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# CONTENTS

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	Page
INTRODUCTORY NOTES .....	5
SUMMARY STATEMENT CONCERNING CERTAIN ITEMS .....	9
BALANCE OF PAYMENTS STATEMENTS FOR INDIVIDUAL COUNTRIES :	
Australia .....	45
Bulgaria .....	46
Canada .....	51
China .....	60
Curaçao .....	63
Czechoslovakia .....	65
Denmark .....	70
Estonia .....	74
Finland .....	78
France .....	82
Germany .....	88
Greece .....	93
India .....	96
Iraq .....	101
Japan .....	104
Latvia .....	107
Netherlands .....	112
Netherlands Indies .....	123
New Zealand .....	127
Norway .....	131
Palestine .....	136
Siam .....	138
Surinam .....	140
Sweden .....	142
Union of Soviet Socialist Republics .....	147
United Kingdom .....	149
United States of America .....	156
Yugoslavia .....	173

## INTRODUCTORY NOTES

### *Reservations regarding accuracy.*

In this volume, statements of the balance of international payments for twenty-eight countries are reproduced (1). Not all of these are complete. Several are preliminary and tentative. Owing to the nature of the enquiry 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.

### *Principles employed, method of presentation, etc.*

The general principles upon which the statements are based were explained in the 1929 issue (2). 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 and attached to a circular letter sent out each year to Member States, 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 China — 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 1933 is given at \$427 million against \$336 million in the official American statement, which excludes from the capital items amortisation receipts in respect of war debts and the movement of currency notes 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 on pages 6-8.

(1) An estimate of the balance of payments for Austria in 1934, published in the official *Statistische Nachrichten*, Vol. 1936, No. 6, has been withdrawn and is accordingly not reproduced in this volume. No rectified statement arrived in time for inclusion.

(2) Series of publications: 1930. II, 544.

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>		
<b>I. Merchandise.</b>		
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
<b>II. Interest and dividends.</b>		
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
<b>III. Other services (1).</b>		
8. Shipping : (a) ordinary freights (b) charter money (c) passage money	Income of national ships on account of all foreign traffic (2) : (a) ordinary freights (b) charter money (c) passage money	Payments to foreign ships on account of traffic between domestic ports : (a) ordinary freights (b) charter 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</b> ( <i>continued</i> ).		
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. <i>Gold.</i>		
22. Gold coin and bullion imported and exported	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.
24. Changes in earmarked gold	Decrease in the amount of gold earmarked abroad for domestic account, or increase in the amount of gold earmarked in the country for foreign account	Increase in the amount of gold earmarked abroad for domestic account, or decrease in the amount of gold earmarked in the country for foreign account.
<b>Capital items.</b>		
I. <i>Long-term operations.</i>		
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. <i>Short-term operations.</i>		
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

*Figures for international indebtedness.*

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

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

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

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

## Summary statement concerning certain items.

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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.

### Synoptical table (pages 10-15).

In order to facilitate the study, a table of reference has been drawn up, showing for each country, in terms of United States "old" gold dollars <sup>(1)</sup>, 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. The countries are arranged by continents in the following order: Africa, America, Asia, Europe, Oceania, and in French alphabetical order within each continent. Conversion into gold dollars has been made on the basis of par rates for gold currencies and the average exchange value (calculated by combining rates on New York with the Paris rates of the dollar) for paper currencies. The use of annual average exchange rates for conversion purposes (which was necessary, as monthly figures are available only for gold movements and trade in goods) is likely to have affected somewhat the figures for countries whose currencies 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 before the table. 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.

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

(1) Dollar of 1.50463 grammes of fine gold.



**BALANCES DES PAIEMENTS INTERNATIONAUX** (en millions d'anciens dollars-or).  
**BALANCES OF INTERNATIONAL PAYMENTS**, in terms of old U.S. \$ (000,000's) gold.

**NOTE GÉNÉRALE.**

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.

Les données sont exprimées en dollars-or à l'ancienne parité. Dans les cas où les relevés originaux ont été établis en monnaies dépréciées, on a dû faire la conversion au cours moyen de l'année.

Les chiffres représentent non des paiements effectués, mais, dans la mesure du possible, la balance des transactions monétaires internationales comptabilisées.

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 pas dans la dernière colonne de 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 une des colonnes précédentes (souvent celle relative aux opérations de capitaux à court terme) ne sont pas fondés sur des renseignements directs mais sont calculés par interpolation et représentent la différence des comptes. Ils comprennent donc une marge pour les erreurs et omissions possibles dans les autres colonnes. Cette méthode implique que les chiffres fondés sur des renseignements directs 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. Dans le cas de certains pays (par exemple, les États-Unis), les changements survenus dans les quantités d'or en dépôt pour le compte de l'étranger dans le pays ou pour le compte du pays à l'étranger sont groupés dans le commerce de l'or enregistré.

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.

**GENERAL NOTE.**

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.

The data are expressed in terms of gold dollars at the old parity. Where the original statements were made out in depreciated currencies, conversion had to be made at the average exchange rate for the year.

The figures do not represent actual money transfers, but, as closely as possible, an account of international money transactions booked.

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 one of the preceding columns (frequently that for short-term capital operations) are not based on direct evidence but calculated as balancing accounts. They include, therefore, allowances for possible errors and omissions in the other columns. This method implies that the figures that are based on direct evidence 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 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. In the case of certain countries (e.g., the United States), changes in the amount of gold under earmark held for foreign account in the country, or for national account abroad, are grouped with the recorded trade in gold.

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

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

*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.

*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.

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 des erreurs et omissions Balance due to errors and omissions	
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long-term	A court terme Short- term		Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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	—
	1932	-77.5	-61.3	-20.9	-159.7	+235.2	+75.5	+22.2	(-97.7)	-75.5	—
	1933	-89.1	-57.5	-12.9	-159.5	+190.3	+30.8	-6.9	(-23.9)	-30.8	—
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
Brésil — Brazil . . . . .	1932	+109.0	-56.5	-14.2	+38.3	+3.9	+42.2	.	.	-48.9	-6.7
Canada <sup>3</sup> . . . . .	1927	+107.5	-185.8	+176.4	+98.1	+30.6	+128.7	.	.	+35.8	+164.5
	1928	+78.6	-187.9	+231.2	+121.9	+65.3	+187.2	.	.	-45.3	+141.9
	1929	-178.1	-217.7	+245.0	-150.8	+44.0	-106.8	.	.	+79.4	-27.4
	1930	-159.6	-243.0	+223.9	-178.7	-16.2	-194.9	.	.	+241.1	+46.2
	1931	-39.7	-226.4	+202.5	-63.6	+65.6	+2.0	.	.	+12.6	+14.6
	1932	+31.6	-189.7	+123.8	-34.3	+58.6	+24.3	.	.	+13.4	+37.7
	1933	+79.6	-139.4	+37.2	-22.6	+63.0	+40.1	.	.	+15.4	+55.8
	1934	+61.5	-117.5	+44.6	-11.4	+60.4	+49.0	.	.	-6.2	+42.8
1935	+82.6	-129.3	+81.5	+34.8	+65.4	+100.2	.	.	-9.7	+90.5	
Etats-Unis d'Amérique — United States of America <sup>4</sup>	1927	+417	+679	-572	+524	+154	+678	-740	+845	+105	+783
	1928	+738	+680	-684	+734	+272	+1,006	-671	-228	-899	+107
	1929	+332	+699	-681	+400	-120	+280	-90	-95	-185	+95
	1930	+386	+769	-580	+575	-278	+297	-213	-465	-678	-381
	1931	+17	+621	-493	+145	+176	+321	+234	-719	-485	-164
	1932	+150	+455	-504	+101	-11	+90	+247	-489	-242	-152
	1933	+67	+325	-218	+174	+139	+313	+39	-383	-344	-31
	1934	+173	+220	-169	+221	-726	-502	+121	+94	+215	-287
1935	-115	+221	-181	-75	-1,027	-1,102	+272	+634	+906	-196	
Uruguay <sup>5</sup> . . . . .	1930	+4.6	-20.5	-1.5	-17.4	+6.6	-10.8	.	.	.	.
	1931	-21.7	-12.8	-1.1	-35.6	+4.8	-30.8	.	.	.	.

a) 1.X-30.IX.

<sup>1</sup> Union Sud-Africaine. — Col. 2 et 7 : non compris les réinvestissements 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, 1928 et 1932, non compris les frets payés aux navires nationaux pour le transport de marchandises importées. Col. 2, 7, 8 : à partir de 1931, les intérêts et dividendes acquis à l'étranger mais non transférés aux Etats-Unis sont en partie exclus.

<sup>5</sup> Uruguay. — L'amortissement de la dette publique et des obligations hypothécaires est compris dans la col. 2 au lieu de la col. 7.

<sup>1</sup> Union of South Africa. — Col. 2 and 7 : not including reinvestments 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 in 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, 1928 and 1932, not including freights paid to domestic ships on account of imported goods. Col. 2, 7, 8 : from 1931, interest and dividends earned abroad but not transferred to the United States are partly excluded.

<sup>5</sup> Uruguay. — Amortisation of the public debt and of mortgage bonds is included in col. 2 instead of col. 7.

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

Pays — Country	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital items			Solde dû aux erreurs et omissions Balance due to errors and omissions
		Marchan- dises Merchandise	Intérêts et dividendes Interest and dividends	Autres services Other services	Total marchan- dises et services Total goods and services	Or Gold	Total	A long terme Long-term	A court terme Short- term	Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Chine — China <sup>1</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
	1933	-162.6	-22.1	+81.2	-103.5	+38.8	-64.7	.	.	+6.2	-58.5
	1934	-58.0	-26.7	+84.7	-0.1	+22.4	+22.3	.	.	+16.1	+38.4
	1935	-36.3	-33.1	+82.4	+13.0	+13.9	+26.9	.	.	+28.6	+55.5
Mandchourie et Kouang- Toung — Manchuria and Kwantung	1933	-22.9	-10.0	+13.2	-19.7	—	-19.7	.	.	+22.7	+3.0
	1934	-38.7	-10.8	+6.3	-43.2	—	-43.2	.	.	+62.6	+19.4
Inde (brit.) — India a) . . .	1927/28	+187.4	-114.7	-126.7	-54.0	-66.1	-120.1	+53.6	-23.9	+29.7	-90.4
	1928/29	+242.8	-118.6	-113.9	+10.3	-77.4	-67.1	+1.9	+2.6	+4.5	-62.6
	1929/30	+196.4	-115.3	-65.7	+15.4	-51.9	-36.5	+48.6	+15.0	+63.6	+27.1
	1930/31	+135.6	-122.6	-58.1	-45.1	-46.6	-91.7	+157.8	-19.5	+138.3	+46.6
	1931/32	+69.6	-108.7	-56.1	-95.2	+181.3	+86.1	+36.8	-27.2	+9.6	+95.7
	1932/33	-14.3	-90.0	-42.2	-146.5	+171.3	+24.8	-17.0	-21.3	-38.9	-13.5
	1933/34	+65.8	-82.4	-29.6	-46.2	+138.5	+92.3	-52.3	-23.4	-75.7	+16.6
	1934/35	+25.0	-72.2	-31.0	-78.2	+116.7	+38.5	-19.2	-23.5	-42.7	-4.2
	1935/36	+47.7	-70.6	-35.2	-63.1	+82.4	+19.5	.	.	-26.7	-7.4
	Indes néerlandaises — Nether- lands Indies <sup>2</sup>	1927	+299.9	-149.6	-86.8	+63.5	-6.4	+57.1	-26.9	+2.0	-24.9
1928		+230.3	-142.7	-80.8	+6.8	-6.0	+0.8	-5.2	-2.4	-7.6	-6.8
1929		+135.0	-127.0	-70.4	-62.4	-4.0	-66.4	-24.9	+56.7	+31.8	-34.6
1930		+106.9	-104.1	-63.5	-60.7	+0.8	-59.9	+31.8	.	+31.8	-28.1
1931		+66.7	-59.1	-52.3	-44.7	+16.8	-28.2	+13.7	+18.5	+32.2	+4.0
1932		+65.5	-45.4	-56.7	-36.6	+18.5	-18.1	+6.8	+35.0	+41.8	+23.7
1933		+57.9	-41.8	-46.3	-30.2	+14.5	-15.7	+14.5	+4.8	+19.3	+3.6
1934		+98.1	-41.4	-36.6	+20.1	+10.4	+30.5	+35.8	-46.2	-10.4	+20.1
1935		+86.4	-41.8	-30.9	+13.7	+9.2	+22.9	-15.3	+3.2	-12.1	+10.8
Irak — Iraq a) . . . . .	1926/27	-19.5	+0.4	+12.0	-7.1	+2.6	-4.5	+2.3	+1.0	+3.3	-1.2
	1927/28	-15.7	+0.2	+9.0	-6.5	+1.2	-5.3	-0.4	+0.6	+0.2	-5.1
	1928/29	-14.8	+0.1	+8.9	-5.8	+2.7	-3.1	+2.0	+1.7	+3.7	+0.6
	1929/30	-16.3	-0.2	+8.6	-7.9	+2.9	-5.0	+1.4	+1.5	+2.9	-2.1
	1930/31	-12.9	-0.7	+7.7	-5.9	+2.7	-3.2	+2.8	+0.8	+3.6	-0.4
	1931/32	-8.7	+0.6	+9.5	+0.2	+4.4	+4.6	+0.3	-4.0	-3.7	+0.9
	1932/33	-14.7	-1.3	+6.8	-9.2	+2.8	-6.4	+4.4	-1.6	+2.8	-3.6
	1933/34	-11.8	-0.9	+6.5	-6.2	+2.2	-4.0	+5.2	-1.1	+4.1	+0.1
	1934/35	-7.6	-0.7	+7.7	-0.6	+1.2	+0.6	+2.6	-4.1	-1.5	-0.9
	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
1928		-150.1	-11.1	+81.1	-80.1	-0.2	-80.3	+24.7	+29.3	+54.0	-26.3
1929		-75.5	-9.1	+93.4	+8.8	-0.3	+8.5	-24.3	-1.9	-26.2	-17.7
1930		-76.4	-12.5	+75.4	-13.5	+141.6	+128.1	-45.4	-100.5	-145.9	-17.8
1931		-69.4	-11.5	+52.8	-23.1	+189.6	+161.5	-114.2	-39.1	-153.3	+8.2
1932		-16.0	-10.6	+42.4	+15.8	+31.5	+47.3	-47.2	-45.4	-92.6	+45.3
1933		-16.1	-10.2	+28.2	+1.9	+7.0	+8.9	-8.2	-41.3	-49.5	-40.6
1934		-16.3	-4.7	+32.1	+11.1	—	+11.1	-39.5	+16.7	-22.8	-11.7
Philippines . . . . .	1934	+16.0	-14.6	-0.2	+1.2	+7.0	+8.2	.	.	.	.
Albanie — Albania . . . . .	1927	-2.8	—	+2.3	-0.5	—	-0.5	.	.	+0.7	+0.2
	1928	-3.4	—	+2.5	-0.9	—	-0.9	.	.	+1.1	+0.2
	1929	-4.8	—	+2.7	-2.1	—	-2.1	.	.	+3.0	+0.9
	1930	-4.0	—	+2.0	-2.0	—	-2.0	.	.	+3.1	+1.1
	1931	-4.3	—	+1.9	-2.4	—	-2.4	.	.	+3.7	+1.3
	1932	-3.6	—	+1.7	-1.9	—	-1.9	.	.	+3.1	+1.2
	1933	-2.4	-0.1	+0.5	-2.0	—	-2.0	+1.6	+0.4	+2.0	—

a) 1. IV -31. III.

<sup>1</sup> Chine (1929-1930, relevé privé du professeur C. F. Remer).  
— Les paiements au titre de l'amortissement sont compris dans la col. 2 au lieu de la col. 7. Les chiffres pour 1933, 1934 et 1935 ont trait à la Chine non compris la Mandchourie et le Jehol.

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

<sup>1</sup> China (1929-1930, private compilation by Prof. C. F. Remer).  
— Amortissement payments are included in col. 2 instead of col. 7. The figures for 1933, 1934 and 1935 refer to China exclusive of Manchuria and Jehol.

<sup>2</sup> Netherlands Indies. — Col. 2 and 7 not including reinvestments of profits earned in the country by foreign firms.

## SUMMARY STATEMENT

13

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

Pays — Country	Année Year	Marchandises, services et or Goods, services and gold						Mouvement des capitaux Capital Items			Solde 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)
Allemagne — Germany <sup>1</sup> . .	1927	-688.4	-82.2	-242.5	-1,013.1	-23.6	-1,036.7	+423.5	+613.2	+1,036.7	—
	1928	-297.8	-134.1	-315.1	-747.0	-219.6	-966.6	+425.9	+540.7	+966.6	—
	1929	+7.4	-190.6	-388.3	-571.5	+89.6	-481.9	+157.2	+324.7	+481.9	—
	1930	+391.6	-238.2	-279.4	-126.0	-3.1	-129.1	+266.5	(-137.4)	+129.1	—
	1931	+680.8	-285.9	-129.3	+265.6	+274.2	+539.8	+42.9	(-582.7)	-539.8	—
	1932	+251.1	-214.4	+23.3	+60.0	+43.4	+103.4	+3.3	(-106.7)	-103.4	—
	1933	+157.4	-166.7	+18.1	+8.8	+103.1	+111.9	-11.9	(-100.0)	-111.9	—
a) 1934	-60	-107	+36	-131	+72	-59	-36	(+95)	-59	—	
Belgique-Luxembourg et Congo — Belgium-Luxem- burg and Congo <sup>2</sup>	1929	-83.9	+52.9	+134.2	+103.2	-37.7	+65.5				
Bulgarie — Bulgaria <sup>3</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	-1.0	+5.9	-4.9	+1.0	—
	1931	(+5.0)	-8.1	-1.4	-4.5	-0.1	-4.6	+4.1	+0.5	+4.6	—
	1932	(+3.1)	-3.7	+0.1	-0.5	—	-0.5	—	+0.5	+0.5	—
	1933	(+2.2)	-1.3	-0.2	+0.7	—	+0.7	-0.1	-0.6	-0.7	—
	1934	(+1.4)	-1.5	+0.1	—	—	—	—	—	—	—
1935	(+5.9)	-1.8	+0.6	+4.7	—	+4.7	+0.7	-5.4	-4.7	—	
Danemark — Denmark . .	1927	-52.0	-13.3	+54.3	-11.0	+7.2	-3.8	+38.8	-27.5	+11.3	+7.5
	1928	-21.2	-13.4	+33.3	-1.3	+2.4	+1.1	+41.5	-41.5	—	+1.1
	1929	-22.0	-16.9	+48.0	+9.1	—	+9.1	-6.7	-2.7	-9.4	-0.3
	1930	-31.3	-13.7	+39.9	-5.1	—	-5.1	-2.7	+4.8	+2.1	-3.0
	1931	-33.8	-17.5	+32.8	-18.5	+7.0	-11.5	-6.0	+35.1	+29.1	+17.6
	1932	-0.9	-14.0	+26.7	+11.8	+3.8	+15.6	-7.0	-10.7	-17.7	-2.1
	1933	-7.9	-10.8	+25.9	+7.2	—	+7.2	-8.4	-2.5	-10.9	-3.7
1934	-16.1	-12.8	+25.0	-3.9	—	-3.9	-4.5	+10.3	+5.8	+1.9	
1935	-8.1	-12.3	+25.6	+5.2	+4.0	+9.2	-4.7	+4.1	-0.6	+8.6	
Espagne — Spain . . . .	1931	-50.1	+3.4	+27.8	-18.9	—	-18.9	-0.2	+19.5	+19.3	+0.4
	1932	-51.7	-4.8	+33.5	-23.0	—	-23.0	-1.7	-14.2	-15.9	-38.9
Estonie — Estonia . . . .	1927	+2.4	-1.8	+1.1	+1.7	—	+1.7	+0.8			
	1928	-1.4	-2.1	+1.6	-1.9	—	-1.9	+0.7	+2.5	+3.2	+1.3
	1929	-1.8	-1.6	+1.0	-2.4	—	-2.4	-0.2	+1.7	+1.5	-0.9
	1930	-0.9	-1.8	+1.2	-1.5	—	-1.5	+1.7	+0.5	+2.2	+0.7
	1931	+2.5	-1.3	+1.5	+2.7	—	+2.7	-0.2	-1.3	-1.5	+1.2
	1932	+1.4	-1.4	+0.8	+0.8	+0.1	+0.9	-0.1	+0.6	+0.5	+1.4
	1933	+1.8	-1.0	+0.6	+1.4	—	+1.4	-0.1	-2.2	-2.3	-0.9
	1934	+2.2	-0.7	+0.4	+1.9	—	+1.9	-0.1	-2.1	-2.2	-0.3
1935	+1.7	-0.7	+0.5	+1.5	—	+1.5	-0.1	-0.7	-0.8	+0.7	
Finlande — Finland . . . .	1927	-1.8	-8.0	+11.7	+1.9	—	+1.9				
	1928	-44.8	-8.8	+13.2	-40.4	—	-40.4				
	1929	-14.5	-10.3	+12.8	-12.0	—	-12.0				
	1930	+4.6	-10.4	+11.1	+5.3	-0.5	+4.8				
	1931	+23.4	-10.4	+10.7	+23.7	-0.2	+23.5				
	1932	+17.5	-9.0	+9.7	+18.2	—	+18.2				
	1933	+20.0	-7.7	+7.4	+19.7	—	+19.7				
	1934	+19.5	-5.7	+7.1	+20.9	—	+20.9				
1935	+11.8	-4.9	+6.9	+13.8	-0.2	+13.6					

## a) I-XI.

<sup>1</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>2</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>3</sup> Bulgarie. — L'amortissement de la dette de l'Etat figure dans la col. 2.

<sup>1</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>2</sup> Belgium (Private compilation by Professor F. Baudhuin). — Amortisation of inter-allied debt is included in col. 2 instead of col. 7.

<sup>3</sup> Bulgaria. — Amortisation of Government debt is included in col. 2.

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

Pays — Country	Année Year	Marchandises, services et or Goods, services and gold					Mouvement des capitaux Capital Items			Solde 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)
France et territoires d'outre- mer — France and oversea territories <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	-455.4	+752.4		+317.0	-336.7	-19.7	.	.	.	.
	1930	506.2	+708.5		+202.3	-459.8	-257.5	.	.	.	.
	1931	-519.1	+453.3		-65.8	-725.0	-790.8	.	.	.	.
	1932	-395.3	+45.6	+156.7	-193.0	-724.4	-917.4	.	.	.	.
1933	-352.6	+72.5	+168.5	-111.6	+81.1	-30.5	.	.	.	.	
1934	-264.0	+98.0	+121.4	-44.6	-57.6	-102.2	.	.	.	.	
1935	-233.6	+156.7	+62.7	-14.2	+584.3	+570.1	.	.	.	.	
Grèce — Greece <sup>2</sup>	1929	-81.2	(+7.4)	+29.1	-44.7	—	+44.7	.	.	+44.7	—
	1930	-64.0	(+0.5)	+29.2	-34.3	—	-34.3	.	.	+34.3	—
	1931	-59.5	(-15.7)	+38.4	-36.8	—	-36.8	.	.	+36.8	—
	1932	-30.3	+3.0	+15.7	-11.6	—	-11.6	.	.	(+11.6)	—
	1933	-17.1	-4.2	+24.3	+3.0	—	+3.0	.	.	(-3.0)	—
	1934	-18.4	-5.2	+17.5	-6.1	—	-6.1	.	.	(+6.1)	—
	1935	-18.1	+1.8	+10.1	-6.2	—	-6.2	.	.	(+6.2)	—
	1936										
Hongrie — Hungary <sup>3</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	1929	-65.3	+28.8	.	.	+0.8	.	.	.	.	.
	1930	-53.2	+26.1	.	.	+0.3	.	.	.	.	.
	1931	-60.5	+29.4	.	.	+0.2	.	.	.	.	.
	1932	-54.6	+15.3	.	.	+0.2	.	.	.	.	.
	1933	-53.4	+12.6	.	.	+0.2	.	.	.	.	.
Italie — Italy <sup>4</sup>	1928	-385.1	-51.3	+306.3	-130.1	-3.0	-133.1	.	.	.	.
	1929	-338.5	-52.6	+306.3	-84.8	-12.1	-96.9	.	.	.	.
	1930	-275.3	-51.3	+285.2	-41.4	-5.1	-46.5	.	.	.	.
	1931	-76	-47	+207	+84	-34	+50	.	.	.	.
	1932	-75	-23	+125	+27	-4	+23	.	.	.	.
	1933										
Lettonie — Latvia	1927	-1.0	-1.2	+6.5	+4.3	—	+4.3	+1.3	-3.2	-1.9	+2.4
	1928	-2.9	-0.6	+5.0	+1.5	-0.1	+1.4	-0.8	-5.2	-6.0	-4.6
	1929	-9.7	-1.1	+5.9	-4.9	—	-4.9	+7.0	-0.8	+6.2	+1.3
	1930	-3.0	-1.2	+5.6	+1.4	—	+1.4	-0.5	+4.7	+4.2	+5.6
	1931	-0.6	-1.2	+3.3	+1.5	-0.1	+1.4	-0.1	+2.0	+1.9	+3.3
	1932	+3.2	-1.0	+2.2	+4.4	-0.8	+3.6	-0.4	-1.5	-1.9	+1.7
	1933	-0.8	-0.8	+1.8	+0.2	-1.8	-1.6	-1.0	+2.4	+1.4	-0.2
	1934	-0.7	-0.7	+1.7	+0.3	-0.3	—	-0.4	+0.3	-0.1	—
	1935	+0.2	-0.8	+1.4	+0.8	—	+0.8	-0.9	+0.1	-0.8	—
Lithuanie — Lithuania	1927	-2.7	-0.2	+3.9	+1.0	-0.2	+0.8	+1.2	-1.9	-0.7	+0.1
	1928	-4.2	-0.2	+4.1	-0.3	-0.2	-0.5	+0.2	+1.5	+1.7	+1.2
	1929	+1.3	-0.5	+4.1	+4.9	-0.1	+4.8	+0.7	-4.3	-3.6	+1.2
	1930	-1.1	-1.0	+2.3	+0.2	-0.4	-0.2	+2.0	—	+1.9	+1.7
	1931	-4.8	-1.0	+2.7	-3.1	-1.1	-4.2	+2.4	+1.1	+3.5	-0.7
	1932	+1.1	-0.8	+2.3	+2.6	—	+2.6	+0.7	-2.9	-2.2	+0.4
	1933	+0.9	-0.4	+0.8	+1.3	-0.3	+1.0	-1.2	+0.2	-1.0	—
	1934	+0.5	-0.3	+1.4	+0.6	—	+0.6	-1.2	+0.6	-0.6	—
Norvège — Norway	1927	-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	+6.5
	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	-20.7	-15.5	+43.0	+6.8	—	+6.8	+0.7	-12.9	-12.2	-5.4
	1933	-11.4	-14.0	+38.8	+13.4	-3.7	+9.7	-7.2	-4.7	-11.9	-2.2
	1934	-18.7	-10.7	+37.9	+8.5	-2.9	+5.6	+3.6	-9.8	-6.2	-0.6
	1935	-25.9	-10.2	+38.0	+1.9	+7.5	+9.4	+3.2	-13.6	-10.4	-1.0

<sup>1</sup> France (Relevé privé de M. P. Meynial pour 1927-1933 et de MM. L. Rist et P. Schwob depuis 1934). — Certaines recettes et paiements d'amortissement ont été compris dans la col. 2.

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

<sup>3</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>4</sup> Italie. — Chiffres basés sur un relevé privé du professeur G. Borgatta.

<sup>1</sup> France (Private compilation by M. P. Meynial for 1927-1933 and by M. L. Rist and M. P. Schwob from 1934). — Certain amortisation receipts and payments are included in col. 2.

<sup>2</sup> Greece. — Gold is included in col. 9. Amortisation of the public debt is included in col. 2.

<sup>3</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>4</sup> Italy. — Figures based on a private compilation by Professor G. Borgatta.

## Balances des paiements internationaux (en millions de dollars-or des Etats-Unis à l'ancienne parité).

## Balances of International Payments, in terms of old U.S. \$ (000,000's) gold.

Pays — Country	Année Year	Marchandises, services et or (Goods, services and gold)					Mouvement des capitaux Capital items			Soldes 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)
Pologne — Poland <sup>1</sup>	1927	-46.8	-25.8	+22.3	-50.3	-31.7	-82.0	+58.2	-1.5	+56.7	-25.3
	1928	-110.8	-31.9	+30.9	-111.8	-12.0	-123.8	+24.6	+100.0	+124.6	+0.8
	1929	-51.9	-42.6	+36.0	-58.5	-9.1	-67.6	+4.7	+61.9	+66.6	-1.0
	1930	+7.6	-50.6	+24.3	-18.7	+15.8	-2.9	+3.5	-50.2	-46.7	-49.6
	1931	+28.1	-46.8	+26.8	+8.1	-6.8	+1.3	+12.8	-13.2	-0.4	+0.9
	1932	+13.9	-32.0	+23.1	+5.0	-1.5	+3.5	+3.9	-7.5	-3.6	-0.1
	1933	+11.1	-23.9	+21.9	+9.1	-5.6	+3.5	-1.0	-8.0	-9.0	-5.5
1934	+16.8	-17.9	+11.9	+10.8	-5.3	+5.5	-2.7	+1.7	-1.0	+4.5	
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	-1,006.2	+525.9	+301.5	-178.8	(-52.6)	(-231.4)	.	.	.	.
	1933	-871.5	+530.2	+341.3	-	(-649.5)	(-649.5)	.	.	.	.
	1934	-883.7	+526.0	+351.6	-6.1	(-399.7)	(-405.8)	.	.	.	.
1935	-759.3	+538.2	+328.7	+107.6	(-205.1)	(-97.5)	.	.	.	.	
Suède — Sweden <sup>3</sup>	1927	+7.7	+5.1	+52.0	+64.8	+0.3	+65.1	+13.7	-38.1	-24.4	+40.7
	1928	-36.2	+6.7	+50.9	+21.4	-2.9	+18.5	-48.0	+9.1	-38.9	-20.4
	1929	+9.9	+8.1	+56.2	+74.2	-2.9	+71.3	-0.5	-25.5	-26.0	+45.3
	1930	-31.1	+5.4	+52.0	+26.3	-	+26.3	-105.1	+21.2	-83.9	-9.6
	1931	-76.8	-1.5	+46.2	-32.1	+9.6	-22.5	-34.9	+48.0	+13.1	-5.4
	1932	-37.9	+23.6	+30.7	+16.4	+1.3	+17.7	+22.9	-41.9	-19.0	-1.3
	1933	-2.6	+13.5	+25.7	+36.6	-7.4	+29.2	+9.5	-43.0	-33.5	-4.3
	1934	-0.6	+10.4	+21.5	+31.3	+12.1	+43.4	-7.4	-38.1	-45.5	-2.1
1935	-27.4	+13.0	+23.8	+9.4	-9.4	-	+3.3	-6.7	-3.4	-3.4	
Suisse — Switzerland <sup>4</sup>	1928	-92.1	+63.7	+84.0	+55.6	-14.1	+41.5	.	.	.	.
Tchécoslovaquie — Czecho- slovakia	1927	+64.3	-20.6	+17.5	+61.2	-2.3	+58.4	-61.0	-7.6	-68.6	-10.2
	1928	+60.0	-16.9	+18.1	+61.2	-4.7	+56.5	-50.9	-5.5	-56.4	+0.1
	1929	+15.4	-10.7	+21.4	+26.1	-3.7	+22.4	-35.0	+10.0	-25.0	-2.6
	1930	+52.7	-16.9	+15.1	+50.9	-9.0	+41.9	+7.2	-16.6	-9.4	+32.5
	1931	+40.7	-10.6	-	+30.1	-3.8	+26.3	-15.7	+10.9	+25.2	+51.5
	1932	-4.3	-8.3	+4.7	-7.9	-1.8	-9.7	+33.1	-24.4	+8.7	-1.0
	1933	+0.6	-9.8	+7.8	-1.4	+0.1	-1.3	+5.9	+3.8	+9.7	+8.4
1934	+22.9	-8.5	+6.9	+21.3	-13.0	+8.3	-4.3	-0.3	-4.6	+3.7	
1935	+16.8	-11.8	+6.6	+4.4	-0.2	+4.2	-1.5	-4.3	-5.8	-1.6	
Turquie — Turkey . . . .	1927	-20.9	-3.8	+2.9	-21.8	-	-21.8	+2.7	+17.9	+20.6	-1.2
	1928	-13.9	-3.1	+5.6	-11.4	-	-11.4	+3.4	-	+3.4	-8.0
	1929	-45.1	-2.2	-2.7	-50.0	-	-50.0	+6.1	+4.2	+10.3	-39.7
	1930	+6.8	-2.9	+1.7	+5.6	-	+5.6	+1.0	-	+1.0	+6.6
	1931	+1.9	-0.4	-	+1.5	-4.0	-2.5	+3.2	-	+3.2	+0.7
1932	+6.0	-	-1.7	+4.3	-1.0	+3.3	-	-	-	+3.3	
Yougoslavie — Yugoslavia	1927	-31.6	-20.0	+28.5	-23.1	-0.1	-23.2	+25.3	-5.1	+20.2	-3.0
	1928	-38.3	-20.5	+31.6	-27.2	-	-27.2	+19.2	+7.1	+26.3	-0.9
	1929	-9.4	-22.3	+44.5	+12.8	-0.1	+12.7	+14.5	-22.7	-8.2	+4.5
	1935	+4.0	-13.6	+8.7	-0.9	-1.3	-2.2	+6.7	-6.9	-0.2	-2.4
Australie — Australia <sup>a)</sup>	1928/29	-56.2	-166.1	+7.2	-215.1	+12.9	-202.2	.	.	+115.9	-86.3
	1929/30	-207.1	-170.5	+14.6	-363.0	+129.3	-233.7	.	.	+169.9	-63.8
	1930/31	+66.7	-167.8	+17.9	-83.2	+57.9	-25.3	.	.	+13.6	-11.7
	1931/32	+116.2	-111.6	+10.1	+14.7	+34.7	+49.4	.	.	-53.3	-9.9
	1932/33	+64.0	-99.4	+4.4	-31.0	+57.5	+26.5	.	.	-52.5	-26.0
	1933/34	+88.9	-91.0	+0.4	-1.7	+20.3	+18.6	.	.	-78.9	-60.3
1934/35	.	.	.	-66.8	+18.1	-48.7	.	.	.	.	
Nouvelle-Zélande — New Zealand <sup>b)</sup>	1928/29	+48.3	-42.3	-1.9	+4.1	+5.4	+9.5	.	.	+31.7	+41.2
	1929/30	-13.6	-42.7	-0.8	-57.1	+5.3	-51.8	-11.9	+30.6	+18.7	-33.1
	1930/31	-7.0	-44.4	-1.5	-52.9	+1.3	-51.6	+39.2	-	+39.2	-12.4
	1931/32	+32.3	-35.5	-3.7	-6.9	+4.7	-2.2	+20.4	-13.0	+7.4	+5.2
	1932/33	+31.3	-26.9	-2.0	+2.4	+9.6	+12.0	-4.1	+7.4	+3.3	+15.3
	1933/34	+45.4	-25.4	-0.6	+19.4	+3.7	+23.1	-10.4	-60.1	-70.5	-47.4
1934/35	+24.8	-23.1	-2.6	-0.9	+9.8	+8.9	-4.3	+55.9	+51.6	+60.5	

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. Les variations des dépôts d'or à l'étranger sont inscrites à la col. 8 pour les années 1927-1933, mais à la col. 5 à partir de 1934.

