<sup>(2)</sup> 89	<sup>(4)</sup> 651	<sup>(4)</sup> 110	.	<sup>(2)</sup> 199	<sup>(4)</sup> 7	<sup>(4)</sup> 19

Owing to the incompleteness of the information available, no totals are shown.

- (1) Including administration costs and *tantièmes*.  
(2) Figures for 23 banks.  
(3) Included with item 4.  
(4) Figures for 24 banks.

**Goods, services and gold.**

*Merchandise.* The Dutch trade returns record the goods imported or exported at frontier values since November 1st, 1927. Prior to that date, the values recorded were those at the place of loading or unloading in the Netherlands.

Goods sent by post are excluded, except during the last few months of 1932. Their value is believed to exceed 200 million florins annually. Diamonds are generally sent by post, and the export of cut diamonds to the United States alone was valued by the American Consulate-General in Amsterdam at \$22.3 million in 1927, \$22.4 million in 1928, \$18.9 million in 1929 and \$9.4 million in 1930.

*Interest and dividends.* The amount entered against item 3 for 1930 is composed as follows :

	Gulden (000,000's)	
	1930	1931
Payments by Germany . . . . .	5.0	5.1
Payments by Belgium . . . . .	1.4	1.2
Interest on advances to the Dutch East and West Indies . . . . .	2.7	2.6
Interest on the Dutch East Indies portion of the Government loans of :		
1895 . . . . .	0.8	0.7
1898 . . . . .	0.4	0.4

Of inward and outward payments on account of interest and dividends on foreign securities held in the Netherlands, and on Dutch securities held abroad, only those made through the intermediary of 23 big banks in 1931 and 1932 are known.

With reference to the yield of direct investments in property, information is available concerning the taxable income of persons living abroad derived from Dutch real estate owned by them, from mortgages on such estates and from professions practised or business carried on in the Netherlands (item 6, credit). The figures do not, on the other hand, include the income of foreigners on account of employment in Dutch enterprises.

Corresponding information concerning the yield of Dutch direct investments in property (for example, in plantations) abroad is not available.

The figures representing interest on short-term capital (item 7) refer to receipts and payments through the principal banks only.

*Freights, etc.* The shipping income entered under item 8 refers to ocean shipping only and is estimated on the basis of inquiries amongst shipping companies, covering over nine-tenths (in 1931, 95 per cent) of the total tonnage of the Dutch merchant marine\* (including Dutch ships engaged in Dutch East Indian waters). The expenditure abroad on account of bunkers, stores and port fees has been deducted.

The amounts entered against item 9 represent the actual receipts on account of port fees in municipal ports and of repairs, plus the estimated earnings of the Dutch Rhine fleet and the receipts on account of transshipment in Dutch ports, as calculated on the basis of information concerning the quantities of goods transhipped.

*Trade profits* (no entry). It was not possible to estimate the intermediate profits on account of trade in foreign goods. Considerable amounts are earned on account of trade in Dutch East Indian products ; it was estimated a few years ago that the profits from the tobacco trade alone average at least 21 million gulden a year.

*Pensions, salaries, etc.* Item 12a refers to "pensions, salaries of officials on leave and costs of training of officials, charged to the budget of the Dutch East Indies, Surinam and Curaçao and paid in the Netherlands". It was assumed that 90 per cent of the total expenditure was paid in the Netherlands. Item 12b comprises

“ administration costs (including *tantièmes*) in the Netherlands of enterprises working in the Dutch East Indies ; pensions paid in the Netherlands by enterprises in the Dutch East Indies ; expenditure in the Netherlands by individuals on leave from the Dutch East Indies ” ; and item 13, “ remittances from Dutchmen in the Dutch East Indies to their families ”. The figures for these two items are based on the corresponding estimates by the Batavia Central Statistical Office of outward payments from the Dutch East Indies, a reduction of 30 and 20 per cent respectively having been made on account of expenditure elsewhere than in the Netherlands.

*Tourists' expenditure* (no entry). The expenditure by foreign tourists in the Netherlands is stated to be considerably less than that by Dutchmen abroad. According to an estimate by M. van de Werk, on the Directorate of the Dutch Tourist Association at The Hague, the expenditure of foreign visitors to the Netherlands amounted to 13 million gulden in 1930 and 8.5 million gulden in 1931, while the corresponding expenditure of Dutchmen abroad was 45 and 32.5 million gulden respectively.

### Capital items.

*Intergovernmental debts.* The inward payments entered against item 1 represent the amortisation of credits granted by the Dutch Government to Austria, Germany, Poland, Belgium and France (relief credits and expenditure for foreign refugees, etc.) and of the Dutch East Indian share of two Dutch State loans.

*Securities movement.* The amounts entered against item 4 are based on the replies to a special inquiry received from the principal banks and private bankers ; they do not represent a complete record of the movement of securities.

*New capital issues.* The figures entered against item 5 are derived from statistics published by the Central Bureau of Statistics and represent issue prices less 4 per cent of the nominal value on account of commissions, stamp-duty, etc. Conversion issues and issues which have not been publicly offered are not included. Foreign participation in the issues is accounted for in 1931 and 1932 in establishing the figures for the movement of existing securities (item 4).

*Short-term capital transactions.* The figures entered against item 8 for 1931 comprise the following earmarking operations by the Netherlands Bank :

	Gulden (000,000's)	
	Credit	Debit
Decrease in domestic gold reserve, due to earmarking for foreign account . .	15.3	—
Increase in gold deposits abroad, due to earmarking for the account of the Bank	—	146.8
Transfer from earmarking deposits abroad to the Netherlands . . . . .	63.4	—
Reduction of gold deposits earmarked abroad, through sales . . . . .	4.9	—
Gold exported and earmarked abroad for the account of the Bank . . . . .	—	16.9
Gold imported and earmarked by the Bank for foreign account . . . . .	82.1	—
Of the last-mentioned amount, there was taken over by the Bank . . . . .	—	74.4

The figures entered against item 9 for 1930 and 1931 represent the net movement of the foreign short-term debts and assets of the principal banks, without elimination of changes due to the movement of exchange rates, insolvency, etc. The figures for 1932, however, represent only changes resulting from business transactions.

### International indebtedness.

The following details are available concerning certain items in the balance of outstanding indebtedness of the Netherlands at the end of 1930 and 1931. Private

long-term investments are not included. As the figures for the floating debts and assets refer to 23 banks at the end of 1930 and 24 at the end of 1931 and 1932, they are not wholly comparable.

	Gulden (000,000's)		
	at the end of		
	1930	1931	1932
<i>Liabilities.</i>			
1. Liabilities on account of intergovernmental debts . . . . .	—	—	—
2. Floating foreign debt of 23 Dutch banks in 1930 and 24 in 1931 and 1932 : <sup>(1)</sup>			
(a) current account deposits of foreign correspondents . . . . .	77	69	107
(b) liabilities on account of bills of exchange . . . . .	633	30	13
(c) other liabilities . . . . .		301	307
<i>Assets.</i>			
3. Claims on account of long-term intergovernmental debts . . . . .	145	137	<sup>(2)</sup> 152
4. Claims on the Dutch East Indies, Surinam and Curaçao, on account of short-term intergovernmental debts . . . . .	.	.	<sup>(3)</sup> 250
5. Floating assets abroad of 23 Dutch banks in 1930 and 24 in 1931 and 1932 : <sup>(1)</sup>			
(a) deposits on current account with foreign correspondents . . . . .	428	188	190
(b) assets on account of foreign bills of exchange . . . . .	425	159	120
(c) other assets . . . . .	629	396	341

(1) Including the Netherlands Bank.

(2) Of which 29 million gulden due by the Dutch East Indies.

(3) Of which 230 million gulden due by the Dutch East Indies.

## NEW ZEALAND

An official estimate of the balance of payments for the fiscal years (April 1st-March 31st) 1930-31 and 1931-32, drawn up on the basis of the form submitted by the Secretariat of the League of Nations, has been received from the Government of New Zealand and is reproduced below, together with the statements for 1928-29 and 1929-30 published last year.

*The figures up to 1930-31 inclusive refer to New Zealand pounds (the exchange value of the New Zealand pound was 1.0 and 5.3 per cent below par in 1929-30 and 1930-31 respectively), but those for 1931-32 refer to pounds sterling.*

### Goods, services and gold.

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	56,041	47,953	38,973	30,353	45,103	49,162	38,301	23,165
2. Adjustment for :								
(a) conversion . . . . .	—	—	—	—	—	—	2,001	— 599
(b) wrong valuation . . .	—	—	—	—	1,025	1,117	366	205
<b>II. Interest and dividends.</b>								
3. Interest on intergovernmental debts . . . . .	8	8	8	8	—	—	—	—
4. Interest on other public debts . . . . .					7,906	8,185	8,447	7,687
5. Other interest and dividends on long-term capital . .	325	497	(1) 234	(1) 239	1,000	1,000	1,000	800
<b>III. Other services.</b>								
6. Shipping income (2) . . . . .			(3) 700	(4) 339	890	870	—	—
7. Port fees . . . . .	784	819	823	620	—	—	—	—
8. Immigrants' and emigrants' funds . . . . .	320	317	346	160	400	309	245	250
9. Tourists' expenditure (2) . . . . .	720	719	636	385	1,650	1,671	2,345	1,500
10. Diplomatic and similar expenditure . . . . .	30	30	30	30	60	60	60	60
11. Reparations in cash . . . . .	299	371	508	167	—	—	—	—
12. Other Government receipts and expenditure . . . . .	138	163	134	143	802	663	849	922
<b>IV. Gold.</b>								
13. Gold coin and bullion . . . . .	1,113	1,093	555	1,108	3	6	—	1
<b>Total . . . . .</b>	<b>59,778</b>	<b>51,970</b>	<b>42,947</b>	<b>33,552</b>	<b>58,839</b>	<b>63,043</b>	<b>53,614</b>	<b>33,991</b>
<b>Surplus (+) or deficit (—) on account of :</b>								
(a) goods and services . . . . .	— 171	—12,160	—11,222	—1,546				
(b) gold . . . . .	+ 1,110	+ 1,087	+ 555	+ 1,107				
(c) goods, services and gold	+ 939	—11,073	—10,667	— 439				

(1) Interest and dividends on Government investments abroad only.  
(2) Passenger fares paid by national tourists to foreign ships up to 1929-30 inclusive are included with item 6 (debit).  
(3) Of which freights, 250, and passenger fares, 450.  
(4) Of which freights, 89, and passenger fares, 250. Maritime freight on imported goods, which is included in group I of imports, amounted to approximately £2,300,000 during the year.

## Capital items.

Items	£ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928-29	1929-30	1930-31	1931-32	1928-29	1929-30	1930-31	1931-32
<i>I. Long-term operations.</i>								
1. Repurchase of domestic securities . . . . .	—	—	—	—	—	2,438	—	—
2. Purchases and sales of foreign securities . . . . .	7	6,675	—	—	4,489	—	7	1,598
3. New capital issues :								
(a) Government and municipal . . . . .	11,014	—	8,058	3,367	250	—	—	—
(b) other . . . . .	—	—	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
4. Change in short-term debts and assets . . . . .	—	6,836	2,616	—	7,221	—	—	1,330
Total . . . . .	11,021	13,511	10,674	3,367	11,960	2,438	7	2,928
Net inward (+) or outward (—) movement of capital . . . . .	— 939	+11,073	+10,667	+ 439				

## SUMMARY TABLE.

	£ (000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1923 (1) Balance . . . . .	— 378	— 5,685	— 121	+ 699	— 5,485	+ 6,520	— 1,035	+ 5,485	—
1924 Balance . . . . .	+ 956	— 6,085	— 322	+ 552	— 4,899	+ 8,999	— 4,100	+ 4,899	—
1925 Balance . . . . .	— 286	— 6,604	— 453	+ 470	— 6,861	+ 9,414	— 2,553	+ 6,861	—
1926 Balance . . . . .	— 6,373	— 7,561	— 425	+ 514	— 13,845	+ 7,238	+ 6,607	+ 13,845	—
1927-28 Balance . . . . .	+ 9,005	— 8,105	— 829	+ 529	+ 600	+ 5,196	— 5,796	— 600	—
1928-29 Balance . . . . .	+ 9,913	— 8,573	— 1,511	+ 1,110	+ 939	+ 6,282	— 7,221	— 939	—
1929-30 Credit . . . . .	47,953	505	2,419	1,093	51,970	6,675	6,836	13,511	65,481
Debit . . . . .	50,279	9,185	3,573	6	63,043	2,438	—	2,438	65,481
Balance . . . . .	— 2,326	— 8,680	— 1,154	+ 1,087	— 11,073	+ 4,237	+ 6,836	+ 11,073	—
1930-31 Credit . . . . .	38,973	242	3,177	555	42,947	8,058	2,616	10,674	53,621
Debit . . . . .	40,668	9,447	3,499	—	53,614	7	—	7	53,621
Balance . . . . .	— 1,695	— 9,205	— 322	+ 555	— 10,667	+ 8,051	+ 2,616	+ 10,667	—
1931-32 Credit . . . . .	30,353	247	1,844	1,108	33,552	3,367	—	3,367	36,919
Debit . . . . .	22,771	8,487	2,732	1	33,991	1,598	1,330	2,928	36,919
Balance . . . . .	+ 7,582	— 8,240	— 888	+ 1,107	— 439	+ 1,769	— 1,330	+ 439	—

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 the amounts entered as short-term capital operations are not based on direct evidence but are interpolated as balancing

(1) The data for 1923-1926 refer to calendar years.

accounts and include, therefore, allowances for possible omissions and errors in the other items. It is stated, indeed, that in consequence of the lack of adequate data, particularly in regard to movements of private capital, the statements are rough approximations only.

Certain details regarding the figures and the methods used in their calculation were given in the 1927-29 issue of this volume. Since then, certain changes in the calculations have been introduced.

Beginning with the statement for 1930-31, the allowance for understatement of freight and insurance of imported goods has been reduced from 2½ to 1 per cent ; on the other hand, a further £2,001,000 were added in 1930-31 under the same item (goods, services, etc., item 2, debit), as imports from the United Kingdom were recorded, not in New Zealand pounds, but in sterling. For 1932, imports are recorded in sterling, except those from Australia. An allowance of £599,000 had to be made on this account.

The recorded export figures for 1931-32 were converted into sterling on the basis of an average premium of 10 per cent on sterling.

The last two statements under review include an estimate of the earnings of national shipping on account of foreign traffic (item 6).

#### International indebtedness.

The following information is given concerning the balance of international indebtedness of New Zealand at March 31st of recent years. It relates to long-term investments only.

	£ (000's)			
	1929	1930	1931	1932
<i>Liabilities.</i>				
1. Intergovernmental debts . . . . .	25,153	24,747	24,321	24,100
2. National securities held abroad . . . . .	154,064	152,031	160,509	162,097
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
Total liabilities (excluding floating debt) . . . . .	199,217	196,778	204,830	206,197
<i>Assets.</i>				
4. Claims on account of intergovernmental debts . . . . .	165	165	165	165
5. Foreign securities held by the Government of New Zealand (on account of other foreign government and municipal debt) . . . . .	12,936	6,263	6,270	7,868
6. Estimated private holdings of foreign securities . . . . .	1,500	1,500	1,500	1,500
Total assets (excluding floating assets) . . . . .	14,601	7,928	7,935	9,533
Net liabilities . . . . .	184,616	188,850	196,895	196,664

The liabilities shown under item 1 represent New Zealand's share of the British Funded Debt 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 an estimate made in 1910 by Sir George Paish.

## NORWAY

Statements of the Norwegian balance of payments for the years 1931 and 1932, compiled by the Central Statistical Office, have been supplied by the Norwegian Government. These statements are set out below together with the estimates for 1929-1930 which were published in the last edition of this volume.

### Goods, services and gold.

Items	Kroner (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	753	684	466	567	1,074	1,065	861	689
2. Whale oil sold from herding grounds . . . . .	85	108	99	6	—	—	—	—
3. Contraband . . . . .	—	—	—	—	—	—	—	—
<b>II. Interest and dividends.</b>								
4. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
5. Interest on other public debts . . . . .	4	7	6	4	53	54	52	64
6. Other interest and dividends on long-term capital . . . . .	5	5	5	5	18	21	20	21
7. Interest on short-term capital . . . . .	7	6	6	7	14	15	15	16
<b>III. Other services.</b>								
8. Shipping income :								
(a) ordinary freights and passage money . . . . .	296	412	364	350	—	—	—	—
(b) charter money . . . . .	136	—	—	—	—	—	—	—
9. Port fees . . . . .	5	5	5	5	( <sup>1</sup> ) 207	( <sup>1</sup> ) 206	( <sup>1</sup> ) 184	( <sup>1</sup> ) 170
10. Expenses of whaling companies abroad . . . . .	—	—	—	—	20	32	19	8
11. Other transport fees ( <sup>2</sup> ) . . . . .	20	20	19	17	—	—	—	—
12. Post, telegraph and telephone . . . . .	2	2	1	2	2	2	2	3
13. Immigrants' and emigrants' remittances . . . . .	18	13	13	14	—	—	—	—
14. Tourists' expenditure . . . . .	27	33	30	30	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
15. Diplomatic and similar expenditure . . . . .	—	—	—	—	3	3	3	3
16. Other Government receipts . . . . .	—	—	—	—	—	—	—	—
17. Other items . . . . .	5	5	5	5	10	10	8	8
<b>IV. Gold.</b>								
18. Gold coin and bullion . . . . .	—	—	( <sup>4</sup> ) 39	—	—	—	—	—
<b>Total . . . . .</b>	<b>1,363</b>	<b>1,300</b>	<b>1,058</b>	<b>1,012</b>	<b>1,401</b>	<b>1,408</b>	<b>1,164</b>	<b>982</b>
<b>Surplus (+) or deficit (—) on account of :</b>								
(a) goods and services . . . . .	— 38	— 108	— 145	+ 30				
(b) gold . . . . .	—	—	+ 39	—				
(c) goods, services and gold . . . . .	— 38	— 108	— 106	+ 30				

(1) Including expenses abroad for bunker fuel, provisions, commissions, wages, insurance, repairs, etc., i.e., all foreign expenses of national ships.

(2) Mainly earnings on account of iron ore and paper pulp coming from Sweden.

(3) Included in item 17.

(4) The gold exported in 1931 was held earmarked for the Bank of Norway at the end of the year and was thus offset by a corresponding increase in foreign assets (included in capital item 5).



## Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Long-term operations.</i>								
1. Purchases and sales:								
(a) of domestic securities . . .	38	69	42	34	(1) 66	(1) 91	(1) 104	(1) 34
(b) of foreign securities . . .	(2) 17	(2) 33	(2) 119	(2) 31	28	82	40	27
2. New capital issues:								
(a) Government and municipal	(3) 25	57	10	—	—	—	—	—
(b) other . . . . .	—	—	—	—	—	—	—	—
3. Other long-term investments . . .	—	—	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
4. Change in short-term debts . . .	54	69	96	—	—	—	—	74
5. Change in short-term assets . . .	12	84	—	4	—	—	22	—
Total . . . . .	146	312	267	69	94	173	166	135
Net inward (+) or outward (—) movement of capital . . . . .	+ 52	+ 139	+ 101	— 66				

## SUMMARY TABLE.

	Kroner (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance . . . . .	— 478	— 52	+ 339	—	— 191	+ 208	.	+ 208	(4) + 17
1924 Balance . . . . .	— 433	— 62	+ 293	—	— 202	+ 167	.	+ 167	(4) — 35
1925 Balance . . . . .	— 268	— 62	+ 249	—	— 81	+ 152	.	+ 152	(4) + 71
1926 Balance . . . . .	— 223	— 51	+ 261	—	— 13	— 35	+ 65	+ 30	(5) + 17
1927 Balance . . . . .	— 244	— 60	+ 235	—	— 69	+ 141	— 54	+ 87	(5) + 18
1928 Balance . . . . .	— 280	— 70	+ 227	—	— 123	+ 172	— 47	+ 125	(5) + 2
1929 Balance . . . . .	— 236	— 69	+ 267	—	— 38	— 14	+ 66	+ 52	(5) + 14
1930 Credit . . . . .	792	18	490	—	1,300	159	153	312	1,612
Debit . . . . .	1,065	90	253	—	1,408	173	—	173	1,581
Balance . . . . .	— 273	— 72	+ 237	—	— 108	— 14	+ 153	+ 139	(5) + 31
1931 Credit . . . . .	565	17	437	39	1,058	171	96	267	1,325
Debit . . . . .	861	87	216	—	1,164	144	22	166	1,330
Balance . . . . .	— 296	— 70	+ 221	+ 39	— 106	+ 27	+ 74	+ 101	(5) — 5
1932 Credit . . . . .	573	16	423	—	1,012	65	4	69	1,081
Debit . . . . .	689	101	192	—	982	61	74	135	1,117
Balance . . . . .	— 116	— 85	+ 231	—	+ 30	+ 4	— 70	— 66	(5) — 36

(1) Including amortisation payments.

(2) Including amortisation receipts and foreign participation in national capital issues.

(3) Lent by Sweden.

(4) Balance including (a) the movement of short-term capital, (b) errors and omissions.

(5) Balance due to errors and omissions.

The balance shown in the last column of the above table for the years prior to 1926 may be attributed primarily to the exclusion of short-term capital operations. But even in the statements for 1926-1932, which include such operations, owing to omissions and possible errors a perfect balance is not obtained. 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, probably 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 1926. The balances of long-term capital operations shown in the summary table for the years 1923-1925 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 results of the inquiries are given below:

	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	— 1,150
Dec. 31st, 1927 . . . .	1,247	55	594	213	20	361	— 1,302	— 1,290
Dec. 31st, 1928 . . . .	1,457	55	606	180	20	420	— 1,498	— 1,490
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	825	168	18	346	— 1,723	— 1,192
Dec. 31st, 1932 . . . .	1,531	71	751	168	18	342	— 1,825	— 1,206

A specification of the figures for the last five years shown in this table is given below :

	Market value in kroner (000,000's) at the end of				
	1928	1929	1930	1931	1932
<i>Liabilities.</i>					
1. Norwegian bonds and shares, held abroad :					
(a) State bonds . . . . .	710	675	679	623	772
(b) municipal debt . . . . .	200	193	213	218	212
(c) debt of certain banks (1) . . . . .	94	119	160	149	158
(d) private bonds . . . . .	147	144	143	144	142
(e) shares . . . . .	306	330	290	225	247
2. National real estate owned by foreigners . . . . .	55	65	67	71	71
3. Floating debt :					
(a) official institutions (including the Bank of Norway) . . . . .	8	14	8	12	13
(b) banks and brokers . . . . .	211	182	167	131	115
(c) other private enterprises . . . . .	387	464	554	682	623
Total liabilities . . . . .	2,118	2,186	2,281	2,255	2,353
<i>Assets.</i>					
4. Foreign bonds and shares, held in Norway by :					
(a) official institutions (including the Bank of Norway) . . . . .	4	11	33	10	8
(b) banks and brokers . . . . .	26	33	73	25	25
(c) other private enterprises . . . . .	150	139	136	133	135
5. Foreign real estate owned by Norwegians . . . . .	20	18	20	18	18
6. Floating assets of :					
(a) official institutions (including the Bank of Norway) . . . . .	102	87	74	96	106
(b) banks and brokers . . . . .	139	155	94	59	54
(c) other private enterprises . . . . .	179	166	156	191	182
Total assets . . . . .	620	609	586	532	528

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 1926 to 1932 to 100, 114, 110, 102, 103, 106 and 111 million kroner respectively.

A division by countries of the Norwegian shares held abroad (item 1e in the above table) at the end of 1930, 1931 and 1932 is given below :

Shares held in	Kr. (000,000's)			Shares held in	Kr. (000,000's)		
	1930	1931	1932		1930	1931	1932
France . . . . .	88.7	62.3	80.9	Switzerland . . . . .	38.8	24.3	33.5
U.K. . . . .	42.6	35.0	32.4	Netherlands . . . . .	7.3	6.8	7.0
Germany . . . . .	5.4	5.4	4.9	Belgium . . . . .	0.9	0.4	0.6
Sweden . . . . .	37.8	30.8	29.2	Canada . . . . .	16.9	17.5	16.0
U.S.A. . . . .	24.8	20.8	24.0	Other countries	4.6	5.9	3.7
Denmark . . . . .	16.1	15.3	15.2	Total . . . . .	(2) 283.9	224.5	247.4

These amounts are calculated according to Stock Exchange quotations. The face value of the shares was 365.0 million kroner at the end of 1930, 369.4 million at the end of 1931 and 355 million at the end of 1932.

A similar division of the amounts of foreign bonds and shares held in Norway (items 4a-c) is given below.

(1) The Mortgage Bank, the Small Farm and Housing Bank and the Municipal Bank. Other banks are included with "other private enterprises".

(2) The revised total (according to the preceding table) is 290.

Country of issue	Kr. (000,000's)					
	End of 1931			End of 1932		
	Bonds	Shares	Total	Bonds	Shares	Total
United Kingdom . . . . .	14.1	34.3	48.4	9.7	35.4	45.1
United States . . . . .	19.0	11.6	30.6	17.5	11.3	28.8
Sweden . . . . .	8.5	27.7	36.2	7.8	27.8	35.6
Switzerland . . . . .	0.1	12.6	12.7	0.4	15.1	15.5
Germany . . . . .	4.1	3.1	7.2	4.4	3.3	7.7
France . . . . .	2.0	4.1	6.1	2.3	4.9	7.2
Finland . . . . .	6.0	1.2	7.2	4.1	1.2	5.3
Denmark . . . . .	4.7	1.0	5.7	5.2	0.5	5.7
Other countries . . . . .	3.9	10.2	14.1	5.3	11.8	17.1
Total . . . . .	62.4	105.8	168.2	56.7	111.3	168.0

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)								
	£ sterling	\$ U.S.A.	Swedish kronor	Danish Kroner	French francs	Gulden	Other foreign currencies	Norwegian kroner	Total
<i>Debts</i>									
1929 . . . . .	253.3	54.0	77.0	7.3	16.4	10.7	14.1	225.7	658.5
1930 . . . . .	342.4	57.2	72.5	6.3	4.0	12.5	11.1	241.5	747.5 <sup>(1)</sup>
1931 . . . . .	340.2	80.5	103.3	13.4	21.1	62.4	19.9	184.1	824.9
1932 . . . . .	318.1	77.9	98.3	8.5	18.0	24.9	21.6	184.0	751.3
<i>Assets</i>									
1929 . . . . .	182.8	113.8	25.9	6.1	3.6	2.2	19.8	53.7	407.9
1930 . . . . .	135.7	44.8	44.6	7.0	5.0	3.6	20.3	62.5	323.5
1931 . . . . .	104.4	56.1	16.8	4.2	8.0	20.2	20.0	116.7	346.4
1932 . . . . .	118.7	63.9	16.4	3.0	7.2	5.9	29.1	97.6	341.8

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 for 1926-1930. In 1926 and 1927, the book value of amounts due in foreign currency fell owing to the rise in the Norwegian krone. The fluctuations due to this fact have been eliminated, in a manner which was described in the 1912-1927 issue of this volume, as they obviously do not affect the balance of payments. The changes in the floating assets and debts during 1931 and 1932 have, however, been entered unaltered in the balance of payments account for these years.

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)				
	1928	1929	1930	1931	1932
Net increase (+) or decrease (—) in foreign long-term indebtedness . . . . .	+ 243	+ 13	— 35	— 46	+ 172
Net inward (+) or outward (—) movement of long-term capital . . . . .	+ 172	— 14	— 14	+ 27	+ 4

The difference between the two sets of figures is largely due to variations in the book value of securities.

(1) The revised total for 1930 as given in a preceding table is 729.

# POLAND

Statements of the balance of payments of Poland in the years 1930 and 1931, compiled by the Polish Central Statistical Office (1), are set out below, in a somewhat modified form, together with those for 1928 and 1929 published last year.

It is pointed out that certain of the figures for 1930 and 1931 are provisional.

## Goods, services and gold.

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<i>I. Merchandise.</i>								
1. Merchandise (Poland and Danzig) . . . . .	2,508.1	2,814.2	2,435.6	1,879.6	3,363.9	3,122.0	2,270.5	1,476.2
2. Adjustments of item 1 :								
(a) foreign trade of Danzig . . . . .	- 125.4	- 140.7	- 134.5	- 115.1	- 100.9	- 136.9	- 70.1	- 42.1
(b) omissions in trade returns, etc. . . . .	+ 87.5	+ 70.0			+ 173.7	+ 214.1		
3. Contraband . . . . .	15.0	28.8	37.9	25.9	38.1	35.0	48.8	42.0
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
5. Interest on other public debts:								
(a) on Government debts . . . . .	—	—	—	—	120.2	111.2	165.7	173.3
(b) on municipal debts . . . . .	—	—	—	—	8.0	37.1	14.7	15.4
6. Other interest and dividends on long-term capital . . . . .	0.9	—		1.7	68.4	108.1	103.7	114.0
7. Interest on short-term capital (2) :								
(a) bank interest . . . . .	30.7	30.8	30.4	15.0	47.3	154.4	197.2	138.0
(b) other . . . . .	—	—			72.2			
<i>III. Other services.</i>								
8. Shipping income :								
(a) freights . . . . .		12.6	15.0	15.9	—	—	—	—
(b) passenger fares . . . . .	12.7	2.6	13.3	6.5	—	—	—	—
9. Port fees . . . . .		1.0	1.0	1.0	6.1	7.4	12.8	9.4
10. Transport fees . . . . .	228.8	255.6	232.4	229.7	78.1	64.4	62.6	98.0
11. Reinsurance . . . . .	14.7	(3) 119.8	(3) 127.4	13.7	11.7	(3) 131.2	130.0	17.9
12. Post, telegraph and telephone . . . . .	5.8	9.6	4.5	7.2	2.7	7.2	2.5	4.7
13. Immigrants' and emigrants' funds . . . . .		53.4			61.1	68.7		
14. Immigrants' and emigrants' remittances, etc. . . . .	280.9	224.4	291.5	289.8	5.0	—	52.2	21.1
Carried forward . . . . .	3,059.7	3,482.1	3,054.5	2,370.9	3,955.6	3,923.9	2,990.6	2,067.9

(1) Similar statements are published, in a condensed form, in the *Informations Statistiques de l'Office Central de Statistique* (Warsaw), No. 14, Vol. 1932, and No. 20, Vol. 1933.

(2) Including commissions.

(3) Gross figure.

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . . .	3,059.7	3,482.1	3,054.5	2,370.9	3,955.6	3,923.9	2,990.6	2,067.9
15. Tourists' expenditure . . . . .	98.3	167.1	157.8	94.3	169.0	164.9	245.3	186.3
16. Diplomatic and similar expenditure . . . . .	21.7	9.0	9.0	9.6	26.9	44.7	22.6	28.0
17. Other Gov. receipts . . . . .	111.6	105.1	95.3	59.6	—	—	39.3	51.4
18. Customs duties paid in Danzig . . . . .	—	—	—	—	102.8	120.8	122.7	66.4
19. Other items . . . . .	0.8	0.1	—	17.2	36.6	28.0	43.9	46.2
IV. Gold. <sup>(1)</sup>								
20. Gold coin and bullion . . . . .	—	0.1	40.3	0.1	305.0	9.3	7.2	24.2
21. Adjustment of item 20 <sup>(1)</sup> . . . . .	—	—	140.2	—	—199.9	72.2	32.3	36.5
Total . . . . .	3,292.1	3,763.5	3,497.1	2,551.1	4,396.0	4,363.8	3,503.9	2,506.9
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	— 998.8	— 518.9	— 147.8	— 16.4				
(b) gold . . . . .	— 105.1	— 81.4	+ 141.0	+ 60.6				
(c) goods, services and gold . . . . .	— 1,103.9	— 600.3	— 6.8	+ 44.2				

## Capital items.

Items	Zloty (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts . . . . .	—	—	—	—	—	68.5	96.9	69.5
(b) of other Government debts . . . . .	—	—	—	—	90.2	50.2	—	—
(c) of municipal debts . . . . .	—	—	—	—	3.5	5.3	2.6	3.8
(d) of other debts . . . . .	—	—	—	—	11.3	4.7	11.6	22.2
2. Purchases and sales :								
(a) of real estate in the country . . . . .	—	—	—	—	—	—	—	—
(b) of domestic securities . . . . .	69.7	34.2	19.0	11.7	27.8	15.1	34.5	86.0
(c) of foreign securities . . . . .	10.1	2.1	3.2	7.0	11.0	4.6	10.6	54.3
3. New capital issues :								
(a) Government . . . . .	—	—	—	227.9	—	—	—	—
(b) municipal . . . . .	167.0	7.1	3.7	8.4	—	—	—	—
(c) other . . . . .	56.3	58.5	12.8	—	—	—	—	—
4. Other long-term investments . . . . .	103.6	178.3	150.7	134.6	2.6	73.3	4.2	3.6
II. Short-term operations.								
5. Change in short-term debts :								
(a) of the Government . . . . .	—	—	—	—	( <sup>2</sup> )	( <sup>2</sup> )	—	—
(b) of the Bank of Poland . . . . .	—	—	—	—	—	—	—	—
(c) of other banks . . . . .	136.9	138.1	713.1	815.0	—	—	1,377.9	1,330.0
(d) merchandise credits . . . . .	421.6	55.5	—	—	—	—	—	—
(e) other private debts . . . . .	769.0	914.3	—	—	529.8	600.8	—	—
Carried forward . . . . .	1,734.2	1,388.1	902.5	1,204.6	676.2	822.5	1,538.3	1,569.4

(1) Including changes in the amount of gold earmarked abroad for the account of the Bank of Poland.

(2) Included in item 1b.

Items	Zloty (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . . .	1,734.2	1,388.1	902.5	1,204.6	676.2	822.5	1,538.3	1,569.4
6. Change in short-term assets :								
(a) of the Bank of Poland . . . . .	145.7	222.8			—	—		
(b) of other banks . . . . .	—	12.5	413.2	350.6	59.3	—	193.2	22.5
(c) merchandise credits . . . . .	—	—			19.6	168.1		
(d) other private assets . . . . .	17.3	19.3			31.5	58.6		
Total . . . . .	1,897.2	1,642.7	1,315.7	1,555.2	786.6	1,049.2	1,731.5	1,591.9
Net inward (+) or outward (—) movement of capital . . . . .	+1,110.6	+ 593.5	—415.8	— 36.7				

## SUMMARY TABLE.

	Zloty (000,000's) (1)								
	Goods, services and gold					Capital items			All items
	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	(2) + 386.8
1924 Balance	— 376.6	— 111.1	+ 82.6	— 23.6	— 428.7	+ 166.7	+ 265.8	+ 432.5	(2) + 3.8
1925 Balance	— 642.1	— 117.6	+ 177.7	— 35.2	— 617.2	+ 429.3	+ 119.1	+ 548.4	(2) — 68.8
1926 Balance	+ 643.4	— 172.9	+ 176.9	— 6.8	+ 640.6	— 14.2	+ 3.5	— 10.7	(2) + 629.9
1927 Balance	— 450.4	— 229.5	+ 198.7	— 252.7	— 733.9	+ 555.1	— 49.8	+ 505.3	(2) — 228.6
1928 Balance	— 989.6	— 284.5	+ 275.3	— 105.1	— 1,103.9	+ 260.3	+ 850.3	+ 1,110.6	(2) + 6.7
1929 Credit	2,772.3	30.8	960.3	0.1	3,763.5	280.2	1,362.5	1,642.7	5,406.2
Debit	3,234.2	410.8	637.3	81.5	4,363.8	221.7	827.5	1,049.2	5,413.0
Balance	— 461.9	— 380.0	+ 323.0	— 81.4	— 600.3	+ 58.5	+ 535.0	+ 593.5	(2) — 6.8
1930 Credit	2,339.0	30.4	947.2	180.5	3,497.1	189.4	1,126.3	1,315.7	4,812.8
Debit	2,219.2	481.3	733.9	39.5	3,503.9	160.4	1,571.1	1,731.5	5,235.4
Balance	+ 89.8	— 450.9	+ 213.3	+ 141.0	— 6.8	+ 29.0	— 444.8	— 415.8	(2) — 422.6
1931 Credit	1,790.4	16.7	743.9	0.1	2,551.1	389.6	1,165.6	1,555.2	4,106.3
Debit	1,476.1	440.7	529.4	60.7	2,506.9	239.4	1,352.5	1,591.9	4,098.8
Balance	+ 314.3	— 424.0	+ 214.5	— 60.6	+ 44.2	+ 150.2	— 186.9	— 36.7	(2) + 7.5

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.

A specification of the amounts included in certain of the items is given below. (3)

(1) Throughout gold zloty of the new parity (introduced in October 1926).

(2) Balance due to errors and omissions.

(3) For further details, see the 1927 and 1928 editions of this volume (Series of publications: 1928, II.53<sup>a</sup> and 1929, II.51<sup>a</sup>). The 1929 statement is given (in Polish) in great detail in *Bilans płatniczy Polski za rok 1929 — Bilan des paiements de la Pologne pour l'année 1929*, by Mieczysław Smerek (published by the Polish Central Statistical Office).

**Goods, services and gold.**

*Merchandise.* The amounts entered under item 2*b* are composed as follows :

	1928	1929	1930	1931
	Zloty (000,000's)			
<i>Credit.</i>				
Silver in bars and coin, exported, not included in trade statistics . . . . .	—	—	—	—
Probable net export from Poland to Danzig . . . . .	68.3	70.0	.	.
Excess value of exports in the active improvement trade	19.2	.	.	.
Total (credit) . . . . .	87.5	70.0	.	.
<i>Debit.</i>				
Probable value of merchandise (military supplies, etc.) omitted from the trade statistics . . . . .	52.1	48.5	.	.
Silver in bars and coin imported by the Ministry of Finance (not included in trade statistics) . . . . .	—	27.1	—	—
Excess value of imports in the passive improvement trade	3.9	.	.	.
Railway freight in the territory of Danzig, paid by the Polish importers and exporters . . . . .	57.6	69.2	54.0	58.5
Transloading expenses incurred in Danzig by Polish importers and exporters . . . . .	35.8	33.3	31.9	28.0
Profits of merchants in Danzig from the foreign trade of Poland . . . . .	24.3	36.0	34.6	12.1
Total (debit) . . . . .	173.7	214.1	( <sup>1</sup> ) 20.5	( <sup>1</sup> ) 98.6

*Freight, transport charges, etc.* The amounts entered under item 10 consist of :

	1928	1929	1930	1931
	Zloty (000,000's)			
<i>Credit.</i>				
Transit and other receipts by the Polish railways . . .	159.7	172.5	167.6	160.3
Gross receipts of the Polish railways in Danzig . . .	69.1	83.1	64.8	69.4
Total (credit) . . . . .	228.8	255.6	232.4	229.7
<i>Debit.</i>				
Sums paid to foreign railways for the hire of locomotives and wagons, etc. . . . .		5.7	13.1	30.9
Expenditure of the Polish railways in the territory of the Free City of Danzig . . . . .	78.1	58.7	49.5	67.1
Total (debit) . . . . .	78.1	64.4	62.6	98.0

*Emigrants' remittances ; funds brought in by immigrants.* The total receipts under these two headings (items 13 and 14) are distributed as follows :

	1928	1929	1930	1931
	Zloty (000,000's)			
From emigrants in or returning from :				
United States of America . . . . .	149.3	130.5	116.3	169.7
Canada . . . . .	15.3	23.5	26.2	8.2
Argentina . . . . .	6.1	12.1	12.2	3.2
France . . . . .	42.4	54.8	76.6	68.0
Germany . . . . .	39.5	44.3	41.6	29.4
Other countries . . . . .	18.5	8.8	18.6	8.0
Gifts received from abroad by Polish charitable organisations . . . . .	9.8	3.8	.	3.3
Total . . . . .	280.9	277.8	291.5	289.8

The figures on the debit side against item 13 are composed as follows :

	1928	1929	1930	1931
	Zloty (000,000's)			
Funds taken out by :				
emigrants to Palestine . . . . .	0.4	3.4	4.3	1.6
emigrants to other countries . . . . .	60.7	65.3	47.9	19.5
Total . . . . .	61.1	68.7	52.2	21.1

(1) As the credit figures are not available, these amounts have not been entered into the table.