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

<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 in 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. Changes in earmarked gold abroad are included in col. 8 in 1927-1933 but in col. 5 from 1934.

<sup>4</sup> Switzerland. — Private estimate by the Committee (Vorort) of the Swiss Association of Commerce and Industry.

### Long-term capital movements.

Before considering the various forms of long-term capital transactions, it is desirable to consider the order of the magnitude of the aggregate amount of international long-term investments. The majority of the sections for individual countries in this publication contain more or less complete information concerning their foreign debts and assets. These figures are of varying accuracy and the basis of evaluation employed is not the same for all countries; it has not been thought suitable, therefore, to put them together in a synoptical table. The data following may, however, be sufficient to afford some idea of the amounts involved. The figures may generally be taken to represent par values in the case of securities and book values in the case of direct investments.

The foreign long-term investments of the United Kingdom at the end of 1933, according to enquiries by Sir Robert Kindersley<sup>(1)</sup>, amounted to not far from £3.67 milliard, of which £2.22 milliard in bonds and £1.45 milliard in shares and direct investments. Assuming a slight increase in these investments during 1934 and 1935, their gold value at the end of the last-mentioned year would have been not far from U.S. \$11 milliard at the old parity.

The long-term investments of the United States amounted at the end of 1935 to \$7.6 milliard gold (\$12.6 milliard according to the present parity), of which some \$4.7 milliard are "direct" and \$2.9 milliard "portfolio" investments. Less precise information is available with reference to the French investments abroad, but, if the interest income shown in the private estimate of the balance of payments of France in 1935, reproduced in this volume, is taken to represent 5% of the principal, the latter would have amounted to \$3.1 milliard gold before the recent devaluation of the French franc. The foreign investments of the Netherlands, Belgium, Switzerland and Sweden may together amount to \$5-7 milliard gold. The creditor countries now considered would thus have invested some \$28 milliard gold on long term abroad; as the figures are hardly complete, the total long-term investments of all creditor countries may be taken at some \$30 milliard gold. But also certain debtor countries possess considerable long-term investments abroad; those of Canada, for example, exceed \$1 milliard gold. As a general rule, however, the foreign investments of debtor countries are not very great, and it may well be that the total amount of international long-term investments does not reach \$35 milliard gold. This figure is three to four times greater than the amount of international short-term investments, as estimated by the Bank for International Settlements (see page 20).

Columns 7 and 8 of the Synoptical Table on pages 10-15 give available balances of long- and short-term capital movements. The figure for the total capital balance, as shown in column 9, should in theory agree with that in column 6, representing the surplus or deficit on account of goods, services and gold (though the two figures naturally should bear opposite signs). In practice, considerable discrepancies generally occur; the figure shown in column 6, though only representing an "indirect" estimate of the capital movement, is likely to be the more correct, since the direct information with reference to capital operations is generally incomplete.

The table on page 17 gives the total inward and outward movements from which the balances of long-term capital are calculated.

(1) Cf. the section for the United Kingdom in last year's edition of this publication. The figures for 1934 and 1935 will be published in the *Economic Journal* for December 1936.

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

Country	Inward movement						Outward movement					
	1929	1931	1932	1933	1934	1935	1929	1931	1932	1933	1934	1935
Union of South Africa . . . . .	4.3	7.0	23.1	4.3	.	.	12.9	5.1	0.9	11.2	.	.
Argentina (1) . . . . .	59.8	42.4	.	.	.	.	(11.1)	(48.3)	.	.	.	.
United States of America . . . . .	2,390.0	1,541.0	894.0	1,213.0	693.0	1,176.0	2,480.0	1,307.0	647.0	1,174.0	572.0	904.0
India (2) . . . . .	74.5	112.0	33.4	61.6	8.3	.	25.9	75.2	50.4	114.0	27.5	.
Netherlands Indies . . . . .	23.7	41.4	37.4	47.1	60.7	3.2	48.6	27.7	30.6	32.6	24.9	18.5
Iraq (2) . . . . .	2.9	1.2	5.3	5.8	2.6	.	1.5	0.9	0.9	0.6	—	.
Japan (incl. Korea and Formosa) . . . . .	137.4	200.8	32.0	52.0	47.3	.	161.7	315.0	79.2	60.2	86.8	.
Germany (3) . . . . .	(516.4)	(270.4)	(71.4)	(47.6)	.	.	(359.2)	(227.5)	(68.1)	(59.5)	.	.
Bulgaria . . . . .	5.8	4.1	—	—	—	1.1	—	—	—	0.1	—	0.4
Denmark . . . . .	24.1	25.8	10.3	8.3	7.8	6.5	30.8	31.8	17.3	16.7	12.3	11.2
Spain . . . . .	—	7.3	8.1	.	.	.	.	7.5	9.8	.	.	.
Estonia . . . . .	—	—	—	—	—	—	0.2	0.2	0.1	0.1	0.1	0.1
Hungary . . . . .	55.7	20.9	1.7	.	.	.	17.5	17.5	1.5	.	.	.
Latvia . . . . .	7.5	—	0.1	—	0.1	—	0.5	0.1	0.5	1.1	0.5	0.9
Lithuania . . . . .	1.1	3.5	1.8	0.5	0.6	.	0.4	1.1	1.1	1.7	1.8	.
Norway . . . . .	21.4	42.9	11.7	10.6	12.5	16.7	25.2	36.1	11.0	17.8	8.9	13.5
Poland . . . . .	27.4	52.1	20.4	10.4	9.8	.	22.7	39.3	16.5	11.4	12.5	.
Roumania . . . . .	97.4	—	—	—	—	—	6.8	—	—	—	—	—
Sweden . . . . .	76.4	119.9	45.1	32.8	24.7	23.8	76.9	154.8	22.2	23.3	32.1	20.5
Czechoslovakia . . . . .	63.4	36.8	44.5	18.0	10.1	14.8	98.2	52.5	11.4	12.1	14.4	16.3
Turkey . . . . .	13.6	5.1	2.7	.	.	.	7.5	1.9	2.7	.	.	.
Yugoslavia . . . . .	33.5	—	—	—	—	8.1	19.0	—	—	—	—	1.4
New Zealand (2) . . . . .	—	20.4	—	—	2.5	.	11.9	—	4.1	10.4	6.8	.

Note. — The net inward or outward balances are shown in column 7 of the table on pages 10-15.

### New capital issues.

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 (4). Except in the case of the Netherlands, the figures exclude conversion operations.

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

(2) India, Iraq and 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.

(4) 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.* (price of issue; United Kingdom Government issues excluded); for the Netherlands, the *Maandschrift* of the Netherlands Central Bureau of Statistics (price of issue); for Switzerland, the *Bulletins mensuels* of the Banque Nationale Suisse (price of issue).



## SUMMARY STATEMENT

	Old U.S. \$ (000,000's) gold					
	1932	1933	1934	1935	Jan.-Sept.	
					1936	1936
<b>U.S.A. :</b>						
Issues for domestic account (1) . . . . .	1,165	572	827	872	545	804
Issues for foreign account . . . . .	26	—	—	—	—	5
Foreign as % of total . . . . .	2.2	—	—	—	—	0.6
<b>U.K. :</b>						
Issues for domestic account . . . . .	294	315	321	471	404	393
Issues for oversea account :						
(a) "British" countries . . . . .	101	99	122	53	36	45
(b) "foreign" countries . . . . .	1	26	9	8	8	3
Overseas as % of total . . . . .	25.8	28.5	28.9	11.4	9.9	10.9
<b>Netherlands :</b>						
Issues for domestic and colonial account	96	105	106	14	12	30
Issues for foreign account (2) . . . . .	9	—	0.1	—	—	—
Foreign (2) as % of total . . . . .	8.8	—	0.1	—	—	—
<b>Switzerland :</b>						
Issues for domestic account . . . . .	62	53	83	31	24	51
Issues for foreign account . . . . .	28	—	1	—	—	—
Foreign as % of total . . . . .	31.1	—	1.3	—	—	—

New capital issues no longer play an important part in international capital movements. The amount of such issues for foreign account fell rapidly in 1931 and 1932 ; in 1933, 1934 and 1935, practically no foreign issues, except for conversion, were floated in the United States, the Netherlands or Switzerland. During the first three quarters of 1936, a Canadian issue, involving the subscription of fresh capital to the amount of \$8 million, was floated in New York. The United Kingdom has continued to lend, though on a reduced scale, to certain countries. The share of her oversea issues floated for the account of foreign (that is, non-British) countries fell from 69% in 1930 to 21% in 1933 and 7% in 1934 ; in 1935, it rose to 14%.

Owing to the lack of comparable figures, the French capital issues are not included in the above table. French issues for foreign account (not including issues for French oversea territories), other than conversion issues, are stated to have been \$146 million in 1931, \$65 million in 1932, \$16 million in 1933 and \$9 million in 1935 ; in 1934, no such issues involving fresh capital outlay were floated in France. French oversea possessions have continued to have access to the French capital market during the whole period under review.

In Sweden, certain new capital issues for foreign account have been floated since 1933, mainly for neighbouring countries.

#### *Other long-term capital movements.*

During the few years preceding the depression, amortisation receipts of lending countries through bond redemption and sinking fund payments amounted to about \$0.5 milliard annually, which represented only one-quarter or one-fifth of the new issues floated for foreign account during that period. Since 1931 inclusive, the amortisation receipts of the United States, though heavily reduced, have considerably

(1) Including issues for the account of United States possessions.  
(2) Excluding issues for the account of Dutch oversea territories.

exceeded her new bond issues for foreign account, and in the United Kingdom amortisation receipts have reached figures not far below those for new foreign issues<sup>(1)</sup>.

The magnitude of the international trade in outstanding securities is only incompletely known. A few countries, such as the United States, Canada, the Netherlands and Sweden, compute statistics of the trade in securities, based on reports from banks and brokers. Obviously the figures are not complete, particularly as operations not carried out through domestic banks are not included. The authority collecting the statistics in the United States adds 10 % on account of probable omissions before entering the figures in the balance of payments account. The following figures for the United States and Canada give some idea of the importance of the trade in question.

	\$ (000,000's)			
	1929	1933	1934	1935
United States : purchases . . . . .	1,407	1,265	885	1,445
sales . . . . .	1,963	1,325	990	1,730
Canada : purchases . . . . .		238	312	251
sales . . . . .		289	321	302

The figures for the United States were not greatly different in 1935 and 1929. The often-repeated statement that during the last few years long-term capital movements have been brought almost to an end applies in fact only to the flotation of new loans. There is still a heavy movement of outstanding securities, though it would appear that in most countries purchases and sales offset each other to a considerable extent. It seems likely that the United States is the country with the biggest trade of this kind.

In last year's edition, attention was drawn to the fact that during a number of years the trade in securities had resulted in the liquidation of a portion of outstanding long-term liabilities. In the case of the United Kingdom, this tendency was much less marked than in the case of the United States, whose total foreign investments during the four years 1931-1934 fell by some \$2 milliard, or over 13 %. The actual inward payments to the United States on account of the net sale of long-term investments were, however, much smaller than this amount.<sup>(2)</sup>

In the case of capital transactions between creditor and debtor countries, the tendency of debt liquidation was still at work, with certain exceptions, during 1935 and the early part of 1936. The transactions between creditor countries, on the other hand, would appear to have resulted, during this period, in an increase in outstanding long-term investments. Thus there were large speculative purchases by European creditor countries of United States shares; the recorded sales by the United States of domestic securities in 1935 exceeded purchases of such securities by \$335 million<sup>(3)</sup>. In Sweden, where there was also a boom attracting capital from other creditor countries, recorded sales of domestic securities were twice as large as purchases in 1935, and the same proportion between sales and purchases prevailed during the period January-September 1936<sup>(4)</sup>.

(1) Cf. page 153.

(2) Last year's edition (page 24) contained a table comparing the reduction in the value of the United States investments abroad during 1931-1934 (\$2,056 million) and the net cash receipts on account of the corresponding capital items, according to the balance of payments accounts (\$566 million). These figures have been found somewhat to overstate the losses of the United States investors on account of the liquidation of their foreign investments. Thus no account was taken of the fact that, in 1933, the book value of the United States direct investments abroad was reduced by about \$350 million, to take account of the depreciation of assets entailed by the depression (this amount should have been deducted from the sum of \$2,056 million). Further, it has been pointed out that the record of capital operations in the balance of payments accounts is incomplete and that there is evidence that some foreign dollar bonds have been sold to foreigners without being included in the recorded securities movement.

(3) Cf. page 158.

(4) Concerning 1935, cf. page 143. During January-September 1936, sales of domestic securities are recorded at 83 million kr. and purchases from abroad of domestic securities at 41 million kr.

### Short-term capital movements.

The total amount of outstanding short-term international indebtedness of European countries and the United States in recent years is estimated as follows in the annual reports of the Bank for International Settlements :

	Swiss francs (000,000's)
At the end of : 1930 . . . . .	70,000
1931 . . . . .	45,000
1932 . . . . .	39,000
1933 . . . . .	32,000
1934 . . . . .	29,000-30,000

No similar estimate is available for the end of 1935, but it is stated that on balance there was probably little change in the aggregate volume of short-term foreign debts outstanding in the world. European debtor countries continued to liquidate outstanding liabilities in 1935, and substantial assets which had been held on deposit, particularly in British and French banks, were withdrawn by Americans ; on the other hand, foreign deposits in American banks rose considerably and the total of foreign deposits in London also increased somewhat. The amount of frozen balances outstanding, which at the end of 1933 had amounted to about 11.5 milliard Swiss francs, would appear not to have changed considerably during 1934, but is believed to have undergone some reduction in 1935.

The information supplied in the balance of payments accounts concerning the short-term capital operations is scanty and incomplete. The figures for the United States' international banking accounts <sup>(1)</sup> reflect the heavy transfer to the United States of domestic and foreign funds during 1935 : short-term assets of foreigners with American banks almost doubled (they amounted to \$614 million at the beginning and \$1,220 million at the end of the year), while the United States short-term assets abroad fell by 30 % (from \$1,217 million to \$853 million). The total influx of not far from \$1 milliard, which was more than offset by the movement of gold to the United States, made that country a debtor on short-term account, as it had been before the heavy withdrawals by foreigners of their short-term assets during the early part of the depression. That the inflow of funds in 1935 may be regarded as capital flight due to monetary and political apprehensions is confirmed by the fact that the interest earned on short-term funds was generally higher in the European countries from which the funds moved (largely countries of the gold bloc) than in the United States ; the foreign short-term assets in that country were mainly in the form of demand deposits yielding no interest, and the total interest paid on account of funds averaging not far from \$1 milliard during the year is estimated to have been less than \$1 million.

The attraction of funds to New York continued during 1936, though at a reduced rate ; during the first half of that year, it amounted, according to an estimate by the United States Department of Commerce, to \$229 million. It would appear that the movement gained pace during the third quarter, but was reversed after the depreciation of various European currencies in September-October 1936.

French capital exports in 1935, estimated indirectly from the surplus on account of goods, services and gold, reached a figure of something like 50-60 % of the inflow of funds to the United States. It is not known what proportion of the short-term

(1) Cf. page 172.

capital entering the United States represented sums transferred from France. Possibly this proportion was not very great, as French funds are known to have sought refuge in the United Kingdom, Switzerland, the Netherlands and other European countries, and as part of the capital leaving France represented the withdrawal of deposits by these countries. In several European countries, the inflow of funds from France was to a large extent offset by an outflow of domestic funds to the United States. It is interesting, in this connection, to note that the large amount of gold exported from France, which was approximately of the same magnitude as her capital export, went principally direct to the United States. While the indirect estimate of French capital export in 1935 is 14.5 milliard francs, her net gold export to all countries (after adjustment on account of gold transferred from the United Kingdom for the account of the British Equalisation Fund) was 14.9 milliard francs, and her recorded net export of gold to the United States, 13.7 milliard francs. The decrease in the gold holdings of the Bank of France during the first three quarters of 1936 exceeded that during the whole of 1935; the gold reserve of the Swiss and Dutch Central Banks, on the other hand, increased somewhat. Figures concerning the movement of Italian gold reserves in 1936 have not been published.

	Old U.S. \$ (000,000's) gold held by central banks at the end of			
	1933	1934	1935	September 1936
France . . . . .	3,021	3,218	2,597	1,963
Switzerland . . . . .	386	369	268	299
Netherlands . . . . .	371	338	258	269
Italy . . . . .	373	306	159	.

The accumulation of funds in London by the countries of the sterling bloc, which was one of the main features of the money markets during the years 1932-1934, was slowing down in 1935 — a fact, however, which seems due less to a reduction in the surplus on account of the current transactions of the countries concerned than to the employment of that surplus for the reduction of long-term debts or for the purchase of gold. This is true, for example, of Sweden, whose net export of short-term capital fell from 246 million kronor in 1934 to 45 million in 1935, at the same time as the net sale of gold to the value of 78 million kronor was replaced by a net purchase of 63 million. The Finnish foreign short-term assets reached their maximum at the end of 1934, though there was a surplus even in 1935 on account of goods and services; but the long-term indebtedness fell during 1935 and the first half of 1936 by 800 million markkaa, and gold to the value of 312 million markkaa was purchased during 1935. The assets of the Indian Government on account of Treasury and reserve balances held in London, which had risen by £15 million during the financial year ending March 31st, 1935, and by £28 million and £10 million respectively during the two preceding years, rose by only somewhat over £1 million during the financial year 1935-36. During the same year, however, the London liabilities of the Indian Government on account of sterling loans, railway annuities, etc., fell by £7.5 million (during the preceding years, these liabilities had increased). Judging from the movement of the foreign assets of Australian banks, the short-term funds held for Australian account in London, which had risen heavily during 1933 and 1934, fell during 1935; in the case of the Commonwealth Bank, the decline amounted to £9.7 million. During the first half of 1936, some increase in the assets in question took place, and in August they were at about the same level as one year earlier.

In spite of the reduction in, or discontinuation of, the flow of short-term funds from various countries of the sterling bloc to London, the influx of gold to the United Kingdom continued during 1935 and the first three quarters of 1936; in part it was offset by the sale of British currency notes purchased for hoarding by gold countries — a fact which helps to explain the large increase in the note circulation of the United

Kingdom — while in 1936 another part represented the repatriation of gold held in Paris by the British Equalisation Fund.

UNITED KINGDOM: NET IMPORTS OF GOLD.

	£ (000,000's)	
	As recorded	Adjusted figures (1)
1932 . . . . .	18	15
1933 . . . . .	191	196
1934 . . . . .	134	133
1935 . . . . .	70	70
January-September 1936 . . . . .	190	.

**Recent changes in the balance on current account of creditor and debtor countries.**

Some examples have been given above of recent short-term capital movements offset by gold movements. Ever since the war, such capital movements have played an important rôle. In the majority of cases, they have represented either capital flight in anticipation of a fall in the exchange value of the domestic currency, or the repatriation of capital subsequent to the depreciation or devaluation of that currency. Long-term capital movements are also sometimes offset by gold transactions; this is true, for example, of the major part of the speculative purchases of United States securities by countries of the gold bloc during 1935 and part of 1936.

Through their effect upon the monetary gold reserves, capital movements of this kind are likely to influence the credit policy of central banks and thus the relation between the price and interest levels prevailing in different countries and the exchange of goods and services. Under present conditions, it may well be, however, that such influence on the current items does not occur, or occurs only after a considerable time lag.

There is reason, therefore, to separate capital movements offset by banking gold transfers from such movements due to a surplus or deficit on account of current items. Changes in a country's balance on account of these items reflect variations in its production, consumption or investment and are necessarily offset by capital or gold transactions; for example, the growth of a deficit on current items must be met by gold exports or capital imports. But, in addition, such a change is frequently at the bottom of the monetary apprehensions causing secondary capital transactions of larger dimensions, offset by sales and purchases of gold.

It is of particular interest to study how the balances on account of current items of creditor countries, taken as a group, or of debtor countries, have changed. It is obvious that a change in the balance for one of these groups coincides with a change of the same magnitude, but in the opposite direction, of the corresponding balance for the other group. The study might thus in theory be done by combining the accounts for either the creditor or the debtor countries; but, as the latter are more numerous and statistics for the majority of them are lacking or incomplete, the following attempt will be based on the returns for the creditor countries, or rather the chief creditor countries — namely, the United States, the United Kingdom and France.

As a first approximation of the surpluses or deficits on account of current items for countries which are not large producers of gold, may be taken the balances on

(1) Adjustment due to the revaluation of sovereigns (recorded at their face value).

account of goods and services shown in column 4 of the Synoptical Table on pages 10-15. It should be observed, however, that all countries absorb gold for industrial and similar purposes, and this gold, which is in the nature of goods, should, in principle, be counted to the merchandise group as a current item. For the following analysis, however, the magnitude of the balances is of less importance than their changes, and, as the industrial consumption of gold probably does not vary considerably from year to year, no adjustment will be made on account of such gold.

Another difficulty arises from the transactions in silver. The large inflow of silver into the United States for monetary purposes during the last few years is in some respects akin to the inflow of banking gold. As in the scheme employed in this volume silver is grouped with merchandise, an adjustment of the merchandise group for the United States is required. Also for the United Kingdom a similar adjustment should be made, as large amounts of silver imported by the United States have passed over London, where considerable annual changes in stocks have occurred. Thus, while in 1933 and 1934 there was a net import of silver into the United Kingdom of £14.7 million, there was a net export of £14.5 million in 1935; almost two-thirds of the "improvement" between 1934 and 1935 in the balance of the United Kingdom on account of goods and services was due to variations in the silver trade.

Further, for the purposes of the present enquiry, it has been thought preferable not to consider either the service of inter-allied debts or reparations receipts as current items. The relevant receipts and payments, in so far as they have been included under interest or "other services", have accordingly been deducted in the case of the United States and France. In the case of the United Kingdom, no change on this account has been thought necessary, on the assumption — only approximately true — that the receipts and payments in question balance.

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

Though even after these adjustments of the balances on account of goods and services the figures do not accurately reflect the changes in the current account of the countries concerned <sup>(2)</sup>, they may be taken as exact enough for the purpose of the present enquiry. The adjusted balances are given below.

## BALANCES ON ACCOUNT OF CURRENT ITEMS OF THE THREE CHIEF CREDITOR COUNTRIES.

	Old U.S. \$ (000,000's) gold									
	1927	1928	1929	1930	1931	1932	1933	1934	1935	
United States :										
goods . . . . .	+ 286	+ 584	+ 362	+ 375	+ 19	+ 101	+ 100	+ 224	+ 84	
interest and dividends . . . . .	+ 519	+ 523	+ 554	+ 605	+ 529	+ 388	+ 305	+ 219	+ 221	
other services . . . . .	- 462	- 549	- 681	- 580	- 493	- 449	- 218	- 169	- 181	
Total . . . . .	+ 343	+ 558	+ 235	+ 400	+ 55	+ 40	+ 187	+ 274	+ 124	
United Kingdom :										
goods . . . . .	-1,883	-1,713	-1,858	-1,877	-1,843	-1,000	- 854	- 855	- 801	
interest and dividends . . . . .	+1,216	+1,217	+1,216	+1,070	+ 771	+ 526	+ 530	+ 526	+ 538	
other services <sup>(3)</sup> . . . . .	+1,066	+1,095	+1,139	+ 944	+ 607	+ 301	+ 341	+ 352	+ 329	
Total . . . . .	+ 399	+ 599	+ 497	+ 137	- 465	- 173	+ 17	+ 23	+ 66	

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

(2) Thus it might be argued that adjustments should also be made on account of gold and silver produced in the United States and of variations in the domestic stocks of certain imported and exportable goods in all the countries concerned.

(3) Including short-term interest and Government capital transactions.

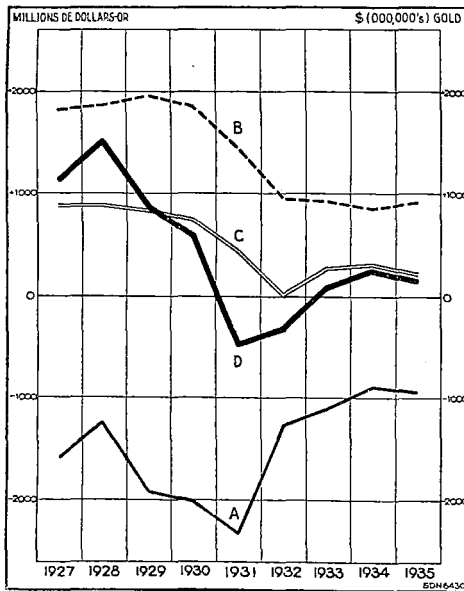
## SUMMARY STATEMENT

France :	Old U.S. \$ (000,000's) gold								
	1927	1928	1929	1930	1931	1932	1933	1934	1935
goods . . . . .	+ 4	- 129	- 435	- 506	- 519	- 395	- 353	- 264	- 234
interest and dividends (1)	+ 88	+ 127	+ 197	+ 184	+ 132	+ 45	+ 72	+ 98	+ 157
other services . . . . .	+ 286	+ 350	+ 375	+ 355	+ 301	+ 157	+ 169	+ 121	+ 63
Total . . . . .	+ 378	+ 348	+ 137	+ 33	- 86	- 193	- 112	- 45	- 14
All three countries :									
goods . . . . .	-1,593	-1,258	-1,931	-2,008	-2,343	-1,294	-1,107	- 895	- 951
interest and dividends . . . . .	+1,823	+1,867	+1,967	+1,859	+1,432	+ 959	+ 907	+ 843	+ 916
other services . . . . .	+ 890	+ 896	+ 833	+ 719	+ 415	+ 9	+ 292	+ 304	+ 211
Total . . . . .	+1,120	+1,505	+ 869	+ 570	- 496	- 326	+ 92	+ 252	+ 176

The table should be read in conjunction with the diagram below, showing the movement of the balances of the three countries taken together.

TOTAL BALANCES ON ACCOUNT OF CURRENT ITEMS  
OF THE UNITED STATES, THE UNITED KINGDOM  
AND FRANCE.

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



During the years 1927 and 1928, which may be taken as representative of conditions prevailing before the depression, the surplus on account of current items of the three countries considered amounted to \$1-1½ milliard. This surplus has since fallen to a very small figure; in 1931 and 1932, when the liquidation policy was most conspicuous, there was even a deficit on current account. It is interesting to note that income in the form of interest and dividends, and the import surplus in the merchandise trade of the three countries taken together, offset each other to a considerable extent and that thus the amount earned on account of "other services" appears to determine the size of the surplus available for capital exports. In fact, however, the trade deficits are somewhat too high, as imports are valued c.i.f. and exports f.o.b. The total freight income represents practically the income on account of "other services", as during most of the years given other items included nearly cancel out (though this does not hold true of any of the countries taken alone).

Though the totals summarised in the diagram only refer to the three chief creditor countries, the movement of the

balances shown is undoubtedly fairly representative of all the creditor countries taken together; and it may accordingly be taken that the balances on account of all debtor countries taken together have moved approximately in opposite directions. (2) The aggregate balance on account of current items of all debtor countries

(1) Including certain amortisation payments.

(2) On the other hand, the absolute amount of the balances on account of merchandise as well as "other services" will not be the reverse of those shown for creditor countries, owing to the manner of recording trade receipts and payments.

has thus probably approached equilibrium, after having been passive before the depression and active during 1931 and 1932. In the conditions which prevailed before the depression, the redistribution of the world's savings which took place as a result of loans from creditor countries proved an extremely useful means of developing countries with rich natural resources but an inadequate supply of domestic savings. When capital exports were discontinued, the deficit of debtors on account of current items had necessarily to be reduced, though a certain respite could be obtained by the realisation of their gold reserves. The reduction has partly been brought about by the contraction of interest and dividend payments to creditors and has to that extent taken place at the expense of the latter. But the ability of debtor countries to avail themselves of foreign goods and services has naturally also been reduced.

One of the principal reasons why capital exports to debtor countries are not resumed is the partial destruction of the system of trade by which interest and dividend payments were performed. Before the depression, most of the debtor countries developed, by means of foreign capital acquired in their trade with numerous other countries, a credit balance by which they paid the amounts due to the creditor country, and the transfer of these amounts was thus performed by means of triangular or multilateral transactions in which many other countries than the debtor and creditor were involved.<sup>(1)</sup>

The tendency of the trade policy of many countries to reduce or suppress passive bilateral balances has limited the means of effecting interest and dividend payments and thus also of profitable investments in the debtor countries. So long as this tendency prevails, new capital exports to these countries can be expected only in cases where the new interest and dividends may be paid directly through a change in the balance between debtor and creditor on account of goods and services.

The inability of the present organisation of trade to support the existing credit structure is reflected in the low prices of international securities, entailing a tendency to repatriate outstanding international obligations. This repatriation has frequently been made at the expense of the creditor, as it has absorbed surpluses which otherwise would have been available for the service of loans.

The majority of the debtor countries are exporters of primary products and importers of manufactured articles, and the difficulties they have experienced in adjusting their balance of payments to the new situation were augmented by the fall in the prices of their products and by the deterioration of their terms of trade during the early part of the depression. Such an adjustment necessitated frequently a reduction of imports, and many debtor countries have endeavoured, with varying success, to contribute to it by fostering domestic manufacturing industries. The recent industrial revival in several industrial countries has caused an increase in the quantities of primary products entering into trade and in the prices they have fetched; at the same time, manufactured articles have risen less in price, and the barter terms of debtor countries have thus improved. The figures summarised in the diagram show but few signs of this change, though it may have been the cause of the slight reduction in the surplus of the creditor countries on current account from 1934 to 1935; but trade returns available for the first eight months of 1936 show a very marked development along the lines indicated.

The recorded trade figures for seven important creditor countries are reproduced on the following page. They refer to merchandise proper, and are thus not affected by silver movements.

(1) For a detailed analysis, see *Balances of Payments, 1933* (Series of publications: 1934.II.A.19).



## SUMMARY STATEMENT

## RECORDED MERCHANDISE TRADE OF SEVEN CREDITOR COUNTRIES.

	Special trade. Old U.S. \$ (000,000's) gold						January-August	
	1927	1929	1932	1933	1934	1935	1935	1936
United Kingdom :								
Imports . . . . .	5,331	5,407	2,276	2,070	2,044	2,042	1,291	1,468
Exports . . . . .	3,451	3,549	1,280	1,217	1,189	1,239	806	837
Balance . . . . .	- 1,880	- 1,858	- 996	- 853	- 855	- 803	- 485	- 631
United States :								
Imports . . . . .	4,163	4,339	1,325	1,119	976	1,210	793	915
Exports . . . . .	4,759	5,157	1,576	1,280	1,253	1,331	795	881
Balance . . . . .	+ 596	+ 818	+ 251	+ 161	+ 277	+ 121	+ 2	- 34
France :								
Imports . . . . .	2,076	2,282	1,171	1,114	905	821	549	610
Exports . . . . .	2,162	1,965	774	724	700	606	401	370
Balance . . . . .	+ 86	- 317	- 397	- 300	- 205	- 215	- 148	- 240
Netherlands, Belgium, Switzerland, Sweden :								
Imports . . . . .	2,741	3,088	1,516	1,386	1,273	1,205	774	813
Exports . . . . .	2,324	2,570	1,074	1,024	1,022	960	614	668
Balance . . . . .	- 417	- 518	- 442	- 362	- 251	- 245	- 160	- 145
Total, seven countries :								
Imports . . . . .	14,311	15,116	6,288	5,689	5,198	5,278	3,407	3,806
Exports . . . . .	12,696	13,241	4,704	4,245	4,164	4,136	2,616	2,756
Balance . . . . .	- 1,615	- 1,875	- 1,584	- 1,444	- 1,034	- 1,142	- 791	- 1,050

There are two outstanding features in the recent movement of the trade balance of these countries.

First, since 1934 or 1935, the import surplus has increased or — in the case of the United States — the export surplus has fallen. In the United Kingdom, this movement did not set in until 1936 ; during the period January-August of that year, the trade deficit rose 30 % above the corresponding figure for 1935. The export surplus of the United States fell from 1934 to 1935 by more than half, and was succeeded by an import surplus during the first eight months of 1936. The French import surplus has risen since 1934 ; during the period January-August 1936, it was 62 % greater than during the corresponding period of 1935. Only in the group of minor creditor countries did the trade deficit fall somewhat in 1936, owing to the reduction in Swiss imports. The increase in the import balance of the seven countries taken together amounted to \$108 million gold from 1934 to 1935 and to \$259 million gold from January-August 1935 to January-August 1936.

Secondly, this change in balance, in so far as it took place during 1936, has been wholly brought about by an increase in imports by creditor countries. The total increase in their imports during the first eight months of that year amounted to \$400 million gold. The importance of the amounts now indicated is evident if comparison is made with the balances summarised in the diagram on page 24.

This adjustment of trade balances may not prove to be lasting. It has no doubt been brought about in part by the fact that an expansion of industrial activity — such as took place in important creditor countries during 1935 and 1936 — entails, for a time, a more than proportionate increase in the quantity of raw materials required in the process of manufacture, and in part by the exceptional rise in grain prices resulting from the recent drought in certain producing areas ; and it is too early to judge how trade balances will be affected by the devaluation of certain currencies in the autumn of 1936.

Among the debtor countries whose trade balance has recently become more active (or less passive) may be mentioned the Netherlands Indies, China, India and

Canada. In Germany, which as an industrial country is likely to have suffered a deterioration in its terms of trade, the trade balance has moved in the same direction.

With the adjustment of their international accounts, several debtor countries have experienced a relaxation in the strain previously prevailing in their financial and economic life. Even where the trade balance has not changed, the improvement in the terms of trade has contributed to the same result, as, other things being unchanged, it has permitted an increase in the quantum of goods available for domestic consumption or investment.

As examples of this relaxation may be mentioned the ease with which numerous domestic bond loans have recently been floated in China, the resumption of payments in the service of certain Chinese loans previously in default, and the fall of short-term interest rates in China. The recent large export of silver has naturally contributed to the adjustment of the Chinese international accounts. In India, too, low money rates reflect the abundant supply of funds (for example, inter-bank call money rates in Calcutta have for some time been quoted at less than one-fourth of 1 % and the yield on Indian Treasury bills has dropped to less than half of 1 %) and the domestic capital market easily absorbs new bond loans yielding low interest rates. Similar conditions are prevailing in British Malaya, where, for example, in July 1936, upon an invitation to subscribe to a domestic 3 % Government loan of S.S. \$15 million, applications totalling S.S. \$40 million were received within a few hours. The easing of capital and money markets, though almost universal, has been less outstanding in various Latin-American countries, where rigid exchange-control systems have checked the beneficial effects of recent changes in international conditions.

Even where exchange control is not applied, other measures have, during the last few years, tended to isolate national economic systems to an extent which was unusual before the depression. When, after the stringency of the first depression years, the capital and money markets of several debtor countries have become more fluid, this does not imply that the credit of these countries in international markets has improved in a corresponding degree. Debtors who are not shut out from these markets are frequently able to raise domestic loans on as good (or better) conditions as would be offered abroad. The low interest rates prevailing in many debtor countries are, however, frequently due to the lack of acceptable investment objects rather than to an abundant supply of fresh capital.

### The price of capital.

Under normal conditions, capital is generally attracted to countries where its yield is relatively high. During the earlier part of the economic depression, however, the safety of investments became the decisive factor, and capital has shown a tendency to move from countries where interest was high to countries where it was low. As a result, the discrepancy between the rates in creditor and debtor countries increased during the early part of the depression. Since 1932 or 1933, interest rates in debtor countries have tended to decline, in spite of the almost complete absence of capital imports into these countries. Within the circle of creditor countries, large and erratic capital transfers continued to take place until recently without regard to the interest yield; and, while interest rates in some creditor countries fell to exceptionally low levels, they steadily increased in others. Recent currency developments, however, may tend not only to bring the price-levels of different countries into closer contact, but also to remove abnormal discrepancies in interest rates.

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 there. Any comprehensive study of the problem would therefore

## SUMMARY STATEMENT

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 interest to give a 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 short-term investment respectively.

The broad changes in the yield of bonds in certain countries are illustrated by the following table<sup>(1)</sup>. The first part of the table 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 second part shows the yield of bonds the prices of which are mainly dependent on the national demand.

## ACTUAL PERCENTAGE YIELD OF BONDS.

Country	Bonds	Dec. 1929	Dec. 1932	Dec. 1933	Dec. 1934	Dec. 1935	Sept. 1936
<i>According to London quotations.</i>							
Argentina	4% Rescission Bonds	5.35	9.00	5.08	4.08	4.00	3.95
Australia	5% Registered	5.60	4.49	4.10	3.44	4.00	3.68
Brazil	5% Funding Loan 1914	7.09	7.80	6.80	6.10	7.65	6.95
China	5% Reorg. Loan 1913	8.34	7.10	5.84	5.10	5.60	5.62
Egypt	4% Unified	5.06	4.05	3.85	3.73	3.90	3.89
Germany	7% Dawes Loan 1924	6.65	8.14	7.95	11.10	12.15	10.02
India	3½% Gov. Stock	5.69	3.98	3.98	3.52	3.61	3.53
Japan	6% Loan 1924	6.23	9.30	7.10	6.70	6.30	6.95
Un. of S. Africa	5% Inscribed	5.00	4.15	3.81	3.23	3.22	3.00
<i>According to domestic quotations.</i>							
Argentina	5% State Loan	6.34	7.48	6.36	5.35	5.26	5.10
Belgium	3% Rente	4.49	4.53	4.48	4.05	3.81	3.70
Canada	Provinces of Ontario Loans	4.90	4.92	4.72	3.65	3.96	3.35
Czechoslovakia	Gov. Bonds (average)	5.76	6.40	6.28	5.54	5.09	4.43
France	3% Rente	3.58	3.91	4.47	3.82	4.18	4.38
Germany	Misc. Bonds 8% and less (av.) <sup>(2)</sup>	8.42	7.42	6.61	6.15	4.86	4.74
Hungary	5% Forced Loan 1924	8.66	24.41	15.23	12.29	10.16	7.00
Italy	3½% Rente	5.26	4.56	3.88	4.18	5.07	4.60
Japan	Public Bonds (average)	5.04	4.92	4.56	4.61	4.32	3.95
Netherlands	Eight Bonds (average) <sup>(3)</sup>	4.58	4.23	4.25	3.86	4.28	4.16
Poland	5% Conversion Loan	(4)10.89	(4)16.99	(4)14.82	10.80	11.59	10.46
Roumania	Four Gov. Bonds (average)	9.41	18.24	14.69	12.10	11.94	(5)10.87
Sweden	Seven Gov. Bonds (average)	4.46	4.01	3.71	3.01	3.32	3.04
Switzerland	3½% Fed. Railways	4.29	3.58	3.77	4.18	4.71	3.55
United Kingdom	2½% Consols	4.75	3.38	3.37	2.68	2.89	2.95
United States	Three Treasury Bonds	3.46	3.31	3.53	2.97	2.73	2.41

The difference between the figures for yields according to London and home quotations lies, of course, 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 there are countries. It must not be presumed that the differences in the yields according to London quotations simply represent differences in the estimated risk covered by each bond, still less in the credit of the countries which the bonds concern; for loan conditions vary widely and help to determine the price at which the bonds are quoted. Similarly, the level at which bond yields fluctuate in the different national markets 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 cannot therefore be taken as exactly representing the real price of long-term capital in the countries concerned; they should not be used for comparisons between different countries at a given date, but only for studying fluctuations in the course of the period considered.

(1) For monthly figures of bond yields (including various series not shown in the table), see *Statistical Year-Book of the League of Nations, 1935-36*, pages 260 to 263.

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

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

(4) Annual average.

(5) August.

With regard to the first part of the table, it should be noted that the figures for Brazil and Germany represent bonds exempted from the foreign debt moratoria in force in those countries, and are therefore by no means indicative of the credit of the countries in question. Broadly speaking, the nine series given show a distinctly downward trend since 1932. In the first three quarters of 1936, a decline occurred in all but two of these nine bond yields. Yet capital exports to debtor countries have not been resumed, and the improved standing of some of these countries — coupled with exceptionally low interest rates in certain creditor countries — has only benefited them through reductions in their interest charges by conversion operations carried out in London, and to a minor extent in New York. The more recent of these operations on the London market include the following : two Australian conversion loans, issued in January and June 1936 respectively, bringing the total of Australian stock converted in London since October 1932 to £198.5 million, with an aggregate yearly saving of £3.2 million on interest payments ; a 4% Belgian Government loan of £8.6 million issued (in Amsterdam as well as in London) in February 1936 to replace the sterling *tranche* of the 7% Stabilisation Loan of 1926 ; a 4% Danish municipal loan amounting to £2 million, issued in July 1936 to redeem a 5% loan of 1922 ; and, in October 1935, an Argentine 3½% loan of £2.5 million in conversion of certain 4% bonds of 1896 and 1899.

Conditions in New York have been less favourable to the issue of foreign conversion loans. Of the narrow circle of foreign borrowers admitted to the New York capital market, mention may be made of Canada, which in January 1936 converted \$40 million of 4½% bonds to a 3¾% basis, and Norway, which floated a 4½% loan of \$17 million in February 1936 to redeem a 6% issue of 1922.

In the United States, the United Kingdom and Sweden, the yield of Government bonds has fallen lower than anywhere else. The slight upward tendency observed in Sweden during 1935 was not maintained in the first nine months of 1936, when bond yields declined again. In the United Kingdom, the yield of gilt-edged securities ruled at a slightly higher level in the first three quarters of 1936 than in the corresponding period of 1935, but it was still unusually low. In the United States, bond yields have continued to decline almost without interruption. The maintenance of an exceptionally low level of interest rates in these three creditor countries in spite of the advanced stage of business recovery reached, especially in Sweden and the United Kingdom, is mainly attributable to the monetary policy pursued, but it has been greatly facilitated by the restricted volume of capital exports. Only in Sweden have foreign issues recently been of some importance relatively to the resources of the country ; new bond issues have been placed on the growing capital market of Stockholm, not only by the other Scandinavian countries (including Finland), but also by the Belgian Government, which in February 1936 obtained a 4% loan of 20 million kronor, of which 8 million were applied to the conversion of the Swedish *tranche* of the 7% Stabilisation Loan of 1926, the remainder being used for the repayment of the United States *tranche*, which could not be converted in New York. These issues appear to have had little or no effect on the price of capital in Sweden. One of the factors strengthening the Swedish bond market was the repayment, out of current surpluses, of certain internal Government loans early in 1936 ; moreover, the monthly issues of Treasury bills which had been made since the latter part of 1934, and which, on the average, had yielded less than 0.5% interest, were discontinued in May 1936.

In view of the restrictions on foreign issues in the United States and the United Kingdom, the demand for capital in these countries has been almost wholly determined by domestic business conditions. Increased business activity normally entails a rise in the demand for capital, which, in turn, tends to raise the long-term rate of interest by three main channels : the volume of new issues tends to rise ; the demand for bank advances revives, and banks may have to " make room " for their commercial

customers by selling securities on the market ; higher profits and dividends induce investors to redistribute their holdings in favour of shares and thus tend to exert a depressing influence on the prices of fixed-interest securities. In the United States, new capital issues of domestic companies, though they have increased since 1933, still remained extremely low in 1935 as compared with the pre-depression years ; in the United Kingdom, however, according to estimates of the Bank of England, new issues of the same kind were slightly higher in 1935 than in 1929 (1). Since the end of 1934, commercial banks' loans and advances have shown an appreciable revival in the United Kingdom, the United States and Sweden. In the two last-mentioned countries, the banks did not need to contract their security holdings in view of their abundant cash reserves ; but, in the United Kingdom, the expansion of banks' advances appears lately to have been accompanied by a slight decline in their security portfolio (2). Lastly, the shift from bonds to shares on the part of the investing public has at times been in evidence in the United Kingdom and Sweden, as also in Denmark and Norway (3) in the first half of 1936, but it appears as yet to have had little influence on bond yields.

In the first three quarters of 1936, the capital market of the United States continued to be dominated by the influx of foreign funds to which attention was drawn on a previous page and also by the requirements of Government finance. In order to neutralise to some extent the influence of the former factor on the domestic credit supply, the legal reserve requirements of the commercial banks were increased by 50% in August 1936. This measure had hardly any effect on interest rates ; it left the banks still with a substantial margin of excess reserves of cash. The United States Treasury floated two major issues in the first half of 1936. In March 1936, it issued \$1,809 million of 12/15-year 2¾% bonds and 5-year 1½% notes, of which \$452 million were used for the retirement of short-term bills and \$559 million for the conversion of 27/8% bonds. The second issue — the largest single loan operation of the Treasury in the post-war period — was carried out in June 1936, when a loan of \$2,051 million was made in the form of 15/18-year 2¾% bonds and 5-year 1¾% notes, of which \$1,051 million in conversion of 3¼% bonds and 1⅞% notes. The ease of money and credit in the United States — brought about by the open-market purchases of the Federal Reserve banks (especially in the two years prior to 1934) as well as by the large imports of gold — is illustrated by the fact that the interest service on the Federal debt declined from \$757 million in 1933/34 to \$749 million in 1935/36, in spite of the increase of the total Federal debt from \$22,539 million on June 30th, 1933, to \$33,779 million on June 30th, 1936. The stability of the total interest charge has been due partly to the large-scale conversion operations carried out in 1934 and 1935, but partly also to the fact that the additional debt has mainly been financed by short- and medium-term paper acceptable to the banks, whose willingness to take up long-term bonds has been restrained by the fear of a future rise in the interest rate and a consequent depreciation of their security holdings.

The recent inflow of foreign capital into the United Kingdom appears to have had little, if any, effect on the movement of interest rates in that country, as it has generally been neutralised by the Exchange Equalisation Account through purchases of gold and sales of Treasury bills to the banks. In the spring and early summer of 1936, however, this movement of funds appears to have taken the form partly of an export of Bank of England notes for hoarding purposes ; the cash reserves of the London banks were thereby depleted, and short-term money rates hardened some-

(1) Cf. *Statistical Year-Book of the League of Nations, 1935/36*, pages 307 and 311.

(2) The monthly average of investments of ten London clearing banks stood at £612 million in August 1936 as compared with £615 million in August 1935.

(3) In Norway, e.g., the index of share prices rose from 78.5 to 97.5 between July 1935 and July 1936, while the index of bond prices declined from 102.2 to 98.3 in the same period. (See *Monthly Bulletin* of the Central Bureau of Statistics.)

what in June 1936 <sup>(1)</sup>. It was only after a considerable acceleration of the gold purchases of the Bank of England that money rates in London receded to their previous level.

The maintenance of low interest rates in the three creditor countries mentioned — the United States, the United Kingdom and Sweden — has been accompanied by an appreciable relaxation in the financial conditions of most agricultural debtor countries as well, in spite of the restricted flow of capital. It is chiefly the marked improvement of the barter terms of trade of these countries and the consequent relief of their balance of payments position which has brought about a certain improvement of their internal credit conditions. This development is illustrated in the table given above by the fall in domestic bond yields in the Argentine, Canada, Hungary and Roumania; with the exception of Roumania, the figures shown for these countries in September 1936 were lower than in December 1929. The Dominion Government of Canada has recently carried out two loan conversions, in June and September 1936 respectively, and has been able to issue Treasury bills with an interest yield of less than 1%. In China, the outflow of silver, with the resulting deflationary pressure, was discontinued after the demonetisation of silver and the reduction of the exchange value of the currency on November 3rd, 1935, and the Government was able to convert thirty various internal debts by the issue of a 6% Consolidation Loan of Ch. \$1.46 milliard in February 1936. Finland has continued to repay her foreign debts by cheaper loans obtained at home; the latest operation of this kind was carried out in September 1936, when the Government raised an internal 4½% loan to repay \$15 million of 6½% bonds issued in 1926. Capital markets in India and the Argentine have likewise developed in the direction of increased liquidity. Australia presents an exception to this trend: in March 1936, in connection with an issue of Treasury bills to the public by the Commonwealth Bank at a rate above the bankers' three months' deposit rate, all banks raised their interest rates by ½ to 1% — a measure which appears to have been determined by the depletion of the banks' sterling balances during 1935.

Japan, which is still a debtor country, though an exporter of capital for some years past, effected a considerable reduction of interest rates in 1936. On April 7th, 1936, the Bank of Japan lowered its rediscount rate from 3.65% to 3.29% — the lowest rate in the history of the Bank; all other money rates, including bankers' deposit rates, were similarly reduced; and in June 1936 the Deposit Bureau of the Ministry of Finance lowered its rates on loans outstanding (amounting to about 1 milliard yen) to a maximum of 3.8%. These measures culminated in a large-scale conversion operation undertaken by the Government between May and September 1936, when five issues of 3½% bonds, maturing in fifteen years, were made to convert 2,152 million yen of Treasury bonds carrying interest at 5%. As in the United Kingdom in 1932, the central bank took an active part in ensuring the success of the conversion; the Bank of Japan's holdings of Government securities, its advances to the Government and its gold stock showed an appreciable expansion during the year ending August 31st, 1936.

In Czechoslovakia, a general and compulsory reduction of interest rates was carried out by law at the beginning of 1936. The National Bank lowered its discount rate from 3½% to 3% on January 1st, 1936. Banks' deposit rates were reduced by ½–¾ to 3–3½%, and rates on loans, discounts and advances by 1–1½% to legal maxima of 4½–7¼% (varying according to the nature of the debt contract, the type of institutions concerned, etc.). Finally, the rate of interest on the whole internal debt of the State was reduced to 4½% in the case of the funded debt and

(1) This movement does not appear on the diagram on page 33, which only shows the minimum rate; the average rate rose from a monthly average of 0.56% in May to one of 0.73% in June — the highest since October 1934.

to a maximum of 4% on short-term debts. The reduction in the actual percentage yield of public bonds which took place in the early part of 1936 appears to have been facilitated by the activity of a semi-official institution (the "Rediscount and Lombard Institute") which, with resources derived from the National Bank and the private banks, supported the prices of Government bonds. Another factor favouring the general reduction of interest rates was the compulsory repatriation during 1935 of about 300 million crowns of Czechoslovak capital invested in foreign securities.

Germany and Italy have both attempted to support the market for Government bonds by laws requiring joint-stock companies to invest in Government securities any profits exceeding a certain maximum rate. Both countries, moreover, maintain severe restrictions on private issues of bonds and shares. In Germany, the capital market has to a large extent been reserved for the consolidation loans which have been issued periodically since January 1935 with a view to funding the short-term obligations used in financing the Government's employment, public works and armament programmes. There have, however, recently been a number of private conversion issues in Germany, facilitated by the declining trend of bond yields; it is estimated (1) that, out of a total of 403 million Reichsmarks of industrial bonds carrying more than 5% interest, 297.5 million were converted to 4½-5% during the first ten months of 1936.

Although interest rates in the U.S.S.R. do not possess the same significance as elsewhere, it may be mentioned that a sharp reduction of all rates was carried out in the U.S.S.R. under a law of June 1936. The rate of interest on the numerous internal State loans which have been issued since 1927, bearing interest at 8-10%, was reduced to a uniform level of 4%. The rate allowed on savings-bank deposits was lowered from 8% to 3%; and the rates charged by the State Bank on short-term loans and overdue loans were reduced from 6% and 8% respectively to 4% and 6%.

In Poland, a 4% Consolidation Loan was issued in January 1936 to convert various internal bonds, including two lottery loans carrying interest at 3% and 4% respectively and a number of other loans at 5-6%; it was provided by law that bonds which were not offered for conversion into the new loan should cease to carry interest. In spite of this measure, and in spite of the prevention of further losses of gold by the imposition of exchange control in April 1936, the actual yield of Government bonds in Poland showed an almost continuous rise between February and September 1936.

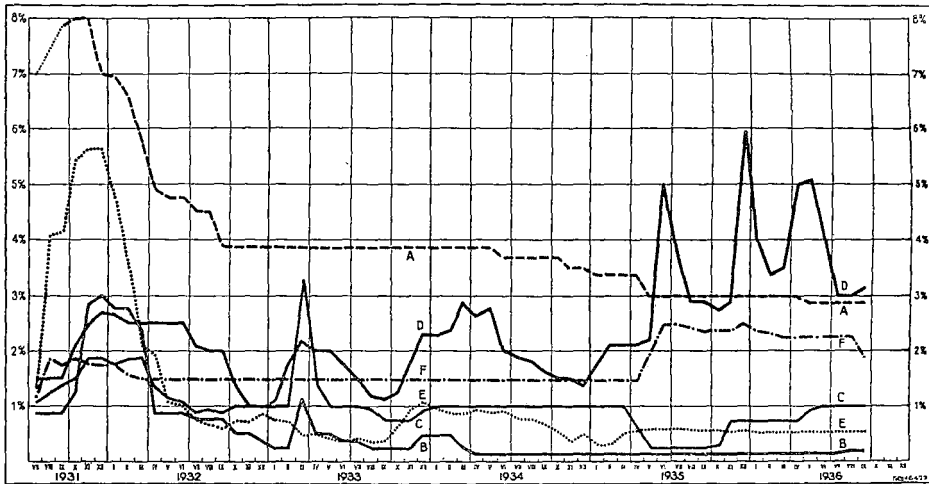
In France, the Netherlands and Switzerland, the course of interest rates was by no means uniform during the year preceding the devaluation of their currencies on September 26th, 1936. In the Netherlands, bond yields ruled on a slightly higher level than a year earlier, but the short-term money market was comparatively liquid. In Switzerland, both the yield of bonds and the private rate of discount (2) showed a declining tendency in the first nine months of 1936, accompanied by an inflow of over 100 million francs of gold during that period; in March 1936, 70 million francs of 5% Railway Electrification Bonds of 1925 could be converted into 4% stock; and on September 9th, 1936, the National Bank reduced its discount rate, which had been unchanged at 2½% since May 1935, to 2%. It was in France that the effects of the maintenance of the gold value of the currency on the movement of interest rates were most apparent. The minimum discount rate on commercial paper fluctuated between 3% and 5.1% in the first three quarters of 1936 (2); the yield of Government bonds showed, on the whole, a definitely upward trend, and moved on a substantially higher level in the first nine months of 1936 than in the corresponding period of 1935. The exigencies of the Treasury absorbed all available funds on the domestic money market, and a short-term credit of £40 million repayable within

(1) Cf. *Frankfurter Zeitung*, October 28th, 1936.

(2) See diagram on following page.

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

A = Germany. D = France.  
B = U.S.A., Bankers' acceptances. E = United Kingdom.  
C = U.S.A., Call loan rate. F = Switzerland.



a maximum period of nine months and carrying interest at 3%, was taken up by the French Government in London in February 1936.

The devaluation of the three gold currencies was followed by a sharp reduction in short-term money rates and an upward movement of security prices in these countries. It will be remembered that, on the occasion of the devaluation of the Belgian currency in the spring of 1935, a general lowering of interest rates was effected, part of the revaluation profit on the gold stock of the central bank being employed for purchasing Government securities and thus facilitating conversion operations. This example was followed to a limited extent in France, where 3 milliard francs out of a total revaluation profit of 17 milliard were set aside for the purpose of supporting the prices of mortgage bonds with a view to their conversion to lower interest rates. In the main, however, the cheapening of capital after the devaluation in France, the Netherlands and Switzerland may be attributed to the general relaxation of the credit contraction inherent in the former currency policy of these countries, and to a certain amount of repatriation of capital which had previously been held abroad, particularly in London and New York. It may be noted that interest rates in these two centres were not affected by this movement of capital, owing to the fact that the "refugee" funds were amply covered, in London by the operations of the Exchange Equalisation Account (2), and in New York by the excess reserves of the banks.

(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.

(2) A slight and short-lived hardening of London money rates in October appears to have been due to technical factors of a transitory nature.



RECEIPTS AND PAYMENTS OF INTEREST AND DIVIDENDS.

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

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

34

Country	Net receipts (+) or payments (-) in 1929	Receipts						Payments					
		1929	1931	1932	1933	1934	1935	1929	1931	1932	1933	1934	1935
United Kingdom <sup>(1)</sup>	+ 1,216.6	1,216.6	771.0	525.9	530.2	526.0	538.2	419.0	126.0	68.0	83.0	75.0	86.0
United States of America	+ 699.0	1,118.0	747.0	523.0	408.0	295.0	307.0	419.0	126.0	68.0	83.0	75.0	86.0
France and oversea territories <sup>(2)</sup>	+ 219.6	247.0	168.6	80.9	82.3	115.6	174.3	(27.4)	(11.8)	35.3	9.8	17.6	17.6
Netherlands	+ <sup>(3)</sup> 129.0												
Switzerland <sup>(4)</sup>	+ 76.3	91.7	.	.	.	.	.	16.4	.	.	.	.	.
Belgium, Luxemburg and Congo	+ 52.9	100.1	.	.	.	.	.	47.2	.	.	.	.	.
Irish Free State	+ 28.8	57.4	47.6	35.4	29.8	.	.	28.6	27.2	20.1	17.2	.	.
Sweden	+ 8.1	29.5	27.3	31.1	19.0	15.8	18.1	21.4	28.8	7.4	6.4	5.4	5.1
Greece <sup>(5)</sup>	+ 7.4	32.2	12.1	10.8	8.0	6.9	8.1	24.8	27.8	7.8	12.2	12.1	6.3
Spain	+ <sup>(6)</sup> 3.4		14.5	9.9	.	.	.		11.1	14.7	.	.	.
Iraq <sup>(7)</sup>	— 0.3	0.7	0.3	0.2	0.2	0.4	.	1.0	1.1	1.7	1.3	1.1	.
Lithuania	— 0.5	0.3	0.3	0.2	0.2	0.2	.	0.8	1.3	1.0	0.6	0.5	.
Latvia	— 1.1	1.2	0.5	0.4	0.1	0.1	0.1	2.3	1.7	1.4	0.9	0.8	0.9
Estonia	— 1.6	0.4	0.3	0.1	0.1	0.1	0.1	2.0	1.6	1.5	1.1	0.8	0.8
Turkey	— 2.2	0.7	0.5	0.4	.	.	.	2.9	0.9	0.4	.	.	.
Bulgaria	— 7.8	0.7	0.3	0.3	0.2	0.1	—	8.5	8.4	4.0	1.5	1.6	1.8
Japan, including Korea and Formosa	— 9.1	47.2	37.2	24.5	18.6	18.6	.	56.3	48.7	35.1	28.8	23.3	.
Finland	— 10.3	1.0	0.7	0.5	0.3	0.3	0.2	11.3	11.1	9.5	8.0	6.0	5.1
Czechoslovakia	— 10.7	20.7	17.5	14.3	10.8	7.6	6.6	31.4	28.1	22.6	20.6	16.0	18.4
Uruguay	— 15.0	0.3	—	.	.	.	.	15.3	12.8	.	.	.	.
Denmark	— 16.9	11.2	8.0	6.0	4.9	2.0	2.0	28.1	25.5	20.0	15.7	14.8	14.3
Norway	— 18.5	4.3	4.3	2.9	2.5	2.4	2.4	22.8	21.8	18.4	16.5	13.1	12.6
Yugoslavia	— 22.3	—	—	.	.	.	—	22.3	.	.	.	.	13.6
Hungary	— 28.3	2.8	3.0	0.1	.	.	.	31.1	39.3	3.4	.	.	.
Roumania	— 34.0	0.8	.	.	.	.	.	34.8	.	.	.	.	.
Poland	— 42.6	3.5	2.9	1.7	1.5	0.9	.	46.1	49.7	33.7	25.4	18.8	.
New Zealand <sup>(7)</sup>	— 42.7	2.5	1.0	0.6	0.5	0.5	.	45.2	36.5	27.5	25.9	23.6	.
Italy <sup>(8)</sup>	— 52.6	—	—	.	.	.	.	52.6	47	23	.	.	.
Union of South Africa	— 76.4	0.9	0.9	0.9	0.6	.	.	77.3	68.5	62.2	58.1	.	.
India <sup>(9)</sup>	— 115.3	15.7	3.9	2.3	1.4	3.5	3.6	131.0	112.6	92.3	83.8	75.7	74.2
China <sup>(9)</sup> , excluding Manchuria : Manchuria	— 118.5	0.6	.	.	1.0	—	—	119.1	.	.	23.1	26.7	33.1
Netherlands Indies	— 127.0	5.2	2.4	2.8	2.4	2.8	2.4	132.2	61.5	48.2	44.2	44.2	44.2
Australia <sup>(10)</sup>	— 170.5	14.5	12.1	6.0	5.0	.	.	185.0	123.7	105.4	96.0	.	.
Argentina <sup>(11)</sup>	— 188.4	0.4	0.4	.	.	.	.	188.8	117.6	.	.	.	.
Germany <sup>(12)</sup>	— 190.6	95.3	71.5	47.6	35.7	.	.	285.9	357.4	262.0	202.4	107	.
Canada	— 217.7	109.9	97.7	82.6	64.6	57.2	57.9	327.6	324.1	272.3	204.0	174.7	187.2

SUMMARY STATEMENT

(1) United Kingdom: The figures refer to net receipts of interest and dividends on account of private long-term investments. Gross receipts are estimated at \$1,144 million in 1930, \$566 million gold in 1933, \$556-562 million gold in 1934 and \$573 million gold in 1935. The net receipts on account of short interest and commissions are estimated at \$316 million in 1929, \$136 million in 1931, \$88 million in 1932, \$90 million gold in 1933, \$90 million gold in 1934 and \$87 million gold in 1935.