*Government receipts.* The Polish Government receipts entered on the credit side against item 17 comprise the following amounts :

	1928	1929	1930	1931
		Zloty (000,000's)		
Customs receipts collected by Danzig and transmitted to Poland . . . . .	97.9	105.1	95.3	59.6
Receipts of Polish consulates abroad . . . . .	13.7			
Total . . . . .	111.6	105.1	95.3	59.6

*Other services.* The outward payments entered against item 19 are made up as follows :

	1928	1929	1930	1931
		Zloty (000,000's)		
Cinematograph film royalties and authors' royalties . . . . .	23.4	28.0	39.3	31.5
Receipts of foreign consular offices in Poland, etc. . . . .	13.2		4.6	14.7
Total . . . . .	36.6	28.0	43.9	46.2

### International indebtedness.

The following details with regard to the international indebtedness of Poland are available.

	Zloty (000,000's) at the end of		
	1928	1929	1930
<i>Liabilities.</i>			
1. Liabilities on account of intergovernmental debts . . . . .	2,220.8		
2. National securities held abroad on account of :		3,690.9	3,992.6
(a) other Government debt . . . . .	1,902.7	228.7	221.7
(b) municipal debt . . . . .	273.0	328.1	327.1
3. Other long-term debt :			
(a) foreign participation in Polish enterprises . . . . .	2,347.0	1,799.5	1,977.7
(b) capital of foreign enterprises in Poland . . . . .		557.9	549.3
4. Floating foreign debt :			
(a) of the Government <sup>(1)</sup> . . . . .	32.5	<sup>(2)</sup>	<sup>(2)</sup>
(b) of banks :			
current account deposits of foreign correspondents . . . . .	101.8		
liabilities on account of foreign bills of exchange . . . . .	40.5	676.9	642.9
other debts . . . . .	395.7		
(c) of other private enterprises and individuals . . . . .	2,214.0	<sup>(3)</sup> 3,034.0	<sup>(3)</sup> 2,403.8
Total liabilities . . . . .	9,528.0	10,315.2	10,115.1
<i>Assets.</i>			
5. Long-term assets :			
Participation in foreign enterprises and other direct investments abroad . . . . .	11.4	63.0	63.9
6. Floating assets abroad :			
(a) of the Government . . . . .	76.4	<sup>(4)</sup>	<sup>(4)</sup>
(b) of banks :			
deposits on current account with foreign correspondents . . . . .	765.5		
assets on account of foreign bills of exchange . . . . .	113.3	713.7	595.8
other assets . . . . .	70.2		
(c) of other private enterprises and individuals . . . . .	418.8	<sup>(5)</sup> 669.8	<sup>(5)</sup> 572.4
Total assets . . . . .	1,455.6	1,446.5	1,232.1
Net liabilities . . . . .	8,072.4	8,868.7	8,883.0

(1) Railways and post ; Customs accounts with Danzig.

(2) Included in item 4c.

(3) Of which merchandise credits, 1,152 at the end of 1929 and 517 at the end of 1930.

(4) Included in item 6c.

(5) Of which merchandise credits, 375 at the end of 1929 and 324 at the end of 1930.

The following division by countries of the amounts outstanding at the end of 1930 is available (1).

	Zloty (000,000's)											Total
	U.S.A.	France	Germany	U.K.	Switzerland	Belgium	Italy	Netherlands	Sweden	Austria	Other countries	
<b>Liabilities :</b>												
Long-term	3,516	1,180	519	451	84	272	173	72	137	118	546	7,068
Short-term	351	378	513	472	254	130	48	295	19	251	336	3,047
<b>Total . .</b>	<b>3,867</b>	<b>1,558</b>	<b>1,032</b>	<b>923</b>	<b>338</b>	<b>402</b>	<b>221</b>	<b>367</b>	<b>156</b>	<b>369</b>	<b>882</b>	<b>10,115</b>
<b>Assets :</b>												
Long-term	39	1	6	—	—	13	—	—	—	1	4	64
Short-term	211	36	84	282	61	6	4	12	20	27	425	1,168
<b>Total . .</b>	<b>250</b>	<b>37</b>	<b>90</b>	<b>282</b>	<b>61</b>	<b>19</b>	<b>4</b>	<b>12</b>	<b>20</b>	<b>28</b>	<b>429</b>	<b>1,232</b>

## SPAIN

The following statement of the balance of payments of Spain in 1931 has been prepared by the Research Department of the Bank of Spain (1).

### Goods, services and gold.

Items	Gold pesetas (000,000's)	
	Inward or credit movements (Exports)	Outward or debit movements (Imports)
<i>I. Merchandise.</i>		
1. Merchandise . . . . .	965.0	1,175.8
2. Adjustment of item 1 . . . . .	77.0	125.6
<i>II. Interest and dividends.</i>		
3. Interest on State loans . . . . .	7.0	2.9
4. Interest on foreign bonds (other than State loans) quoted in Spain . . . . .	5.4	—
5. Interest on other long-term capital . . . . .	34.4	18.1
6. Interest on short-term capital . . . . .	2.4	24.4
7. Dividends, profits; interest not specified above . . . . .	25.8	12.2
<i>III. Other services.</i>		
8. Shipping :		
(a) freights and charter money . . . . .	91.5	—
(b) passage money . . . . .	15.5	—
9. Port expenditure . . . . .	17.1	83.1
10. Insurance . . . . .	—	1.7
11. Post, telegraph and telephone . . . . .	0.1	4.0
12. Emigrants' funds . . . . .	—	3.2
13. Emigrants' remittances . . . . .	160.0	—
14. Tourists' expenditure . . . . .	64.4	73.2
15. Diplomatic and similar expenditure . . . . .	10.0	8.0
16. Government receipts and expenditure n.e.i. . . . .	4.3	34.1
17. Other items :		
(a) cinematograph film royalties . . . . .	—	7.7
(b) lottery tickets sold abroad . . . . .	0.9	—
(c) miscellaneous . . . . .	4.5	9.0
<i>IV. Gold.</i>		
18. Gold coin and bullion . . . . .	25.3	0.1
19. Adjustment of item 18 . . . . .	— 25.2	—
Total . . . . .	1,485.4	1,583.1
Surplus (+) or deficit (—) on account of :		
(a) goods and services . . . . .	— 97.7	
(b) gold . . . . .	—	
(c) goods, services and gold. . . . .	— 97.7	

(1) Servicio de Estudios del Banco de España : *Balance de pagos internacionales, Año 1931* (Madrid, 1932).

## Capital items.

Items	Gold pesetas (000,000's)	
	Inward or credit capital movement	Outward or debit capital movement
<i>I. Long-term operations.</i>		
1. Amortisation :		
(a) of Spanish loans abroad . . . . .	1.6	—
(b) of other foreign bonds held in Spain and quoted there . . .	2.0	—
(c) of Spanish bonds held abroad . . . . .	—	2.5
2. Purchases and sales :		
(a) of domestic securities . . . . .	8.8	27.0
(b) of foreign securities . . . . .	23.9	9.2
3. New capital issues . . . . .	1.3	—
<i>II. Short-term operations.</i>		
4. Change in short-term debts and assets . . . . .	283.2	182.2
Total . . . . .	320.8	220.9
Net inward (+) movement of capital . . . . .	+ 99.9	

## SUMMARY TABLE.

	Gold pesetas (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1931 Credit . . .	1,042.0	75.0	368.3	0.1	1,485.4	37.6	283.2	320.8	1,806.2
Debit . . .	1,301.4	57.6	224.0	0.1	1,583.1	38.7	182.2	220.9	1,804.0
Balance . . .	- 259.4	+ 17.4	+ 144.3	—	- 97.7	- 1.1	+ 101.0	+ 99.9	(1)+ 2.2

## Goods, services and gold.

*Merchandise.* The additions to the recorded trade figures entered against item 2 are partly due to the inclusion of the foreign trade of the Canary Islands and the Balearic Islands (the Spanish possessions in West Africa and the Protectorate of Morocco, including the towns of Ceuta and Melilla, are excluded). Correction has also been made on account of certain goods not included in the trade returns (for example, ships sold abroad), certain charges not included in the value of exported goods, etc.

*Interest and dividends.* The figures entered against item 5 are based on the reply to questionnaires sent out to banks and other firms, and are to be regarded as provisional. Item 7 shows the dividends and profits of Spanish enterprises established abroad and of foreign enterprises in Spain.

(1) Balance due to errors and omissions. In the original statement the amount has been entered as a capital item ("Indefinable export of capital").

*Other services.* The data for the shipping income (item 8) and expenditure of Spanish ships abroad (item 9, debit) have been collected from the shipowners. The latter item includes the cost of fuel and stores purchased abroad.

*Emigrants' remittances* (item 13). The amount entered against this item is based on information obtained from 68 Spanish and foreign banks operating in Spain and from the General Directorate of Communications.

*Gold.* From the recorded export of gold, as shown in item 18, has been deducted an amount of 25.2 million gold pesetas (item 19) which was sent abroad to be deposited, together with other amounts of gold, as the result of a credit operation.

### Capital items.

The figures representing the change in foreign short-term debts and assets are based on information collected from banks, insurance companies and various other enterprises.

### International indebtedness.

The following estimate of the outstanding debts and assets of Spain at the end of 1931 is compiled by the Bank of Spain.

<i>Liabilities.</i>	Gold pesetas (000,000's)
Consolidated 3% perpetual debt and 4% external sealed bonds held abroad . . . . .	52
Other Spanish securities held abroad <sup>(1)</sup> . . . . .	375
Foreign companies established in Spain (including buildings) . . . . .	500
Foreign banks and bankers . . . . .	108.5
Bills payable (banks, 30.9 ; companies and individuals, 10.7) . . . . .	41.6
Various creditors :	
commercial operations . . . . .	42.1
current accounts . . . . .	157.8
taxes . . . . .	40.6
acceptances . . . . .	22.1
Total . . . . .	1,339.7
 <i>Assets.</i>	
Foreign State loans held in Spain <sup>(1)</sup> . . . . .	124.7
Other securities held in Spain <sup>(1)</sup> :	
quoted in Spain . . . . .	77.7
other (estimate) . . . . .	700
Spanish companies operating abroad (including buildings) . . . . .	181.7
Foreign banks and bankers . . . . .	92.4
Commercial bills . . . . .	14.1
Various debtors :	
commercial operations . . . . .	100.3
acceptances . . . . .	1.4
other items . . . . .	4.1
Foreign coin and currency notes . . . . .	3.7
Total . . . . .	1,300.1

(1) Market value.

## SURINAM (DUTCH GUIANA)

A statement of the balance of payments for Surinam in 1931 and 1932 has been supplied by the Dutch Government and is set out below in a slightly modified form together with the estimates for 1929-1930 which appeared in last year's edition of this volume.

### Goods, services and gold.

Items	Gulden (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	7,832	8,390	6,018	4,616	8,619	9,088	6,627	5,650
2. Adjustment for wrong valuation . . . . .	—	—	—	—	840	901	663	1,130
<i>II. Interest and dividends.</i>								
3. Interest on public debts . . . . .	—	—	—	—	617	402	306	259
4. Interest on other long-term capital . . . . .	—	—	—	—	—	—	1,175	—
<i>III. Other services.</i>								
5. Shipping freights . . . . .	46	44	49	59	268	215	209	31
6. Other transport charges . . . . .	4	11	9	10	—	—	—	7
7. Port fees . . . . .	3	4	6	5	12	10	10	9
8. Post, telegraph and telephone . . . . .	305	297	229	212	490	794	184	403
9. Immigrants' and emigrants' funds . . . . .	—	—	—	—	32	—	7	—
10. Immigrants' and emigrants' remittances . . . . .	—	—	—	—	13	27	—	—
11. Tourists' expenditure . . . . .	1	4	3	3	97	69	83	63
12. Diplomatic and similar expenditure . . . . .	—	—	—	—	141	35	—	—
13. Other Government receipts and expenditure . . . . .	3,848	3,801	4,244	3,822	564	544	621	701
<i>IV. Gold.</i>								
14. Gold coin and bullion . . . . .	115	—	—	—	20	100	—	—
<b>Total . . . . .</b>	<b>12,154</b>	<b>12,551</b>	<b>10,558</b>	<b>8,727</b>	<b>11,713</b>	<b>12,185</b>	<b>9,885</b>	<b>8,253</b>
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	+ 346	+ 466	+ 673	+ 474				
(b) gold . . . . .	+ 95	— 100	—	—				
(c) goods, services and gold . . . . .	+ 441	+ 366	+ 673	+ 474				

## Capital items.

Items	Gulden (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Long-term operations.</i>								
1. Amortisation of public debts	—	—	—	—	97	102	104	106
2. Sales of real estate in the country	100	—	—	—	—	—	—	—
3. Other long-term investments	(1) 4,600	100	—	—	2,365	1,000	—	—
<i>II. Known short-term operations.</i>								
4. Change in short-term debts								
(a) public	1,614	213	666	239	—	—	—	—
(b) of banks	—	—	—	—	334	—	—	—
5. Change in short-term assets of banks	47	—	—	—	—	—	—	—
Total	6,361	313	666	239	2,796	1,102	104	106
Net inward (+) or outward (—) movement of capital	+ 3,565	— 789	+ 562	+ 133				

## SUMMARY TABLE.

	Gulden (000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term <sup>(2)</sup>	Total	
1925 Balance	+ 442	— 552	+ 2,681	+ 345	+ 2,916	— 88	— 301	— 389	(3) + 2,527
1926 Balance	— 2,337	— 530	+ 2,014	+ 368	— 485	+ 110	+ 697	+ 807	(3) + 322
1927 Balance	+ 1,344	— 498	+ 2,687	+ 293	+ 3,826	+ 1,108	— 199	+ 909	(3) + 4,735
1928 Balance	+ 1,400	— 530	+ 2,516	+ 204	+ 3,590	+ 336	+ 259	+ 595	(3) + 4,185
1929 Balance	— 1,627	— 617	+ 2,590	+ 95	+ 441	+ 2,238	+ 1,327	+ 3,565	(3) + 4,006
1930 Credit	8,390	—	4,161	—	12,551	100	213	313	12,864
Debit	9,989	402	1,694	100	12,185	1,102	—	1,102	13,287
Balance	— 1,599	— 402	+ 2,467	— 100	+ 366	— 1,002	+ 213	— 789	(3) — 423
1931 Credit	6,018	—	4,540	—	10,558	—	666	666	11,224
Debit	7,290	1,481	1,114	—	9,885	104	—	104	9,989
Balance	— 1,272	— 1,481	+ 3,426	—	+ 673	— 104	+ 666	+ 562	(3) + 1,235
1932 Credit	4,616	—	4,111	—	8,727	—	239	239	8,966
Debit	6,780	259	1,214	—	8,253	106	—	106	8,359
Balance	— 2,164	— 259	+ 2,897	—	+ 474	— 106	+ 239	+ 133	(3) + 607

It will be noted that a perfect balance is not obtained. Were the information available complete, the accounts in each year would, of course, balance exactly.

(1) Of which Dutch capital 100 and American 4,500.

(2) Incomplete.

(3) Balance due to errors and omissions.

The following information concerning the method employed in the compilation of the figures is available.

### Goods, services and gold.

*Shipping freights.* The credit figures entered against item 5 represent the income of the Government ships communicating with Demerara. Their expenditure in Demerara is entered on the debit side against item 7. The amounts entered on the debit side against item 5 were paid for the transport of officials and immigrants.

*Tourists' expenditure.* Item 11 includes transfers between the Post Office Savings Banks of Surinam and the Netherlands, and leave pay to officials in the Netherlands.

*Government receipts and expenditure.* Item 12 shows the expenditure in the Dutch East Indies for the account of immigrants.

The amounts entered on the credit side against item 13 comprise subventions received from the Netherlands, taxes received by the Netherlands for the account of Surinam, expenditure in Surinam for the account of the Netherlands, the Dutch East Indies and Curaçao, including salaries and pensions of the staff of the Dutch and Dutch East Indian Armies and of State officials; further, the salary of the Governor and the expenditure for the military hospital.

On the debit side of the same item are shown, *inter alia*, the expenditure for dock charges in Demerara, pensions paid to the Netherlands, hospital expenditure paid to the military hospital and amounts collected by the troops in Surinam.

### Capital items.

Item 1 shows the amortisation of the bonded public debt. The changes in the floating public debt on account of capital advances received and repaid are entered against item 4a.

The amounts entered against items 4b and 5 are based on information concerning the total outstanding banking assets and debts communicated by the Bank of Surinam.

No information is available concerning the movement of other short-term capital.

### International indebtedness.

The following items in the balance of the international indebtedness of Surinam relate to the public debt and banking debts and assets only.

	Gulden (000's) (nominal value) at the end of							
	1925	1926	1927	1928	1929	1930	1931	1932
<i>Liabilities.</i>								
1. Bonded public debt . . .	2,485	2,395	2,303	2,209	2,112	2,010	1,906	1,800
2. Floating foreign debt :								
(a) public . . . . .	10,831	11,274	10,829	10,553	12,167	12,380	13,046	13,285
(b) of banks . . . . .	6	8	74	334	—	—	—	—
Total . . . . .	13,322	13,677	13,206	13,096	14,279	14,390	14,952	15,085
<i>Assets.</i>								
3. Floating assets abroad of banks . . . . .	753	501	322	47	—	—	—	—



## SWEDEN

The Swedish Government has supplied statements on the balance of payments for Sweden in the years 1931 and 1932. These new statements, which are more complete and detailed than those available for earlier years, are reproduced below, together with the data for 1929 and 1930 published last year.

### Goods, services and gold.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<i>I. Merchandise.</i>								
1. Merchandise (special trade) . . . . .	1,813	1,551	1,123	947	1,776	1,667	1,430	1,157
2. Adjustments of item 1:								
(a) warehouse trade . . . . .			4	4			1	1
(b) re-exports and reimports . . . . .			5	5			7	7
(c) miscellaneous imports . . . . .	—	—	—	—			1	1
(d) fish exported direct from fishing grounds . . . . .			3	3	—	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest paid abroad on Swedish public debts . . . . .	—	—	—	—			18	20
4. Other interest and dividends on long-term capital . . . . .			85	149	75	90	76	10
5. Interest on short-term capital . . . . .	110	125	23	19	5	15	20	10
<i>III. Other services.</i>								
6. Shipping:								
(a) ordinary freights . . . . .	260	232	207	207	—	—	—	—
(b) charter money . . . . .	22	21	16	17	—	—	—	—
(c) passage money . . . . .	15	17	16	15	—	—	—	—
7. Port expenditure:								
(a) fees . . . . .			5	4				
(b) provisions, etc. . . . .			11	11	92	81	100	100
8. Other transport fees (net) . . . . .			2	1	—	—	—	—
9. Commissions . . . . .			13	12			13	12
10. Post, telegraph and telephone . . . . .			1	1			—	—
11. Immigrants' and emigrants' funds . . . . .			2	2			1	2
12. Emigrants' remittances . . . . .	35	30	26	35			—	—
13. Tourists' expenditure . . . . .	(1)	(1)	37	35	(1) 30	(1) 25	35	31
Carried forward . . . . .	2,255	1,976	1,579	1,467	1,978	1,878	1,702	1,351

(1) For the years up to 1930 inclusive, the net outward balance on account of tourists' expenditure is entered on the debit side against item 13.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
Brought forward . . . . .	2,255	1,976	1,579	1,467	1,978	1,878	1,702	1,351
14. Diplomatic and similar expenditure . . . . .	.	.	1	1	.	.	3	4
15. Cinematograph film royalties . . . . .	.	.			.	.	4	3
16. Lottery tickets, subscriptions to foreign Press, etc. . . . .	.	.	3	2	.	.	1	3
IV. Gold.								
17. Gold coin and bullion . . . . .	3	1	39	9	14	1	1	2
Total . . . . .	2,258	1,977	1,622	1,479	1,992	1,879	1,711	1,363
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 277	+ 98	— 127	+ 109				
(b) gold . . . . .	— 11	—	+ 38	+ 7				
(c) goods, services and gold . . . . .	+ 266	+ 98	— 89	+ 116				

## Capital items.

Items	Kronor (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
I. Long-term operations.								
1. Amortisation receipts <sup>(1)</sup> . . . . .	—	—	—	5				
2. Purchases and sales:								
(a) of real estate . . . . .	—	—	—	—	—	—	—	2
(b) of domestic securities . . . . .	130	124	149	65	95	130	128	49
(c) of foreign securities . . . . .	65	74	194	154	112	455	120	66
3. New capital issues:								
(a) Government and municipal . . . . .			—	—			360	—
(b) other . . . . .	90	20	—	—	80	25	—	—
4. Participation in new capital issues . . . . .			132	—			—	—
5. Other long-term investments . . . . .			—	—			5	3
II. Short-term operations.								
6. Change in short-term debts of enterprises other than banks . . . . .	.	.	120	40	.	.	117	93
7. Change in short-term assets:								
(a) of banks (net . . . . .	—	79	153	—	95	—	—	167
(b) of other enterprises . . . . .	.	.	43	86	.	.	9	93
Total . . . . .	285	297	791	350	382	610	739	473
Net inward (+) or outward (—) movement of capital . . . . .	— 97	— 313	+ 52	— 123				

(1) Amortisation payments, effected by means of the repurchase of Swedish bonds from abroad through Swedish banks, are included with item 2b, debit.

## SUMMARY TABLE.

	Kronor (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance .	- 137	+ 3	+ 139	-	+ 5	- 34	+ 130	+ 96	(1) + 101
1924 Balance .	- 148	+ 6	+ 144	+ 36	+ 38	+ 80	- 66	+ 14	(1) + 52
1925 Balance .	- 88	+ 3	+ 162	- 2	+ 75	- 28	- 92	- 120	(1) - 45
1926 Balance .	- 71	+ 7	+ 184	+ 2	+ 122	- 11	+ 39	+ 28	(1) + 150
1927 Balance .	+ 29	+ 19	+ 194	+ 1	+ 243	+ 51	- 142	- 91	(1) + 152
1928 Balance .	- 135	+ 25	+ 190	- 11	+ 69	- 179	+ 34	- 145	(1) - 76
1929 Balance .	+ 37	+ 30	+ 210	- 11	+ 266	- 2	- 95	- 97	(1) + 169
1930 Credit . .	1,551	125	300	1	1,997	218	79	297	2,274
Debit . .	1,667	105	106	1	1,879	610	-	610	2,489
Balance .	- 116	+ 20	+ 194	-	+ 98	- 392	+ 79	- 313	(1) - 215
1931 Credit . .	1,135	108	340	39	1,622	475	316	791	2,413
Debit . .	1,439	114	157	1	1,711	613	126	739	2,450
Balance .	- 304	- 6	+ 183	+ 38	- 89	- 138	+ 190	+ 52	(1) - 37
1932 Credit . .	959	168	343	9	1,479	224	126	350	1,829
Debit . .	1,166	40	155	2	1,363	120	353	473	1,836
Balance .	- 207	+ 128	+ 188	+ 7	+ 116	+ 104	- 227	- 123	(1) - 7

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 balances shown for the years prior to 1930 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 in 1931 and 1932 the short-term capital transactions of other enterprises were also included.

The Swedish Board of Trade (*Kommerskollegium*), which compiles the statements, lays stress on the fact that the exactitude of the figures for 1931 is impaired by statistical difficulties connected with the depreciation of the exchange value of the krona and by special obstacles encountered in the collection of data concerning the capital transactions in that year.

Though the statements for 1931 and 1932 are based on the same principles, that for 1932 is stated to be more complete, as information for that year was collected from a larger number of firms and as the questionnaires distributed were more detailed. For this reason, certain of the data for these two years — particularly with reference to interest payments and capital movements — are not wholly comparable.

#### Goods, services and gold.

*Merchandise.* The trade figures up to 1930 inclusive refer to special trade. From 1931, they have been extended to comprise general trade, by adding imports into warehouse and exports therefrom, reimports and re-exports and certain other categories of trade recorded in the annual trade returns (item 2a to c). Figures have also been added for the export of fish direct from fishing grounds (item 2d). The 1931 figures for these items have been inserted, provisionally, for 1932, as final data for that year are not available.

(1) Balance due to errors and omissions.

*Interest.* Item 4, credit, shows for 1931 the total interest received on account of foreign bonds in Swedish hands (excluding the bonds of the *Kreuger & Toll Company* and the *Swedish Match Company*), 30 million kronor, and other interest and dividends (including those on account of the bonds and shares of the companies just mentioned), 55 million kronor. The figure for 1932, which is more complete, represents the amount which, according to the Bank of Sweden, was cashed through Swedish banks, together with sums which, according to information collected by the *Kommerskollegium*, were collected in other ways.

The debit figure for 1931 comprises the following amounts :

	Kr. (000,000's)
<i>Kreuger &amp; Toll</i> , debentures ; 30 % of 98 million kr. . . . .	29
"    "    shares ; 30 % " 43 " " . . . . .	13
"    "    5 % bonded loan . . . . .	9
Swedish Match Company, shares ; 10 % of 160 million kr. (60 % of share capital)	16
Miscellaneous companies . . . . .	9

The figure for outward payments entered against the same item for 1932 is based on information supplied by a number of important companies.

*Freights.* Item 6 shows the gross income from shipping according to official statistics. The offsetting expenditure of Swedish ships in foreign ports (item 7, debit) is calculated at 42 per cent of the gross earnings. This percentage is based on conditions prevailing before the war, and an enquiry will be undertaken, it is stated, in the course of the winter 1933-34, for its verification.

Item 7, credit, comprises the following amounts (in million kronor) :

	1931	1932		1931	1932
Port dues . . . . .	1.5	1.4	Ships' stores . . . . .	1.0	1.0
Light dues : . . . . .	1.6	1.4	Loading and unloading charges . . . . .	6.0	5.6
Pilotage charges . . . . .	1.2	1.0	Repairs . . . . .	3.7	4.0
Tonnage dues . . . . .	0.2	0.2	Consular fees, etc. . . . .	0.5	0.5
Canal and lock dues . . . . .	0.1	0.1			

The loading and unloading charges are taken into account as they are generally not included in the recorded values of goods imported and exported. The figure for repairs in 1932 represents 16 per cent of the total amount of ships' repairs in Swedish shipyards.

*Commissions, etc.* The amounts entered against item 9 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 12, credit). Only receipts from North America are considered. Remittances proper are calculated at 22.4 million kronor in 1931 and 29.8 million kronor in 1932, 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 and 0.3 million kronor respectively, and inheritances, 3.7 and 4.6 million kronor.

*Tourists' expenditure* (item 13). The earnings on account of foreign visitors to Sweden are estimated by Captain Peyron of the *Svenska Trafikförbundet*. The outward payments entered under this head for 1932 represent the total of the sums employed for travellers' letters of credit, travellers' cheques and the purchase of foreign currency notes, according to information collected from banks (about 23 million kronor), plus expenditure through travelling bureaux, shipping agencies, etc. (about 8 million kronor).

### Capital items.

The amounts entered in the capital account for 1931 and 1932 are based partly upon the official bank statistics, partly upon information collected by the *Kommerskollegium* from important firms. Item 7a shows the changes in the net short-term assets of the Bank of Sweden and the commercial banks (see below), while items 6 and 7b show the changes in the short-term assets and debts of other enterprises. The short-term capital item shown for the years up to 1930 in the preceding issues of this publication represented the changes of the net foreign assets of banks in the form of foreign currency holdings and bonds. In the present issue, the movement of their bond holdings has been transferred to the securities movement (item 2c). This affects the distribution of the capital movement between long- and short-term capital as shown in the summary table from 1923 onwards.

### International indebtedness.

Official figures concerning the outstanding foreign bonded debt of Sweden (excluding the participating debentures and the secured debentures of the *Kreuger & Toll Co.*) were reproduced in the preceding edition of this publication. The figure for 1930, the last year available, was 377.9 million kronor. No exact figure of this kind is available for 1931 and 1932, but the last annual reports of the Bank of Sweden <sup>(1)</sup> point out that the information collected concerning the coupons cashed, on account of Swedish bonds held abroad, during the first half of 1931 and 1932 (8.6 and 9.5 million kronor respectively) corresponds to a bonded debt of 400 and 450 million kronor respectively.

According to the National Debt Office <sup>(2)</sup>, the amount of outstanding Swedish State bonds held abroad, which was 251 million kronor at the end of 1929, rose to 268 million at the end of 1930 and 307 million at the end of 1931. As bonds payable in foreign currencies have, however, been converted at par rates, the actual foreign debt at the end of the latter year exceeded the figure indicated.

The banks' holdings of foreign bonds at the end of the last three years under review were as follows, according to official banking statistics (in million kronor) :

	Bank of Sweden	Commercial banks
End of 1930 . . . . .	63.9	173.1
„ 1931 . . . . .	—	126.4
„ 1932 . . . . .	—	98.6

The same statistics show the net foreign short-term assets (current account and bills) of the banks as follows (in million kronor) :

	Bank of Sweden	Commercial banks
End of 1930 . . . . .	326.3	<sup>(3)</sup> — 9.7
„ 1931 . . . . .	49.1	114.0
„ 1932 . . . . .	213.6	116.2

The movement of these assets has been entered against capital item 7a of the balance of payments account. Attention should be paid, however, to the fact that, since the exchange value of the krona began to depreciate in 1931, the currency holdings of the various banks have been booked at different rates.

(1) "Sveriges Riksbank, Årsbok", 1931 and 1932.  
 (2) "Riksgäldskontoret, Årsbok, Budgetåret", 1931-32.  
 (3) Net indebtedness.

# TURKEY

Statements of the balance of payments of Turkey in 1926 and 1927, elaborated by the Turkish Supreme Economic Council, were published in a previous issue <sup>(1)</sup>. Similar official data for the four years 1928 to 1931 have now become available <sup>(2)</sup> and are set out below.

## Goods, services and gold.

Items	£T (000,000's) <sup>(3)</sup>							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	173.5	155.2	151.4	127.3	223.5	256.3	147.6	126.6
2. Adjustment for :								
(a) transport and loading of export goods . . . . .	23.9	18.7	16.0	12.3	—	—	—	—
(b) other wrong valuation . . . . .	19.5	12.5	12.1	10.2	5.0	5.5	4.5	4.0
(c) ships' stores . . . . .	1.3	1.1	1.0	0.9	—	—	—	—
(d) Government imports . . . . .	—	—	—	—	10.0	12.0	10.0	12.0
3. Contraband . . . . .	3.0	3.0	6.0	6.0	10.0	10.0	10.0	10.0
<i>II. Interest and dividends.</i>								
4. Interest paid on public debts . . . . .	—	—	—	—	—	—	0.4	0.4
5. Other long-term interest and dividends . . . . .	0.9	1.0	1.0	0.5	7.0	6.0	7.3	1.5
6. Short-term interest . . . . .	—	0.5	0.5	0.5	—	—	—	—
<i>III. Other services.</i>								
7. Shipping freights . . . . .	0.1	1.5	1.0	0.8	—	—	—	—
8. Port fees . . . . .	1.3	2.0	1.9	1.6	—	0.2	0.3	0.2
9. Other transport fees . . . . .	1.1	0.7	0.2	0.1	—	—	—	—
10. Commissions (in so far as not included in item 1) earned :								
(a) on exported and re-exported goods . . . . .	5.3	4.0	4.8	3.2	—	—	—	—
(b) on imported goods . . . . .	5.0	5.6	3.5	3.0	—	—	—	—
11. Gains and losses on exchange operations . . . . .	2.7	2.5	2.0	1.5	—	2.5	—	—
12. Insurance . . . . .	2.5	1.9	1.6	2.4	5.0	3.9	2.2	4.1
Carried forward . . . . .	240.1	210.2	203.0	170.3	260.5	296.4	182.3	158.8

(1) Memorandum on International Trade and Balances of Payments, 1927-1929, Vol. II (Series of publications : 1930.II.54<sup>11</sup>), page 166.

(2) Data for 1930 and 1931, with explanatory notes, are given (in Turkish) in *Âli İktisat Meclisi Raporları, Nesriyat Serisi, A, Nos. 10 and 13* (Ankara, 1932 and 1933). Detailed tables (in French) are reproduced in *Bulletin* No. 5 (Oct.-Dec. 1932) of the Central Bank of the Republic of Turkey.

(3) The average exchange value of the £T was \$0.510 in 1928, \$0.484 in 1929, \$0.471 in 1930 and \$0.472 in 1931.

Items	£T (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . . .	240.1	210.2	203.0	170.3	260.5	296.4	182.3	158.8
13. Post, telegraph, telephone . . . . .	0.1	—	0.1	0.1	0.2	0.2	0.3	0.1
14. Emigrants' and immigrants' funds . . . . .	4.5	1.0	0.7	0.6	2.5	2.5	0.5	0.5
15. Emigrants' and immigrants' remittances . . . . .	2.0	2.0	1.1	0.8	—	—	—	—
16. Remittances of foreigners in Turkey . . . . .	—	—	—	—	4.7	3.9	4.5	2.0
17. Charitable gifts . . . . .	1.0	0.4	0.7	0.5	—	—	—	—
18. Tourists' expenditure . . . . .	4.5	4.6	4.5	2.1	3.0	4.8	6.5	5.2
19. Reparation receipts . . . . .	—	—	—	—	—	—	—	—
20. Diplomatic and similar expenditure . . . . .	5.4	5.0	5.0	3.5	2.7	2.7	2.7	2.7
21. Other Government expenditure . . . . .	1.1	1.0	0.9	0.4	7.3	17.2	7.5	6.3
22. Other items . . . . .	0.6	0.6	0.3	0.6	0.8	0.5	0.2	0.2
IV. Gold . . . . .	—	—	—	—	—	—	—	—
23. Gold coin and bullion . . . . .	—	—	—	—	—	—	—	8.4
Total . . . . .	259.3	224.8	216.3	178.9	281.7	328.2	204.5	184.2
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	— 22.4	— 103.4	+ 11.8	+ 3.1				
(b) gold . . . . .	—	—	—	— 8.4				
(c) goods, services and gold . . . . .	— 22.4	— 103.4	+ 11.8	— 5.3				

### Known capital items.

Items	£T (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
I. Long-term operations.								
1. Amortisation of public debts . . . . .	—	—	—	—	—	13.7	5.1	0.9
2. Other amortisation . . . . .	—	—	—	—	—	—	—	—
3. Purchase and sale of:								
(a) real estate in the country . . . . .	—	0.5	0.5	—	—	—	—	—
(b) real estate abroad . . . . .	—	—	—	—	1.6	—	—	—
(c) domestic securities . . . . .	—	—	—	—	—	—	0.2	0.1
(d) foreign securities . . . . .	2.5	1.6	0.5	0.4	2.3	1.8	4.0	3.1
4. New capital issues floated abroad:								
(a) Government . . . . .	—	6.2	9.7	9.7	—	—	—	—
(b) other . . . . .	—	8.4	—	—	—	—	—	—
5. Other long-term investments . . . . .	8.0	11.5	0.7	0.8	—	—	—	—
II. Short-term operations.								
6. Increase in foreign deposits with national banks . . . . .	—	8.7	—	—	—	—	—	—
7. Increase in commercial debts . . . . .	—	—	—	—	—	—	—	—
Total . . . . .	10.5	36.9	11.4	10.9	3.9	15.5	9.3	4.1
Known net inward movement of capital	+ 6.6	+ 21.4	+ 2.1	+ 6.8				

## SUMMARY TABLE.

	£T (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1926 Balance . . . . .	- 50.8	- 7.6	+ 4.1	+ 0.1	- 54.2	+ 9.3	+ 41.7	+ 51.0	(1) - 3.2
1927 Balance . . . . .	- 40.7	- 7.5	+ 5.6	-	- 42.6	+ 5.3	(2) + 35.0	+ 40.3	(1) - 2.3
1928 Balance . . . . .	- 27.3	- 6.1	+ 11.0	-	- 22.4	+ 6.6	-	+ 6.6	(1) - 15.8
1929 Credit . . . . .	190.5	1.5	32.8	-	224.8	28.2	8.7	36.9	261.7
Debit . . . . .	283.8	6.0	38.4	-	328.2	15.5	-	15.5	343.7
Balance . . . . .	- 93.3	- 4.5	- 5.6	-	- 103.4	+ 12.7	+ 8.7	+ 21.4	(1) - 82.0
1930 Credit . . . . .	186.5	1.5	28.3	-	216.3	11.4	-	11.4	227.7
Debit . . . . .	172.1	7.7	24.7	-	204.5	9.3	-	9.3	213.8
Balance . . . . .	+ 14.4	- 6.2	+ 3.6	-	+ 11.8	+ 2.1	-	+ 2.1	(1) + 13.9
1931 Credit . . . . .	156.7	1.0	21.2	-	178.9	10.9	-	10.9	189.8
Debit . . . . .	152.6	1.9	21.3	8.4	184.2	4.1	-	4.1	188.3
Balance . . . . .	+ 4.1	- 0.9	- 0.1	- 8.4	- 5.3	+ 6.8	-	+ 6.8	(1) + 1.5

It will be noted that a perfect balance is not obtained, a fact which must be attributed to possible errors in the figures and the lack of information concerning a number of items.

(1) Balance due to errors and omissions.

(2) In the original statement as published, the inward movement of short-term credits is given as £T25 million only, after deduction of £T10 million of merchandise credits received which had to be written off as bad debts. It would appear, however, that the writing-off of bad debts, although affecting the balance of the country's international indebtedness, is not offset in the balance of its international payments and should thus be left out of account.



## UNION OF SOUTH AFRICA

An estimate of the balance of payments of the Union of South Africa for the years 1930 and 1931 has been prepared by the Government of that country on the lines suggested in the League of Nations schedule. This estimate is given below, together with statements for 1927-1929 published in last year's issue of this volume.