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

(3) Provisional estimate.

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

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

(6) 1931.

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

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

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

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

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

(12) 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. The figure for payments in 1934 is net and refers to January-November only.

## Interest and dividends.

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

The fall in the gold value of the payments from 1929 to 1935 probably exceeds two-thirds, if account is taken only of amounts actually transferred to the creditor countries. The fall in the total yield has been somewhat less, since, in numerous cases, transfer moratoria and exchange stipulations have forced creditors to accept funding bonds or scrip instead of cash payments or to make frequently disadvantageous reinvestments of amounts earned in the debtor countries.

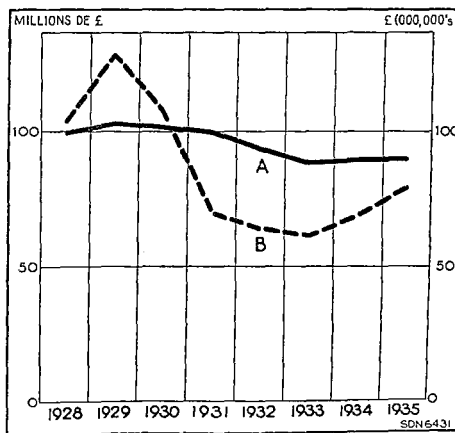
The main causes of the decline in the gold value of interest and dividend payments may be given as follows, in their probable order of importance: (1) the depreciation of currencies, in particular the pound and the dollar, in which the bulk of outstanding debts are due; (2) the reduction of dividend rates and the returns from direct investments up to 1932; (3) the liquidation of a portion of outstanding long- and short-term debts; (4) defaults; (5) the lowering of money rates and the rate of interest on bonded loans through conversions or arrangements with the creditors.

The table on the previous page summarises available information concerning inward and outward payments of interest and dividends during the years 1929-1935.

The improvement of business conditions in numerous debtor countries during 1935 is only to a small extent reflected in the recorded payments of interest and dividends. Dividend payments increased, but interest payments in many cases fell off as a result of conversion operations and other factors. The income of the United Kingdom on account of her overseas investments is estimated to have risen by £10 million, or less than 6%, on account of larger dividends and profits yielded by industrial investments. Dividends earned on railway shares fell off and the reduction of interest rates through conversion operations also caused a fall in the interest received on account of loans to governments, in spite of the resumption of payments on certain loans on which defaults had previously occurred. The United States gross receipts on account of interest and dividends are estimated to have risen in 1935 by \$27 million, or 5%, but the increase was offset by a similar rise in outward interest and dividend payments. Interest receipts fell on account of the default of Germany, but the transferred income from direct investments is estimated to have increased roughly by 60%, after having doubled the year before. The figure given for the receipts of France in 1935 overstates the actual increase, since it is based on a more complete record of the French foreign investments than that employed in earlier years.

UNITED KINGDOM: INCOME FROM PRIVATE  
LONG-TERM INVESTMENTS OVERSEAS.

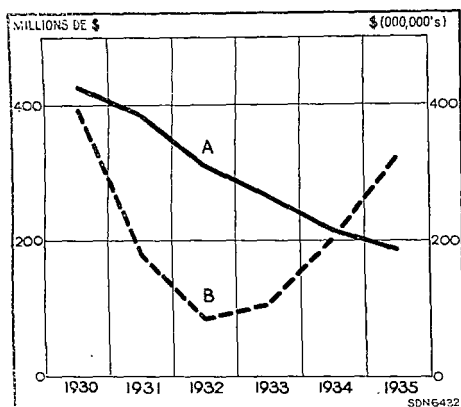
A = Interest.      B = Dividends and profits.



The change which the income of the two chief creditor countries has undergone during the last few years is further illustrated by the diagrams on this and the previous page. The income of the United Kingdom in the form of dividends and profits, which declined rapidly during the first depression years and in 1931 fell below the interest income, is once again approaching that income. While the average interest yielded by overseas bonds has fallen from 4.7% in 1929 to 3.9% in 1935, the

UNITED STATES: INCOME FROM PRIVATE LONG-TERM INVESTMENTS ABROAD.

A = Interest.  
B = Dividend and profits (transferred amounts).



yield of share capital and direct investments, after having fallen from 8.3% in 1929 to 4.1% in 1933, rose to about 5.5% in 1935. In the case of the United States, both the fall in the amount of interest received and the recent increase in dividends and profits have been more marked, but this is largely due to a change in composition of United States foreign investments. While the nominal value of her portfolio investments (mainly bonds) is estimated to have fallen from the end of 1932 to the end of 1935 by 30% on account of amortisation payments and repurchases by debtor countries, the reduction in her direct investments abroad on account of capital transactions (as distinct from changes in book value) would appear to have been insignificant.

Little information is available concerning the changes between 1934 and 1935 in the interest and dividend payments by debtor countries. Increases

are recorded, for example, by Canada and China, but the majority of the debtor countries for which figures are available paid smaller amounts in 1935 than in 1934.

### 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% of the payments on account of international trade in goods in 1929. Since then, they have fallen off considerably, though, up to 1932, not as rapidly as the value of international trade. In 1932, their gold value was some 60%, in 1933, 40%, and, in 1934 and 1935, perhaps 30% of what it had been in 1929. The heavy fall in 1933 and 1934 has to be attributed largely to the rapid contraction of the remittances from the United States, estimated at \$138 million in 1932 but at only \$105 million (\$63 million gold) in 1934.

The outward remittances from certain countries by immigrants and foreign workers, as estimated in the balance of payments statements of these countries, are summarised on page 38. 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.

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

Country	Old U.S. \$ (000,000's) gold													
	Total receipts of emigrants' remittances									Remittances from U.S.A. (including funds of returning immigrants)				
	1927	1928	1929	1930	1931	1932	1933	1934	1935	1929	1932	1933	1934	1935
Albania . . . . .	1.7	1.9	1.9	1.4	1.4	1.2	0.8	.	.	—	—	—	—	—
Australia (1) . . . . .	.	2.7	2.8	2.5	1.6	1.2	1.1	.	.	.	.	.	.	.
Belgium . . . . .	.	.	30.6	.	.	.	.	.	.	0.2	0.1	—	—	0.04
Bulgaria (2) . . . . .	0.8	1.7	1.1	0.9	0.6	0.7	0.5	0.5	0.6	0.8	.	.	0.1	0.2
Canada . . . . .	26.4	28.1	27.7	26.9	11.8	6.9	6.0	6.7	7.2	13.0	2.0	1.6	0.9	0.9
China (3) . . . . .	.	118.8	119.9	96.8	.	.	41.0	50.3	53.0	22.5	15.0	(4)	.	.
Czechoslovakia . . . . .	16.0	17.9	17.9	15.7	11.5	7.9	5.2	3.4	2.7	10.5	6.0	2.8	2.4	1.8
Denmark . . . . .	0.5	2.7	2.7	4.0	2.5	1.9	1.5	1.3	1.3	1.0	0.3	.	.	.
Finland . . . . .	5.0	5.0	4.8	4.0	2.9	3.4	2.2	1.3	1.3	1.5	2.3	1.5	0.9	1.0
Germany (5) . . . . .	14.5	14.3	14.3	.	.	.	.	.	.	10.0	7.0	5.2	3.9	4.1
Greece . . . . .	33.7	31.3	38.0	40.7	34.5	14.0	15.0	8.8	5.7	25.3	11.0	13.7	7.2	4.7
Hungary (6) . . . . .	4.3	6.3	7.2	5.7	3.4	1.2	.	.	.	6.6	1.1	0.8	0.9	1.2
Irish Free State (7) . . . . .	11.7	12.0	12.0	11.0	18.1	14.2	9.9	.	.	11.7	13.3	9.5	6.3	6.5
Italy (8) . . . . .	121.2	120.7	122.3	120.0	90.8	55.0	.	.	.	46.2	26.3	16.1	9.9	5.3
Japan (2) . . . . .	26.0	28.2	28.1	24.2	20.9	27.7	22.2	20.7	.	6.9	11.0	12.1	2.1	1.7
Latvia . . . . .	1.5	1.5	1.5	1.2	0.9	0.4	0.4	0.3	0.3	1.5	0.1	0.1	0.1	—
Lithuania . . . . .	4.2	4.4	4.6	3.7	3.2	3.0	1.7	1.6	.	1.0	1.8	1.0	.	0.9
Netherlands . . . . .	.	.	.	4.0	3.2	2.4	2.0	1.6	1.6	0.3	—	—	—	—
Norway (9) . . . . .	3.6	4.0	4.8	3.5	3.3	2.5	1.2	0.8	0.7	4.6	.	.	1.3	1.3
Poland (2) . . . . .	28.6	31.5	31.2	32.7	30.8	23.2	17.0	.	.	18.1	10.1	6.8	4.8	4.9
Roumania (10) . . . . .	2.4	2.1	4.8	4.2	.	.	.	.	.	4.5	2.0	1.2	0.7	0.2
Spain . . . . .	.	.	.	.	30.9	38.1	.	.	.	5.0	2.0	6.7	4.0	4.0
Sweden (8) . . . . .	9.4	9.4	9.4	8.0	6.6	6.5	3.5	1.9	1.8	9.4	7.1	4.2	3.1	3.2
Turkey . . . . .	1.5	1.0	1.0	0.5	0.4	0.4	.	.	.	1.0	0.4	—	0.1	0.1
U.S.S.R. (11) . . . . .	17.0	15.4	15.5	15.5	.	.	.	.	.	10.0	.	.	.	.
Yugoslavia . . . . .	13.7	16.0	15.6	13.0	10.1	3.4	1.6	1.6	2.6	4.5	3.4	1.3	0.9	1.1
Other countries . . . . .	.	.	.	.	.	.	.	.	.	30.8	.	.	.	.
Total of countries given for the years 1927-1932 . . . . .	309.8	323.6	331.8	317.1	253.7	173.5	.	.	.	163.6	.	.	.	.
Total of countries given for the years 1927-1933 . . . . .	182.8	195.6	201.3	190.9	159.1	116.9	88.7	.	.	109.8	.	.	.	.
Total remittances from U.S.A. . . . .	.	.	.	.	.	.	.	.	.	246.9	138	89	63	54

SUMMARY STATEMENT

- (1) The figures for total receipts refer to economic years beginning July 1st.
- (2) The figures for total emigrants' remittances received by Bulgaria, Japan and Poland include funds brought in by returning emigrants.
- (3) Total receipts from 1933 refer to China exclusive of Manchuria and Jehol.
- (4) A figure of \$24.2 million gold is given as "tentative estimate pending further investigation".
- (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.
- (7) The figures for total receipts of the Irish Free State prior to 1931 are stated to be too low. Remittances from the United States in 1932 and 1933 include "Sweepstake remittances".
- (8) The figures for total receipts are estimated by Professor Gino Borgatta. They include the funds of returning emigrants.
- (9) Total receipts include sailors' remittances (in 1926 estimated at \$1 million).
- (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 enquiry "The Balance of Payments and the Foreign Debt of the Union of Soviet Socialist Republics". The figures refer to economic years ended September 30th.

## SUMMARY STATEMENT

## IMMIGRANTS' REMITTANCES FROM CERTAIN COUNTRIES.

	Old U.S. \$ (000,000's) gold								
	1927	1928	1929	1930	1931	1932	1933	1934	1935
U.S.A. . . . .	241.0	250.0	240.0	199.0	173.0	138.0	88.6	62.7	54.3
France . . . . .	98.0	86.0	98.0	98.0	70.6	47.0	31.3	39.2	29.4
Argentina (1) . . . . .	35.3	32.9	31.5	26.3	14.4	.	.	.	.
Canada . . . . .	22.4	23.2	23.2	19.9	12.6	6.3	4.1	3.9	4.0
Germany . . . . .	11.9	11.9	11.9	5.7	1.9	—	2.8	2.4	2.4
Netherlands Indies . . . . .	6.0	6.0	6.0	4.8	4.0	3.2	1.0	.	.
Australia (2) . . . . .	.	3.9	4.1	3.4	1.3	1.0	.	.	.
Uruguay . . . . .	.	.	3.5	4.6	2.0	.	.	.	.
Turkey . . . . .	2.0	2.4	1.9	2.1	0.9	1.7	.	.	.

Certain of the figures in this table would appear to understate the amounts sent abroad. Thus, according to an enquiry carried out by Professor C. F. Remer, (3) remittances to China from the Netherlands Indies in 1930 amounted to about \$10.5 million, or more than double the total amount shown above as remittances from the Netherlands Indies.

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

In the table on the preceding page are shown the estimated receipts of remittances in different countries in the years 1927-1935. 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 1929 and 1932-1935, 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 % 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 % 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.

Remittances to China, as recorded in the table, rose both in 1934 and 1935. As pointed out last year, the increase in 1934 may have been apparent only, and due to the incompleteness of the statistics; that in 1935, on the other hand, is attributed to the improvement in business conditions in those countries where the majority of Chinese emigrants reside.

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

(1) Economic years ending September 30th.

(2) Economic years beginning July 1st.

(3) Cf. *Balances of Payments, 1931 and 1932*, page 37.

Remittances to :	1929	Old U.S. \$ (000,000's) gold				
		1931	1932	1933	1934	1935
Austria . . . . .	2.2	0.9	0.9	0.4	0.3	0.3
Egypt . . . . .	0.1	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.
Estonia . . . . .	1.2	0.1	.	.	0.04	0.05
France . . . . .	1.0	0.5	0.3	.	.	.
Mexico . . . . .	8.7	4.0	3.5	2.0	1.5	1.2
Palestine . . . . .	2.0	1.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Portugal . . . . .	4.0	2.5	2.0	1.6	( <sup>3</sup> )	3.6
Switzerland . . . . .	1.2	1.0	1.0	0.8	0.6	.
United Kingdom . . . . .	7.8	6.5	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Cuba . . . . .	0.3	0.2	.	.	.	.
Other areas . . . . .	2.4	1.0	.	.	.	.

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

### Tourists' expenditure.

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

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

Available figures for inward and outward payments and the net active or passive balances between such payments are shown in the table on the two following pages. Figures for the estimated expenditure of United States 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, refer to 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 is estimated at \$651 million in 1929 and \$529 million in 1931.

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% of the value of goods entering into international trade. Between 1929 and 1932 the world total would appear to have fallen by 50%, compared with a reduction of over 60% for trade in goods, but, with the heavy decline in the expenditure of United States tourists following upon the depreciation of the United States dollar, the total expenditure, calculated in gold, fell in 1933 and 1934 to one-third of the 1929 figure, or to the same level as merchandise trade.

(1) "Considerably less than \$100,000 per year."

(2) Figures for the remittances to Palestine from 1932 are not available, but it is stated that these remittances were probably higher than in other recent years.

(3) Available estimates for recent years vary from \$750,000 to £2,000,000 (new dollars) and are stated to be unsatisfactory.

(4) Remittances in recent years are believed to have been between \$3 million and \$6 million (current dollars).

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

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

Pays	Recettes provenant des touristes étrangers Receipts from foreign tourists						Dépenses à l'étranger des touristes nationaux National tourists' expenditure abroad					
	1929	1931	1932	1933	1934	1935	1929	1931	1932	1933	1934	1935
France . . . . .	392.0	( <sup>1</sup> )	117.5	117.5	( <sup>1</sup> )	( <sup>1</sup> )	58.7	( <sup>1</sup> )	(19.6)	.	( <sup>1</sup> )	( <sup>1</sup> )
Canada . . . . .	307.1	241.6	187.1	86.7	78.3	119.5	120.8	73.7	50.6	37.2	36.7	46.9
Italie ( <sup>2</sup> ) . . . . .	137.4	72.8	59.2	68.6	.	.	16.7	10.1	8.9	.	.	.
Suisse ( <sup>3</sup> ) . . . . .	( <sup>1</sup> )	.	.	.	.	.	( <sup>1</sup> )	.	.	.	.	.
Belgique . . . . .	34.8	.	.	.	.	.	5.6	.	.	.	.	.
Autriche . . . . .	36.6	.	.	.	.	.	9.2	.	.	.	.	.
Chine . . . . .	12.8	.	.	2.1	.	.	2.6	.	.	1.1	.	.
U.R.S.S. . . . .	.	.	.	.	.	( <sup>1</sup> )	.	.	.	.	.	( <sup>1</sup> )
Roumanie . . . . .	3.0	.	.	.	.	.	2.1	.	.	.	.	.
Tchécoslovaquie . . . . .	24.0	17.2	12.4	8.5	12.1	11.1	21.0	22.5	12.4	4.9	5.7	10.1
Egypte . . . . .	.	.	.	.	( <sup>4</sup> ) 3.0	( <sup>4</sup> ) 3.8	.	.	.	.	( <sup>4</sup> ) 0.9	.
Grèce . . . . .	6.8	4.5	3.0	10.0	5.8	3.5	4.7	4.4	1.1	1.1	1.3	1.8
Yougoslavie . . . . .	7.2	.	.	3.7	4.2	4.2	6.0	.	.	.	.	2.1
Japon . . . . .	20.6	13.5	11.2	10.2	12.4	.	19.4	16.8	8.3	11.5	9.7	.
Pologne . . . . .	18.7	6.2	5.2	3.5	.	.	18.5	16.5	10.0	7.8	.	.
Estonie . . . . .	1.0	1.0	0.7	0.6	0.5	0.5	0.9	0.9	0.8	0.6	0.5	0.5
Royaume-Uni ( <sup>5</sup> ) . . . . .	.	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
dont touristes allant à et venant de :												
a) continent européen . . . . .	.	32.0	20.5	18.9	20.7	20.9	.	123.8	69.4	77.5	69.4	68.9
b) autres parties du monde . . . . .	.	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Lithuanie . . . . .	1.4	1.1	1.1	0.8	0.9	.	1.5	2.0	1.5	1.1	0.6	.
Turquie . . . . .	2.2	1.0	1.4	.	.	.	2.3	2.5	3.2	.	.	.
Lettonie . . . . .	4.3	3.1	1.6	1.3	1.2	1.4	4.6	3.5	1.2	1.1	1.0	0.9
Finlande . . . . .	4.8	4.5	2.9	2.5	2.8	3.2	5.5	3.8	2.2	2.3	2.5	3.1
Irak ( <sup>6</sup> ) . . . . .	0.9	1.0	1.0	1.0	1.0	.	1.7	1.1	0.9	0.9	0.8	.
Uruguay . . . . .	4.0	1.4	.	.	.	.	4.9	2.1	.	.	.	.
Bulgarie . . . . .	0.4	0.4	0.3	0.3	0.4	0.5	1.8	1.5	1.1	1.0	0.8	0.8
Espagne . . . . .	.	12.4	12.9	.	.	.	.	14.1	10.2	.	.	.
Danemark ( <sup>7</sup> ) . . . . .	4.0	2.5	1.9	2.2	2.7	3.2	6.7	5.0	3.8	3.7	2.7	3.9
Hongrie . . . . .	4.0	4.6	3.8	.	.	.	9.9	10.1	5.7	.	.	.
Suède . . . . .	( <sup>1</sup> )	9.3	6.5	6.6	5.9	8.4	( <sup>1</sup> )	8.8	7.0	6.9	7.3	7.7
Nouvelle-Zélande ( <sup>8</sup> ) . . . . .	5.5	2.5	1.9	1.8	2.0	.	13.8	7.3	5.0	4.6	5.7	.
Brésil . . . . .	.	0.5	.	.	.	.	.	9.6	.	.	.	.
Pays-Bas . . . . .	.	3.6	2.8	2.0	1.6	1.2	.	13.3	12.1	12.1	13.7	14.1
Australie ( <sup>9</sup> ) . . . . .	6.3	2.9	2.5	2.4	.	.	19.3	5.5	8.1	9.0	.	.
Union Sud-Africaine . . . . .	5.5	4.3	3.6	3.1	.	.	21.7	18.7	17.7	13.8	.	.
Argentine ( <sup>10</sup> ) . . . . .	11.5	7.2	.	.	.	.	28.7	14.4	13.2	.	.	.
Allemagne ( <sup>10</sup> ) . . . . .	42.9	31.0	19.1	16.7	.	.	71.5	33.1	30.3	23.3	.	.
Indes néerlandaises . . . . .	2.4	2.0	1.2	1.2	1.2	0.8	34.6	23.7	13.3	10.5	10.5	11.3
Etats-Unis d'Amérique . . . . .	183.0	112.0	71.0	57.2	51.3	69.1	868.0	<sup>11</sup> 568.0	<sup>11</sup> 446.0	<sup>11</sup> 235.3	<sup>11</sup> 197.5	<sup>11</sup> 241.6
dont touristes allant à et venant de :												
a) Canada . . . . .	94.0	57.0	35.0	28.2	23.3	37.2	296.0	238.0	183.0	81.4	71.6	113.4
b) Mexique . . . . .	7.0	9.0	5.0	3.2	2.4	3.0	38.0	44.0	36.0	22.6	26.8	20.1
c) outre-mer . . . . .	82.0	46.0	31.0	25.8	25.6	28.9	534.0	286.0	227.0	131.3	99.1	108.1
Cuba ( <sup>12</sup> ) . . . . .	28.4	22.2	15.3	.	.	.	.	.	.	.	.	.
Antilles britanniques . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Etat libre d'Irlande . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Palestine . . . . .	.	.	.	.	3.0	.	.	.	.	.	.	.
Norvège . . . . .	7.2	7.5	5.4	5.0	5.1	5.6	.	.	.	.	.	.
Portugal . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Inde . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Panama . . . . .	.	( <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 (de) l'Ente "nazionale industrie turistica". (3) Balances pour 1929 et 1930 d'après évaluations du professeur Bachmann, président de la Direction générale de la Banque nationale suisse. (4) Estimé par le professeur G. Blanchard dans *L'Egypte contemporaine* pour mai 1935. (5) Les chiffres relatifs aux touristes britanniques ne comprennent pas le montant des billets de voyage. (6) Années économiques commençant le 1<sup>er</sup> avril. (7) Les chiffres relatifs aux dépenses des touristes dans ne comprennent pas le montant des billets de voyage versé aux navires étrangers. (8) Années économiques commençant le 1<sup>er</sup> juillet. (9) Années économiques des dépenses des étudiants étrangers en Allemagne. (10) Non compris le montant des recettes totales versé aux navires nationaux (estimés à 49 millions de dollars en 1930). (11) Les chiffres relatifs aux recettes totales sont tirés du numéro de février 1932 du *Cuba Importadora e Industrial*. (12) Les chiffres relatifs aux recettes totales sont tirés de *American Journal*. (13) Voir le numéro du 6 août 1932, page 121, du *South*

par des touristes venant des Etats-Unis (en millions de dollars-or des Etats-Unis à l'ancienne parité). 41  
in the same countries by United States tourists, in old U.S. \$ (000,000's) gold.  
positive et l'ordre inverse de leur balance négative pour 1929.  
and the inverse order of negative balances for 1929.

Balance des recettes (+) ou des paiements (-) Balance of receipts (+) or payments (-)						Dépenses des touristes venant des Etats-Unis Expenditure by United States tourists				Country
1929	1931	1932	1933	1934	1935	1929	1933	1934	1935	
+ 333.3	+ 235.2	+ 98.0	.	+ 98.0	+ 29.4	137.1	48.4	29.8	32.5	France.
+ 186.3	+ 167.9	+ 136.5	+ 48.5	+ 41.6	+ 72.6	289.0	81.4	71.6	113.4	Canada.
+ 110.7	+ 62.7	+ 50.3	.	.	.	30.4	8.1	5.1	2.7	Italy (2).
+ 54.0	.	.	.	.	.	10.4	1.8	2.3	1.8	Switzerland (3).
+ 29.2	.	.	.	.	.	1.7	0.3	—	0.1	Belgium.
+ 27.4	.	.	.	.	.	2.9	1.7	1.0	1.0	Austria.
+ 10.2	.	.	+ 1.0	.	.	3.3	1.0	.	.	China.
.	.	.	.	.	+ 3.4	1.7	.	.	.	U.S.S.R.
+ 3.1	.	.	.	.	.	0.9	0.3	0.2	0.1	Roumania.
+ 3.0	+ 5.3	± 0	+ 3.6	+ 6.4	+ 1.0	1.3	0.6	0.4	0.5	Czechoslovakia.
.	.	.	.	.	+ 2.1	4.3	.	.	.	Egypt.
+ 2.1	+ 0.1	+ 1.9	+ 8.9	+ 4.5	+ 1.7	1.6	0.6	0.5	0.5	Greece.
+ 1.2	.	.	.	.	+ 2.1	0.4	0.1	0.1	0.1	Yugoslavia.
+ 1.2	— 3.3	+ 2.9	— 1.3	.	+ 2.7	8.4	5.1	3.9	3.9	Japan.
+ 0.2	— 10.3	— 4.8	— 4.3	.	.	1.3	0.4	.	.	Poland.
+ 0.1	+ 0.1	— 0.1	± 0	± 0	± 0	0.3	.	0.1	.	Estonia.
.	— 13.6	+ 7.0	— 9.9	— 3.0	— 1.5	40.6	14.5	.	.	United Kingdom (5) of which visitors to and from :
.	.	.	.	.	.	.	.	.	.	(a) European continent.
.	.	.	.	.	.	.	.	.	.	(b) other parts of the world.
.	— 91.8	— 48.9	— 58.6	— 48.7	— 48.0	.	.	.	.	Lithuania.
— 0.1	+ 78.2	+ 55.9	+ 48.7	+ 45.7	+ 46.5	0.3	0.2	.	.	Turkey.
— 0.1	— 0.9	— 0.4	— 0.3	+ 0.3	.	1.0	0.2	0.1	0.1	Latvia.
— 0.3	— 1.5	— 1.8	.	.	.	0.3	—	—	—	Finland.
— 0.7	+ 0.4	+ 0.4	+ 0.2	+ 0.2	+ 0.5	0.4	0.1	0.2	0.2	Irak (6).
— 0.8	+ 0.7	+ 0.7	+ 0.2	+ 0.3	+ 0.1	0.4	.	.	.	Uruguay.
— 0.9	+ 0.1	+ 0.1	+ 0.1	+ 0.2	.	.	.	.	.	Bulgaria.
— 1.4	— 0.7	.	.	.	.	0.2	.	—	—	Spain.
.	— 1.1	— 0.8	— 0.7	— 0.4	— 0.3	1.6	0.9	0.8	0.8	Denmark (7).
— 2.7	— 1.7	+ 2.7	.	.	.	1.1	0.3	0.2	0.2	Hungary.
— 5.9	— 2.5	— 1.9	— 1.5	± 0	— 0.7	1.1	0.2	0.2	0.9	Sweden.
— 8.0	— 5.5	— 1.9	.	.	.	5.7	1.1	1.2	1.2	New Zealand (8).
— 8.1	+ 0.5	— 0.5	— 0.3	— 1.4	+ 0.7	.	.	.	.	Brazil.
.	— 4.8	— 3.1	— 2.8	— 3.7	.	0.9	0.2	0.1	0.2	Netherlands.
.	— 9.1	.	.	.	.	.	.	.	.	Australia (9).
— 13.0	— 9.7	— 9.3	— 10.1	— 12.1	— 12.9	.	.	.	.	Union of South Africa.
— 16.2	— 2.6	— 5.6	— 6.6	.	.	.	.	.	.	Argentina (10).
— 17.2	— 14.4	— 14.1	— 10.7	.	.	15.0	2.5	2.5	2.5	Germany (11).
— 17.2	— 7.2	.	.	.	.	.	.	.	.	Netherlands Indies.
— 28.6	— 2.1	— 11.2	— 6.6	.	.	.	.	.	.	United States of America, of which visitors to and from :
— 32.2	— 2.1	— 11.2	— 6.6	.	.	.	.	.	.	(a) Canada.
— 32.2	— 21.7	— 12.1	— 9.3	— 9.3	— 10.5	.	.	.	.	(b) Mexico.
— 685.0	— 456.0	— 375.0	— 178.1	— 146.2	— 172.5	.	.	.	.	(c) overseas.
— 202.0	— 181.0	— 148.0	— 53.2	— 48.3	— 76.2	21.0	5.6	2.1	2.4	Cuba (12).
— 31.0	— 35.0	— 31.0	— 19.4	— 24.4	— 17.1	10.1	9.7	7.8	10.0	British West Indies.
— 452.0	— 240.0	— 196.0	— 105.5	— 73.5	— 79.2	4.3	1.4	1.2	1.2	Irish Free State.
.	.	.	.	.	.	2.1	.	.	.	Palestine.
.	.	.	.	.	.	1.5	0.8	0.8	0.7	Norway.
.	.	.	.	.	.	1.1	0.1	0.1	.	Portugal.
.	.	.	.	.	.	1.0	0.8	.	.	India.
.	.	.	.	.	.	0.6	0.3	.	.	Panama.

(1) Cf. the column for balance of receipts and payments. (2) Figures for total payments and receipts according to estimates by the "Ente nazionale industrie turistiche". (3) Balances for 1929 and 1930 according to estimates of Prof. Bachmann, President of the General Directorate of the Swiss National Bank. (4) Estimated by Prof. G. Blanchard in *l'Egyppte contemporaine* for May 1935. (5) The figures for the expenditure of British tourists exclude fares. (6) Economic years beginning April 1st. (7) The figures for the expenditure of Danish tourists exclude fares paid to foreign ships. (8) Economic years beginning July 1st. (9) Economic years ending September 30th. (10) The figures for total receipts, excluding 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.



Where figures for 1935 are available, they are generally higher than in 1934, but owing to the incompleteness or absence of information for certain countries known to have lost income on tourist account, such as France and Italy, the growth in the world total is likely to have been small.

Rapid changes have, during recent years, taken place in the relative importance of different countries as suppliers of services to foreign tourists. Thus, if the figures for France — which are admittedly only rough estimates — are approximately correct, her net income on tourist account has fallen by over nine-tenths between 1929 and 1935. Between 1934 and 1935 alone, the number of foreign visitors is estimated to have decreased by as much as 40%. A large part of the reduction in income up to 1934 was on account of United States tourists. The income of Italy from foreign tourists has also fallen rapidly; the expenditure of United States tourists in that country during 1935 is estimated to have been only 9% of what it was in 1929.