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	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	52,342	51,474	35,926	25,720	77,747	82,099	63,372	52,002
2. Adjustment of item 1:								
(a) diamond exports excluded from trade returns . . . . .	+ 171	—	—	—	—	—	—	—
(b) freight and in- surance . . . . .	—	—	—	—	+6,230	+6,655	+5,317	+4,203
(c) allowance for ex- change rate. . . . .	—	—	—	—	+ 371	+ 403	+ 312	+ 195
<b>II. Interest and divi- dends.</b>								
3. Interest on public debts	152	176	165	186	5,680	5,624	5,806	5,711
4. Other interest and divi- dends . . . . .	—	—	—	—	10,293	10,255	9,473	8,360
<b>III. Other services.</b>								
5. Shipping freights . . .	—	—	—	—	—	—	—	—
6. Port fees . . . . .	649	688	580	466	—	—	—	—
7. Other transport fees . .	364	379	396	263	307	371	321	345
8. Commissions, insurance, brokerage . . . . .	—	—	—	—	1,516	1,610	1,246	1,019
9. Post, telegraph and telephone . . . . .	—	—	—	—	94	103	95	113
10. Emigrants' funds . . .	—	—	—	—	1,000	973	1,055	873
11. Pensions paid by non- Union governments . . .	283	240	240	208	—	—	—	—
12. Tourists' expenditure . .	1,076	1,125	1,042	890	4,291	4,461	4,253	3,844
Carried forward . . . . .	55,037	54,082	38,349	27,733	107,529	112,554	91,250	76,665

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1928	1929	1930	1931	1928	1929	1930	1931
Brought forward . . . . .	55,037	54,082	38,349	27,733	107,529	112,554	91,250	76,665
13. Diplomatic and similar expenditure . . . . .	407	398	409	412	144	161	226	199
14. Reparations in cash . . . . .	114	123	186	29	—	—	—	—
15. Other Governmental receipts and expen- diture . . . . .	61	62	71	—	282	280	284	280
IV. Gold.								
16. Gold coin and bullion . . . . .	44,199	46,378	47,522	46,120	1,367	1,356	1,208	1,013
17. Adjustment for wrong valuation . . . . .	— 36	— 51	— 53	— 56	—	—	—	—
Total . . . . .	99,782	100,992	86,484	74,238	109,322	114,351	92,968	78,157
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	—52,336	—58,330	—52,745	—48,970				
(b) gold . . . . .	+42,796	+44,971	+46,261	+45,051				
(c) goods, services and gold . . . . .	— 9,540	—13,359	—6,484	—3,919				

## Capital items.

Items	£ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1928	1929	1930	1931	1928	1929	1930	1931
I. Long-term operations.								
1. Purchases and sales :								
(a) of domestic securi- ties . . . . .	—	—	—	—	—	2,347	—	437
(b) of foreign securities . . . . .	3	—	—	—	—	303	181	605
2. New capital issues (Gov- ernment and muni- cipal) . . . . .	617	—	8,639	—	—	—	—	—
3. Other long-term invest- ments . . . . .	2,222	893	1,447	1,439	—	—	—	—
II. Short-term operations.								
4. Change in short-term debts and assets . . . . .	6,698	15,116	—	3,522	—	—	3,421	—
Total . . . . .	9,540	16,009	10,086	4,961	—	2,650	3,602	1,042
Net inward movement of capital (+) . . . . .	+9,540	+13,359	+6,484	+3,919				

## SUMMARY TABLE.

	£ (000's)								
	Goods, services and gold					Capital items			All items
	Merchan- dise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance . . .	-21,917	-15,576	-3,840	+40,354	- 979	+3,777	- 2,798	+ 979	—
1924 Balance . . .	-29,243	-16,977	-4,619	+43,053	- 7,786	+7,019	+ 767	+ 7,786	—
1925 Balance . . .	-25,501	-15,873	-4,210	+41,363	- 4,221	+3,064	+ 1,157	+ 4,221	—
1926 Balance . . .	-36,196	-17,134	-3,965	+42,457	-14,838	+4,062	+10,776	+14,838	—
1927 Balance . . .	-27,933	-16,498	-4,418	+43,588	- 5,261	+6,241	- 980	+ 5,261	—
1928 Balance . . .	-31,835	-15,821	-4,680	+42,796	- 9,540	+2,842	+ 6,698	+ 9,540	—
1929 Credit . . . .	51,474	176	3,015	46,327	100,992	893	15,116	16,009	117,001
Debit . . . .	89,157	15,879	7,959	1,356	114,351	2,650	—	2,650	117,001
Balance . . . .	-37,683	-15,703	-4,944	+44,971	-13,359	-1,757	+15,116	+13,359	—
1930 Credit . . . .	35,926	165	2,924	47,469	86,484	10,086	—	10,086	96,570
Debit . . . .	69,001	15,279	7,480	1,208	92,968	181	3,421	3,602	96,570
Balance . . . .	-33,075	-15,114	-4,556	+46,261	- 6,484	+ 9,905	- 3,421	+ 6,484	—
1931 Credit . . . .	25,720	186	2,268	46,064	74,238	1,439	3,522	4,961	79,199
Debit . . . .	56,400	14,071	6,673	1,013	78,157	1,042	—	1,042	79,199
Balance . . . .	-30,680	-13,885	-4,405	+45,051	- 3,919	+ 397	+ 3,522	+ 3,919	—

In the 1927-1929 edition of the present volume details were given concerning the manner in which the figures for individual items of the account are estimated.

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 the amounts entered as short-term capital operations are not based on direct evidence but are interpolated as balancing accounts and include, therefore, allowances for possible omissions and errors in the other items.

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 overseas firms such as insurance companies increased between 1919 and 1922 by £1½ million and between 1924 and 1930 by over £5 million.

No allowances have been made on account of the possible effects of the liquidation of ex-enemy property on the balance of payments. Assets controlled by the "Custodian of Enemy Property" belonging to (1) British, Allied or Neutral subjects, (2) "Enemy Missions", (3) Stateless persons and (4) "Enemies" who were resident or domiciled in the Union on outbreak of war, have been released, and transferable certificates of credit were issued to those ex-enemies who were not resident or domiciled in the Union on the outbreak of the war. The certificates have now been funded in the form of a 4% Local Registered Stock, 1951, which amounted to £8,322,881 on March 31st, 1932. "It is impossible to say how much of this stock is now in the hands of Union nationals and how much in the hands of agents of foreign subjects."

It is pointed out that the statement for 1931 has been compiled on the assumption that credits obtained from the sale of exports were utilised to finance imports. From

the abandonment of the gold standard by the United Kingdom, however, part of these export credits actually remained abroad, and, in addition, there was a considerable transfer of money claims abroad. The major portion of this export of capital appears to have been repatriated during the first months of 1933 following the abandonment of the gold standard by South Africa.

The Governor of the South African Reserve Bank made the following statement on April 29th, 1932, before the Select Committee of the Union Parliament on the gold standard: "From September to March last the commercial banks sold 43.5 million South African pounds and bought 10.7 million South African pounds. The oversold amount of 32.8 million South African pounds was provided by the export and sale of 23 million South African pounds gold and by the Reserve Bank selling 6 million South African pounds' worth of its London investments and the commercial banks drawing on their offices in London about 4 million South African pounds."

## 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* under the heading "Balance of Trade".

The following table, containing the figures for 1926-1932, differs from that given in the *Board of Trade Journal* mainly in that the gold movement has been shown as a separate item above the final balance of the account.

### 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)						
	1926	1927	1928	1929	1930	1931	1932
Excess of imports of merchandise, including silver coin and bullion . . . . .	463	387	353	381	386	408	289
Estimated excess of Government receipts from overseas <sup>(1)</sup>	4	1	15	24	19	14	(2)- 25
Estimated net national shipping income <sup>(2)</sup> . . . . .	120	140	130	130	105	80	70
Estimated net income from overseas investments . . . . .	250	250	250	250	220	170	140
Estimated net receipts from short interest and commissions . . . . .	60	63	65	65	55	30	30
Estimated net receipts from other sources . . . . .	15	15	15	15	15	10	15
Total . . . . .	449	469	475	484	414	304	230
Estimated credit (+) or debit (—) balance on account of goods, services and Government capital transactions	+ 14	+ 82	+122	+103	+ 28	-104	- 59
Excess of exports (+) or imports (—) of gold . . . . .	- 12	- 3	- 5	+ 15	- 5	+ 35	- 15
Estimated credit (+) or debit (—) balance on all items specified above . . . . .	- 26	+ 79	+117	+118	+ 23	- 69	- 74
<i>New overseas issues on London market in year</i> <sup>(4)</sup> . . . . .	112	139	143	94	109	46	29

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) These include some items on loan accounts.  
 (2) Estimated excess of Government payments made overseas.  
 (3) Including disbursements of foreign ships in British ports.  
 (4) 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.

*Merchandise.* The figures for trade in merchandise and silver coin and bullion are :

	£ (000,000's)						
	1926	1927	1928	1929	1930	1931	1932
Imports . . . . .	1,252.6	1,225.5	1,205.8	1,229.1	1,052.5	869.7	711.0
Exports and re-exports . . . . .	789.5	839.2	853.0	848.1	666.0	461.3	422.0
Excess of imports over exports. . . . .	463.1	386.3	352.8	381.0	386.5	408.4	289.0

No account is taken of the imports of rough diamonds from South Africa (some years ago estimated at about £7-10 million), which are not included in trade returns because these diamonds are, for the most part, subsequently exported to the Continent for cutting. The re-imports 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 services".

*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.

The receipts in 1932, it is stated, were affected by the failure of the Irish Free State to pay the sums due in respect of land annuities, etc., and by the non-receipt of reparations and of payments in respect of inter-governmental debts, while nearly £29 million were paid to the United States in December on account of the debt due to that country. This sum was paid in gold.

*Net international shipping income.* Under this heading net income from shipping services, *i.e.*, gross earnings of British shipping, less disbursements (bunkers, stores, port dues, commissions, etc.) in overseas ports, is taken together with disbursements by foreign ships in British ports.

A summary of the amounts of shipping earnings and port receipts and expenditure taken into account is given below. The amounts given as "gross earnings", it is stated, do not include passage money paid by residents of the United Kingdom travelling to or from the country; further, as regards traffic between overseas ports, the net income only is included.

Year	Gross earnings	Port receipts (1)	Port expenditure	Net income including port receipts
£ (000,000's)				
1924 . . . . .	155	10	25	140
1925 . . . . .	138	9	23	124
1926 . . . . .	—		.	120
1927 . . . . .	155		15	140
1928 . . . . .	144		14	130
1929 . . . . .	.	.	.	130
1930 . . . . .	.	.	.	105
1931 . . . . .	.	.	.	80
1932 . . . . .	.	.	.	70

(1) Expenditure of foreign ships in British ports.

The estimate of the net income for 1931 is confirmed by an inquiry carried out by the Chamber of Shipping and the Liverpool Steamship Owners' Association, which, on the invitation of the President of the Board of Trade, obtained from a large proportion of their members details of the gross earnings of their vessels engaged in overseas trade in that year, their expenditure abroad and the amounts received for the carriage of passengers normally resident in the United Kingdom. Allowing for the owners who did not make returns, the total arrived at, representing the net earnings of British shipping, was about £73 million, which figure, however, should be somewhat reduced, as the returns to the Chamber of Shipping did not include the expenditure in ports abroad of vessels engaged in pleasure cruises. In comparing the result of the inquiry with the shipping income as estimated by the Board of Trade — £80 million — it should be taken into account that the latter figure includes somewhat less than £10 million for the expenditure of foreign vessels in British ports.

The expenditure in foreign ports, as shown by the inquiry, was about £65 million in 1931 <sup>(1)</sup>.

*Net income from overseas investments.* The "net income from overseas investments" includes all income from overseas long-term investments, whether of a joint-stock or private character, and allows for the deduction of income paid to overseas 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.

The amounts entered in the table do not agree with the figures for the income from overseas investment as calculated by Sir Robert Kindersley (shown on a subsequent page), as they, in the case of British companies, etc., operating abroad, include head-office expenses in the United Kingdom and any sums that may have been added to reserves (while Sir Robert Kindersley's figures include only the receipts distributed as interest and dividends), and as a deduction has had to be made for the payments to non-residents on account of investments in the United Kingdom.

The reduction in the net income from overseas investment in 1931 was calculated as follows. In regard to loans to central and local governments overseas, defaults amounting to about £1 million occurred in the latter half of the year in payment of interest by Brazil, Chile and Peru; the interest receipts from other loan capital were estimated to have fallen by about 10 per cent, and receipts from securities yielding a variable rate of interest (including preference shares) by 40 per cent. On this basis, the total net income in 1931 was originally estimated at £165 million; later, when fuller information became available, this figure was raised to £170 million.

In 1932, defaults in regard to loans to central and local governments amounted to £5 million. Interest receipts on other loan capital are estimated to have been fairly well maintained, as the defaults which occurred were largely offset by the gold premium on some of the payments. The fluctuating portion of the returns is estimated to have fallen off by one-third of the already reduced 1931 total for this class of holding. Owing to repurchases of British War Loan from foreign holders in the autumn of 1931 and reduced yield of other investments in the United Kingdom of overseas residents, the outward interest and dividend payments (estimated at about £15 million in 1930 and a somewhat smaller amount in 1931) is believed to have fallen considerably in 1932. The provisional net income from overseas investments in that year is taken at £140 million.

*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,

(1) It would appear that this figure is not comparable with those indicated above for the years 1924-1928, which do not include the expenditure of ships in traffic between foreign ports (as only the net income from this traffic was taken into account in the "gross earnings").

insurance remittances from abroad, and earnings on exchange transactions. Payments have also to be made to foreigners for similar services.

The receipts in respect of acceptances on foreign account in 1931 are estimated at £2 million, but, owing to defaults amounting to £7 million on account of acceptance credits and cash advances, a debit of some £5 million had to be allowed for in this connection. No similar allowance was made in 1932.

*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, etc.

For the first time, information has been published 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:

	1930	1931	1932
	Number (000's)		
British visitors to the Continent . . . . .	960	910	630
Visitors from the Continent to the United Kingdom . . . . .	265	235	195

The average expenditure of these visitors was taken at £30 for each of the three years.

The number of tourists and travellers in extra-European traffic was as follows:

	1930	1931	1932
	Number (000's)		
Alien visitors to the United Kingdom from places outside Europe . . . . .	125	90	75
British subjects travelling to and from countries outside Europe . . . . .	255	226	275

The latter group (British subjects) consists in part of residents of the United Kingdom, whose expenditure abroad counts as a debit, and in part of residents of British and foreign countries overseas, whose expenditure in the United Kingdom counts as a credit. It is stated that precise information concerning the respective numbers in these two classes is not available, but that a sample investigation made of the passengers travelling in three separate months of 1932 indicated that over 60 per cent of the total were visitors to the United Kingdom from overseas. The expenditure per head of such visitors is relatively heavy, but the number does not vary very greatly from year to year. The increase in 1932 in the number of British passengers travelling to non-European countries for business or pleasure is due entirely to the increase in the number of persons proceeding on pleasure cruises, from 10,000 in 1931 to about 35,000 in 1932. The expenditure of such persons 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.

The information available is taken to indicate that in 1930 the expenditure abroad of United Kingdom residents differed little from that of oversea visitors in the United Kingdom, that subsequently there was a decline in both classes of travellers, but that there was a debit balance in 1931 and a credit balance in 1932, each of these being approximately £3 million.



Payments of film royalties are also included in the present item. An estimate for the year 1932 places the net payment on this account at over £5 million when allowance is made for the annual payments made to the American owners of the sound-film apparatus and for the receipts from British films. It is known that receipts from British films sent abroad were larger in 1932 than previously, and that the payments to foreign countries for film royalties, etc., were considerably reduced.

*Gold.* According to trade returns, gold imports and exports during the years 1926-1932 were as follows :

	£ (000,000's)						
	1926	1927	1928	1929	1930	1931	1932
Imports . . . . .	38.5	32.4	47.8	62.4	86.7	98.3	152.2
Exports . . . . .	27.1	29.0	(1) 42.2	77.6	81.8	132.9	134.3
Excess of imports (—) or exports (+)	—11.4	—3.4	— 5.6	+ 15.2	—4.9	+ 34.6	—17.9

The recorded excess of imports of gold in 1932 — £18 million — neither represents the value in gold nor in sterling, since, while bullion is valued at the price of the day, sovereigns are taken at the face or currency value. Net imports of gold came to about £12½ million if taken at parity and to about £15 million if valued in sterling. The latter figure has been entered in the table (in the official statement, the gold movement has been omitted from the table).

Apart from January and February, imports exceeded exports in each month up to December, when there was a large export of gold to the United States, valued at £18 million. " This recorded export was about £11 million less than the value of the payments made in respect of the American debt, but, as gold bullion is valued for export at the market value of the day, it does not necessarily follow that the sum remaining earmarked in this country to the credit of the United States was £11 million at the end of the year."

It is estimated that the amount of gold coin and ornaments sold in 1932 by private owners in the United Kingdom and reaching the Bank of England amounted to £19 million.

*New overseas issues.* The new overseas issues on the London market in 1930 according to the Midland Bank statistics, totalled £109 million, or £86 million more than the estimated credit balance of the account given above. As explained in previous issues of this volume, there is no reason for expecting a close correspondence between the total of new overseas issues — which only represent one of the capital items — and the balance just mentioned. It has been shown by the investigations made by Sir Robert Kindersley that a great 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. In recent years, repayments out of sinking funds have reached approximately the following amounts :

	£(000,000's)
In 1927 . . . . .	34
In 1928 . . . . .	30
In 1929 . . . . .	48 ½
In 1930 . . . . .	39
In 1931 . . . . .	27
In 1932 . . . . .	42 (provisional estimate)

(1) After deduction from the recorded exports of some £18 million representing gold repatriated to France.

On the other hand, British investors may have taken part in flotations in foreign capital markets. Profits on the realisation of overseas investments are another source of "new" money. Short-term investments of foreign money in the London market have also helped indirectly in the financing of permanent loans to other countries. It is pointed out that part of the available credit balance for 1929 may have been utilised in taking up new issues of 1930. Account should also be taken of sums directly invested abroad in private business.

The geographical distribution of the capital issues on the London market for foreign investment in recent years is shown below. Issues for domestic account are shown at the foot of the table, for purposes of comparison.

	£ (000,000's)										
	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
India and Ceylon . . .	36.1	25.4	2.6	3.4	2.1	1.4	7.7	10.1	28.7	22.5	6.4
Other British countries .	39.4	62.2	70.9	54.0	49.9	86.4	78.4	44.3	41.4	14.4	22.5
Of which :											
Australasia . . .			50.0	25.5	31.5	41.0	34.75	17.0	10.5	( <sup>1</sup> ) 5.0	( <sup>1</sup> ) 5.0
Canada and Newfoundland . .			4.5	2.0	6.0	7.0	20.5	15.25	3.5	( <sup>5</sup> )	2.5
Africa . . . . .			15.0	15.0	6.5	28.0	16.5	10.5	26.5	8.0	( <sup>6</sup> ) 13.0
Asia . . . . .			1.2	11.0	5.0	5.0	4.25	1.4	0.8	( <sup>5</sup> )	.
Foreign countries . . .	59.7	48.6	60.7	30.4	60.4	50.9	57.3	39.9	38.7	9.2	0.3
Of which :											
Germany . . . . .					6.0	7.0	8.25			3.0	.
Belgium . . . . .			36.0	( <sup>1</sup> ) 11.0	7.0			21.5	11.0	.	.
Other European .					11.8	( <sup>2</sup> ) 14.5	( <sup>3</sup> ) 25.5			.	.
Dutch East Indies				3.5	2.8						
Japan . . . . .			17.3	1.3	5.0	1.5	1.0	.	.	.	.
Other Asiatic . .					0.2						
Argentina . . . . .				8.0	9.0	6.0	4.5	8.5	17.75	3.5	.
Brazil . . . . .			7.0		12.3	13.0	9.25				
Chile . . . . .				6.0	3.0	7.0	6.0	7.5	3.0	( <sup>6</sup> ) 2.3	.
Other American .					2.2						
Total issues for foreign account	135.2	136.2	134.2	87.8	112.4	138.7	143.4	94.3	108.8	( <sup>7</sup> ) 46.1	29.2
Issues for domestic account . . . .	100.5	67.6	89.3	132.1	140.9	176.0	219.1	159.4	127.4	42.6	83.8

These statistics of new capital issues are based on 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.