The share in the total tourist expenditure of the United States accounted for by Americans visiting Europe or travelling on European ships fell from about 55% in 1929 to about 33% in 1935; simultaneously the expenditure of her tourists in Canada rose from 34% to 47%, in Mexico from 4% to 8% and in the British West Indies from 1% to 4%. The heavy reduction in Europe's share is due not only to the fact that, up till the autumn of 1935, prices calculated in terms of United States currency had fallen relatively little or even increased in the main tourist countries of Europe. Indeed, it occurred before the depreciation of the dollar. With the fall in the average expenditure per head of United States tourists which took place during the first depression years, a growing number of them would appear to have found the initial expenditure of the fares needed for a journey to Europe too high and preferred to visit less distant parts of the world. With the beginning of a return to prosperity in the United States, there are signs of a change in tendency; thus, from 1934 to 1935 the number of United States tourists to Northern and Western Europe rose by 15%, while the increase in the total number of such tourists departing from sea ports was only 5%. There was a considerable reduction, however, in the number visiting the Mediterranean area, particularly, it would appear, Italy (1):

	Between 1932 and 1933	Between 1933 and 1934	Between 1934 and 1935
Percentage change in the number of United States tourists departing from seaports to :			
Northern and Western Europe . . . . .	— 36	— 4	+ 15
Mediterranean area . . . . .	— 11	— 13	— 19
Other parts of the world . . . . .	— 15	+ 14	+ 4
All destinations . . . . .	— 25	+ 3	+ 5

The figures for Czechoslovakia, Finland, Denmark and Sweden point to an increase in the tourist traffic between certain European countries since 1932 or 1933. The Austrian receipts from foreign tourists, according to an estimate not reproduced in the table (2), rose from \$19.5 million gold in the year ended October 1934 to \$30.6 million gold in the following year. The payments by Austrian tourists abroad, however, are estimated to have fallen from \$12.5 million gold to \$7.5 million gold. The net receipts of Austria on account of tourist expenditure would thus have more than trebled in one year. Considerable changes have also taken place recently in the German tourist traffic. In 1929, German tourists are estimated to have spent \$71.5 million abroad, as against an expenditure of foreign tourists in Germany of only \$42.9 million.

(1) For further details, see the section for the United States.

(2) Report by the United States Commercial Attaché in Vienna, published in the *European Financial Notes* (issued by the United States Department of Commerce) for January 24th, 1936.

During the following years up to 1933 inclusive, both inward and outward payments on tourist account fell rapidly, but the latter remained some 50% above the former. Of late, however, the German exchange control has almost put an end to the expenditure of German tourists abroad, except in a few countries with which special payments agreements have been concluded, while a considerable tourist traffic has been directed to Germany by means of the sale of German currency at depreciated rates from blocked accounts. As shown elsewhere in this volume <sup>(1)</sup>, such sales for travelling purposes have permitted the liquidation, at a considerable loss to the creditors, of over 800 million marks from March 1st, 1933, to the end of 1935. The expenditure of foreign tourists in Germany at the reduced mark rate paid by them would appear to have amounted to not far from \$30 million gold during the twelve months ended February 28th, 1934, \$50 million gold during the following twelve months and some \$35 million gold during the last ten months of 1935, excluding expenditure in marks bought at par.

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(1) Cf. the section for Germany.

## AUSTRALIA

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No detailed statement on the balance of payments of Australia for the fiscal year July 1st, 1934 - June 30th, 1935, comparable with those for previous years, reproduced in the preceding issue, had been received up to the moment of sending the present volume to be printed. A condensed summary of the current items in the balance of payments for that year has, however, been supplied by the Australian Government and is reproduced below.

<i>Credit items.</i>	£ sterling (000's)
1. Exports of merchandise and silver . . . . .	82,188
2. Current gold production . . . . .	5,891
Total credit items . . . . .	88,079
<i>Debit items.</i>	
3. Imports of merchandise and silver . . . . .	72,447
4. Interest on central and local Government debt . . . . .	23,595
5. Deficit on account of all other current items (estimate) . . . . .	9,000
Total debit items . . . . .	105,042
Debit balance on account of all current items . . . . .	16,963

The figures for merchandise and silver represent the amounts recorded in trade returns, that is, without adjustments on account of undervaluation of freights, ships' stores, etc. Ships' stores exported (included, it would appear, in item 5 above) amounted to £1,367,000 sterling during the year.

As Australia is a gold-producing country, the gold production has been included in the above table as a current item. The recorded trade in gold amounted to £1,680,000 sterling for imports and £7,854,000 sterling for exports. There was thus an excess of net gold exports over gold production of £283,000 sterling, and a deficit on account of goods, services and gold of £16,660,000 sterling.

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# BULGARIA

Last year's edition of this publication contained statements of the balance of payments of Bulgaria in the years 1931-1933 and the first ten months of 1934. Statements for the whole of 1934 and for 1935 have now been received from the Statistical Service of the National Bank of Bulgaria and are set out below together with those for the two preceding years.

## Goods, services and gold.

Items	Leva (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	3,383	2,846	2,535	3,253	3,471	2,202	2,247	3,009
2. Railway freight on imports . . . . .	—	—	—	—	105	106	75	80
3. Adjustment for wrong valuation . . . . .	-287	-521	-95	354	-906	-306	-80	-312
<i>II. Interest and dividends (1).</i>								
4. Government receipts and service of Government debts (1) . . . . .	34	12	13	3	460	191	215	207
5. Interest receipts and payments by :								
(a) the National Bank . . . . .			—	1			2	3
(b) private banks . . . . .	10	12	1	—	93	26	10	5
(c) insurance companies . . . . .			—	—			1	1
6. Other interest, dividends, <i>tantièmes</i> . . . . .			—	1			5	40
<i>III. Other services.</i>								
7. Shipping freights . . . . .	55	60	35	40	—	—	—	—
8. Port fees . . . . .			22	25	17	30	32	35
9. Railways . . . . .	31	26	12	15	—	—	—	—
10. Commissions . . . . .			35	45	—	—	—	—
11. Insurance . . . . .	200	150	2	2	180	140	12	10
12. Post, telegraph, telephone . . . . .	(2)	(2)	4	16	(2)	(2)	20	20
13. Emigrants' and workers' funds and remittances . . . . .	100	75	70	80	23	20	15	15
14. Tourists' expenditure . . . . .	45	45	60	75	76	68	45	70
15. National students abroad . . . . .	—	—	—	—	74	70	65	40
16. Cinematograph film royalties . . . . .	—	—	—	—	20	25	25	30
17. Gov. receipts and expenditure, n.e.i.:								
(a) legations, etc. . . . .	77	76	75	75	63	90	60	68
(b) in execution of peace treaties . . . . .	45	—	(4)	(4)	81	21	(4)	(4)
(c) other . . . . .	—	—	—	—	—	—	25	2
Carried forward . . . . .	3,693	2,781	2,769	3,985	3,757	2,683	2,774	3,323

(1) Including amortisation of Government debt.  
(2) Included with item 9.  
(3) Included with item 2.  
(4) Included with item 4.

Items	Leva (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward . . .	3,693	2,781	2,769	3,985	3,757	2,683	2,774	3,323
<i>IV. Gold.</i>								
18. Gold coin and bullion. . . . .	—	—	—	—	—	—	—	—
Total . . . . .	3,693	2,781	2,769	3,985	3,757	2,683	2,774	3,323
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	— 64	+ 98	— 5	+ 662				
(b) gold . . . . .	—	—	—	—				
(c) goods, services and gold . . . . .	— 64	+ 98	— 5	+ 662				

## Capital items. (1)

Items	Leva (000,000's)							
	Outward or debit capital movement				Inward or credit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Long-term operations.</i>								
1. Change in long-term credits . . . . .	—	—	4	150	—	18	5	50
<i>II. Short-term operations.</i>								
2. Change in the foreign assets of the National Bank . . . . .	134	—	20	—	—	18	—	326
3. Adjustment of item 2 on account of change in book values . . . . .	130	64	49	44	—	—	—	37
4. Change in short-term indebtedness . . . . .	—	28	8	158	200	154	71	601
Total . . . . .	264	92	81	352	200	190	76	1,014
Net inward (+) or outward (—) movement of capital . . . . .	+ 64	— 98	+ 5	— 662				

The fact that a perfect balance is struck in the summary table (see next page) 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 3, 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.

Details concerning the compilation of certain items in the account were given in the 1931-1932 edition. (2)

(1) Excluding amortisation of Government debt.

(2) Series of League publications : 1933.II.A.26.

## 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 Balance . . . . .	- 1,774	- 1,089	- 70	- 22	- 2,955	+ 808	+ 2,147	+ 2,955	—
1930 Balance . . . . .	+ 1,208	- 1,141	- 186	- 22	- 141	+ 326	- 685	+ 141	—
1931 Balance . . . . .	+ 698	- 1,121	- 196	- 19	- 638	+ 565	+ 73	+ 638	—
1932 Balance . . . . .	+ 426	- 509	+ 19	—	- 64	—	+ 64	+ 64	—
1933 Credit . . . . .	2,325	24	432	—	2,781	—	92	92	2,873
Debit . . . . .	2,002	217	464	—	2,683	18	172	190	2,873
Balance . . . . .	+ 323	- 193	- 32	—	+ 98	- 18	- 80	- 98	—
1934 Credit . . . . .	2,440	14	315	—	2,769	4	77	81	2,850
Debit . . . . .	2,242	233	299	—	2,774	5	71	76	2,850
Balance . . . . .	+ 198	- 219	+ 16	—	- 5	- 1	+ 6	+ 5	—
1935 Credit . . . . .	3,607	5	373	—	3,985	150	202	352	4,337
Debit . . . . .	2,777	256	290	—	3,323	50	964	1,014	4,337
Balance . . . . .	+ 830	- 251	+ 83	—	+ 662	+ 100	- 762	- 662	—

The following figures show how the total inward and outward payments in 1934 and 1935 (as given in the last column of the Summary Table) were distributed between different forms of currency :

	Leva (000,000's)	
	1934	1935
<i>Inward payments.</i>		
Currency received through clearing transactions . . . . .	1,513	2,429
Blocked currency for internal payments . . . . .	257	154
"Clearing" currency derived from private compensation transactions . . . . .	97	483
"Free" currency received by the National Bank of Bulgaria from exports and other sources . . . . .	487	524
Other receipts of "free" currency derived from private compensation transactions and from credits granted to private enterprises . . . . .	496	747
Total . . . . .	2,850	4,337
<i>Outward payments.</i>		
Payments in clearing accounts . . . . .	1,372	2,047
Blocked currency for internal payments . . . . .	221	219
"Clearing" currency paid in private compensation transactions . . . . .	97	483
Payments in clearing accounts out of assets of the National Bank of Bulgaria . . . . .	21	326
Expenditure in "free" currency of the National Bank of Bulgaria . . . . .	684	525
Other expenditure in "free" currency, arising from private compensation and other transactions . . . . .	455	737
Total . . . . .	2,850	4,337

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

### International indebtedness.

The following details are available with reference to outstanding foreign liabilities of Bulgaria.

I. Long-term debts proper :	Leva (000,000's) at the end of			
	1932	1933	1934	1935
(a) Government debt :				
(i) to the Government of Roumania for removing the sequestration from Bulgarian property in Roumania . . . . .	46	46	46	.
(ii) other than to foreign governments . . . . .	15,860	15,026	14,676	( <sup>1</sup> )
(b) municipal debt . . . . .	240	217	205	.
(c) debts of public banks . . . . .	1,042	1,039	1,044	.
(d) private debts . . . . .	100	80	70	.
II. Foreign participation in Bulgarian joint-stock companies . . . . .	2,291	2,366	2,366	.
III. Short-term debts ( <sup>2</sup> ) :				
(a) Government debt to foreign governments, post and railway administrations and banks . . . . .	101	152	151	134
(b) debts of private banks . . . . .	392	280	431	402
(c) private financial debts . . . . .	390	340	320	280
(d) private commercial debts . . . . .	3,152	1,997	1,755	1,227
(e) Government commercial debts . . . . .	88	32	54	384
Total foreign liabilities . . . . .	23,702	21,575	21,118	.

The table does not include liabilities on account of reparations, 4,637 million leva at the end of 1934, or the debt to the Italian Government for repatriation of Bulgarian war prisoners, 13 million leva.

The long-term debt at the end of 1934 considered under items Ia—c (15,971 million leva) was divided between creditor countries as follows :

	Leva (000,000's)		Leva (000,000's)
France . . . . .	5,247	Switzerland . . . . .	615
United Kingdom . . . . .	3,397	Austria . . . . .	297
Netherlands . . . . .	2,693	Belgium . . . . .	253
United States . . . . .	2,147	Italy . . . . .	182
Germany . . . . .	984	Czechoslovakia . . . . .	110
		Roumania . . . . . ( <sup>3</sup> )	46

The total Government debt abroad — excluding intergovernmental debts — towards the end of 1935 is given at 489.1 million Swiss gold francs on long term and 40.3 million on short term, distributed between the creditor countries as follows :

	Swiss gold francs (000,000's)	
	Long-term debts	Short-term debts
France . . . . .	189.8	2.0
Netherlands . . . . .	121.5	12.6
United Kingdom . . . . .	79.3	1.6
United States . . . . .	40.3	0.1
Switzerland . . . . .	21.5	0.9
Austria . . . . .	12.7	2.8
Belgium . . . . .	9.2	—
Italy . . . . .	6.7	—
Czechoslovakia . . . . .	4.4	1.3
Germany . . . . .	3.7	17.8
Yugoslavia . . . . .	—	0.7
Hungary . . . . .	—	0.3
Roumania . . . . .	—	0.2
Total . . . . .	489.1	40.3

(1) For figures in Swiss gold francs, see below.

(2) The corresponding figures for the end of 1930 and 1931 of short-term debts were (in million leva) : Government debt to foreign governments, etc., 159 and 115 ; debts of private banks, 1,800 and 842 ; private financial debts, 550 and 516 ; private commercial debts, 3,120 and 2,782 ; Government commercial debts, 31 and 3.

(3) *i.e.*, item I a (i).

The private commercial debts were distributed among creditor countries as follows :

	Leva (000,000's) at the end of		
	1933	1934	1935
France . . . . .	197	190	175
Czechoslovakia . . . . .	154	95	167
United Kingdom . . . . .	250	225	150
Switzerland . . . . .	85	50	120
Italy . . . . .	340	410	105
Belgium . . . . .	40	130	90
Hungary . . . . .	145	115	90
United States . . . . .	130	105	85
Austria . . . . .	150	155	70
Roumania . . . . .	60	70	60
Netherlands . . . . .	35	55	45
Sweden . . . . .	30	30	25
Poland . . . . .	15	20	15
Turkey . . . . .	18	5	2
Germany . . . . .	296	50	—
Other countries . . . . .	52	50	30
Total . . . . .	1,997	1,755	(1) 1,227

(1) The figures by countries add to 1,229.



## CANADA

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An official Canadian document, prepared for the Conference of British Commonwealth Statisticians of September 1935 <sup>(1)</sup>, contains revised estimates of the Canadian balance of payments during the years 1926-1934. A preliminary estimate of that balance in 1935 has also become available <sup>(2)</sup>. In the following detailed tables, the information for the ten years in question is reproduced. The figures for 1920-1925 shown in the Summary Table are unrevised and thus agree with those contained in the preceding editions of this publication.

As in previous years, 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 1-7) does not represent the full c. i. f. value of imported goods, as it does not include freight paid to domestic ships. This freight (which, in fact, does not represent a foreign transaction) is also excluded from the freight income as shown on the credit side against item 9, and the exclusion, accordingly, does not affect the balance of the whole account.

The figures for 1934 and 1935 are provisional.

(1) "The Balance of International Payments and Capital Movements" (unpublished document, prepared under the direction of the Dominion Statistician).

(2) "Preliminary Memorandum: Estimated Balance of International Payments for Canada, 1935", Dominion Bureau of Statistics. A similar statement, together with the corresponding figures for 1934, has been published in *The Canada Year-Book*, 1936.

## Goods, services and gold.

Items	Canadian \$ (000,000's)									
	Inward or credit movements (Exports)									
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
<b>I. Merchandise.</b>										
1. Merchandise, as recorded (1)	1,285.7	1,241.3	1,376.8	1,211.0	907.9	620.7	502.8	538.2	660.5	743.3
2. Adjustment on account of over-valuation of imports due to exchange depreciation	—	—	—	—	—	—	—	—	—	—
3. Import freights paid to foreign carriers	—	—	—	—	—	—	—	—	—	—
4. Export freights (earned in carrying exports to Canadian ports or boundary)	46.9	48.0	48.1	45.5	34.2	28.2	20.1	21.4	24.2	(2) 25.9
5. Unrecorded imports of ships	—	—	—	—	—	—	—	—	—	—
6. Deductions for settlers' effects and miscellaneous items	— 12.3	— 11.0	— 10.9	— 11.7	— 11.0	— 9.3	— 6.5	— 3.5	— 3.7	— 3.3
7. Trade in electrical energy (3)	4.6	4.8	—	—	—	—	—	—	—	—
<b>II. Interest and dividends.</b>										
8. Interest and dividends received and paid	68.8	80.8	94.9	110.7	112.9	101.4	93.8	88.3	95.0	98.0
<b>III. Other services.</b>										
9. Shipping earnings on account of Canadian exports by sea and other transport earnings	49.5	48.8	47.8	45.8	36.1	25.9	17.9	22.3	27.2	(2) 29.1
10. Insurance (since 1932, net)	10.8	19.2	35.8	32.0	29.5	29.8	—	—	—	—
11. Immigrants' and emigrants' funds	14.9	14.5	14.8	14.1	11.1	5.2	4.4	2.6	1.9	1.8
12. Earnings of Canadians employed in U.S.A. (net)	10.0	11.0	13.7	13.7	3.7	1.8	0.8	0.7	0.7	1.2
13. Immigrants' and emigrants' remittances	15.6	15.4	14.4	14.0	13.2	10.0	6.1	5.3	6.0	6.0
14. Charitable and missionary contributions	0.8	0.9	1.4	1.0	1.0	1.0	1.1	1.7	1.8	2.6
15. Tourists' expenditure	201.2	238.5	275.2	309.4	279.2	250.8	212.4	117.1	130.0	202.3
16. Reparation receipts	1.8	6.8	4.7	4.3	6.3	1.3	—	—	—	—
17. Diplomatic and other Government expenditure	11.9	11.8	11.8	11.8	11.7	11.7	8.8	6.0	5.8	5.9
18. Advertising	3.1	4.5	3.9	4.0	4.0	3.0	2.0	1.8	2.0	2.0
19. Cinematograph film royalties	—	—	—	—	—	—	—	—	—	—
20. Allowance for exchange discrepancies on interest and maturity payments and receipts	—	—	—	—	—	4.5	10.0	3.0	—	—
<b>IV. Gold.</b>										
21. Gold coin and bullion as recorded	69.8	47.0	105.0	45.6	18.0	69.3	60.8	61.9	91.1	105.6
22. Unrecorded trade in gold	8.6	14.9	—	2.4	4.9	0.8	—	1.4	14.0	6.8
23. Correction for exchange discrepancy	—	—	—	—	—	—	—	—	—	—
<b>Total.</b>	<b>1,791.7</b>	<b>1,797.2</b>	<b>2,037.4</b>	<b>1,853.6</b>	<b>1,462.7</b>	<b>1,156.1</b>	<b>942.4</b>	<b>892.2</b>	<b>1,056.5</b>	<b>1,227.2</b>
Surplus (+) or deficit (—) on account of:										
(a) goods and services	+192.2	+ 98.1	+121.9	—151.9	—179.0	— 66.0	— 38.9	— 30.9	— 18.9	+ 58.9
(b) gold	+ 31.3	+ 30.6	+ 65.3	+ 44.3	— 16.2	+ 68.1	+ 66.5	+ 86.1	+100.3	+110.7
(c) goods, services and gold	+223.5	+128.7	+187.2	—107.6	—195.2	+ 2.1	+ 27.6	+ 55.2	+ 81.4	+169.6

(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	1933	1934	1935	
1,008.3	1,087.1	1,222.3	1,299.0	1,008.5	628.1	452.6	401.2	513.5	550.3	I. <i>Merchandise.</i>
—	—	—	—	—	— 5.0	— 22.0	— 7.0	— 1.5	—	1. Merchandise, as recorded (1).
105.9	109.0	115.3	130.4	98.8	74.0	62.9	62.5	74.9	84.0	2. Adjustment on account of over-valuation of imports due to exchange depreciation.
—	—	—	—	—	—	—	—	—	—	3. Import freights paid to foreign carriers.
—	1.9	19.2	19.4	7.5	0.5	1.0	0.3	0.3	—	4. Export freights (earned in carrying exports to Canadian ports or boundary).
—	—	—	—	—	—	—	—	—	—	5. Unrecorded imports of ships.
— 21.8	— 22.5	— 21.4	— 24.6	— 23.8	— 16.8	— 14.0	— 9.7	— 8.3	— 8.3	6. Deductions for settlers' effects and miscellaneous items.
0.1	0.1	—	—	—	—	—	—	—	—	7. Trade in electrical energy (2).
250.0	266.6	282.8	330.1	356.3	336.4	309.1	278.8	290.0	317.0	II. <i>Interest and dividends.</i>
—	—	—	—	—	—	—	—	—	—	8. Interest and dividends received and paid.
—	—	—	—	—	—	—	—	—	—	III. <i>Other services.</i>
23.8	29.5	28.8	24.4	19.8	14.3	12.2	22.1	15.0	8.0	9. Shipping earnings on account of Canadian exports by sea and other transport earnings.
14.7	12.6	11.2	11.5	9.4	4.3	4.2	3.4	3.3	3.0	10. Insurance (since 1932, net).
—	—	—	—	—	—	—	—	—	—	11. Immigrants' and emigrants' funds.
20.5	22.4	23.2	23.4	19.9	13.1	7.1	5.6	6.5	6.7	12. Earnings of Canadians employed in U.S.A. (net).
1.9	1.8	1.8	1.8	1.8	1.8	1.2	1.6	1.6	1.5	13. Immigrants' and emigrants' remittances.
98.8	108.7	107.5	121.7	100.4	76.5	57.4	50.8	60.9	79.4	14. Charitable and missionary contributions.
—	—	—	—	—	—	—	—	—	—	15. Tourists' expenditure.
10.9	11.7	11.0	11.3	10.4	11.0	10.4	10.0	10.1	10.0	16. Reparation receipts.
4.5	4.8	5.0	5.3	6.0	5.0	3.5	1.2	1.5	1.5	17. Diplomatic and other Government expenditure.
3.5	3.5	3.8	3.8	3.8	3.8	3.3	3.0	2.5	2.8	18. Advertising.
—	—	—	—	—	5.0	23.7	12.0	—	—	19. Cinematograph film royalties.
—	—	—	—	—	—	—	—	—	—	20. Allowance for exchange discrepancies on interest and maturity payments and receipts.
47.1	31.2	39.7	3.7	39.1	2.0	1.1	0.8	0.8	1.2	IV. <i>Gold.</i>
—	0.1	—	—	—	—	1.1	—	4.0	0.5	21. Gold coin and bullion as recorded.
—	—	—	—	—	—	—	0.4	—	—	22. Unrecorded trade in gold.
1,568.2	1,668.5	1,850.2	1,961.2	1,657.9	1,154.0	914.8	837.0	975.1	1,057.6	23. Correction for exchange discrepancy.
										Total.

(2) In the original statement for 1935, only the total freight income (\$55 million) is given. In the above table, this total has been distributed between items 4 and 9 on the basis of the proportion between the respective earnings in 1934.

(3) Included in item 1 since 1928.

## Known capital items.

Items	Canadian \$ (000,000's)									
	Inward or credit capital movement									
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
1. "Retirements" (amortisation, refunding) . . . . .		—	—	—	—	—	—	—	—	—
2. New capital issues (including refunding issues) . . . . .		265.4	203.8	286.3	360.6	185.8	94.8	74.6	104.7	116.5
3. Foreign direct investments in branch and subsidiary enterprises . . . . .		68.0	44.5	46.5	67.1	9.0	12.0	3.0	5.5	6.0
4. Canadian investments abroad, including balances held by the Government, banks and insurance companies . . . . .		—	—	—	—	—	5.0	52.3	( <sup>1</sup> ) 9.0	( <sup>1</sup> ) 51.1
5. Short-term operations not included in item 4 . . . . .		5.0	20.0	25.0	10.0	18.0	—	—	—	—
Total . . . . .	( <sup>2</sup> )247.6	338.4	268.3	357.8	437.7	212.8	111.8	129.9	119.2	173.6
Net inward (+) or outward (—) movement of capital . . . . .	+ 16.8	+ 35.8	— 45.3	+ 80.0	+241.5	+ 13.1	+ 15.2	+ 21.0	— 10.3	— 16.4

## SUMMARY TABLE.

	Canadian \$ (000,000's)							Known capital items	All items ( <sup>3</sup> )	
	Goods, services and gold					Total				
	Merchandise	Interest and dividends	Other services	Gold						
1920 Balance . . . . .	— 161.9	— 207.3	+ 73.6	+ 27.7	— 267.9	( <sup>4</sup> ) .				
1921 Balance . . . . .	— 83.1	— 211.8	+ 122.2	+ 35.6	— 137.1	( <sup>4</sup> ) .				
1922 Balance . . . . .	+ 55.7	— 206.8	+ 131.8	— 48.7	— 68.0	( <sup>4</sup> ) .				
1923 Balance . . . . .	+ 16.3	— 214.9	+ 176.2	+ 67.4	+ 45.0					
1924 Balance . . . . .	+ 175.8	— 213.9	+ 166.4	— 20.4	+ 107.9					
1925 Balance . . . . .	+ 299.5	— 207.8	+ 195.8	— 10.3	+ 277.2	— 176.7	+ 100.5			
1926 Balance . . . . .	+ 232.4	— 181.2	+ 141.0	+ 31.3	+ 223.5	+ 16.8	+ 240.3			
1927 Balance . . . . .	+ 107.5	— 185.8	+ 176.4	+ 30.6	+ 128.7	+ 35.8	+ 164.5			
1928 Balance . . . . .	+ 78.6	— 187.9	+ 231.2	+ 65.3	+ 137.2	— 45.3	+ 141.9			
1929 Balance . . . . .	— 179.4	— 219.4	+ 246.9	+ 44.3	— 107.6	+ 80.0	— 27.6			
1930 Balance . . . . .	— 159.9	— 243.4	+ 224.3	— 16.2	— 195.2	+ 241.5	+ 46.3			
1931 Balance . . . . .	— 41.2	— 235.0	+ 210.2	+ 68.1	+ 2.1	+ 13.1	+ 15.2			
1932 Balance . . . . .	+ 35.9	— 215.3	+ 140.5	+ 66.5	+ 27.6	+ 15.2	+ 42.8			
1933 Credit . . . . .	556.1	88.3	160.5	87.3	892.2	129.9	1,022.1			
Debit . . . . .	447.3	278.8	109.7	1.2	837.0	108.9	945.9			
Balance . . . . .	+ 108.8	— 190.5	+ 50.8	+ 86.1	+ 55.2	+ 21.0	+ 76.2			
1934 Credit . . . . .	681.0	95.0	175.4	105.1	1,056.5	119.2	1,175.7			
Debit . . . . .	578.9	290.0	101.4	4.8	975.1	129.5	1,104.6			
Balance . . . . .	+ 102.1	— 195.0	+ 74.0	+ 100.3	+ 81.4	— 10.3	+ 71.1			
1935 Credit . . . . .	765.9	98.0	250.9	112.4	1,227.2	173.6	1,400.8			
Debit . . . . .	626.0	317.0	112.9	1.7	1,057.6	190.0	1,247.6			
Balance . . . . .	+ 139.9	— 219.0	+ 138.0	+ 110.7	+ 169.6	— 16.4	+ 153.2			

(1) Figures not comparable with those given for 1927-1933 (cf. text).

(2) Details not available. In compiling the totals given, "retirements" were deducted from both sides of the account (the balance is not affected).

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

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

## Known capital items.

Canadian \$ (000,000's)										Items
Outward or debit capital movement										
1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	
.	101.3	185.9	125.3	96.0	171.4	80.6	98.9	129.5	190.0	1. "Retirements" (amortisation, refunding).
.	—	—	—	—	—	—	—	—	—	2. New capital issues (including refunding issues).
.	—	—	—	—	—	—	—	—	—	3. Foreign direct investments (in branch and subsidiary enterprises).
.	196.3	127.7	152.5	100.2	28.3	—	—	—	—	4. Canadian investments abroad, including balances held by the Government, banks and insurance companies.
.	5.0	—	—	—	—	16.0	10.0	.	.	5. Short-term operations not included in item 4.
( <sup>2</sup> )230.8	302.6	313.6	277.8	196.2	199.7	96.6	108.9	129.5	190.0	Total.

The balances obtained on account of goods, services and gold, although naturally affected by errors and omissions, are believed to reflect correctly the broad changes which have taken place in the direction of capital movements during the period covered by the Summary Table. The considerable balances on account of errors and omissions, calculated in the last column for the years 1925-1935, are thus probably due, to a large extent, to the fact that the information concerning the capital movement is incomplete. In particular, this seems to be true of 1926, 1927, and 1928. During these years, it is pointed out, Canadians were participating heavily in the New York stock market, and there are grounds for believing that the records of that participation are too low. "It is expected that, as a result of further research on this subject and in the matter of insurance investments, important alterations will be made in the table and the error and omission estimates reduced to smaller figures." The balance for 1935 is also attributed to the unrecorded outflow of capital during the year.

### Goods, services and gold.

*Merchandise.* The "miscellaneous items" which, together with settlers' effects, are considered in item 6 include various goods not bought or sold, such as articles for exhibition purposes, articles to be warehoused for ships' stores, advertising chromos, cinematograph films, etc.

*Interest and dividends.* The following table gives further details concerning the interest and dividends received and paid during the years 1927-1933, entered against item 8 :

	Canadian \$ (000,000's)						
	1927	1928	1929	1930	1931	1932	1933
Interest and dividends received :							
(a) from the United Kingdom . . . . .	5.0	5.6	6.5	6.9	5.7	5.2	5.0
(b) from the United States . . . . .	47.9	58.8	66.5	65.1	58.4	55.0	50.8
(c) from other countries . . . . .	27.9	30.5	37.7	40.9	37.3	33.6	32.5
Total . . . . .	80.8	94.9	110.7	112.9	101.4	93.8	88.3
Interest paid :							
(a) to the United Kingdom . . . . .	67.3	66.6	66.8	65.5	64.0	63.5	61.6
(b) to the United States . . . . .	87.2	95.0	99.2	108.0	116.6	109.2	106.7
(c) to other countries . . . . .	0.6	0.7	0.6	0.7	0.7	0.6	0.5
Total . . . . .	155.1	162.3	166.6	174.2	181.3	173.3	168.8
Dividends paid :							
(a) to the United Kingdom . . . . .	41.3	38.6	52.3	54.7	43.4	36.7	29.7
(b) to the United States . . . . .	65.8	75.9	103.0	118.4	103.9	91.0	73.7
(c) to other countries . . . . .	4.5	6.0	8.2	9.1	7.8	8.1	6.6
Total . . . . .	111.6	120.5	163.5	182.2	155.1	135.8	110.0
Total interest and dividends paid . . . . .	166.7	282.8	330.1	356.4	336.4	309.1	278.8

Interest received on Government loans and balances abroad were compiled from the public accounts, while interest on banking assets abroad and investments by insurance companies were calculated according to assumed average interest rates. For Canadian direct investments abroad, only partial data were available, and receipts from these sources, as well as from miscellaneous other investments, had to be roughly estimated.

For the compilation of outward dividend payments, the reports by Canadian corporations to the Income Tax Branch of the Department of National Revenue were employed. In these reports, the amounts paid outside Canada are shown separately. As certain Canadian corporations have common shares outstanding with carry bearer coupons, the information in the reports is not complete, however, and an estimate had to be made of the geographical distribution of ownership of the common shares of the firms concerned. Outward interest payments were calculated on the basis of a record kept in the Dominion Bureau of Statistics concerning the original distribution of bonds taken entirely, or in part, abroad. No correction was made for subsequent international sales and purchases of bonds of the issues in question.

*Freights, etc.* For details with reference to the calculation of the amounts entered against items 3, 4 and 9, reference should be made to the 1927-1929 edition of this publication (1).

*Immigrants' and emigrants' funds* (item 11). Funds brought in by immigrants were calculated on the assumption that the average amounts *per capita* were as follows :

(1) Series of publications : 1930.II.5411.

Immigrants from the United Kingdom . . . . .	\$	50
Immigrants from the United States :		
farmers and farm labourers . . . . .		500
other United States immigrants, and Canadians returning from the United States . . . . .		100
Immigrants from other countries . . . . .		25

Funds taken out by emigrants were calculated at \$125 per head.

*Emigrants' remittances* (item 13). Remittances by foreign emigrants in Canada and by Canadian emigrants abroad were assumed to have been equal to the amounts of postal money orders between Canada and foreign countries (that is, it was assumed that sums remitted by immigrants and emigrants through non-post-office channels were equal to the amount of postal money order remittances arising out of pecuniary transactions, such as small purchases abroad).

*Tourists' expenditure* (item 15). Details concerning the methods of calculation were given in the preceding issue of this publication <sup>(1)</sup>. The expenditure during 1933-1935 is composed of the following amounts : <sup>(2)</sup>

	Canadian \$ (000,000's)					
	Foreign tourists in Canada			Canadian tourists abroad		
	1933	1934	1935	1933	1934	1935
Tourists from or in oversea countries . . . . .	7.8	9.5	10.1	14.0	14.3	16.5
Tourists from or in the United States :						
entering (leaving) by motor-car . . . . .	77.2	86.2	131.8	24.6	32.6	50.2
entering (leaving) by rail or steamer . . . . .	32.1	34.3	59.1	12.3	14.0	24.6
Total . . . . .	117.1	130.0	201.0	50.9	60.9	91.3

*Government expenditure.* Outward payments entered against item 17 include, besides diplomatic and similar expenditure, pensions to persons residing abroad, as recorded by the Board of Pensions Commissioners for Canada ; this item accounts for between \$6 and \$7 million annually.

### Capital items.

The amounts entered against item 3 (foreign direct investments in branches and subsidiary enterprises) are calculated mainly on the basis of figures derived from the industrial census.

Item 4 is stated to comprise the net movement of the following Canadian long- and short-term investments abroad : (1) Dominion Government balances abroad, (2) net assets of Canadian banks abroad, (3) investments of insurance companies abroad, (4) foreign securities held in Canada by insurance companies, (5) Canadian direct investments abroad (branch plants, etc.), (6) miscellaneous investments abroad (mostly ownership of British and foreign securities other than those owned by banks and insurance companies. It is stated that some of these estimates are more or less rough approximations.

(1) Series of publications : 1935.II.A.20.

(2) The totals for 1935, derived from the *Canada Year-Book*, differ somewhat from those entered in the balance of payments account.

The totals entered against item 4 for 1934 and 1935 would appear not to be comparable with those given for earlier years. They represent the balance of the purchases and sales of securities, as reported to the Dominion Bureau of Statistics by investment dealers, banks, stock exchange and others <sup>(1)</sup>. The totals of such purchases and sales for the years 1933-1935 and the first five months of 1935 and 1936 are reproduced below :

Period	Canadian \$ (000,000's)							
	United States		United Kingdom		Other countries		Total	
	Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from	Sales	Purchases
1933 . . . . .	205.7	202.9	80.8	27.6	2.2	7.2	288.7	237.7
1934 . . . . .	216.0	284.2	102.1	23.8	3.1	4.3	321.2	312.3
1935 . . . . .	268.2	200.7	31.0	44.1	2.6	6.0	301.8	250.8
January-May 1935 . . .	102.6	72.0	10.1	19.4	1.1	3.3	113.8	94.7
January-May 1936 . . .	134.8	107.9	28.4	20.3	2.2	2.7	165.4	130.9

Item 5 includes balances in Canadian banks owned by foreign countries and short-term funds owned by Canadians other than banks and governments lodged in other countries but not in Canadian branch banks. The figures, though not complete, are stated to cover the bulk of the transactions in question. For 1934 and 1935, no figures are available.

#### International indebtedness.

The following revised figures with reference to foreign investments in Canada and Canadian investments abroad have been compiled by the Dominion Bureau of Statistics :

	Canadian \$ (000,000's) at the end of					
	1926	1929	1930	1931	1932	1933
Foreign investments in Canada :						
by U.K. . . . .	2,600	2,758	2,783	2,717	2,678	2,734
by U.S.A. . . . .	3,104	3,825	4,123	4,081	4,065	3,983
by other countries . . . .	106	120	103	97	96	96
Total . . . . .	5,810	6,703	7,009	6,895	3,839	6,813
Canadian investments abroad :						
in U.K. . . . .	.	.	121	110	109	110
in U.S.A. . . . .	.	.	1,259	1,288	1,305	1,254
in other countries . . . .	.	.	677	688	667	665
Total . . . . .	.	.	2,057	2,086	2,081	2,029

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

Census of industry figures are subject to the writing-down of assets which takes place in a period of depression. Consequently, it is stated, there appears to be a considerable drop in the capital invested which cannot be attributed to the withdrawal of capital.

(1) Published in " Sales and Purchases of Securities between Canada and Other Countries " (Dominion Bureau of Statistics).



The division of the investments at the end of 1933 between main types for each of the three geographical regions concerned was as follows :

	Canadian \$ (000,000's)			
	United Kingdom	United States	Other countries	Total
<i>Foreign investments in Canada.</i>				
Government securities :				
Dominion . . . . .	317.2	447.8	—	765.0
provincial . . . . .	84.4	445.9	3.3	533.6
municipal . . . . .	166.0	219.8	—	385.8
Public utilities :				
railways . . . . .	1,181.3	745.4	23.5	1,950.2
other (traction, light, heat, power, tele- phone, etc.) . . . . .	180.5	563.9	7.5	751.9
Industries :				
wood and wood products . . . . .	92.9	364.4	1.1	458.4
mining, clay products, other structural materials . . . . .	145.9	218.8	3.7	368.4
metal industries . . . . .	73.4	323.8	4.3	401.5
other industries . . . . .	188.2	263.4	7.5	459.1
Merchandising and service . . . . .	71.8	143.5	4.1	219.4
Insurance . . . . .	66.8	93.3	1.6	161.7
Finance and mortgage corporations . . . . .	155.8	93.2	34.4	283.4
Miscellaneous (agricultural lands, summer homes, prospecting, etc.) . . . . .	10.0	60.0	5.0	75.0
Total . . . . .	2,734.2	3,983.2	96.0	6,813.4
<i>Canadian investments abroad.</i>				
Canadian Government credits . . . . .	—	—	30.5	30.5
Net assets of Canadian banks abroad (including foreign securities) . . . . .	22.0	47.5	30.4	99.9
Investments of insurance companies held abroad	65.6	353.2	85.8	504.6
Foreign securities held in Canada by insurance companies . . . . .	3.4	109.5	24.9	137.8
Direct industrial investments . . . . .	9.0	260.0	173.0	442.0
Miscellaneous . . . . .	10.0	484.0	320.0	814.0
Total . . . . .	110.0	1,254.2	664.6	2,028.8

With reference to the figures for Canadian investments abroad, it is pointed out that definite information for certain groups was lacking and that the basis on which the estimates are made leaves much to be desired.

# CHINA

An estimate of the balance of payments of China in 1935 has been supplied by the Government of that country and is reproduced below, together with the figures for 1933 and 1934 which appeared in the preceding issue of this publication.

The statements refer to China exclusive of Manchuria and Jehol.

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

Items	Standard dollars (000,000's) (1)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1933	1934	1935	1933	1934	1935
<b>I. Merchandise.</b>						
1. Merchandise according to trade returns :						
(a) merchandise proper . . . . .	611.8	535.2	575.8	1,345.6	1,029.7	919.2
(b) silver . . . . .	94.3	267.4	70.4	80.1	7.5	11.0
2. Adjustment for under-valuation of exports of merchandise proper (10% in 1933, 15% in 1934 and 1935) . . . . .	61.2	80.3	86.4	—	—	—
3. Contraband :						
(a) merchandise proper . . . . .	—	—	—	134.6	154.5	210.0
(b) silver . . . . .	—	20.0	230.0	—	—	—
<b>II. Interest and dividends (including amortisation).</b>						
4. Service of Government foreign loans :						
(a) Customs . . . . .	—	—	—	75.6	75.4	66.4
(b) Salt . . . . .	—	—	—	11.4	7.1	12.7
(c) Railways . . . . .	—	—	—	6.0	18.5	11.7
(d) United States Wheat and Cotton Loans . . . . .	—	—	—	—	11.6	16.6
5. Foreign business profits . . . . .	—	—	—	20.0	20.0	55.0
6. Receipts from Chinese holdings of foreign securities . . . . .	5.0	(2)	(2)	—	—	—
<b>III. Other services.</b>						
7. Foreign shipping expenditure . . . . .	25.0	—	—	—	—	—
8. Mission and philanthropic remittances . . . . .	50.0	—	—	—	—	—
9. Foreign military and naval expenditure . . . . .	100.0	180.0	150.0	—	—	—
10. Tourists and students . . . . .	10.0	—	—	—	—	—
11. Diplomatic expenditure . . . . .	30.0	—	—	5.0	—	—
12. Emigrants' remittances . . . . .	200.0	250.0	260.0	4.0	9.0	6.0
Carried forward . . . . .	1,187.3	1,332.9	1,372.6	(2) 1.0	—	—
	1,187.3	1,332.9	1,372.6	1,683.3	1,333.3	1,308.6

(1) The average exchange value of the standard dollar in 1933, 1934 and 1935 was U.S. gold \$0.205, 0.201 and 0.204 respectively (according to the former dollar parity).  
 (2) Included with the recorded inward capital movement.  
 (3) " Remittances by foreigners in China."

Items	Standard dollars (000,000's)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1933	1934	1935	1933	1934	1935
Brought forward . . . . .	1,187.3	1,332.9	1,372.6	1,683.3	1,333.3	1,308.6
13. Insurance profits of foreign companies . . . . .	—	—	—	4.0	—	—
14. Cinematograph film royalties . . . . .	—	—	—	5.0	( <sup>1</sup> )	( <sup>1</sup> )
IV. Gold.						
15. Gold, according to trade returns . . . . .	69.7	51.5	39.1	0.3	—	1.1
16. Contraband . . . . .	( <sup>2</sup> ) 120.0	60.0	30.0	—	—	—
Total . . . . .	1,377.0	1,444.4	1,441.7	1,692.6	1,333.3	1,309.7
Surplus (+) or deficit (—) on account of :						
(a) goods and services . . . . .	—505.0	— 0.4	+ 64.0			
(b) gold . . . . .	+189.4	+111.5	+ 68.0			
(c) goods, services and gold . . . . .	—315.6	+111.1	+132.0			

### Capital items (excluding amortisation payments).

Item	Standard dollars (000,000's)					
	Inward or credit capital movement			Outward or debit capital movement		
	1933	1934	1935	1933	1934	1935
Foreign investments and credit extended to China ( <sup>3</sup> ) .	30.0	80.0	140.0	—	—	—

### SUMMARY TABLE.

	Standard dollars (000,000's)						
	Goods, services and gold ( <sup>1</sup> )					Known capital items ( <sup>2</sup> )	All items
	Merchandise	Interest and dividends	Other services	Gold	Total		
1933 Credit . . . . .	767.3	5.0	415.0	189.7	1,377.0	30.0	1,407.0
Debit . . . . .	1,560.3	113.0	19.0	0.3	1,692.6	—	1,692.6
Balance . . . . .	— 793.0	— 108.0	+ 396.0	+ 189.4	— 315.6	+ 30.0	( <sup>5</sup> ) — 285.6
1934 Credit . . . . .	902.9	—	430.0	111.5	1,444.4	80.0	1,524.4
Debit . . . . .	1,191.7	132.6	9.0	—	1,333.3	—	1,333.3
Balance . . . . .	— 288.8	— 132.6	+ 421.0	+ 111.5	+ 111.1	+ 80.0	( <sup>5</sup> ) + 191.1
1935 Credit . . . . .	962.6	—	410.0	69.1	1,441.7	140.0	1,581.7
Debit . . . . .	1,140.2	162.4	6.0	1.1	1,309.7	—	1,309.7
Balance . . . . .	— 177.6	— 162.4	+ 404.0	+ 68.0	+ 132.0	+ 140.0	( <sup>5</sup> ) + 272.0

(1) Included in item 5.

(2) Of which from Hong-Kong, 96.

(3) The figure for 1934 includes, it is stated, "income from Chinese investments abroad, United States Wheat and Cotton Loans, Agencies' Commissions and allowances" and that for 1935 "receipts from Chinese investments abroad, profits on sales of bullion, etc."

(4) Amortisation is included with the figures for interest and dividends.

(5) Balance due to errors and omissions.

According to information received, amortisation on account of Government debts abroad (included with "Interest and dividends" above) amounted to 67 million standard dollars in 1934 and 61 million in 1935, of which 34 and 31 million respectively on account of intergovernmental debts.

As a general rule, official and private estimates of the balance of payments of China have shown considerable deficits which could not be explained with the aid of available statistical data. The statements for 1934 and 1935 reproduced above, on the other hand, show a surplus due to errors and omissions of 191 and 272 million standard dollars respectively. The net export of silver, recorded at 14 million standard dollars in 1933, is estimated to have risen to 280 million in 1934 and 290 million in 1935. During the last twenty years, there has normally been a net import of silver. In recent years, large amounts of gold have been exported, but not until 1933 was there a net export of silver.

The balance of payments statements have been published in the annual reports of the *Bank of China*. The report for 1935 draws attention to the increased difficulty of securing information, the recent smuggling of foreign merchandise, particularly into North China, and the outward smuggling of silver dollars, the bullion value of which was so much higher than their exchange value that successful smuggling was most remunerative. The estimated totals in the table in respect of this inward smuggling of goods and outward smuggling of silver are the combined results of enquiries in various quarters and calculations based on the published statistics of neighbouring territories, but nevertheless cannot be regarded as anything more than approximations."

The high figure for remittances of Chinese abroad is attributed to the improvement in business conditions in those countries where the majority of Chinese emigrants reside.

Owing to the uncertain position of the Chinese dollar throughout the greater part of 1935, there was unquestionably a considerable flight of capital from the country, though the total amount for the year was reduced by a partial repatriation of such funds when confidence revived following the introduction of the new currency system early in November. In addition, as a natural consequence of the adoption of the new currency system and the subsequent sale abroad of a part of China's silver stocks, there was a considerable increase in the foreign currency holdings of the Government banks."

A statement of the balance of payments of Manchuria and the Kwantung Province in 1933 and 1934 was reproduced in the 1934 issue of this publication. (1)

(1) Series of publications : 1935.II.A.20.

# CURAÇAO

Figures for a number of items in the balance of payments of Curaçao in 1935 have been supplied by the Netherlands Government and are set out below together with those for 1932-1934 published last year.

## Goods, services and gold.

Items	Gulden (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	183,000	194,000	161,320	181,120	141,000	150,000	154,807	164,080
2. Adjustment for wrong valuation . . . . .	—	—	—	—	—	—	—	4,800
3. Contraband . . . . .	6	4	2	750	2	3	5	20
<i>II. Interest and dividends.</i>								
4. Interest on intergovernmental debts . . . . .	—	—	—	—	124	86	90	—
5. Other interest and dividends on long-term capital. . . . .	186	135	200	500	—	—	—	15,200
<i>III. Other services.</i>								
6. Transport fees . . . . .	—	—	—	—	135	146	143	350
7. Port fees . . . . .	617	791	801	700	23	30	30	—
8. Commissions, insurance, brokerage . . . . .	—	—	—	—	—	—	—	2,000
9. Post, telegraph and telephone . . . . .	477	475	539	114	262	460	511	90
10. Immigrants' and emigrants' funds . . . . .	45	25	30	—	—	—	—	—
11. Immigrants' and emigrants' remittances . . . . .	32	16	18	—	100	100	100	1,400
12. Tourists' expenditure . . . . .	320	380	360	500	30	50	150	800
13. Diplomatic expenditure . . . . .	—	—	—	150	143	154	161	—
14. " Films " . . . . .	—	—	—	—	211	300	350	4,680
15. Other items . . . . .	80	65	36	1,300	—	—	—	—
<i>IV. Gold.</i>								
16. Gold coin and bullion. . . . .	75	2,546	723	2,000	300	2,598	606	750

## Capital items.

Items	Gulden (000's)	
	Inward or credit capital movements	Outward or debit capital movements
	1935	1935
<i>I. Long-term operations.</i>		
1. Amortisation payments . . . . .	—	10,600
2. Sale of domestic securities . . . . .	350	—
3. Purchase of foreign securities . . . . .	—	340
4. Other long-term investments . . . . .	13,200	600
<i>II. Short-term operations.</i>		
5. Decrease in short-term debts . . . . .	—	1,850
6. Increase in short-term assets . . . . .	—	1,000

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

# CZECHOSLOVAKIA

A statement of the balance of payments of Czechoslovakia in 1935 has been supplied by the Government of that country and has since been published in the *Rapports de l'Office de statistique de la République tchécoslovaque* (1). The statement is set out below together with those for 1931-1934 which appeared in last year's edition of this publication. Certain of the figures for 1934 have been revised.

## Goods, services and gold.

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
<b>I. Merchandise.</b>										
1. Merchandise . . . . .	13,109	7,343	5,853	7,280	7,418	11,736	7,487	5,832	6,382	6,738
<b>II. Interest and dividends.</b>										
2. Interest on intergovern- mental debts . . . . .	38	35	33	27	25					
3. Interest on other Govern- ment debts . . . . .	—	—	—	—	—	281	232	188	143	203
4. Interest on municipal debts	—	—	—	—	—	36	31	27	23	22
5. Yield of securities . . . . .	383	336	250	200	176	177	100	100	80	145
6. Interest on the current accounts of banks . . . . .	113	64	41	32	26	43	32	23	16	13
7. Yield of foreign-owned real estate . . . . .	—	—	—	—	—	300	280	280	280	280
8. Other interest and dividends	57	47	41	39	39	110	88	77	87	81
<b>III. Other services.</b>										
9. Shipping freights (river traffic) . . . . .	38	32	41	36	45	18	9	7	8	10
10. Port fees . . . . .	2	1	1	1	2	5	4	4	4	5
11. Railway freight for goods in transit . . . . .	348	216	140	133	389	17	—	—	—	141
12. Agency commissions . . . .	199	108	105	109	115	437	230	190	240	246
13. Insurance . . . . .	—	—	5	—	50	58	40	—	6	88
14. Post, telegraph and teleph.	—	—	—	—	26	21	14	15	15	41
15. Emigrants' funds, etc.:										
(a) travelling costs of emi- grants . . . . .	—	—	—	—	—	5	2	2	2	3
(b) personal cash of emi- grants leaving or return- ing . . . . .	—	—	—	—	—	5	3	2	5	10
16. Emigrants' remittances . . . .	384	264	177	135	111	12	12	12	15	15
17. Various money gifts . . . . .	3	2	2	1	1	4	3	4	4	(2) 122
Carried forward . . . . .	14,674	8,448	6,689	7,993	8,423	13,265	8,567	6,763	7,310	8,163

(1) Vol. 1936, No. 51.

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

## CZECHOSLOVAKIA

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
Brought forward . .	14,674	8,448	6,689	7,993	8,423	13,265	8,567	6,763	7,310	8,163
18. Tourists' expenditure . .	580	420	288	475	449	760	420	167	223	410
19. Diplomatic and consular representation . . . . .	36	37	38	38	38	81	79	64	62	79
20. Fees collected by legations and consulates . . . . .	11	7	6	6	6	8	7	7	7	7
21. Contribution to interna- tional institutions . . . . .	—	—	—	—	—	7	6	9	8	8
22. Import of electric power . .	—	—	—	—	—	18	16	7	7	6
23. Cinematogr. film royalties	4	3	6	6	4	110	52	27	15	21
24. Patent royalties and taxes	25	25	30	30	30	65	60	60	80	78
IV. Gold.										
25. Gold coin and bullion . .	40	58	77	12	522	65	671	319	33	24
26. Changes in earmarked gold	—	554	244	—	—	104	—	—	488	506
Total . . . . .	15,370	9,552	7,378	8,560	9,472	14,483	9,878	7,423	8,233	9 302
Surplus (+) or deficit (—) on account of :										
(a) goods and services . .	+1,016	— 267	— 47	+ 836	+ 178					
(b) gold . . . . .	— 129	— 59	+ 2	— 509	— 8					
(c) goods, services and gold	+ 887	— 326	— 45	+ 327	+ 170					

## Capital items.

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
I. Long-term operations.										
1. Amortisation receipts and payments :										
(a) by the Government . .	30	33	37	31	—	48	27	23	27	41
(b) by municipalities . . .	—	—	—	—	—	11	9	11	9	9
(c) by industries and banks	235	230	108	49	173	147	97	206	81	101
2. Purchases and sales :										
(a) of real estate in the country . . . . .	—	—	—	—	—	100	80	80	80	(1) 160
(b) of securities . . . . .	906	155	276	285	280	1,154	104	78	88	182
3. New loans raised and granted :										
(a) by the Government . .	—	798	—	—	—	—	—	—	—	—
(b) by industries and banks	68	184	103	30	138	309	46	9	75	122
4. Change in participation in foreign enterprises . . . .	4	103	84	—	5	2	22	—	205	44
Carried forward . .	1,243	1,503	608	395	596	1,771	385	407	565	659

(1) Including the upkeep of foreign business agencies in Czechoslovakia.



Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
Brought forward . . . . .	1,243	1,503	608	395	596	1,771	385	407	565	659
II. Short-term operations.										
5. Payments through the Cze- choslovak clearing-house . . . . .	4	2	2	1	1	1	1	1	1	—
6. Increase in assets blocked abroad . . . . .	—	—	—	—	—	—	—	—	300	260
7. Change in current accounts of banks with foreign cor- respondents :										
(a) debts . . . . .	—	—	—	—	1	826	420	33	11	—
(b) claims . . . . .	(?)2,500	14	83	515	332	—	—	—	—	—
8. Change in other short-term debts and claims of in- dustries and banks :										
(a) debts . . . . .	273	57	73	5	88	580	403	71	200	327
(b) claims . . . . .	42	20	86	28	5	32	93	12	50	13
Total . . . . .	4,062	1,596	852	944	1,023	3,210	1,302	524	1,127	1,259
Net inward (+) or outward (—) movement of capital . . . . .	+ 852	+ 294	+ 328	— 183	— 236					

## SUMMARY TABLE.

	Kč (000,000's)								
	Goods, services and gold					Capital items			All items ( <sup>2</sup> )
	Merchan- dise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1925 Balance . . . . .	+ 1,212	— 739	+ 95	— 51	+ 517	+ 597	— 970	— 373	+ 144
1926 Balance . . . . .	+ 2,575	— 814	+ 100	+ 64	+ 1,925	— 302	— 1,002	— 1,304	+ 621
1927 Balance . . . . .	+ 2,172	— 697	+ 591	— 94	+ 1,972	— 2,060	— 256	— 2,316	— 344
1928 Balance . . . . .	+ 2,023	— 571	+ 612	— 159	+ 1,905	— 1,719	— 184	— 1,903	+ 2
1929 Balance . . . . .	+ 520	— 361	+ 722	— 124	+ 757	— 1,182	+ 338	— 844	— 87
1930 Balance . . . . .	+ 1,779	— 572	+ 511	— 303	+ 1,415	+ 244	— 560	— 316	+ 1,099
1931 Balance . . . . .	+ 1,373	— 356	— 1	— 129	+ 887	— 528	+ 1,380	+ 852	+ 1,739
1932 Balance . . . . .	— 144	— 281	+ 158	— 59	— 326	+ 1,118	— 824	+ 294	— 32
1933 Credit . . . . .	5,853	— 365	839	321	7,378	608	244	852	8,230
Debit . . . . .	5,832	695	577	319	7,423	407	117	524	7,947
Balance . . . . .	+ 21	— 330	+ 262	+ 2	— 45	+ 201	+ 127	+ 328	+ 283
1934 Credit . . . . .	7,280	298	970	12	8,560	395	549	944	9,504
Debit . . . . .	6,382	629	701	521	8,233	565	562	1,127	9,360
Balance . . . . .	+ 898	— 331	+ 269	— 509	+ 327	— 170	— 13	— 183	+ 144
1935 Credit . . . . .	7,418	266	1,266	522	9,472	596	427	1,023	10,495
Debit . . . . .	6,738	744	1,290	530	9,302	659	600	1,259	10,561
Balance . . . . .	+ 680	— 478	— 24	— 8	+ 170	— 63	— 173	— 236	— 66

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

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

Up to 1933 inclusive, changes in outstanding merchandise credits are in no case included in the capital account, a fact which may explain part of the discrepancy shown in the last column of the Summary Table. For 1934 and 1935, on the other hand, account was taken of the increase in assets blocked abroad, derived from merchandise exports (capital item 6). More correct information concerning certain other items — such as payments on account of foreign patent royalties and gifts remitted abroad — has also recently been deduced from the authorisations given by the National Bank concerning the employment of currency. It is pointed out in the notes accompanying the statement for 1935 that it was thus possible to estimate more exactly the debit side of the account. The remaining balance due to errors and omissions (66 million Kč) is attributed chiefly to the incompleteness of the information with reference to money gifts received and to the absence of data concerning upkeep of foreign business agencies (the corresponding outward payments are included in the amount entered against capital item 2).

The methods employed in compiling the figures were summarised in the 1927 issue of this publication.<sup>(1)</sup> New methods have since been adopted for certain items, among others the tourist expenditure.

The following details may be supplied with reference to the tourist expenditure in 1935. The number of foreign visitors to watering-places rose by 2.3 % in 1935, and their expenditure is estimated at 172 million Kč, against 176 million in 1934. Foreign students, commercial travellers and other non-tourists visiting Prague numbered 72,000, against 66,000 in 1934; the number of tourists proper visiting Prague rose from 13,000 to 14,000. The total expenditure of visitors to Prague is estimated at 34 million Kč in 1935. The number of tourists elsewhere in Czechoslovakia rose from 247,000 in 1934 to 254,000 in 1935 and their expenditure is estimated to have risen from 65 to 72 million Kč. Travelling costs of foreign visitors are estimated at 51 million Kč. Finally, persons only passing through Czechoslovak territory and border visitors, who passed together 2 million nights in the country, are estimated to have spent 120 million Kč. The total expenditure by foreign visitors was thus about 449 million Kč.

Czechoslovak tourists (in the narrow sense of the word) visiting foreign countries are estimated to have spent 365 million Kč in 1935 against 170 million in 1934. Czechoslovaks, other than tourists, going abroad passed 445,000 nights there (a drop of 5,000) and are estimated to have spent 45 million Kč, as in 1934.

From 1932, the original statements published in the *Rapports de l'Office de statistique* do not show the gold movement as recorded in trade returns, but only purchases and sales of gold by the National Bank, because, it is explained, in 1932 the bank began to import large quantities of gold which it had acquired during the preceding years but deposited abroad. In the above table, the gold movement recorded in trade returns is entered as a special item (No. 25 of the account for Goods, services and gold) and the difference between the net gold movement and the balance of the purchases and sales of gold by the National Bank is shown as "changes in earmarked gold" (item 26).

### International indebtedness.

The Czechoslovak balance of international indebtedness at the end of the years 1931 to 1935 is estimated as follows :

(1) Series of publications : 1928.II, 531 (page 82).

## CZECHOSLOVAKIA

69

<i>Liabilities.</i>	Kč (000,000 <sup>0</sup> s)				
	1931	1932	1933	1934	1935
Government debt . . . . .	8,344	8,838	7,452	8,234	8,139
Municipal debt . . . . .	412	397	297	311	307
Private debts :					
(a) long-term debts of industries and banks . .	1,193	1,275	1,153	1,124	( <sup>1</sup> ) 1,497
(b) foreign participation in national enterprises and other foreign direct investments . . .	1,277	1,239	1,277	1,220	1,424
(c) short-term : credits received by industries and banks . . . . .	665	323	302	124	( <sup>1</sup> ) 154
banks' foreign correspondents . . . . .	1,178	757	724	713	714
Total . . . . .	13,069	12,829	11,205	11,726	12,235
 <i>Assets.</i>					
Assets of the Czechoslovak Government abroad . .	536	503	465	435	492
Private assets :					
(a) long-term loans . . . . .	913	732	636	561	( <sup>1</sup> ) 634
(b) participation in foreign enterprises and other direct investments abroad . . . . .	855	749	688	835	867
(c) short-term : credits granted by industries and banks . . . . .	34	107	31	37	( <sup>1</sup> ) 51
banks' foreign correspondents . . . . .	1,974	1,960	1,877	1,362	1,030
Total . . . . .	4,312	4,051	3,697	3,230	3,074
 <i>Net indebtedness</i> . . . . .	8,757	8,778	7,508	8,496	9,161

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

(1) More complete figures than those for previous years. The number of industrial enterprises from which information was received was 735 in 1935, or 250 more than in 1934. The number of banks considered was 46 in 1935.

# DENMARK

The Danish Government has supplied a statement of the international balance of payments of Denmark in 1935, which is set out below together with those for 1932 to 1934 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)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	1,137	1,213	1,233	1,267	1,142	1,266	1,353	1,329
<b>II. Interest and dividends.</b>								
2. Interest on intergovernmental debts . . . . .	—	—	—	—	70	70	80	80
3. Interest on other public debts . . . . .	—	—	—	—	—	—	—	—
4. Other interest and dividends on long-term capital . . . . .	12	13	15	15	18	16	30	30
5. Interest on short-term capital . . . . .	20	20	—	—	18	19	—	—
<b>III. Other services.</b>								
6. Shipping <sup>(1)</sup> : . . . . .								
(a) ordinary freights . . . . .	133	164	168	171	—	—	—	—
(b) charter money <sup>(2)</sup> . . . . .	9	9	23	30	1	1	—	—
(c) passenger money (approximately) . . . . .	10	10	5	5	—	—	—	—
7. Ships' stores and bunkers, and port fees . . . . .	50	57	55	58	53	64	75	74
8. Commissions, insurance, brokerage . . . . .	10	15	20	32	10	10	10	15
9. Post, telegraph and telephone . . . . .	3	3	3	3	5	5	3	3
10. Immigrants' and emigrants' funds and remittances . . . . .	10	10	10	10	5	5	10	15
11. Tourists' expenditure . . . . .	10	15	20	25	20	25	20	30
12. Diplomatic and similar expenditure . . . . .	5	5	3	3	4	5	3	3
<b>IV. Gold.</b>								
13. Gold coin and bullion . . . . .	20	—	—	31	—	—	—	—
<b>Total . . . . .</b>	<b>1,429</b>	<b>1,534</b>	<b>1,555</b>	<b>1,650</b>	<b>1,346</b>	<b>1,486</b>	<b>1,584</b>	<b>1,579</b>
<b>Surplus (+) or deficit (—) on account of:</b>								
(a) goods and services . . . . .	+ 63	+ 48	— 29	+ 40				
(b) gold . . . . .	+ 20	—	—	+ 31				
(c) goods, services and gold . . . . .	+ 83	+ 48	— 29	+ 71				

(1) Maritime freight on goods imported in national ships, which is included in the freight income (items 6a and b, credit) as well as in the import figure for merchandise (item 1, debit), amounted to approximately 35 million Kroner in 1932, 40 million in 1933 and 35 million in each of the years 1934 and 1935. Maritime freight on goods imported in foreign ships, which is excluded from the outward freight payments but is included in the import figure for merchandise, amounted to approximately 65 million Kroner in 1932, 60 million in 1933 and 65 million in 1934 as well as 1935.

(2) The actual income of ship-owners on account of charter money has been increased so as to correspond to gross freight earnings. This addition is offset by an addition to the expenditure of Danish ships abroad (item 7, debit).

## Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
(b) of other public debts . . . . .	—	—	—	—	40	45	35	40
(c) of other debts . . . . .	—	—	—	—	5	5	5	
2. Purchases and sales of :								
(a) domestic securities . . . . .	49	46	38	21	42	52	28	17
(b) foreign securities . . . . .	6	10	10	14	5	10	9	14
3. New capital issues :								
(a) Government and municipal . . . . .	—	—	—	5	—	—	—	—
(b) other . . . . .	—	—	—	—	—	—	—	—
4. Other long-term investments . . . . .	—	—	10	10	—	—	15	15
<i>II. Short-term operations.</i>								
5. Change in short-term debts . . . . .	—	4	42	—	62	—	—	2
6. Change in short-term assets . . . . .	5	—	35	(1) 33	—	21	—	—
Total . . . . .	60	60	135	83	154	133	92	88
Net inward (+) or outward (—) movement of capital . . . . .	— 94	— 73	+ 43	— 5				

## 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	(2)	+ 80	— 74
1924 Balance . . . . .	— 293	— 45	+ 285	—	— 53	+ 14	(2)	+ 14	— 39
1925 Balance . . . . .	— 141	— 70	+ 241	—	+ 30	— 13	(2)	— 13	+ 17
1926 Balance . . . . .	— 174	— 55	+ 183	—	— 46	+ 35	+ 10	+ 45	(3) — 1
1927 Balance . . . . .	— 194	— 50	+ 203	+ 27	— 14	+ 145	— 103	+ 42	(3) + 28
1928 Balance . . . . .	— 79	— 50	+ 124	+ 9	+ 4	+ 155	— 155	—	(3) + 4
1929 Balance . . . . .	— 82	— 63	+ 179	—	+ 34	— 25	— 10	— 35	(3) — 1
1920 Balance . . . . .	— 117	— 51	+ 149	—	— 19	— 10	+ 18	+ 8	(3) — 11
1931 Balance . . . . .	— 135	— 70	+ 131	+ 28	— 46	— 24	+ 140	+ 116	(3) + 70
1932 Balance . . . . .	— 5	— 74	+ 142	+ 20	+ 83	— 37	— 57	— 94	(3) — 11
1933 Credit . . . . .	1,213	33	288	—	1,534	56	4	60	1,594
Debit . . . . .	1,266	105	115	—	1,486	112	21	133	1,619
Balance . . . . .	— 53	— 72	+ 173	—	+ 48	— 56	— 17	— 73	(3) — 25
1934 Credit . . . . .	1,233	15	307	—	1,555	58	77	135	1,690
Debit . . . . .	1,353	110	121	—	1,584	92	—	92	1,676
Balance . . . . .	— 120	— 95	+ 186	—	— 29	— 34	+ 77	+ 43	(3) + 14
1935 Credit . . . . .	1,267	15	337	31	1,650	50	33	83	1,733
Debit . . . . .	1,329	110	140	—	1,579	86	2	88	1,667
Balance . . . . .	— 62	— 95	+ 197	+ 31	+ 71	— 36	+ 31	— 5	(3) + 66

(1) Short-term assets fell by 43 million Kroner, but as of this reduction 10 million represents amounts written off, only 33 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 1926-1935, 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.

With reference to the surplus obtained on account of all the items in 1935 (66 million Kroner), it is explained that certain merchandise imports recorded for January 1936 had in fact arrived and been paid for late in 1935, though they could not be declared for import until new exchange permits were granted, and that the sharpening of import restrictions during 1935 may have caused a lower invoicing of goods or a delay in the realisation of foreign assets. Finally, as the import surplus was larger in 1934 than in 1935, it is believed that in 1935 merchandise credits received on account of imported goods underwent a reduction which is not reflected in the recorded movement of floating debts.

### Balance of international indebtedness.

Information for this purpose is collected annually by the Danish Statistical Department<sup>(1)</sup> from public authorities, financial institutions, commercial companies and private business men. The number of companies and private individuals questioned in 1934 and 1935 was about 5,000.

The following table gives a summary of debits and credits. In the last column, the net debit amounts are converted into gold Kroner :

At the end of year	Value in Kroner (000,000's)					
	Liabilities		Assets		Balance	
	Danish bonds, etc., held abroad	Floating	Foreign bonds, etc., in Danish hands	Floating	Nominal	Gold Kroner
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1907 . . . . .	608	100	69	52	— 587	— 587
1912 . . . . .	941	70	70	64	— 877	— 877
1925 . . . . .	1,075	565	160	480	— 1,000	— 921
1927 . . . . .	1,188	437	215	445	— 965	— 965
1928 . . . . .	1,360	415	225	555	— 995	— 995
1929 . . . . .	1,335	395	225	545	— 960	— 960
1930 . . . . .	1,335	380	235	520	— 960	— 960
1931 . . . . .	1,682	429	255	405	— 1,451	— 1,008
1932 . . . . .	1,800	367	255	400	— 1,512	— 969
1933 . . . . .	1,707	371	275	421	— 1,382	— 748
1934 . . . . .	1,839	413	320	386	— 1,546	— 755
1935 . . . . .	1,826	411	340	343	— 1,554	— 755

(1) Cf., for example, *Statistiske Efterretninger* (issued by the Statistical Department) for April 29th, 1936.

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:					
	1930	1931	1932	1933	1934	1935
<i>Liabilities.</i>						
1. Danish bonds, etc., held abroad :						
(a) Danish State bonds . . . . .	610	835	904	800	851	844
(b) Municipal debt . . . . .	319	406	435	430	453	453
(c) State Housing Fund bonds . . . . .	94	111	141	157	175	174
(d) Mortgage-Bank bonds . . . . .	310	330	320	320	360	355
(e) other Danish securities (1) . . . . .						
2. Floating debt (2) of :						
(a) banks . . . . .	142	107	140	142	189	185
(b) other private enterprises and individuals . . . . .	240	322	227	229	224	226
Total liabilities . . . . .	1,715	2,111	2,167	2,078	2,252	2,237
<i>Assets.</i>						
3. Foreign bonds, etc., held in Denmark (1).	235	255	255	275	320	340
4. Floating assets (2) of :						
(a) banks . . . . .	240	105	111	120	94	78
(b) other private enterprises and individuals . . . . .	280	300	289	301	292	265
Total assets . . . . .	755	660	655	696	706	683

A distribution of the floating debts and assets between different foreign currencies at the end of 1933, 1934 and 1935 is given below.

At the end of the year	Amounts converted into Danish Kroner (000,000's)									Total
	£	\$	R.M.	French francs	Swedish kronor	Gulden	Swiss francs	Other foreign currencies	Danish Kroner	
<i>Debts</i> 1933 . . .	137.6	36.8	14.1	17.2	14.2	20.1	33.8	10.1	87.2	371.1
1934 . . .	196.8	26.9	17.3	18.0	19.4	17.8	34.0	9.6	73.6	413.4
1935 . . .	212.3	28.2	16.5	9.3	40.9	17.3	3.8	9.7	73.1	411.1
<i>Assets</i> 1933 . . .	182.7	24.5	30.1	18.5	26.3	9.1	4.2	35.0	90.5	420.9
1934 . . .	147.8	22.2	31.2	24.0	21.9	18.1	4.0	30.4	86.7	386.3
1935 . . .	146.4	22.1	9.4	21.0	26.9	4.1	2.9	32.5	77.6	342.9

(1) The figures entered against items 1c 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.

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

# ESTONIA

A statement of the balance of international payments of Estonia in the year 1935, prepared by M. A. Tooms, of the Estonian Central Statistical Bureau (1), has been supplied by the Government of that country and is set out below in a slightly modified form, together with those for 1932-1934 which appeared in the preceding edition of this publication.

The Summary Table covers the period 1925-1935.

## Goods, services and gold.

Items	Kr. (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	42.6	45.6	69.0	80.1	36.8	39.0	55.3	68.7
2. Adjustment on account of ships sold and bought . . . . .	—	2.4	0.2	0.2	0.5	0.6	0.5	1.3
<b>II. Interest and dividends.</b>								
3. Interest on intergov. debts . . . . .	—	—	—	—	1.8	2.0	1.8	1.8
4. Interest on other public debts . . . . .	—	—	—	—	1.5	0.5	0.5	0.5
5. Other interest and dividends on long- and short-term capital . . . . .	0.5	0.5	0.5	0.5	2.4	2.7	2.7	2.7
<b>III. Other services.</b>								
6. Shipping freights . . . . .	7.7	9.1	10.3	10.5	—	—	—	—
7. Port fees and shipping expenditure . . . . .	0.4	0.5	1.1	1.1	5.2	6.2	7.0	6.8
8. Railway earnings and expenditure (2):								
(a) transit . . . . .	0.4	0.1	—	—	—	—	—	—
(b) other . . . . .	0.5	0.3	0.1	0.1	—	—	—	—
9. Insurance . . . . .	1.8	1.3	1.6	1.0	2.1	1.8	1.4	1.5
10. Post, telegraph and telephone (3) . . . . .	0.3	0.3	0.4	0.4	0.6	0.3	0.2	0.2
11. Immigrants' and emigrants' funds . . . . .	0.6	0.1	0.1	0.1	0.2	0.2	0.2	0.1
12. Tourists' and students' expenditure . . . . .	2.5	2.5	2.8	3.1	2.9	2.7	3.0	3.0
13. Diplomatic and similar expenditure . . . . .	1.0	1.0	1.0	0.8	0.5	0.4	0.5	0.6
14. Contributions to international institutions . . . . .	—	—	—	—	0.1	0.1	0.1	0.1
15. Other Government receipts and expendi- diture . . . . .	0.1	0.1	0.1	0.1	0.6	0.4	2.5	1.3
16. Miscellaneous personal services . . . . .	—	—	—	—	—	0.1	—	—
17. Shipping repairs . . . . .	0.1	—	—	—	—	—	—	—
18. Cinematograph film royalties . . . . .	—	—	—	—	0.1	0.1	0.1	0.1
<b>IV. Gold.</b>								
19. Gold coin and bullion . . . . .	0.5	—	—	—	0.1	—	—	—
<b>Total . . . . .</b>	<b>59.0</b>	<b>63.8</b>	<b>87.2</b>	<b>98.0</b>	<b>55.6</b>	<b>57.2</b>	<b>76.0</b>	<b>88.9</b>
<b>Surplus (+) or deficit (—) on account of:</b>								
(a) goods and services . . . . .	+ 3.0	+ 6.6	+ 11.2	+ 9.1				
(b) gold . . . . .	+ 0.4	—	—	—				
(c) goods, services and gold . . . . .	+ 3.4	+ 6.6	+ 11.2	+ 9.1				

(1) Published in the *Eesti Statistika* for June 1936 (No. 175(6)).

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

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



## Known capital items.

Items	Kr. (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergov. debts . . . . .	—	—	—	—	0.1	—	—	—
(b) of other public debts . . . . .	—	—	—	—	0.2	0.4	0.3	0.4
2. Repurchase of bonds of the League of Nations Loan . . . . .	—	—	—	—	0.2	—	0.3	0.3
<i>II. Short-term operations.</i>								
3. Change in the foreign assets and debts of :								
(a) the Bank of Estonia . . . . .	2.1	—	—	—	—	3.6	12.0	3.9
(b) other banks . . . . .	0.1	—	—	—	—	4.3	0.6	0.2
4. Increase in Government assets abroad . . . . .	—	—	—	—	—	2.2	—	—
Total . . . . .	2.2	—	—	—	0.5	10.5	13.2	4.8
Net inward (+) or outward (—) movement of capital . . . . .	+ 1.7	—10.5	—13.2	— 4.8				

## SUMMARY TABLE.

	Kr. (000,000's)								
	Goods, services and gold					Known capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance . .	+ 0.2	— 3.1	+ 3.5	—	+ 0.6	— 1.8	.	— 1.8	(1) — 1.2
1926 Balance . .	+ 1.0	— 4.4	+ 4.7	—	+ 1.3	+ 2.8	.	+ 2.8	(1) + 4.1
1927 Balance . .	+ 8.7	— 6.6	+ 4.2	—	+ 6.3	(2) + 3.0	.	+ 3.0	(1) + 9.3
1928 Balance . .	— 5.3	— 7.7	+ 5.9	+ 0.1	— 7.0	+ 2.5	+ 9.2	+ 11.7	(3) + 4.7
1929 Balance . .	— 6.7	— 5.9	+ 3.5	+ 0.1	— 9.0	— 0.7	+ 6.2	+ 5.5	(3) — 3.5
1930 Balance . .	— 3.5	— 6.5	+ 4.4	—	— 5.6	+ 6.4	+ 1.8	+ 8.2	(3) + 2.6
1931 Balance . .	+ 9.2	— 5.0	+ 5.6	+ 0.1	+ 9.9	— 0.8	— 4.8	— 5.6	(3) + 4.3
1932 Balance . .	+ 5.3	— 5.2	+ 2.9	+ 0.4	+ 3.4	— 0.5	+ 2.2	+ 1.7	(3) + 5.1
1933 Credit . .	48.0	0.5	15.3	—	63.8	—	—	—	63.8
Debit . . . .	39.6	5.2	12.4	—	57.2	0.4	10.1	10.5	67.7
Balance . . .	+ 8.4	— 4.7	+ 2.9	—	+ 6.6	— 0.4	— 10.1	— 10.5	(3) — 3.9
1934 Credit . .	69.2	0.5	17.5	—	87.2	—	—	—	87.2
Debit . . . .	55.8	5.0	15.2	—	76.0	0.6	12.6	13.2	89.2
Balance . . .	+ 13.4	— 4.5	+ 2.3	—	+ 11.2	— 0.6	— 12.6	— 13.2	(3) — 2.0
1935 Credit . .	80.3	0.5	17.2	—	98.0	—	—	—	98.0
Debit . . . .	70.0	5.0	13.9	—	88.9	0.7	4.1	4.8	93.7
Balance . . .	+ 10.3	— 4.5	+ 3.3	—	+ 9.1	— 0.7	— 4.1	— 4.8	(3) + 4.3

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

(3) Balance due to errors and omissions.

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

### Goods, services and gold.

*Interest and dividends.* Details of the figures for interest paid on account of Government debts (items 3 and 4) are given below.

Payments on account of :	Kr. (000's)		
	1933	1934	1935
(i) League of Nations Loan :			
British tranche . . . . .	1,000	840	834
United States tranche . . . . .	997	951	958
(ii) Vickers Loan . . . . .	9	9	7
(iii) Commercial credit granted by Sweden . . . . .	36	25	21
(iv) Debt of the Match Monopoly (Sweden) . . . . .	459	432	431
(v) Commercial credit for the purchase of railway material	—	32	20
<b>Total . . . . .</b>	<b>2,501</b>	<b>2,289</b>	<b>2,271</b>

*Freights.* On the basis of information collected concerning the gross freight earnings in 1935 of the bulk of the merchant marine, it was estimated that the average earning per registered ton was 108 kr., which figure was applied to the total effective tonnage of ships in foreign trade. Special information was collected with reference to the income of salvage ships (70,000 kr.).

The expenses of Estonian ships in foreign ports (item 7, debit) were reckoned at 65 % of the gross earnings in the same year.

*Tourists' expenditure.* In estimating the amounts entered against item 12 for 1935, the expenditure of each visitor from Finland was taken at 50 kr., that from Latvia at 10 kr. and that from other countries at 100 kr. Foreign students in Estonia are estimated to have spent 1,000 kr. each. Estonian tourists visiting Latvia are estimated to have spent 10 kr. each, those visiting Finland 50 kr. each and those visiting other countries 200 kr. each. Estonian students abroad are estimated to have spent 1,300 kr. each, and Estonian emigrants 100 kr. each.

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

### Capital items.

Amortisation of public debts other than the League of Nations Loan (item 2) in 1935 comprises 36,700 kr. on account of the Vickers Loan, 238,550 kr. in repayment of credit for the purchase of railway material, 78,969 kr. on account of commercial credit granted by Sweden, and 74,503 kr. on account of the Swedish Match Trust debt.

**International indebtedness.**

The following official estimate of the outstanding international liabilities and assets of Estonia is available.

	Kr. (000,000's) at the end of			
	1932	1933	1934	1935
<i>Liabilities.</i>				
Intergovernmental debts . . . . .	78.4	85.3	92.1	81.0
League of Nations Loan . . . . .	22.3	25.0	25.5	25.2
Other Government debts <sup>(1)</sup> . . . . .	8.8	8.5	8.3	7.8
Foreign long-term investments in enterprises and banks.	27	32	32	26
Real estate owned by foreigners . . . . .	2	2	2	2
Net foreign short-term debts of private banks . . . . .	—	1.9	1.3	1.1
<b>Total . . . . .</b>	<b>138.5</b>	<b>154.7</b>	<b>161.2</b>	<b>143.1</b>
<i>Assets.</i>				
Bonds of the League of Nations Loan held in Estonia . . . . .	3	4.5	4.8	5
Foreign assets of :				
(a) the Bank of Estonia . . . . .	20.3	23.9	35.9	39.8
(b) other banks . . . . .	4.0	—	—	—
Long-term investments and deposits abroad . . . . .	15	20	20	20
Real estate abroad . . . . .	5	7	7	7
Amount received on account of war-ships sold . . . . .	—	2.2	2.2	3
<b>Total . . . . .</b>	<b>47.3</b>	<b>57.6</b>	<b>69.9</b>	<b>74.8</b>
<b>Net indebtedness on account of the above items . . . . .</b>	<b>91.2</b>	<b>97.1</b>	<b>91.3</b>	<b>68.3</b>

The reduction in the total amount of intergovernmental debts during 1935 is apparent only and due to the fact that arrears of interest due on war debt have been excluded from the account for that year.

(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.

# FINLAND

Estimates of the items relating to goods, services and gold in the balance of payments of Finland in 1935 have been supplied by the Finnish Government and are set out below, together with the statements for 1932-1934 which were published in the last issue of this publication.

## Goods, services and gold.

Items	Markkaa (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	4,630	5,300	6,230	6,240	3,500	3,930	4,779	5,328
2. Addition to exports (loading costs) . . .	30	30	15	10	—	—	—	—
3. Contraband . . . . .	—	—	—	—	30	30	5	5
<b>II. Interest and dividends.</b>								
4. Interest on intergovernmental debts . . .	—	—	—	—	—	—	—	—
5. Interest on other public debts . . . . .	—	—	—	—	362	335	260	230
6. Other interest on long-term capital . . .	—	—	—	—	170	180	150	135
7. Interest on short-term capital . . . . .	30	20	25	15	81	35	40	35
<b>III. Other services.</b>								
8. Shipping freights (net receipts) . . . . .	300	310	385	410	—	—	—	—
9. Port fees . . . . .	50	60	70	70	—	—	—	—
10. Other transport fees: included with item 12.	—	—	—	—	—	—	—	—
11. Insurance . . . . .	145	130	140	130	120	120	150	150
12. Post, telegraph and telephone . . . . .	30	25	10	10	20	20	10	15
13. Emigrants' and sailors' remittances . . .	220	150	100	100	10	15	10	10
14. Tourists' expenditure . . . . .	190	170	210	250	140	160	190	240
15. Diplomatic and similar expenditure . . .	20	15	15	15	31	31	31	25
16. Other Government expenditure . . . . .	—	—	—	—	4	4	4	5
<b>IV. Gold. (1)</b>								
17. Gold bullion . . . . .	—	—	—	—	—	—	1	12
<b>Total . . . . .</b>	<b>5,645</b>	<b>6,210</b>	<b>7,200</b>	<b>7,250</b>	<b>4,468</b>	<b>4,860</b>	<b>5,630</b>	<b>6,190</b>
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+1,177	+1,350	+1,571	+1,072				
(b) gold (1). . . . .	—	—	1	12				
(c) goods, services and gold . . . . .	+1,177	+1,350	+1,570	+1,060				

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

## SUMMARY TABLE.

		Markkaa (000,000's)				
		Goods, services and gold				
		Mer- chandise	Interest and divi- dends	Other services	Gold (1)	Total
1922	Balance . . . . .	+ 479	— 238	+ 268	—	+ 509
1923	Balance . . . . .	— 261	— 234	+ 269	— 1	— 227
1924	Balance . . . . .	+ 268	— 258	+ 362	— 60	+ 312
1925	Balance . . . . .	+ 35	— 325	+ 431	— 1	+ 140
1926	Balance . . . . .	— 65	— 284	+ 420	— 1	+ 70
1927	Balance . . . . .	— 72	— 318	+ 466	—	+ 76
1928	Balance . . . . .	— 1,778	— 350	+ 525	—	— 1,603
1929	Balance . . . . .	— 576	— 410	+ 508	—	— 478
1930	Balance . . . . .	+ 183	— 412	+ 441	— 21	+ 191
1931	Balance . . . . .	+ 981	— 436	+ 448	— 8	+ 985
1932	Balance . . . . .	+ 1,130	— 583	+ 630	—	+ 1,177
1933						
	Credit . . . . .	5,330	20	860	—	6,210
	Debit . . . . .	3,960	550	350	—	4,860
	Balance . . . . .	+ 1,370	— 530	+ 510	—	+ 1,350
1934						
	Credit . . . . .	6,245	25	930	—	7,200
	Debit . . . . .	4,784	450	395	1	5,630
	Balance . . . . .	+ 1,461	— 425	+ 535	— 1	+ 1,570
1935						
	Credit . . . . .	6,250	15	985	—	7,250
	Debit . . . . .	5,333	400	445	12	6,190
	Balance . . . . .	+ 917	— 385	+ 540	— 12	+ 1,060

The above statement refers only to transactions in goods, services and gold (excluding earmarking transactions). Complete information concerning the capital movement is not available, but rough estimates of the known items in this movement are made annually by the Bank of Finland and the Central Statistical Bureau. The following data refer to the capital movement in 1935 (2) (for earlier years, reference should be made to the preceding issues of this publication) :

" In 1935, the city of Helsinki raised a new foreign bond loan of 58 million markkaa and the Government another of 460 million markkaa, of which, however, part was subscribed in Finland. On the other hand, about 1,480 million markkaa were employed for amortisation and conversion of foreign long-term loans and repurchase of bonds. A part of this amount was, however, paid for bonds already held in Finland. In particular, the Government converted loans to the amount of almost 900 million markkaa, and the common dollar loan of the towns was repaid with 225 million markkaa. In addition, the *Konjunkturfonden* and the Postal Savings Bank invested about 100 million markkaa in Finnish bonds, which were repurchased from abroad through the intermediary of the Treasury. For the strengthening of the liquidity of the country, gold to the value of not far from 300 million paper markkaa was purchased during the year; the bulk of this gold remained at the end of the year on deposit abroad. As the surplus of the balance of payments and the new loan raised were not sufficient to offset all these capital transfers, a portion of the short-term assets held abroad was withdrawn. According to calculations made by the *Unitas*, the short-term net assets abroad amounted to 950 million markkaa at the beginning of the year, but had fallen to 700 million at its end. Thus 250 million markkaa had been employed for reducing the long-term debt."

(1) Part of the trade in gold is included with merchandise.

(2) *Cf. Tilastokatsauksia - Statistiska Översikter*, issued by the Central Statistical Bureau, No. 6 (June), 1936.

### Goods, services and gold.

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

*Interest and dividends.* The amounts entered on the debit side against item 7 represent interest payments by banks on account of debts on current accounts and by other enterprises on account of bank guaranteed loans. From 1933 inclusive, interest on private loans not guaranteed by banks is likewise included.

*Other services.* The freight income (item 8) is shown net. Gross receipts amounted to about 625 million markkaa in 1935; the expenditure of Finnish ships abroad are estimated at 35 % of this amount.

The figures entered against item 11 include marine and transport premia paid to Finnish insurance companies on account of goods imported and exported. Such premia were calculated up to 1933 inclusive at 0.7 %, and in 1934 and 1935 at 0.4 %, of the value of the goods assumed to be insured with Finnish companies. Postal money orders to and from abroad, as well as Finnish railway tickets sold abroad and foreign railway tickets sold in Finland, are included in the amounts entered against item 12 up to 1933 inclusive but excluded from 1934.

The inward and outward payments on account of tourists and travellers (item 14) are calculated on the basis of an assumed average expenditure per head, in the case of foreign visitors amounting to 4,000 markkaa in 1933 to 1935, and to 5,000 markkaa in previous years, and in the case of national tourists amounting to 9,000 markkaa in the years from 1932 to 1935 and to 6,000 markkaa in earlier years.

### Foreign indebtedness.

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

	Markkaa (000,000's) at current rates of exchange at the end of							
	1929	1930	1931	1932	1933	1934	1935	June 1936
Net long-term indebtedness . . . . .	4,510	5,470	8,090	7,530	5,810	5,500	5,494	4,700
Short-term debts . . . . .	4,280	3,560	2,200	1,568	1,833	1,500	1,420	1,480
Short-term assets . . . . .	1,180	1,400	1,110	878	1,884	2,450	2,120	2,170
Net short-term debts (—) or assets (+) . . . . .	— 3,100	— 2,160	— 1,090	— 690	+ 51	+ 950	+ 700	+ 690

The outstanding amounts of Finnish bond-loans issued in foreign currency were as follows :

	Million markkaa at the end of			
	1933	1934	1935	June 1936
Issued by :				
the Government . . . . .	2,915	2,782	2,239	2,450
municipalities . . . . .	1,105	1,100	860	868
financial institutions . . . . .	2,598	2,299	2,206	2,194
industry . . . . .	142	203	189	132
others . . . . .	42			
Total . . . . .	6,802	6,364	5,494	5,694

(1) Cf. A.-B. Nordiska Föreningsbanken “Unitas”, *Quarterly Review*, No. 1 (February) and No. 3 (August) 1936.

The amounts of bonds outstanding differ from the figures given above as "net long-term indebtedness", mainly because of the fact that a portion of these bonds (at the end of 1934 some 900 million markkaa) have been repatriated.

The distribution of short-term debts and assets at the middle of 1934, 1935 and 1936 was as follows:

Short-term debts	Markkaa (000,000's)			Short-term assets	Markkaa (000,000's)		
	June 1934	June 1935	June 1936		June 1934	June 1935	June 1936
State . . . . .	195	59	49	State . . . . .	15	43	249
Municipalities . . . . .	5	—	—	Bank of Finland:			
Joint-stock banks . . . . .	231	238	230	correspondents . . . . .	934	1,334	1,114
Bank guarantees . . . . .	825	514	403	foreign bills . . . . .	317	86	92
Importers: reimbursement				Joint-stock banks:			
and other credits . . . . .	400	500	600	correspondents . . . . .	217	183	202
Export associations . . . . .	152	177	135	foreign bills . . . . .	108	223	238
Central co-operative				Export associations . . . . .	166	179	231
concerns (net) . . . . .	19	23	21	Clearing balances . . . . .	—	80	44
Other debts (net) . . . . .	35	54	42				
	1,862	1,565	1,480		1,757	2,128	2,170

# FRANCE

In the absence of official estimates of the balance of payments of France, the private estimate for 1935 by M. Léonard Rist and M. Philippe Schwob, published in the *Revue d'économie politique* (1), is set out below, together with the estimate for 1934 by the same authors and those for 1932 and 1933 by M. Pierre Meynial 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 oversea territories* (2). Thus the trade between France and the territories mentioned and the capital issues in France for the account of these territories have been excluded.

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

When publishing the statement for 1935, the authors drew attention to the fact that the estimates for certain items in the statement for 1934 had been found to be erroneous (see the explanatory notes below), but no revised estimates for these items were supplied.

## Goods, services and gold (3).

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise trade of France with countries other than French oversea territories . . . . .	13,546	12,507	12,355	10,663	23,634	21,746	17,294	15,626
2. Adjustment of item 1 . . . . .	—	—	—	—	—	—	450	—
3. Trade balance of French oversea territories in trade with countries other than each other and France (4) . . . . .	—	241	—	—	—	—	1,350	1,000
<b>II. Interest and dividends (2).</b>								
4. Service of Government loans floated abroad . . . . .	—	—	—	—	500	250	150	150
Carried forward . . . . .	13,546	12,748	12,355	10,663	24,134	21,996	19,244	16,776

(1) Vol. 1936, page 628.

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

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

(4) Estimated by the authors.



Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward	13,546	12,748	12,355	10,663	24,134	21,996	19,244	16,776
5. Interest and dividends received on account of:								
(a) investments abroad by French nationals.	1,550	1,650	(1) 2,500	4,000	—	—	—	—
(b) investments abroad by foreigners living permanently in France . . . . .	(1) 250				—	—	—	—
(c) foreign short-term assets of the Bank of France and the Treasury . . . . .	263	450	450	450	—	—	—	—
6. Interest and dividends paid (excl. Government payments) . . . . .	—	—	—	—	400	(2)	300	300
III. Other services.								
7. Shipping income (net) . . . . .	2,000	1,600	1,300	1,300	—	—	—	—
8. Revenu from transit . . . . .			200	200	—	—	—	—
9. Insurance (net) . . . . .	200	500	100	100	—	—	—	—
10. Foreign workers . . . . .	—	—	—	—	1,200	800	1,000	750
11. Tourists' expenditure . . . . .	3,000	3,000	2,500	750	(3)	(3)	(4)	(4)
IV. Gold.								
12. Trade of France in gold coin and bullion with countries other than French overseas territories . . . . .	2,424	11,313	12,767	24,916	23,463	17,431	6,509	12,502
13. Change in earmarked gold:								
(a) of the Bank of France in the U.S.A. . . . .	2,550				—			
(b) of foreign banks in France . . . . .		8,188	—	2,500			8,500	—
14. Adjustment of items 12 and 13 . . . . .	—	—	772	—	—	—	—	—
Total . . . . .	25,783	39,449	32,944	44,879	49,197	40,227	35,553	30,328
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	— 4,925	— 2,848	— 1,139	— 363				
(b) gold . . . . .	— 18,489	+ 2,070	— 1,470	+ 14,914				
(c) goods, services and gold.	— 23,414	— 778	— 2,609	+ 14,551				

(1) This figure is admittedly too low.

(2) Deducted from the receipts entered against item 5b-c.

(3) The expenditure of French tourists abroad in 1932 and 1933 is estimated to have been offset by interest and dividends received directly abroad by French capitalists and not included in the amounts entered against item 5a. The amount in question is given at 500 million francs in 1932.

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

## Known capital items.

Items	Francs (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
1. Known amortisation payments . . . . .	—	—	—	—	2,125	.	200	.
2. Amortisation receipts :								
(a) from the Bank of England . . . . .	1,863	—	—	—	—	—	—	—
(b) from the British Treasury . . . . .	5,000	—	—	—	—	—	—	—
3. New capital issues :								
(a) Government and municipal . . . . .	—	—	—	1,975	1,645	400	—	225
(b) other bond issues . . . . .	—	—	300	—	—	—	—	—
4. Miscellaneous cred.its received . . . . .	—	200	—	—	—	—	—	—
5. Credit granted by banks to the Belgian Government . . . . .	—	—	—	—	—	900	—	—
6. Change in the floating assets in foreign currency of :								
(a) the Bank of France . . . . .	16,378	3,294	187	—	—	—	—	(1) 382
(b) the Government . . . . .	1,466	237	.	.	—	—	.	.