(1) Mainly Germany and Italy.

(2) Italy, Greece and Poland about £2 million each.

(3) Greece £7.5 million and Hungary £4.75 million.

(4) New Zealand only.

(5) The unspecified issues for the account of "Other British countries" were chiefly for British North America.

(6) South America, other than Argentine.

(7) Of this amount, only \$3 million was offered during the second half of the year.

(8) Of which South Africa £7.75 million.

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)								
	1924	1925	1926	1927	1928	1929	1930	1931	1932
<b>India and Ceylon :</b>									
Governments . . . . .	—	—	—	—	6.9	9.1	27.8	21.6	3.5
Municipalities and Public Boards . . . . .	1.2	—	—	—	—	—	—	—	1.0
Railways . . . . .	—	1.7	—	—	—	—	—	—	1.3
Industrial undertakings .	1.4	1.7	2.1	1.4	0.8	1.0	0.9	0.9	0.6
<b>Other British countries :</b>									
Governments . . . . .	50.9	29.5	32.4	51.8	37.9	17.7	25.5	8.9	21.1
Municipalities and Public Boards . . . . .	5.1	2.0	1.2	5.1	7.3	3.8	2.7	—	—
Railways . . . . .	0.6	—	—	5.0	9.5	4.5	5.5	0.8	—
Industrial undertakings	14.3	22.5	16.3	24.5	23.7	18.3	7.7	4.7	1.3
<b>Foreign countries :</b>									
Governments . . . . .	40.6	1.0	14.3	11.8	12.9	3.6	12.5	0.2	—
Municipalities and Public Boards . . . . .	2.4	1.4	8.1	8.1	6.8	0.5	—	—	—
Railways . . . . .	3.3	4.2	7.6	6.3	4.2	7.8	9.8	3.1	—
Industrial undertakings	14.4	23.8	30.4	24.7	33.4	28.0	16.4	5.9	0.4
<b>Total :</b>									
Governments . . . . .	91.5	30.5	46.7	63.6	57.7	30.4	65.8	30.7	24.6
Municipalities and Public Boards . . . . .	8.7	3.4	9.3	13.2	14.1	4.3	2.7	—	1.0
Railways . . . . .	3.9	5.9	7.6	11.3	13.7	12.3	15.3	3.9	1.3
Industrial undertakings	30.1	48.0	48.8	50.6	57.9	47.3	25.0	11.5	2.3
<b>Grand total . . . . .</b>	<b>134.2</b>	<b>87.8</b>	<b>112.4</b>	<b>138.7</b>	<b>143.4</b>	<b>94.3</b>	<b>108.8</b>	<b>46.1</b>	<b>29.2</b>

#### Private estimate of British overseas long-term investments.

The three preceding issues of this publication contained summaries of inquiries by Sir Robert Kindersley and the *Economist* with reference to the nominal value of British long-term investments abroad in 1927, 1928 and 1929, and the income derived from such investments in these years.

New estimates relating to 1930 and 1931 have now been carried out on similar lines by Sir Robert Kindersley (1). They are based on information supplied by banks, issuing houses and a great number of companies, and cover British investments 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 (2);

(1) Published in the *Economic Journal* for June 1932 and June 1933.

(2) For the sake of clearness, the term "local governments" in this summary replaces the term "corporations" as an indication of municipalities, counties, cities and other forms of local government.

(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) The main results of the inquiry are 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. (3)		Repayment to residents in the U.K. (4)		Interest received in the U.K.		
	1930	1931	1930	1931	1930	1931	1930	1931	
<i>Dominion and colonial securities :</i>	%	%							
Central governments	90.4	88.8	985.5	1,014.8	8.3	2.6	42.5	44.1	
Local governments	91.9	89.8	95.0	88.6	1.5	3.0	4.4	4.3	
<i>Foreign securities :</i>									
Central governments	(2) 55.0	54.2	320.1	301.9	9.1	10.1	15.8	15.7	
Local governments	74.6	74.7	36.7	35.6	0.8	0.6	2.0	1.8	
Total . . . . .			1,437.3	1,410.9	19.7	16.3	64.7	65.9	

Defaults in 1932 on the service of the loans considered above amounted to £14.4 million (Europe £2.1 million, Latin America £12.2 million and China £0.1 million) ; the loss sustained by British investors amounted to £8.1 million, of which £3.1 million on account of sinking fund payments.

(b) 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 1929-1931 were as follows, in million pounds sterling (5) :

	Nominal amount	Loan capital		Share capital	
		Repayment	Interest	Nominal amount	Dividends
1929 . . . . .	385.2	3.8	18.3	801.6	67.7
1930 . . . . .	389.6	9.6	17.5	815.1	59.0
1931 . . . . .	397.5	4.9	15.5	812.8	33.3

In 1932, the dividend receipts are estimated to have fallen to £27.3 million. The average dividend receipts fell from 8.4 per cent of the nominal amount of the share capital in 1929 to 7.1 per cent in 1930,

(1) Page 179.  
 (2) The high foreign percentage in this group is due largely to payments made in London in respect of the foreign tranches of international issues.  
 (3) 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.  
 (4) The figures for repayment exclude stock converted during the years under consideration.  
 (5) A division between different types of companies is available but has not been included in the present summary.

4.1 per cent in 1931 and 3.4 per cent in 1932. Part of the decline in dividends remitted is due to exchange restrictions, especially in South America, where a substantial sum of service money has accumulated and would be transferred if exchange conditions permitted.

(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 <sup>(1)</sup>:

	Nominal amount	Loan capital		Share capital <sup>1</sup>	
		Repayment	Interest	Nominal amount	Dividends
1929 . . . . .	402.8	4.0	19.7	436.0	42.0
1930 . . . . .	391.5	9.7	19.4	391.1	31.7
1931 . . . . .	383.8	5.6	18.2	375.5	22.7
1932 <sup>(2)</sup> . . . . .	.	.	19.7	.	18.5

It is pointed out that the decline in the capital is not wholly due to the repatriation of capital (sales of securities), but partly to the winding up of insolvent enterprises, the writing down of capital accompanying financial reorganisation and the loss in market value of shares of no par value (these shares have been included at the values in the balance-sheets).

The dividends represented 9.6 per cent of the outstanding share capital in 1929, 8.1 per cent in 1930, 6 per cent in 1931 and 4.9 per cent in 1932.

*Summary.*

If allowance be made for investments not covered by the inquiry (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)									
	Capital			Repayment			Income			
	1929	1930	1931	1929	1930	1931	1929	1930	1931	1932 <sup>(2)</sup>
1. Loans to central and local governments . . . . .	1,412.4	1,437.3	1,440.9	30.4	19.7	16.3	64.7	64.7	65.9	60.0
2. Investments in British companies operating abroad . . . . .	1,186.8	1,204.7	1,210.3	8.5	9.5	4.9	86.0	76.5	48.8	42.5
3. Investments in foreign companies . . . . .	838.8	782.6	759.3	9.6	9.7	5.6	61.7	51.0	40.8	38.2
4. Investments not covered by the inquiry . . . . .	300	300	290	.	.	.	18.5	16.8	13.2	11.9
Total . . . . .	3,738.0	3,724.6	3,700.5	48.5	38.9	26.8	230.9	209.0	168.7	152.6

*Geographical distribution (December 1930). <sup>(3)</sup>*

The geographical distribution of £3,186 million, or 85 per cent, of the outstanding overseas investments in December 1930 (£3,725 million) was as follows:

(1) See footnote (5) on the preceding page.

(2) Provisional estimates.

(3) Figures showing the geographical distribution of British overseas investments in 1928 were published in the 1927-1929 edition of this publication (pages 179-185).

<i>British dominions, colonies, etc.</i>		<i>Foreign countries.</i>	
	£(000,000's)		£(000,000's)
Australia and South Sea Islands . . . . .	494	Europe (2) . . . . .	245
India and Ceylon . . . . .	458	Argentina . . . . .	360
Canada . . . . .	446	Brazil . . . . .	151
South Africa . . . . .	224	Chile . . . . .	49
New Zealand . . . . .	123	Rest of South America . . . . .	83
Malaya (1) . . . . .	108	Mexico (3) and Central America . . . . .	50
British West Africa . . . . .	46	United States (4) . . . . .	81
West Indies . . . . .	40	Japan . . . . .	63
Other colonies . . . . .	48	China . . . . .	40
		Other Asiatic countries . . . . .	47
Total dominions and colonies . . . . .	1,987	Non-British Africa (5) . . . . .	29
		Total foreign countries . . . . .	1,198

Although the total amount thus specified represents 85 per cent of British capital invested abroad, the percentage covered in the case of individual countries varies considerably. The above figures for Australasia and New Zealand may be assumed to represent the whole amount invested, while the percentage is only about 40 for the United States and probably less than 80 for the Argentine and Brazil. In the case of India and Canada the percentage is about 85, but total investment in India and China, it is stated, would have to be substantially increased if proprietary holdings by British nationals permanently resident in these countries were included.

The £540 million of investments not included in the above specification are roughly distributed as follows: dominions and colonies, £200 million; United States, £120 million; South America, £130 million; Europe, £50 million; foreign countries in other continents, £40 million.

The following table shows the distribution of the above-mentioned £3,186 million (85 per cent of the total overseas investments) by areas and classes of enterprise.

	£(000,000's)					
	Governmental and municipal	Railways	Public utilities	Mines	Miscellaneous	Total
Australia and South Sea Islands . . . . .	432	2	9	9	42	494
New Zealand . . . . .	110	—	—	—	13	123
Canada and Newfoundland . . . . .	97	213	32	2	102	446
South Africa . . . . .	118	20	3	50	33	224
India and Ceylon . . . . .	261	90	12	14	81	458
Malaya (6) . . . . .	4	—	4	8	92	108
Other British territories . . . . .	65	29	3	9	28	134
Total dominions . . . . .	1,087	354	63	92	391	1,987
Europe (including Turkey) . . . . .	120	30	18	6	71	245
South America . . . . .	134	353	54	6	96	643
U.S.A., Mexico and Central America . . . . .	2	49	29	10	41	131
China and Japan . . . . .	83	—	5	1	14	103
Other foreign territories . . . . .	14	2	3	3	55	77
Total foreign territory . . . . .	353	434	109	26	277	1,199

(1) Malaya and East Indies, British and non-British.  
 (2) Including the whole of Turkey.  
 (3) The total for Mexico would be considerably increased if capital long in default were included.  
 (4) The total amount of long-term British capital in the United States, including the subsidiaries and branches of British companies and securities not dealt in in the United Kingdom, is roughly estimated at £200 million (nominal value).  
 (5) Including Egypt.  
 (6) Malaya including foreign territory as well as British. In particular, the £4 million under "Governmental and municipal" represent the bonds of the Dutch East Indies Government held in the United Kingdom.

## UNITED STATES OF AMERICA

Estimates of the balance of payments of the United States are published annually by the Department of Commerce. The figures for 1927-1930 were reproduced in the preceding edition of this publication. Since then, two new reports have appeared, dealing with the balance of payments in 1931 and 1932 respectively. <sup>(1)</sup> The latter contains, in addition, revised summary tables, covering the whole period from 1919 to 1932.

The tables on the following pages give detailed information for the last four years and the revised balances of main groups of items since 1919 (in previous editions the summary table was not carried back further than to 1922). 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, 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 7 *a*), and the aggregate balance is thus not affected.

The principles adopted in the revision of the data previously published were, it is stated, "to present the figures as reported without distributive readjustments. In general, the practice followed was to use all those figures which are reported in various Government documents . . . revised up to date. In the case of items estimated on the basis of questionnaires, the figures used are those actually reported, subject only, in the case of the international securities movement, to uniform percentage estimates for omissions." In practice, these principles have led to considerable changes in the figures, particularly for the years prior to 1926.

Thus, for example, within the account for Goods, services and gold, the figures for the net receipts of interest and dividends have been reduced in the years 1922-1925 by amounts varying between \$105 and \$186 million annually, owing mainly to smaller estimates of the return of the United States long-term investments abroad. The previous estimates for the same period of receipts and payments on account of interest on short-term investments have also been left out of account. On the other hand, the new figures for the active trade balance (after adjustment of the balance as shown in trade returns) during the period 1922-1925 are some \$200 million higher annually than those given in the summary table last year, as the existing estimates of unrecorded purchases and sales of vessels and bunker coal and oil, and the estimates of ship-chandling, ship repairs and certain other "commodity adjustments" in these years have not been taken into account. This is also the case with the previous estimates of freight payments and receipts on account of the traffic on the Great Lakes and the transit traffic, foreign inland freight on United States imports, insurance transactions, cablegrams, radiograms and telephone services, Press subscriptions,

(1) United States Department of Commerce, *Trade Information Bulletin*, Nos. 803 and 814.

advertising, patents and copyright sales and royalties during the same period (1922-1925) and of the undervaluation of exports by rail (omission of the cost of transport to the United States frontier) during the years 1925-1929 <sup>(1)</sup>.

To a great extent, the omissions now referred to offset each other, and the balances calculated on account of Goods, services and gold, which represent an indirect estimate of the United States capital exports, are roughly of the same magnitude as those previously published, and their movement would appear accurately to reflect the broad changes in the outflow of capital from the United States.

The direct information on account of capital movements is, however, rather incomplete and the revised balances of the Capital items, as given in the summary table, do not match well with the balances on account of Goods, services and gold, particularly in the years 1919-1920, 1927, 1930 and 1931, for which the last column of the table shows substantial discrepancies due to errors and omissions. At least those for 1927 and 1930 are attributed largely to erroneous or incomplete data for capital movements, particularly those relating to sales and purchases of outstanding securities. The estimates of these transactions are now entered as reported in the questionnaires returned by the reporting institutions, except for small omission estimates, while those previously published had been changed in order to eliminate the major part of the final discrepancy due to errors and omissions in the whole account <sup>(2)</sup>. The changes in the international banking accounts (capital item 7) have this time also been entered as reported, including the large capital import of \$900 million reported for 1927, which previously was not taken into account <sup>(3)</sup>. Finally, the item representing the estimated movement of merchandise credits received and granted has been omitted.

The capital account as shown in the present volume includes certain items which are excluded therefrom by the Department of Commerce — namely, amortisation of inter-allied debts and the movement of earmarked gold. 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". The inclusion of earmarked gold, which in the original statement has been grouped with gold imports and exports, is of particular importance in 1932, when there was a net decrease in the amount of such gold held in the United States of \$457 million.

### Goods, services and gold.

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	5,324	3,897	2,451	1,626	4,464	3,104	2,119	1,343
2. Adjustments of item 1 :								
(a) bunker coal and oil . . .	46	44	30	21	11	10	6	5
(b) ship chandling and repairs	54	46	36	30	37	31	23	20
(c) vessels sold and bought	3	3	1	—	10	3	3	1
(d) unrecorded parcels post	20	18	20	15	—	—	—	—
Carried forward . . . . .	5,447	4,008	2,538	1,692	4,522	3,148	2,151	1,369

(1) In the tables published last year, the estimates of the undervaluation of exports by rail, though existing from 1925 onwards (*cf. Trade Information Bulletin*, No. 761, page 13), were taken into account only from 1928 inclusive.

(2) *Cf.* the 1929 volume of this publication (Series of publications : 1930.11.54 <sup>11</sup>), page 204.

(3) *Cf.* the 1927 volume (Series of publications : 1928.11.53 <sup>11</sup>), page 228.



Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
Brought forward . . . . .	5,447	4,008	2,538	1,692	4,522	3,148	2,151	1,369
2. Adjustments of item 1 ( <i>cont.</i> ):								
( <i>e</i> ) undervaluation of exports by rail. . . . .	52	40	26	16	—	—	—	—
( <i>f</i> ) freight's on imports, paid to foreign ships and carriers	—	—	—	—	229	218	182	113
( <i>g</i> ) ditto, earned by American ships <sup>(1)</sup> . . . . .	—	—	—	—	152	150	111	.
( <i>h</i> ) correction for exchange fluctuations. . . . .	—	—	—	—	— 8	— 5	— 9	— 5
( <i>i</i> ) deduction for household goods of immigrants and departing aliens . . . . .	.	.	15	11			6	4
( <i>k</i> ) other adjustments, includ- ing contraband . . . . .	—	—	25	25	222	151	146	113
II. Interest and dividends.								
3. Interest on intergovernmental debts . . . . .	150	164	92	67	5	—	—	—
4. Interest on other public debts	—	—	—	—	—	—	—	—
5. Other interest and dividends on long-term capital . . . . .	876	838	563	( <sup>2</sup> ) 396	270	227	100	60
6. Interest on short-term capital	92	67	92	60	144	73	26	8
III. Other services.								
7. Shipping income:								
( <i>a</i> ) freights on United States imports <sup>(1)</sup> . . . . .	152	150	111	.	—	—	—	—
( <i>b</i> ) freights, other . . . . .	142	106	85	55	—	—	—	—
( <i>c</i> ) passage money <sup>(3)</sup> . . . . .	47	49	—	—	—	—	—	—
8. Other transport fees . . . . .	12	9	6	2	43	33	7	5
9. Insurance . . . . .	70	70	70	.	70	70	70	.
10. Underwriters' commissions . . . . .	15	23	6	2	—	—	—	—
11. Brokerage receipts . . . . .	11	11	7	5	—	—	—	—
12. Telegraph and telephone . . . . .	27	21	22	9	19	15	17	7
13. Immigrants' and emigrants' funds . . . . .	24	33	10	6				
14. Immigrants' and emigrants' remittances . . . . .	—	—	—	—	240	199	173	138
15. Missionary and charitable contributions . . . . .	—	—	—	—	49	49	39	31
16. Tourists' expenditure:								
( <i>a</i> ) Canada . . . . .	94	75	57	35	296	266	238	183
( <i>b</i> ) Mexican border traffic . . . . .	7	13	9	5	38	56	44	36
( <i>c</i> ) overseas (including West Indies). . . . .	82	72	46	31	534	489	( <sup>3</sup> )286	( <sup>3</sup> )227
Carried forward . . . . .	7,300	5,749	3,780	2,417	6,825	5,139	3,587	2,289

(1) Except in the years 1929 to 1931, the amount of such earnings is unknown, and accordingly the adjustments entered against item 2 do not bring the merchandise imports to their c.i.f. value. The earnings have, however, been excluded from the freight income (item 7, credit), and the balance of the whole account in these years is therefore not affected.

(2) Of which interest on American holdings of foreign bonds, \$311 million, and net earnings of direct investments abroad (exclusive of funds held abroad because of transfer difficulties), \$85 million.

(3) Beginning with 1931, the passenger fares earned by United States ships (item 7 c) on account of United States tourists has been deducted from the tourists' expenditure (item 16, debit).

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1929	1930	1931	1932	1929	1930	1931	1932
Brought forward . . . . .	7,300	5,749	3,780	2,417	6,825	5,139	3,587	2,289
17. Diplomatic and similar expenditure . . . . .	9	9	7	7	10	9	9	10
18. Government receipts and expenditure n. e. i. (1) . . . . .	51	37	27	24	142	118	125	91
19. Other items :								
(a) cinematograph royalties . . . . .	70	90	70	50	6	6	4	—
(b) Press subscriptions . . . . .	5	5	5	4	3	3	3	2
(c) Canadian electric power . . . . .	—	—	2	—	4	4	4	2
(d) patents, copyrights and royalties . . . . .	15	15	15	12	15	15	15	12
(e) advertising . . . . .	5	4	4	3	50	40	18	10
IV. Gold.								
20. Gold coin and bullion . . . . .	117	116	467	809	292	396	612	363
Total . . . . .	7,572	6,025	4,377	3,326	7,347	5,730	4,377	2,779
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	+ 400	+ 575	+ 145	+ 101				
(b) gold . . . . .	— 175	— 280	— 145	+ 446				
(c) goods, services and gold . . . . .	+ 225	+ 295	± 0	+ 547				

**Capital items.**

Items	\$ (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1929	1930	1931	1932	1929	1930	1931	1932
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts . . . . .	62	77	21	32	—	—	—	—
(b) of other debts :								
(i) bond redemption payments . . . . .	163	123	114	92	77	77	50	50
(ii) sinking fund payments . . . . .	110	127	143	80				
2. Purchases and sales :								
(a) of domestic securities . . . . .	1,489	1,035	589	300	1,054	916	495	305
(b) of foreign securities . . . . .	474	806	659	385	353	360	347	225
(c) of real estate . . . . .	—	—	—	—	—	—	1	—
3. New capital issues . . . . .	—	—	—	—	650	856	219	29
4. Direct long-term investments . . . . .	31	19	10	1	335	253	196	36
5. Resale and repurchase of direct long-term investments . . . . .	58	51	5	4	15	—	—	2
II. Short-term operations.								
6. Changes in earmarked gold . . . . .	128	26	463	51	73	24	142	508
7. Changes in international banking accounts (net) . . . . .	—	—	—	—	80	485	709	371
8. Movement of currency notes (net) . . . . .	—	20	—	—	15	—	10	80
Total . . . . .	2,518	2,284	2,004	945	2,652	2,971	2,169	1,606
Net outward movement of capital (—) . . . . .	— 134	— 687	— 165	— 661				

(1) Receipts on account of war debts are shown against item 3 and capital item 1a.

## SUMMARY TABLE.

	\$ (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	
1919 Balance . . . . .	+ 3,749	+ 224	- 939	+ 292	+ 3,326	- 2,205	- 38	- 2,243	+ 1,083
1920 Balance . . . . .	+ 2,866	+ 56	- 736	- 95	+ 2,091	- 1,096	+ 245	- 851	+ 1,240
1921 Balance . . . . .	+ 1,908	+ 119	- 628	- 664	+ 735	- 860	- 122	- 982	- 247
1922 Balance . . . . .	+ 663	+ 351	- 546	- 238	+ 230	- 687	+ 378	- 309	- 79
1923 Balance . . . . .	+ 313	+ 417	- 628	- 294	- 192	+ 83	+ 52	+ 135	- 57
1924 Balance . . . . .	+ 939	+ 464	- 662	- 258	+ 483	- 574	+ 208	- 366	+ 117
1925 Balance . . . . .	+ 619	+ 515	- 719	+ 134	+ 549	- 488	- 153	- 641	- 92
1926 Balance . . . . .	+ 139	+ 627	- 564	- 98	+ 104	- 651	+ 336	- 315	- 211
1927 Balance . . . . .	+ 417	+ 679	- 572	- 6	+ 518	- 722	+ 1,005	+ 283	+ 801
1928 Balance . . . . .	+ 738	+ 680	- 681	+ 392	+ 1,126	- 684	- 348	- 1,032	+ 94
1929 Balance . . . . .	+ 382	+ 699	- 681	- 175	+ 225	- 94	- 40	- 134	+ 91
1930 Credit . . . . .	4,048	1,069	792	116	6,025	2,238	46	2,284	8,309
Debit . . . . .	3,662	300	1,372	396	5,730	2,462	- 509	2,971	8,701
Balance . . . . .	+ 386	+ 769	- 580	- 280	+ 295	- 224	- 463	- 687	- 392
1931 Credit . . . . .	2,604	747	559	467	4,377	1,541	463	2,004	6,381
Debit . . . . .	2,587	126	1,052	612	4,377	1,308	861	2,169	6,546
Balance . . . . .	+ 17	+ 621	- 493	- 145	+ 0	+ 233	- 398	- 165	- 165
1932 Credit . . . . .	1,744	523	250	809	3,326	894	51	945	4,271
Debit . . . . .	1,594	68	754	363	2,779	647	959	1,606	4,385
Balance . . . . .	+ 150	+ 455	- 504	+ 446	+ 547	+ 247	- 908	- 661	- 114

The manner in which the statements are compiled is described in the two preceding issues of this publication. In the present issue, only certain details for items of particular interest will be given.

**Goods, services and gold.**

*Interest and dividends.* Receipts of the United States Government on account of interest and principal of war debts (item 3 and capital item 1a) during the years 1929-1932 were as follows :

Debtor countries	\$ (000,000's)							
	1929		1930		1931		1932	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Austria . . . . .	0.3	—	0.3	—	0.3	—	—	—
Belgium . . . . .	2.9	2.6	3.4	3.0	4.1	1.6	—	—
Czechoslovakia . . . . .	3.0	—	3.0	—	1.5	—	1.5	—
Estonia . . . . .	—	0.2	—	0.3	—	0.3	—	—
Finland . . . . .	0.1	0.3	0.1	0.2	—	0.1	0.1	0.1
France . . . . .	22.3	10.2	35.0	19.3	1.4	19.3	—	—
Great Britain . . . . .	27.0	133.6	28.0	132.8	—	66.0	30.0	65.6
Greece . . . . .	0.3	0.2	0.5	0.5	0.2	0.2	—	—
Hungary . . . . .	—	0.1	—	0.1	—	—	—	—
Italy . . . . .	5.0	—	5.0	1.3	12.1	1.3	—	1.2
Latvia . . . . .	—	0.1	—	0.1	—	0.1	—	0.1
Lithuania . . . . .	—	0.1	—	0.2	—	0.1	—	0.1
Poland . . . . .	—	3.0	1.3	6.2	—	3.1	—	—
Roumania . . . . .	0.5	—	0.6	—	0.7	—	—	—
Yugoslavia . . . . .	0.2	—	0.2	—	0.2	—	—	—
Total . . . . .	61.6	150.4	77.4	164.0	20.5	92.1	31.6	67.1

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

The total amount due in 1932 exceeded that actually paid by \$26.8 million, of which \$25 million on account of interest.

Interest receipts on account of long-term investments (item 5, credit) were divided as follows in the years 1931-1932 :

	\$ (000,000's)	
	1931	1932
Interest on outstanding securities publicly offered in the United States . . . . .	383	311
Yield from direct investments abroad . . . . .	180	85

The former of these two groups represents total interest paid in 1930 and 1931, but, owing to the extraordinary exchange situation in a number of countries in 1932, only the estimated *transfers* of interest earnings were taken into account in that year, although, it is stated, " theoretically, it is normally advisable to enter total earnings and offset amounts re-invested in the capital account as an addition to investments abroad ". A specification by countries of the amounts received is given in the first column of the table on page 184. In the case of the second group (yield of direct investments), only transfers were taken into account in both 1931 and 1932. The estimated amounts of earnings and transfers from the four large investment areas were as follows (in millions of dollars) :

	1931		1932	
	Earnings	Transfers	Earnings	Transfers
Canada . . . . .	58	50	20- 30	15- 25
Europe . . . . .	80	70	25- 35	20- 30
Latin America . . . . .	80	48	35- 45	25- 35
Africa, Asia, Oceania . . . . .	20	12	10- 20	7- 13
Total . . . . .	238	180	90-130	67-103

Payments in 1931 on account of foreign long-term investments in the United States (item 5, debit) were calculated at 4½ per cent of the estimated principal (see the section " International indebtedness " below). In 1932, the investments yielded less and were partially withdrawn, and the payments were estimated to have fallen off by 40 per cent.

The short-term interest earned (item 6, credit) was calculated on the assumption that the average interest rate on the American short-term balances and investments abroad was 5¾ per cent in 1931 and 5¼ per cent in 1932.

Outward short-term interest was calculated at 1¼ per cent and ¾ per cent, respectively, of the outstanding foreign short-term investments in the United States in 1931 and 1932.

*Freights.* Ocean and Great Lakes freight on American imports and exports in 1930 and 1931 has been estimated as follows.

	\$ (000,000's)							
	1930				1931			
	On U.S. imports		On U.S. exports		On U.S. imports		On U.S. exports	
	Earned by Americans	Earned by foreigners	Earned by Americans	Earned by foreigners	Earned by Americans	Earned by foreigners	Earned by Americans	Earned by foreigners
Ocean freight :								
Dry cargoes . . . . .	79.6	177.3	80.0	179.7	60.4	143.2	66.9	148.9
Tankers . . . . .	65.3	22.6	17.8	60.7	48.1	22.7	12.5	53.5
Total . . . . .	144.9	199.9	97.8	240.4	108.5	165.9	79.4	202.4
Great Lakes freight	5.5	1.0	3.7	5.8	2.6	0.7	2.5	5.2
Grand total . . . . .	150.4	200.9	101.5	246.2	111.1	166.6	81.9	207.6

The import freights earned by American ships (item 7a) have only been entered in the table for 1929, 1930 and 1931, as figures for earlier calendar years and for 1932 were not available. As they were also excluded in these years from the value of merchandise imported (*cf.* item 2g), the balance of the account is not affected.

Item 7b includes, besides export freights, the earnings of American vessels on cargoes carried between foreign ports.

No figures are given for passage money earned (item 7c) in 1931 and 1932. The tourist income (item 16, credit) in these years includes payments by foreign visitors to American ships, and the expenditure of American tourists abroad (item 16, debit) does not include their payments to American ships.

*Immigrants' funds and remittances.* A specification by countries of the immigrants' remittances abroad and the funds brought out of the country by returning emigrants (items 13-14, debit) is given in the section "Emigrants' remittances" of the chapter "Summary statement concerning certain items" in this volume.

*Tourists' expenditure.* A summary of the different items grouped under item 16 is given below:

	\$ (000,000's)			
	1929	1930	1931	1932
<i>Foreign services to American tourists (item 16, debit).</i>				
Canada:				
Motorists . . . . .	215.6	202.4	188	145
Rail and steamer tourists . . . . .	80.0	63.9	50	38
Mexican border . . . . .	38.0	55.7	44	36
U. S. tourists overseas:				
West Indies and Central America . . . . .	87.9	82.3	31	24
Europe and rest of world . . . . .	335.4	309.1	194	136
U. S. citizens permanently residing abroad . . . . .	33.0	30.0	20	15
Alien-American tourists (immigrants visiting fatherland) . . . . .	87.0	76.0	52	43
U. S. citizens visiting insular possessions . . . . .	1.3	1.3	.	.
Special cruise tourists . . . . .	.	.	11	10
U. S. sailors on shore leave . . . . .	7.0	7.0	.	.
Gross total . . . . .	885.2	827.7	590	447
Deductions:				
Merchandise included in recorded merchandise imports . . . . .	2.0	2.0	1	1
Commissions of steamship agencies, etc. . . . .	15.0	15.0	.	.
Fares paid to U. S. steamship lines (1) . . . . .	—	—	21	(2)
Total deductions . . . . .	17.0	17.0	22	1
Net total . . . . .	868.2	810.7	568	446
<i>American services to foreign visitors (item 16, credit).</i>				
Canada:				
Motorists . . . . .	65.1	50.6	40	24
Rail and steamer visitors . . . . .	29.4	24.3	17	11
Mexican border . . . . .	7.0	12.8	9	5
Foreign visitors from overseas . . . . .	64.2	56.6	43	31
Visitors from insular possessions . . . . .	10.2	8.8	3	.
Foreign sailors on shore leave . . . . .	7.0	7.0	.	.
Total . . . . .	182.9	171.0	112	71

(1) Not deducted before 1931, as the income of United States steamship lines on this account was included as a credit item in the account (item 7c).

(2) Already deducted from the individual items of the table in 1932.

An estimate of the United States tourist expenditure in 1927, 1929 and 1931 in each of the more important foreign "tourist" countries, prepared through the aid of the foreign representatives of the United States Department of Commerce, is reproduced in the section dealing with tourists in the chapter "Summary statement concerning certain items".

*Government receipts and expenditure abroad.* The diplomatic and consular expenditure and other Government transactions (including postal receipts and payments, but excluding receipts on account of war debts) are entered against items 17 and 18. A specification of the amounts involved in the last two years is given below.

Receipts	\$ (000,000's)		Payments	\$ (000,000's)	
	1931	1932		1931	1932
Foreign representation in the United States . . . . .	7.0	7.0	Treasury Department :		
Treasury Department :			War claims arbiter . . . . .	23.1	1.3
German mixed claims . . . . .	4.9	0.4	Miscellaneous bureaux . . . . .	0.4	0.6
Costs of army in Germany . . . . .	3.0	—	Alien property custodian . . . . .	12.5	7.0
Miscellaneous bureaux . . . . .	0.2	0.1	Navy Department . . . . .	25.5	27.3
Mints and Bureau of engraving and printing . . . . .	0.1	—	War Department . . . . .	22.5	20.2
Panama Canal (1) . . . . .	15.4	20.5	Panama Canal (tolls paid by American vessels, etc.) . . . . .	20.4	19.0
Department of State :			Department of State :		
Consular fees collected . . . . .	3.1	2.1	American representation abroad . . . . .	9.2	10.2
Post Office Department . . . . .	0.7	1.1	Construction of buildings . . . . .	0.4	0.5
			International bureaux and indemnities . . . . .	0.4	0.5
			Veterans' Administration . . . . .	13.3	9.4
			Post Office Department . . . . .	4.2	2.8
			Department of Commerce . . . . .	1.8	1.3
			Department of Agriculture . . . . .	0.6	0.4
Total . . . . .	34.4	31.2	Total . . . . .	134.3	100.5

*Gold.* In 1931, there was a net inflow of gold, except during October, for which month a net export of \$338 million is recorded. From January to July 1932, on the other hand, there was in each month a net export of gold, amounting for the seven months to \$623 million; but during the ensuing months of 1932 there was, on balance, an import of gold.

**Capital items.**

*Amortisation payments.* The columns "Bond redemption payments" and "Sinking fund payments" in the following table contain a specification by countries of the amortisation receipts entered against item 1 b. The receipts from sinking funds fell heavily in 1932 as a result of (1) the suspension of loan service by several Latin-American and European countries, (2) the low market price of foreign issues in the United States, which made it possible in many cases to satisfy the loan provisions by the use of less cash, and (3) the rather common practice of turning in bonds for cancellation in lieu of cash. The reduction in bond redemption receipts is partly attributed to the inability of many countries to finance redemption schemes.

(1) Net revenue from canal operations transferred from the Zone to Washington.

## SERVICE OF OUTSTANDING FOREIGN SECURITIES PUBLICLY FLOATED IN THE UNITED STATES, AND PAR VALUE OF BONDS RETIRED, IN 1932.

\$ (000,000's)

Country	Yield (interest, dividends)	Bond redemption payments	Sinking fund payments	Bonds presented for cancellation	Par value of bonds retired <sup>(1)</sup>	Country	Yield (interest, dividends)	Bond redemption payments	Sinking fund payments	Bonds presented for cancellation	Par value of bonds retired <sup>(1)</sup>
<i>Europe.</i>						<i>Latin America.</i>					
Austria . . . . .	4.7	—	1.0	1.0	2.3	Argentina . . . . .	24.8	2.7	6.5	—	15.1
Belgium . . . . .	11.0	—	4.2	—	4.4	Brazil . . . . .	4.0	8.7	3.1	—	12.0
Bulgaria . . . . .	0.8	—	—	—	0.1	Chile . . . . .	—	—	—	2.9	2.9
Czechoslovakia . . . . .	2.3	—	0.7	—	0.7	Colombia . . . . .	5.3	—	0.2	4.7	5.3
Danzig . . . . .	0.2	—	—	—	—	Costa Rica . . . . .	0.6	—	—	—	0.2
Denmark . . . . .	7.6	—	1.2	2.3	4.0	Cuba . . . . .	5.7	11.0	3.5	—	15.0
Estonia . . . . .	0.3	—	—	—	0.1	Dominican Republic . . . . .	0.9	—	0.1	—	0.1
Finland . . . . .	4.2	—	1.0	0.6	2.1	Ecuador . . . . .	0.1	—	—	—	—
France . . . . .	18.6	62.2	4.7	19.1	85.8	Guatemala . . . . .	0.4	—	0.1	—	0.2
Germany . . . . .	67.8	4.3	17.9	35.8	73.2	Haiti . . . . .	0.7	—	0.4	—	0.5
Greece . . . . .	1.2	—	0.2	—	0.2	Hungary . . . . .	0.9	—	0.6	—	0.7
Hungary . . . . .	2.3	—	0.1	1.6	2.6	Panama . . . . .	0.3	—	0.1	—	0.2
Irish Free State . . . . .	0.2	—	—	0.1	0.1	Salvador . . . . .	0.3	—	—	—	0.2
Italy . . . . .	17.8	—	5.8	1.2	8.5	Uruguay . . . . .	3.2	—	—	0.1	0.1
Latvia . . . . .	0.4	—	—	—	—	Total, Latin America	46.9	22.4	14.6	7.7	52.3
Luxemburg . . . . .	0.5	—	—	0.2	0.2	<i>Africa, Asia and Oceania.</i>					
Netherlands . . . . .	4.7	3.6	0.7	43.8	48.0	Australia . . . . .	13.4	—	2.0	0.3	3.2
Norway . . . . .	9.8	2.4	0.9	2.4	6.3	China . . . . .	0.2	—	—	—	—
Poland . . . . .	8.0	—	2.3	2.1	4.3	Dutch East Indies	7.7	—	—	1.8	1.8
Roumania . . . . .	1.3	—	0.2	—	0.3	Japan . . . . .	23.6	4.1	8.2	7.5	24.5
Saar Territory . . . . .	0.4	—	0.4	0.7	1.1	Philippines . . . . .	3.2	—	3.1	—	2.7
Spain . . . . .	0.2	—	—	—	—	Total, Africa, Asia and Oceania . . . . .	48.1	4.1	13.3	9.6	32.2
Sweden . . . . .	3.5	—	—	0.4	0.4	<i>Total, World . . . . .</i>					
Switzerland . . . . .	1.7	—	—	—	—	Deduct for payments on repatriated bonds . . . . .	55.0	30.0	15.0	—	—
United Kingdom . . . . .	7.5	—	—	7.3	7.3	Net . . . . .	311.1	91.8	79.6	137.7	389.2
U. S. S. R. . . . .	0.4	—	0.4	—	0.4	<i>Total, North America</i>					
Yugoslavia . . . . .	2.6	—	0.5	—	1.5	Canada . . . . .	89.8	22.8	24.5	1.8	50.8
Total, Europe . . . . .	180.0	72.5	42.2	118.6	253.9	Newfoundland . . . . .	1.3	—	—	—	—
<i>North America.</i>						<i>Total, North America</i>					
Canada . . . . .	89.8	22.8	24.5	1.8	50.8	91.1	22.8	24.5	1.8	50.8	
Newfoundland . . . . .	1.3	—	—	—	—						

*Existing securities purchased and sold* (item 2). As in previous years, the trade in outstanding securities was ascertained by means of questionnaires. To the recorded figures of both sales and purchases, 10 per cent was added for omissions.

*New capital issues in the United States* (item 3). In estimating the exports of capital resulting from public issues of foreign securities, deductions have been made from the nominal value of such issues on account of refunding of old loans, issues of territorial possessions included in the United States Customs statistics<sup>(2)</sup> and bond and stock discounts. Underwriters' commissions have not been deducted but have been entered as a credit item (No. 10) in the account for Goods, services and gold.

(1) For several reasons the payments received by the American fiscal agents for foreign loans do not agree with the par value of the bonds retired (cf. *Trade Information Bulletin*, No. 814, page 72).

(2) These possessions are Alaska, Hawaii and Porto Rico. The Philippine Islands are treated as a foreign country because they have an independent statistical regime.

Data for the years 1922-1932 are given in the following table :

Year	\$ (000,000's)					
	Nominal capital (excluding issues of territorial possessions)	Refunding	Net nominal value	Discounts	Net capital export (capital item 3)	Underwriters' commissions (goods, services, etc., item 10)
1922 . . . . .	827	99	728	52	676	49
1923 . . . . .	487	74	413	22	391	26
1924 . . . . .	1,215	214	1,001	73	928	52
1925 . . . . .	1,303	231	1,072	63	1,009	56
1926 . . . . .	1,306	176	1,130	40	1,090	81
1927 . . . . .	1,537	235	1,302	56	1,246	63
1928 . . . . .	1,483	237	1,246	63	1,183	59
1929 . . . . .	696	35	661	11	650	15
1930 . . . . .	1,081	182	899	43	856	23
1931 . . . . .	280	56	224	5	219	6
1932 . . . . .	88	59	29	—	29	2

The issues of territorial possessions within the United States Customs area, which are not included in this table, amounted to \$5 million in 1928, \$10 million in 1929, \$6 million in 1930 and \$5 million in 1931 (nominal capital).

The geographical distribution of the foreign capital issues in the years 1930-1932 is given in the following table. (1)

	\$ (000,000's)								
	1930			1931			1932		
	Num-ber of issues	Nominal new capital	Refund-ing	Num-ber of issues	Nominal new capital	Refund-ing	Num-ber of issues	Nominal new capital	Refund-ing
<i>"International"</i>									
Total nominal . .	5	180.30	50.00	—	—	—	—	—	—
Total refunding .		50.00							
Nominal new capital .		130.30							
<i>Europe.</i>									
Austria . . . . .	1	25.00	—	—	—	—	—	—	—
Finland . . . . .	1	8.00	—	—	—	—	—	—	—
France . . . . .	1	0.15	0.15	—	—	—	—	—	—
Germany . . . . .	7	166.82	—	—	—	—	2	14.52	14.52
Italy . . . . .	2	16.16	—	—	—	—	—	—	—
Norway . . . . .	3	9.09	4.58	—	—	—	—	—	—
International issues.	1	12.40	—	2	78.00	—	—	—	—
Total nominal . .	16	237.62	4.73	2	78.00	—	2	14.52	14.52
Total refunding .		4.73						14.52	
Nominal new capital		232.89			78.00			—	

(1) Sources for 1930 and 1931 : *Trade Information Bulletin*, Nos. 746 and 802 ("American Underwriting of Foreign Securities"); for 1932, *Trade Information Bulletin*, No. 814 (The Balance of International Payments, etc.).



	\$ (000,000's)								
	1930			1931			1932		
	Num-ber of issues	Nominal new capital	Refund-ing	Num-ber of issues	Nominal new capital	Refund-ing	Num-ber of issues	Nominal new capital	Refund-ing
<i>Asia and Oceania.</i>									
Australia . . . . .	4	22.50	—	—	—	—	—	—	—
Hawaii . . . . .	1	1.50	—	1	5.00	—	—	—	—
Japan . . . . .	1	50.00	15.00	1	19.73	—	—	—	—
Philippine Islands . . . . .	3	2.75	—	—	—	—	—	—	—
Total nominal . . . . .	9	76.75	15.00	2	24.73	—	—	—	—
Total refunding . . . . .		15.00			—			—	
Nominal new capital . . . . .		61.75			24.73			—	
<i>North America.</i>									
Canada . . . . .	68	331.73	52.50	35	178.97	53.37	5	73.37	44.02
Newfoundland . . . . .	1	2.06	—	—	—	—	—	—	—
Total nominal . . . . .	69	333.79	52.50	35	178.97	53.37	5	73.37	44.02
Total refunding . . . . .		52.50			53.37			44.02	
Nominal new capital . . . . .		281.29			125.60			29.35	
<i>Latin America.</i>									
Argentine . . . . .	12	161.96	60.00	—	—	—	—	—	—
Brazil . . . . .	1	30.00	—	—	—	—	—	—	—
Chile . . . . .	2	2.43	—	—	—	—	—	—	—
Colombia . . . . .	1	0.50	—	—	—	—	—	—	—
Cuba . . . . .	1	31.00	—	1	3.00	3.00	—	—	—
Porto Rico . . . . .	3	4.65	—	1	0.50	—	—	—	—
Uruguay . . . . .	1	8.26	—	—	—	—	—	—	—
Venezuela . . . . .	1	0.70	—	—	—	—	—	—	—
Total nominal . . . . .	22	259.10	60.00	2	3.50	3.00	—	—	—
Total refunding . . . . .		60.00			3.00			—	
Nominal new capital . . . . .		199.10			0.50			—	
Grand total nominal capital . . . . .	121	1,087.56	182.23	41	285.20	56.37	7	97.89	58.54
Grand total refunding . . . . .		182.23			56.37			58.54	
Grand total nominal new capital . . . . .		905.33			228.83			29.35	

The totals for 1930 and 1931 differ from those entered in the balance of payments account inasmuch as issues for the account of territorial possessions within the United States Customs area (Alaska, Hawaii and Porto Rico) are not included in the latter.

The proportion of corporate issues (including Government guaranteed) in recent years has been as follows :

1925 . . . . .	36%	1929 . . . . .	77%
1926 . . . . .	49%	1930 . . . . .	34.5%
1927 . . . . .	41%	1931 . . . . .	49.8%
1928 . . . . .	50%	1932 . . . . .	13.5%

*Changes in international banking accounts.* Figures entered against item 7 are based on data collected annually by the Department of Commerce concerning outstanding short-term banking debts and assets (see below).

**Balance of international indebtedness.**

The reports on the balance of payments of the United States do not contain any complete estimate of the balance of international indebtedness of the United States, but figures with reference to the most important items therein are given when dealing with the different capital and interest items in the balance of payments account. Although these figures are confessedly of varying accuracy and also for other reasons not comparable *inter se*, it has been thought useful for the purpose of this publication to bring the figures together in one table. No totals have, however, been struck.

	\$ (000,000's) at the end of		
	1930	1931	1932
<i>Liabilities.</i>			
Foreign long-term investments in the United States <sup>(1)</sup> (market value) . . . . .	(1)	2,250	.
Foreign short-term investments in the United States (banking accounts)	2,737	1,465	913
<i>Assets.</i>			
Private long-term investments abroad (nominal capital in the case of securities, original outlay in the case of direct investments) . . . . .	15,170	14,635	13,952
Short-term investments abroad (banking accounts) . . . . .	1,802	1,239	1,058

This table does not include the claims on account of war debts and other debts due to the United States Government. The following details may be given concerning the items in the table.

*Foreign long-term investments in the United States.* On the basis of a special enquiry, the market value of all American securities held in custody by American banks for foreigners was estimated at approximately \$1,650 million at the end of 1931 (the average for the year at about \$1,500 million). This was raised to \$2,250 million so as to include the estimated current value of real estate and direct investments and all securities held in safety boxes abroad.

It is estimated that the par value of all British holdings of long-term investments in the United States at the end of 1931 was some \$600 million. The combined holdings of German investments in American domestic issues and repatriated German dollar bonds have been estimated at approximately \$440 million on a par value basis; of this amount, however, close to \$200 million represent German dollar bonds repurchased and held in custody in the United States. The principal German participants in American industry are those in the artificial silk and chemical fields. Japanese long-term investments in the United States were practically negligible until 1931, when the state of the Japanese money market led to investments in American securities aggregating at least \$5 million. Belgian and Greek investments are believed to amount roughly to \$50 million and \$20 million respectively.

*Private long-term investments abroad.* The American private long-term investments abroad are divided into *direct investments* (including foreign security holdings of industrial and commercial corporations) and *portfolio investments*. The value considered for the former is the book value of the foreign properties, or, in cases of partial ownership, the market value of shares held plus the amount of advances and loans. The value of the latter group represents the amount outstanding of each individual foreign bond issue and the holdings of foreign stocks.

The direct investments considered embrace corporate investments (1) in American-controlled manufacturing and selling organisations, (2) in the stocks and bonds of foreign-controlled manufacturing and selling corporations, (3) in purchasing agencies, (4) in petroleum lands and petroleum refining and distribution facilities, (5) in mining and smelting properties, (6) in public utilities, (7) in plantations, and (8) in other miscellaneous properties. Properties owned by missionary and other charitable organisations, including educational institutions of a non-commercial character, are excluded.

The portfolio investments consist of (1) foreign bonds publicly offered in the United States as far back as 1904, (2) foreign bonds privately taken in the United States in large blocks, so far as they are known, (3) the shares of foreign corporations that are owned in the United States and traded in American stock exchanges in the form of "American shares", or are held in their original form, and (4) bonds of American subsidiaries of foreign corporations, and of American corporations, that lend abroad directly. Portfolio investments are held primarily by individual investors resident in the United States and by insurance companies, investment trusts, and other financial institutions. The foreign security holdings of industrial and commercial corporations are considered as "direct investments".

The following table shows the amount of the investments now considered and their distribution between large groups of countries at the end of 1930, 1931 and 1932.

(1) The estimate for the end of 1929 was \$4,700 million.

## AMERICAN PRIVATE LONG-TERM INVESTMENTS ABROAD.

	\$ (000,000's) at the end of								
	1930			1931			1932		
	Direct	Portfolio	Total	Direct	Portfolio	Total	Direct	Portfolio	Total
Europe . . . . .	1,468	3,461	4,929	1,538	3,234	4,772	1,553	2,859	4,412
Africa . . . . .	115	3	118	127	2	129	127	2	129
Asia . . . . .	420	603	1,023	423	601	1,024	423	579	1,002
Oceania . . . . .	155	264	419	168	264	432	168	260	428
Canada and Newfoundland	2,049	1,893	3,942	2,067	1,899	3,966	2,073	1,926	3,999
Latin America :									
Mexico . . . . .	694		808	933	38	971	933	33	966
Other Central America . .	237	38	161						
Cuba . . . . .	936	131	1,067	1,076	149	1,225	1,075	134	1,209
Other West Indies . . . .	136	30	166						
South America . . . . .	1,631	1,411	3,042	1,639	1,352	2,991	1,645	1,337	2,982
Total . . . . .	7,841	7,834	15,675	7,971	7,539	15,510	7,997	7,130	15,127
Adjustments :									
(a) deduct for foreign securities repatriated to foreign countries.	—	(1)—630	(1)—630	—	1,000	1,000	—	1,300	1,300
(b) add for insurance company and bank capital . . . . .			(2) 125			125			125
Adjusted totals . . . . .			15,170			14,635			13,952

In last year's edition a more detailed table was given, showing the investment at the end of 1930 by individual countries and dividing the portfolio investments into several groups.

*Short-term debts and assets.* An investigation of the United States international banking accounts is carried out annually by the Department of Commerce. The last investigation comprised 165 reporting banks.

The data for the years 1929-1932 are summarised in the following table :

Items	\$ (000,000's) at the end of			
	1929	1930	1931	1932
<i>Due to foreigners :</i>				
Deposits . . . . .	1,662	1,640	1,025	734
Advances and overdrafts . . . . .	27	36	26	31
Short-term loans, investments, etc. . . . .	1,313	1,046	394	140
Acceptance credits . . . . .	35	15	20	8
Total . . . . .	3,037	2,737	1,465	913
<i>Due from foreigners :</i>				
Deposits . . . . .	210	294	113	150
Advances, overdrafts, loans, short-term investments . . . . .	523	629	677	542
Acceptance credits . . . . .	884	879	449	366
	1,617	1,802	1,239	1,058
Net short-term liabilities (—) or assets (+) . . . . .	— 1,420	— 935	— 226	+ 145
Net short-term capital movement under the above items (cf. capital item 7 in the balance of payments account) . . . . .		— 486	— 709	— 371

After the heavy withdrawals in the last few years of foreign short-term capital, the United States changed from debtor to creditor on short-term account in the course of 1932. Owing to the German standstill agreement and exchange restrictions and transfer difficulties in several countries, American withdrawals of short-term funds from abroad were considerably less in 1932 than in 1931.

(1) It is estimated that this deduction was distributed as follows : Canada \$150 million, Europe \$430 million and Asia \$50 million.

(2) Geographical distribution not available.

# URUGUAY

Last year's issue contained a private estimate of the balance of payments of Uruguay, covering the years 1929 and 1930. An official and more detailed statement for the years 1930 and 1931, elaborated by a Commission nominated by the Uruguayan Government, has now been supplied and is set out below, slightly modified in form.

## Goods, services and gold.

Items	Pesos (000,000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1930	1931	1930	1931
<i>I. Merchandise.</i>				
1. Merchandise . . . . .	100.9	78.2	91.5	88.6
2. Adjustment on account of :				
(a) export duties, statistical fees, etc. . . . .	2.7	2.2	—	—
(b) transport costs, packing, etc. . . . .	0.3	0.2	—	—
(c) undervaluation of imports . . . . .	—	—	2.6	25.5
(d) ships purchased abroad . . . . .	—	—	0.3	0.4
(e) works of art acquired abroad . . . . .	—	—	0.1	0.1
3. Contraband . . . . .	0.5	0.4	4.6	5.6
<i>II. Interest and dividends (1).</i>				
4. Service (including amortisation) of :				
(a) Government debt . . . . .	—	—	8.5	9.1
(b) municipal debt . . . . .	—	—	1.6	1.9
(c) mortgage bonds . . . . .	—	—	0.3	0.2
5. Interest and dividends on other foreign capital invested :				
(a) in railways . . . . .	—	—	4.1	4.3
(b) elsewhere . . . . .	—	—	4.9	4.9
6. Rents accruing to owners of Uruguayan estates living abroad . . . . .	—	—	4.5	2.8
<i>III. Other services.</i>				
7. Port fees paid by foreign ships (2) . . . . .	0.8	0.6	—	—
8. Salvage and repair of foreign ships . . . . .	0.4	0.2	—	—
9. Transit earnings :				
(a) railway traffic . . . . .	0.6	0.5	—	—
(b) Frigorifico Armour . . . . .	0.4	0.3	—	—
10. Immigrants' funds . . . . .	1.0	0.7	0.6	0.6
11. Immigrants' remittances . . . . .	—	—	5.3	3.6
12. Tourists' expenditure . . . . .	4.5	2.6	4.9	3.8
13. Pensions paid abroad . . . . .	—	—	0.1	0.1
14. Diplomatic expenditure . . . . .	0.6	0.7	0.6	0.8
15. Consular fees collected abroad . . . . .	0.7	0.7	—	—
16. Contributions to international institutions, etc. . . . .	—	—	0.1	0.1
Carried forward . . . . .	113.4	87.3	134.6	152.4

(1) Including amortisation of the public debt and of mortgage bonds.  
(2) Including lighthouse dues, pilotage, towage and mooring.

Items	Pesos (000,000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1930	1931	1930	1931
Brought forward . . .	113.4	87.3	134.6	152.4
17. Cinematograph film royalties . . . . .	—	—	0.5	0.6
18. Lottery tickets and prizes . . . . .	3.1	2.8	1.6	1.4
19. Subscriptions to foreign Press . . . . .	—	—	0.3	0.2
20. Compensation for professional services . . . . .	0.2	0.2	—	—
21. Other items <sup>(1)</sup> . . . . .	0.2	0.1	0.2	0.1
IV. Gold.				
22. Gold bullion and specie <sup>(2)</sup> . . . . .	8.1	8.8	0.4	0.1
Total . . . . .	125.0	99.2	137.6	154.8
Increase (+) or deficit (—) on account of :				
(a) goods and services . . . . .	— 20.3	— 64.3		
(b) gold . . . . .	+ 7.7	+ 8.7		
(c) goods, services and gold . . . . .	— 12.6	— 55.6		

Capital items <sup>(3)</sup>.

Items	Pesos (000,000's)			
	Inward or credit capital movement		Outward or debit capital movement	
	1930	1931	1930	1931
1. Government loan raised abroad (Public Works, 1930)	10.0	7.5	—	—
2. Repurchase of Government bonds held abroad . . .	—	—	5.8	—
3. " Foreign capital invested in goods " . . . . .	2.2	3.9	—	—
4. Funds transferred abroad . . . . .	—	—	3.5	2.9
Total . . . . .	12.2	11.4	9.3	2.9
Net inward (+) movement of capital . . . . .	+ 2.9	+ 8.5		

## SUMMARY TABLE.

	Pesos (000'000's)						
	Goods, services and gold					Capital items <sup>(3)</sup>	All items
	Merchandise	Interest and dividends <sup>(4)</sup>	Other services	Gold	Total		
1930 Credit . . . . .	104.4	—	12.5	8.1	125.0	12.2	137.2
Debit . . . . .	99.1	23.9	14.2	0.4	137.6	9.3	146.9
Balance . . . . .	+ 5.3	— 23.9	— 1.7	+ 7.7	— 12.6	+ 2.9	<sup>(5)</sup> — 9.7
1931 Credit . . . . .	81.0	—	9.4	8.8	99.2	11.4	110.6
Debit . . . . .	120.2	23.2	11.3	0.1	154.8	2.9	157.7
Balance . . . . .	— 39.2	— 23.2	— 1.9	+ 8.7	— 55.6	+ 8.5	<sup>(5)</sup> — 47.1

(1) Including patent royalties, authors' remunerations, coinage and printing of currency notes abroad, advertising, etc.

(2) Specie only in both years.

(3) Excluding amortisation of the public debt and of mortgage bonds.

(4) Including amortisation of the public debt and of mortgage bonds.

(5) Balance due to errors and omissions.

It will be noted that the statements do not balance and that the discrepancy between total credit and debit items is very considerable in 1931. From the information available, it is not possible to state whether this is due to 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.

#### **Goods, services and gold.**

*Merchandise.* The value of imports and exports as shown against item 1 includes, besides special trade proper, the value of foreign products, similar to those of Uruguay, sent in transit through the country.

The addition to import values on account of undervaluation, entered against item 2 c, has been calculated by the Commission appointed to study the changes that have taken place in import prices, on the basis of statements made by the majority of importers.

*Interest and dividends.* The amounts shown against item 5 were calculated on the basis of the capital of foreign firms and companies operating in the country, and those shown against item 6 on the basis of the assessed value of the real estate of those who pay the tax for "absenteeism".

*Immigrants' remittances.* Item 11 shows the remittances abroad of foreign residents, according to information collected from Uruguayan banks.

*Lottery tickets.* Item 18 shows, on the credit side, the amount received on account of tickets of the Charity Hospital Lottery disposed of abroad, as calculated from the number of tickets sold, and, on the debit side, the estimated sums paid to persons resident abroad by way of prizes won by such tickets.

*Gold.* The gold exports shown against item 22 represent the remittances of gold coin abroad made by banks in Uruguay, particularly the Banco de la Republica.

#### **Capital items.**

Item 1 shows the proceeds of the Public Works Loan of 1930 and interest earned by the outstanding balances.

Item 3 ("Capital invested in goods") represents the value of machines, spare parts, etc., purchased abroad by foreign firms carrying on business in the country and subsequently imported.

Item 4 shows the sums transferred by banks for payments abroad.

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