## SUMMARY TABLE (Goods, services and gold (2) (3)).

	Francs (000,000's)				
	Merchan- dise	Interest and dividends (2)	Other services	Gold	Total
1927 Balance . . . . .	+ 108	+ 12,222 (3)		+ 525	+ 12,855
1928 Balance . . . . .	— 3,299	+ 15,804 (3)		— 6,473	+ 6,032
1929 Balance . . . . .	— 11,107	+ 19,193 (3)		— 8,589	— 503
1930 Balance . . . . .	— 12,913	+ 18,074 (3)		— 11,729	— 6,568
1931 Balance . . . . .	— 13,250	+ 11,570 (3)		— 18,504	— 20,184
1932 Balance . . . . .	— 10,088	+ 1,163	+ 4,000	— 18,489	— 23,414
1933 Credit . . . . .	12,748	2,100	5,100	19,501	39,449
Debit . . . . .	21,746	250	800	17,431	40,227
Balance . . . . .	— 8,998	+ 1,850	+ 4,300	+ 2,070	— 778
1934 Credit . . . . .	12,355	2,950	4,100	13,539	32,944
Debit . . . . .	19,094	450	1,000	15,009	35,553
Balance . . . . .	— 6,739	+ 2,500	+ 3,100	— 1,470	— 2,609
1935 Credit . . . . .	10,663	4,460	2,350	27,416	44,879
Debit . . . . .	16,626	450	750	12,502	30,328
Balance . . . . .	— 5,963	+ 4,000	+ 1,600	+ 14,914	+ 14,551

As the capital movement is only incompletely known, no totals have been given for the capital items specified in the detailed table. The surplus (or deficit) calculated on account of goods, services and gold does not correspond closely to the export (or import) of capital during each year, for, in certain cases, the amounts received and paid in the regular amortisation of debts have not been entered as a capital item but have been grouped with interest payments. This is true of the payments for the service of French Government loans (Goods, services and gold, item 4) in all the years

(1) This figure, which does not appear in the original statement, is derived from the annual report of the Bank of France.

(2) Including certain amounts of regular amortisation payments.

(3) Including reparation receipts.

and of other debt service payments, inward and outward, at least in 1935 (it is not quite clear to what extent this practice has been followed in earlier years).

According to the above tables, transactions in goods and services in 1935 show a debit balance of 363 million francs, and those relating to gold a credit balance of 14,914 millions. A net export of capital amounting to 14,551 million francs ought, therefore, to have occurred, whereas the known movements of capital recorded account for an inflow of 1,368 million francs. If the figures are accurate, a non-recorded export of capital amounting to nearly 16,000 million francs occurred in 1935. A considerable part of this total, it is stated, must be accounted for by the withdrawal of sums from French banks by foreigners (estimated at 1,000 or 2,000 million francs) and by the sale of securities which they formerly held in France. The authors of the statement emphasise that the reason for this flight of capital was chiefly nervousness concerning the future of French currency and paper and the rise on the New York market during the second half of 1935, which prevented the return to France of money previously withdrawn. One does not know how much of the capital exported in 1935 consists of short-term funds and is therefore liable to be recalled at short notice.

### Goods, services and gold.

*Merchandise.* The trade of all the French colonies with foreign countries amounted in 1935 to the following totals: imports, 3,300 million francs; exports, 2,200 million; leaving a debit balance of 1,100 million. The sum entered against item 3 was reduced to 1,000 million francs "to allow for a probable undervaluation of colonial exports".

*Interest and dividends.* The service of the debts in foreign currencies of the French State, departments, cities and railways amounts to some 600 million francs. As a result of repurchases, however, the greater part of French securities issued abroad belongs either to the *Caisse des Dépôts* or to French companies or individuals. The amount of interest actually paid abroad is estimated at only 150 million francs (item 4).

As regards interest receipts, the Gold Loans Commission estimates as follows the total value of foreign loans issued in France during the thirty years before the war, and the present revenue from this capital, including amortisation: (1)

	Francs of 1928 Capital issued	(000,000's) Present revenue
Northern Europe . . . . .	20,000	1,000
Russia . . . . .	52,500	—
Central and Southern Europe . . . . .	25,000	200
Egypt . . . . .	7,500	125
South America . . . . .	40,000	300
Various loans in sterling . . . . .	22,500	375
Various . . . . .	32,500	50
Total . . . . .	200,000	2,050

A certain proportion of these securities may have passed into foreign hands since the date of issue.

No exact indications are available regarding the revenue from investments in foreign shares made before 1914, or from any foreign investments made since the war. The authors estimate the total amount of this interest at 1,500-2,000 million francs, which corresponds to a 4% yield on a capital of 35,000-50,000 million francs. They point out that "not all the capital which was abroad in 1927-28 has been

(1) See Annex to *Journal officiel de la République française* for January 17th, 1936.

repatriated, in spite of the fall of the pound and the dollar, and that new exports of capital have taken place at an increased speed since 1934 ”.

The total revenue from French investments abroad would therefore amount to some 4,000 million francs (item 5a). The figure entered for 1934 is admitted to be too low.

The revenue enjoyed by foreigners residing in France and the interest collected by the Bank of France in respect of advances on bullion made to foreign central banks are estimated at 450 million francs, as in the preceding year (item 5b-c).

*Shipping.* The total quantity of goods loaded and unloaded in French ports decreased from 41.5 million tons in 1934 to 40 million in 1935, but the proportion of the total tonnage of ships entering and leaving those ports which was of French nationality rose from 27.3 % to 28 %, and freight charges in 1935 showed a slight increase as compared with the previous year. It is estimated that the net income of the French mercantile marine amounted to 1,300 million francs, as in 1934. This figure represents the revenue obtained in traffic with foreign countries only, after deduction of the receipts from the French colonial trade, which were estimated at 800-900 million francs for 1934.

*Revenue from transit* (item 8). Some 3 million tons were conveyed in transit in 1935, as in the two previous years. Since tariffs remained unchanged, the net receipts under this item are reckoned at 200 million francs, as in 1934.

*Insurance* (item 9). An investigation, embracing 75 % of all the insurance operations effected in France, has shown that, in 1935, the premia collected from abroad in respect of reinsurance exceeded those paid to foreign countries by some 350 million francs. The proportion of this sum remaining in the country, after settlement of claims for losses, is reckoned at 5.1 %, or 18 million francs. The sum calculated for 1934 (100 million francs) is admitted to have been too high.

For 1935, account has also been taken of receipts obtained from the insurance in France of goods entering into the trade of France and her colonies with other countries. On the basis of an average insurance rate of 4 ‰, and, assuming that half these goods were insured with French companies, the revenue under this heading would amount to some 60 million francs.

In view of the fact that these estimates are not exact, the net income on account of insurance is given at 100 million francs.

*Foreign workers* (item 10). The number of foreign labourers employed in France is estimated to have decreased by 120,000-150,000 in 1935, and to have totalled some 700,000 at the end of the year (the figure of 750,000 indicated for 1934 in the previous statement was too low). It is assumed that the majority of workmen returning to their own country took their savings with them. On the other hand, it is believed that remittances to countries supplying France with workmen have decreased. Thus the amount of international money orders to Italy fell from 183 million to 92 million, and that to other countries supplying France with workmen decreased slightly. The total under this item for 1935 has been fixed at 750 million francs, as against 1,000 million in 1934.

*Tourists' expenditure.* The authors point out that the figure for the net revenue from tourist traffic given in the 1934 statement and based on an estimate by the National Economic Council (2,500 million francs) is considered by experts to be too high. According to the somewhat scanty information available, the number of foreign tourists in France decreased by 40 % between 1934 and 1935, and their average stay was shorter, on account of the prevailing high prices. On the other hand,

French tourists went abroad in greater numbers and, in general, remained there for considerable periods. The net revenue from the tourist traffic must, therefore, have considerably decreased, and the figure of 750 million francs entered under item 11 for 1935 is given as " an optimistic estimate ".

*Gold.* The gold reserve of the Bank of France decreased during 1935 by 15,825 million francs, out of which sum the bank report estimates that 2,000 million were withdrawn for internal hoarding, while the remainder, about 13,800 million francs, was exported. According to trade returns, France's trade in gold with foreign countries resulted in a net export of only 12,414 million francs (item 12). The difference is attributed partly to the transfer of gold from England for the account of the British Exchange Equalisation Fund, amounting in all to 2,500 million francs. In view of the fact that this transfer ought not to affect the balance of payments, the sum in question has been entered under item 13*b*, credit, as a deduction from the recorded import. It has not been found possible to take account in the table of non-recorded exports of gold effected, it is believed, by private persons, and the credit balance of the figures entered (14,914 million francs) is stated to represent a minimum.

#### **Known capital items.**

The only recorded transactions — apart from the increase in the holdings of the Bank of France (item 7*a*), which does not appear in the original statement — are those entered under item 3*a*, concerning, on the debit side, the Belgian Railway Loan of 225 million francs in 5% bonds, and, on the credit side, the investment abroad, especially in Belgium, of short-term bills for the big railway lines and certain public bodies, amounting in all to nearly 2,000 million francs (the figure 1,975 million has been entered in the table).

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# GERMANY

## Shipping items in the balance of payments.

The most recent available statement of the total balance of payments of Germany is that for the period January-November 1934 (1), which was reproduced in the preceding issue of this publication. Estimates of receipts and payments in connection with shipping up to 1935 inclusive have, however, been published (2) and are reproduced below.

Items	Reichsmarks (000,000's)							
	1928	1929	Inward (+) or outward (-) payments 1930	1931	1932	1933	1934	1935
1. Shipping income :								
(a) ocean freight income . . . . .	+ 734	+ 760	+ 624	+ 494	+ 350	+ 321	+ 319	+ 341
(b) charter money, salvage money, etc. . . . .	+ 45	+ 47	+ 39	+ 31	+ 14	+ 11	+ 15	+ 7
(c) passage money received from foreigners . . . . .	+ 153	+ 179	+ 210	+ 155	+ 113	+ 75	+ 56	+ 64
2. Expenditure abroad of German ship-owners and crews . . . . .	- 417	- 441	- 391	- 305	- 237	- 214	- 193	- 202
3. Expenditure of foreign ships and crews in German ports and canals . . . . .	+ 26	+ 26	+ 28	+ 22	+ 20	+ 20	+ 22	+ 22
Net income on the above items . . . . .	+ 541	+ 571	+ 510	+ 397	+ 260	+ 213	+ 219	+ 232

Item 1a represents freights received on account of transport in foreign traffic of German as well as foreign goods. Item 2c represents passage money paid by foreigners only; the total receipts on account of passage money amounted to 83 million Reichsmarks in 1934 and 97.5 million in 1935.

"For the time being, it is not possible to estimate how much of the net shipping income is received in foreign currencies and how much in Reichsmarks. The share of Reichsmarks receipts in the total income must, however, be considerable, as foreigners leaving Germany pay their fares largely in Reichsmarks previously purchased against foreign currency or registered marks."

## Private estimate of insurance transactions.

A private estimate of Germany's international insurance transactions, based on information collected annually by the Office of the State Superintendence of Private Insurance (*Reichsaufsichtsamt für Privatversicherung*), has been published in *Die Bank* (3). The author of the study points out that serious difficulties were encountered in making this estimate. "The statement is more suited to show the inadequacy of the relevant statistics than to give a reliable account of the conditions of international insurance business. For the indirect business, which is of special importance in this

(1) A complete statement of the balance of payments of Germany for the years 1933-1935, contained in the *Statistisches Jahrbuch für das Deutsche Reich, 1936*, did not become available until the moment of sending this volume to be printed.

(2) Cf. *Wirtschaft und Statistik*, No. 11, 1936, page 411.

(3) Cf. Mr. Robert Hafferberg's study (*Versicherung im Zahlenspiegel*) in No. 42 for October 14th, 1936.

connection, is not included, while the transport business, which is chiefly international, is only partly included. It is only stated that, on account of the German business which they reinsured, the foreign firms operating in Germany paid 6.2 million Reichsmarks (6.3 million in 1934) in premia to German firms, while the latter returned 2.9 million Reichsmarks (3.5 million in 1934) in payments in connection with the reinsurance business received from foreign companies."

	Reichsmarks (000,000's)		
	1933	1934	1935
<i>Inward movement.</i>			
Premia collected abroad by German enterprises . . . . .	42,797	39,308	33,355
Payments made in Germany by foreign enterprises . . . . .	38,993	39,933	39,972
Income of German enterprises derived from foreign investments . .	15,247	15,006	12,951
Total inward movement . .	97,037	94,247	86,278
<i>Outward movement.</i>			
Premia collected in Germany by foreign enterprises . . . . .	91,771	85,828	89,412
Payments made abroad by German enterprises . . . . .	25,029	23,907	20,352
Income of foreign enterprises derived from investments in Germany.	13,738	13,054	14,714
Total outward movement .	130,538	122,789	124,478
Net outward movement . . . . .	33,501	28,542	38,200

To the reservations already made regarding the possibility of using these figures, the author adds another: "Although the costs incurred by the foreign firms in Germany are known (see above), it is not known what costs were payable by the German companies in their foreign business. This also must necessarily distort the picture. Under these circumstances, the passive balances of 33.5, 28.5 and 38.2 million Reichsmarks respectively, representing the difference between the totals of the three items, are only of doubtful value, especially as the amounts inserted in no way represent corresponding transfers of foreign exchange, and the period during which they were received or paid is too short to form an adequate judgment."

### International debt.

It has seemed desirable to give in this publication various particulars of the foreign indebtedness of Germany. Although the figures are derived in part from the Press, most of the statistics are official or semi-official. (1)

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

(1) The sources employed are: *Statistisches Jahrbuch für das Deutsche Reich*, Vol. 1933-1935; *Wirtschaft und Statistik*, No. 16, 1932; Nos. 9 and 16, 1933; No. 5, 1934; Nos. 9, 11, 15 and 19, 1936; *European Financial Notes* (published by the United States Department of Commerce), No. 214, March 24th, 1936; *Bank for International Settlements, Sixth Annual Report; Germany's economic development during the first half of the year 1936* (Report presented by the Reichs-Kredit-Gesellschaft, A.-G., Berlin); *Die Bank*, No. 41, October 7th, 1936; *The Manchester Guardian*, June 15th, 1936; *Neue Zürcher Zeitung*, January 18th, 1936, February 4th, 1936, February 14th, 1936, March 1st, 1936, and May 5th, 1936.

Date	Reichsmarks (000,000,000's)					
	Loans and credits					Other foreign investments (estimate)
	Long-term	Short-term			Total	
		Standstill credits	Other	Total		
Middle of 1930 . . . . .	10.8	—	16.0	16.0	26.8	.
July 31st, 1931 . . . . .	10.7	6.3	6.8	13.1	23.8	5.9
November 30th, 1931 . . . . .	10.7	5.4	5.2	10.6	21.3	5.3
February 29th, 1932 . . . . .	10.5	5.0	5.1	10.1	20.6	5.3
September 30th, 1932 . . . . .	10.2	4.3	5.0	9.3	19.5	4.3-5.3
February 28th, 1933 . . . . .	10.3	4.1	4.6	8.7	19.0	(1) 4.2
September 30th, 1933 . . . . .	7.4	3.0	4.4	7.4	14.8	(1) 4.2
February 28th, 1934 . . . . .	7.1	2.5	4.3	6.8	13.9	(1) 4.2
January 1936 . . . . .	6.5	1.5	5.0	6.5	13.0	.

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

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

The 1933 edition of the present publication (2) contains details of the distribution of the debts at September 30th, 1933, by debtors and creditor countries and according to the nature of the debts.

Between the middle of 1930 and the beginning of 1936, Germany's external debt in the form of loans and credits was reduced by about 14 milliard Reichsmarks, of which 10 milliards represent actual payments and 4 milliards are due to the depreciation of the currencies of the chief creditor countries. Transfers in respect of the service of the German debt amounted to approximately 300 million Reichsmarks during the twelve months ending June 30th, 1935, and 250 million during the twelve months following; the amount payable under loan contracts in this latter period was about 900 million Reichsmarks.

*Public debt.* The German public debt to foreign countries, which is included in the figures in the summary table, was as follows, according to official data:

At March 31st	Reichsmarks (000,000's)									
	Reich		States		Hanseatic towns		Municipalities		Aggregate	
	Total	Of which short-term	Total	Of which short-term	Total	Of which short-term	Total	Of which short-term	Total	Of which short-term
1929 . . . . .	900.7	45.0	482.0	105.7	173.2	29.9	737.6	4.1	2,293.5	184.7
1933 . . . . .	3,002.9	429.4	457.4	64.3	243.1	123.6	742.5	45.0	4,446.0	662.3
1935 . . . . .	1,772.4	82.4	266.6	24.5	117.5	55.0	423.2	24.6	2,579.7	186.6
1936 . . . . .	1,677.9	19.5	254.2	16.4	97.9	40.1	(3) 405.0	.	2,435.0	.

*Industrial debentures.* The outstanding amount of foreign industrial debentures decreased from 3,354 million Reichsmarks at the end of 1931 to 3,069 million at the

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

(2) Series of publications: 1934.II.A.19.

(3) At September 30th, 1935.



end of 1932, to 2,076 million at the end of 1933, to 1,519 million at the end of 1934 and to 1,354 million at the end of 1935. The reduction is the result mainly of redemptions and of the depreciation of the currencies in which the bonds are expressed. The amount of all outstanding industrial debentures (both domestic and foreign) was 4,547 million Reichsmarks at the end of 1931 and 2,798 million at the end of 1935.

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

End of	Reichsmarks (000,000's)						
	Scrip	Funding bonds expressed in					Total
		£ 4 %	Swiss francs 4 %	Gulden 4 %	Swedish kronor 4 %	Reichs- marks 3%	
December 1934. . .	20.31	—	—	—	—	—	—
December 1935. . .	25.20	34.90	25.87	0.69	—	—	61.46
August 1936 . . .	20.03	53.01	62.01	5.35	7.55	6.63	( <sup>1</sup> ) 134.55

*Standstill credits.* The amounts shown in the column headed "Standstill credits" in the summary table represent the total of the credits to which the standstill agreements apply; the amounts of these credits actually utilized are slightly smaller:

Date	Reichsmarks (000,000's)	
	Total credits	Utilized credits
July 31st, 1931 . . . . .	6,300	—
February 29th, 1932 . . . . .	5,040	—
September 30th, 1932 . . . . .	4,300	4,028
February 28th, 1934 . . . . .	2,528	2,261
December 31st, 1934 . . . . .	2,007	1,734
February 28th, 1935 . . . . .	1,961	1,696
December 31st, 1935 . . . . .	1,604	1,424

The distribution of standstill credits among the principal creditor countries at February 28th, 1934, and at the end of 1934 and 1935, was as follows:

Country	Reichsmarks (000,000's)				
	Feb. 28th, 1934	Dec. 31st, 1934		Dec. 31st, 1935	
	Utilized credits	Total credits	Utilized credits	Total credits	Utilized credits
United Kingdom . . . . .	615	625	517	612	545
U.S.A. . . . .	639	529	430	425	366
Switzerland . . . . .	528	469	459	325	312
Netherlands . . . . .	328	258	224	167	142
France . . . . .	104	81	68	43	31
Other countries . . . . .	47	47	36	33	28
Total . . . . .	2,261	2,007	1,734	1,604	1,424

Between the entry into force of the first standstill agreement in 1931 and the end of 1935, the German foreign debt in respect of standstill credits was reduced by 4.7

(1) In addition, funding bonds in dollars at 3%, to the amount of \$70 million, were about to be issued to cover the interest due up to June 30th, 1936.

milliards of Reichsmarks. Of that amount, about a third is due to the depreciation of foreign currencies, another third was paid in foreign currencies, and the remainder was settled in registered marks, which were cashed at a considerable loss to the creditors (47½% at the beginning of 1936, as against 38% in 1935).

From March 1st, 1933, when the registered mark was introduced, to the end of 1935, the amount of registered marks derived from the liquidation of blocked credits was 1,416 million Reichsmarks, which were used as follows :

Period	Reichsmarks (000,000's)			
	For travel accounts		For other purposes	Total
	Total	Of which sold		
1.III.33 - 28.II.34 . . . . .	207	191	340	547
1.III.34 - 31.XII.34 . . . . .	353	344	(1) 114	507
1.I.35 - 28.II.35 . . . . .	41		(2) 65	
1.III.35 - 31.XII.35 . . . . .	296	268		362
1.III.33 - 31.XII.35 . . . . .	897	803	519	1,416

The figure of 803 million Reichsmarks represents the registered marks sold to 2.1 million travellers, the average being 389 Reichsmarks per person. Of those 2.1 million travellers, 472,000 bought their marks in the Netherlands, 287,000 in Switzerland, 170,000 in the United Kingdom, 134,000 in the United States and 131,000 in France.

*Other short-term debts.* The short-term debts not affected by the standstill agreements increased by 700 million Reichsmarks between February 1934 and January 1936. They are mainly new debts for goods. The part of these debts blocked in the clearing accounts (not including the "Sperrguthaben" (3) and the "Aski" (4) accounts) amounted to as much as 500 million Reichsmarks in April 1935, but has since slightly decreased. The foreign assets thus immobilised at the end of March 1936 were distributed among the chief creditor countries as follows :

	Reichsmarks (000,000's)		Reichsmarks (000,000's)
Netherlands . . . . .	99	Yugoslavia . . . . .	25
Czechoslovakia . . . . .	62	Hungary . . . . .	25
Switzerland . . . . .	52	Belgium . . . . .	10
Poland . . . . .	47	Norway . . . . .	5
Greece . . . . .	40	Finland . . . . .	4
France . . . . .	39		

These figures are partly based on estimates.

In the Czechoslovak assets, the balances on clearing account amounted to 27.5 million Reichsmarks at the end of March 1936, and the old commercial debts incurred before the entry into force of the clearing agreement (December 1st, 1934) to about 35 million. The amount due to Switzerland includes 19 million Swiss francs for goods, 25 million for tourist traffic, and about 19 million for transit expenses, making 64 million francs in all. The figure for Poland includes 11 million zloty for goods and about 90 million for the transit of German trains through the Polish corridor.

(1) Comprising 82 for the financing of additional exports and other purposes, and 32 for investments in Germany.  
(2) Comprising 46 for the financing of additional exports and other purposes, and 19 for investments in Germany.  
(3) Proceeds of the sale in Germany of properties and securities belonging to foreigners.  
(4) Foreign assets in blocked accounts derived from German purchases (chiefly in South American and a few European countries) and transferable to importers of German products in the same countries.

# GREECE

A statement of the balance of payments of Greece in 1935 has been supplied by the Government of that country. The statement, which has been published by the Bank of Greece (1) is reproduced below after slight rearrangement of the items, together with the figures for 1932-1934 which appeared in the preceding issue of this publication. As amortisation of the foreign public debt is not given separately from interest payments in the original statements, the total service of such debts is grouped with interest below. The gold movement would appear to be included with capital item 3 ("Change in the gold and foreign currency reserve of the Bank of Greece").

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

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

	Gold £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	7,173	6,384	6,213	7,388	13,400	9,895	9,984	11,112
<i>II. Interest and dividends (including amortisation of the public debt).</i>								
2. Service of public debt (2) . . . . .	729	184	201	372	1,213	798	1,493	688
3. Interest and dividends on foreign investments in Greece . . . . .	—	—	—	—	399	1,704	991	619
4. Interest received on account of the short-term foreign assets of:								
(a) the Bank of Greece . . . . .	35	13	4	4	—	—	—	—
(b) other banks . . . . .	29	9	17	18	—	—	—	—
5. Interest on account of Greek investments abroad . . . . .	1,439	1,438	1,190	1,274	—	—	—	—
<i>III. Other services.</i>								
6. Shipping income (net) . . . . .	904	759	991	826	—	—	—	—
7. Insurance premiums . . . . .	—	—	—	—	34	34	40	36
8. Emigrants' remittances . . . . .	2,877	3,076	1,804	1,177	—	—	—	—
9. Tourists' expenditure (3) . . . . .	854	2,061	1,190	727	308	222	270	374
10. Reparations, etc. . . . .	—	80	—	—	—	—	—	—
11. Government receipts and expenditure	—	—	174	220	1,061	728	263	459
Total . . . . .	14,040	14,004	11,784	12,006	16,415	13,381	13,041	13,288
Surplus (+) or deficit (—) on account of goods and services . . . . .	— 2,375	+ 623	— 1,257	— 1,282				

(1) Cf. *The Economic Situation in Greece and the Bank of Greece in 1935*. Report read by M. E. J. Tsouderos, Governor of the Bank of Greece, before the general meeting of shareholders held on April 3rd, 1936.

(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) and gold.

Items	Gold £ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
1. Repurchase of national securities.	—	—	—	—	—	—	99	—
2. "Foreign assistance":								
(a) through the Bank of Greece . . . . .	49	—	—	—	—	—	—	—
(b) "unascertained" . . . . .	677	—	—	—	—	—	—	—
3. Change in the gold and foreign currency reserve of the Bank of Greece	2,318	—	—	791	—	2,637	66	—
4. "Banking credits" . . . . .	—	—	36	—	669	32	—	58
5. Change in the foreign currency holdings of the banks . . . . .	—	316	397	—	—	—	—	146
6. Repayment of old commercial debts	—	—	—	—	—	634	847	182
7. "Repatriation of Greek capital" . . . . .	—	2,364	912	—	—	—	—	—
8. Change in clearing accounts:								
(a) reduction of assets . . . . .	—	—	924	—	—	—	—	—
(b) reduction of debt . . . . .	—	—	—	—	—	—	—	116
9. Unspecified movement of funds . . . . .	—	—	—	993	—	—	—	—
Total . . . . .	3,044	2,680	2,269	1,784	669	3,303	1,012	502
Net inward (+) or outward (—) movement of capital . . . . .	+ 2,375	— 623	+ 1,257	+ 1,282				

## SUMMARY TABLE.

	Gold £ (000's)						
	Goods and services				Capital items and gold (2)	All items	
	Merchandise	Interest and dividends (1)	Other services	Total			
1929 Balance . . . . .	— 16,683	+ 1,517	+ 5,991	— 9,175	+ 9,175	—	
1930 Balance . . . . .	— 13,153	+ 112	+ 5,999	— 7,042	+ 7,042	—	
1931 Balance . . . . .	— 12,230	— 3,225	+ 7,886	— 7,569	+ 7,569	—	
1932 Balance . . . . .	— 6,227	+ 620	+ 3,232	— 2,375	+ 2,375	—	
1933 Credit . . . . .	6,384	1,644	5,976	14,004	2,680	16,684	
Debit . . . . .	9,895	2,502	984	13,381	3,303	16,684	
Balance . . . . .	— 3,511	— 858	+ 4,992	+ 623	— 623	—	
1934 Credit . . . . .	6,213	1,412	4,159	11,784	2,269	14,053	
Debit . . . . .	9,984	2,484	573	13,041	1,012	14,053	
Balance . . . . .	— 3,771	— 1,072	+ 3,586	— 1,257	+ 1,257	—	
1935 Credit . . . . .	7,388	1,668	2,950	12,006	1,784	13,790	
Debit . . . . .	11,112	1,307	869	13,288	502	13,790	
Balance . . . . .	— 3,724	+ 361	+ 2,081	— 1,282	+ 1,282	—	

(1) Including amortisation of the Government debt.

(2) Excluding amortisation of the Government debt.

The fact that a perfect balance is struck in the above table should not be taken as a proof that the figures are rigidly correct, for in each year one of the items in the table is interpolated as a balancing account and includes, therefore, allowances for possible errors in the other items. The balancing item would appear to be, in the years 1929-1931, item 5 of the account for goods and services (interest on account of Greek investments abroad), in 1932, capital item 2*b* (unascertained foreign assistance), in 1933 and 1934, either the former of the two items now mentioned or capital item 7 (repatriation of Greek capital), and in 1935, capital item 9, which is described as "Other resources incapable of exact estimation, *e.g.*, remittances from emigrants otherwise than through banks, etc."

### Goods and services.

*Service of the public debt.* The amount entered on the debit side against item 2 for 1933 represents the 30% instalment paid on the interest due on account of the public debt for the financial year 1932-33. The amount entered for 1934 represents the 27½% instalment paid on the interest due for the financial year 1933-34, plus the portion of the 35% instalment for 1934-35 that was paid during the calendar year 1934.

*Shipping income.* According to the Bank of Greece, the gross and net earnings on account of shipping in foreign traffic in 1932, 1933 and 1934 are estimated to have been as follows :

	1932	£(000's) sterling 1933	1934
Gross earnings . . . . .	4,702	6,181	8,026
Of this amount, remained within Greece in the form of wages, taxes, net profits, etc. . . . .	1,260	1,115	1,600

The gold equivalents of the last-mentioned amounts have been entered against item 6. The figure for the gross earnings in 1935 is not indicated <sup>(1)</sup>, but it is pointed out that these earnings rose both in terms of sterling and drachmae; there was, however, a decrease in the amount of foreign currency accruing therefrom. The amount of such currency economised as a result of the transport of imports by Greek ships is stated to have increased from £550,000 in 1934 to £700,000 in 1935.

(1) According to the 1935 Report for the *National Bank of Greece* (a commercial bank), the gross receipts from Greek cargo and passenger shipping amounted to £7,570,000 and 240 million drachmae in 1934 but £7,500,000-£8,000,000 and 250 million drachmae in 1935, while the foreign exchange acquired by the country from shipping was over £1,500,000 in each of these years.

# INDIA

The following statement of the estimated balance of payments of British India for the commercial year 1935-36 has been received from the Government of that country. The figures for the three preceding years published last year are reproduced for purposes of comparison.

The commercial year ends March 31st.

## Goods, services and gold.

Items	Rupees (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932-33	1933-34	1934-35	1935-36	1932-33	1933-34	1934-35	1935-36
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	1,370.1	1,535.1	1,606.7	1,701.3	1,366.5	1,223.2	1,432.5	1,454.8
2. Adjustments on account of :								
(a) land-frontier trade . . .	90.0	100.0	100.0	120.0	80.0	80.0	90.0	100.0
(b) wrong valuation . . . .	—	—	—	—	68.3	61.0	71.6	72.7
<i>II. Interest and dividends.</i>								
3. Interest and dividends on long-term capital . . . . .	6.3	4.5	14.9	—	—	—	—	—
4. Interest on short-term capital .	2.6	1.3	1.0	16.3	(1) 353.0	(1) 345.0	(1) 341.0	(1) 336.5
<i>III. Other services.</i>								
5. Port fees . . . . .	22.5	23.0	30.0	28.7	—	—	—	—
6. Commissions, insurance, brokerage . . . . .	—	—	—	—	10.0	10.0	10.0	10.0
7. Post, telegraph and telephone .	—	—	—	—	1.2	0.9	0.8	1.3
8. Tourists, diplomatic expenditure, etc. (net) (2) . . . . .	—	—	—	—	40.0	40.0	40.0	40.0
9. Other Government receipts and expenditure . . . . .	88.3	131.9	101.7	87.4	221.2	225.9	220.3	224.5
<i>IV. Gold.</i>								
10. Gold coin and bullion . . . .	668.4	581.5	532.6	383.1	13.2	11.0	7.2	9.5
<b>Total . . . . .</b>	<b>2,248.2</b>	<b>2,377.3</b>	<b>2,386.9</b>	<b>2,336.8</b>	<b>2,153.4</b>	<b>1,997.0</b>	<b>2,213.4</b>	<b>2,249.3</b>
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . .	—560.4	—190.2	—351.9	—286.1				
(b) gold . . . . .	+ 655.2	+ 570.5	+ 525.4	+ 373.6				
(c) goods, services and gold .	+ 94.8	+ 380.3	+ 173.5	+ 87.5				

(1) Of which on Government account, 199.1, 191.4, 189.1 and 186.5 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			
	1932-33	1933-34	1934-35	1935-36	1932-33	1933-34	1934-35	1935-36
1. Amortisation of Government debts . . . . .	—	—	—	—	22.0	22.8	23.5	24.3
2. Purchases and sales :								
(a) of real estate abroad . . .	—	—	—	—	—	—	—	11.0
(b) of domestic securities . . .	—	—	3.2	—	124.6	228.6	100.3	123.9
(c) of foreign securities . . . .	—	—	1.3	—	46.3	218.0	—	96.2
3. New Government and municipal capital issues . . . . .	126.2	252.3	30.9	132.6	—	—	—	—
4. Other long-term investments . .	1.7	1.6	1.7	1.7	—	—	—	—
5. Net change in Government short-term assets abroad . . . . .	—	—	—	—	81.5	96.2	105.6	(1)
Total . . . . .	127.9	253.9	37.1	134.3	274.4	565.6	229.4	255.4
Net outward (—) movement of capital . . . . .	—146.5	—311.7	—192.3	—121.1				

## SUMMARY TABLE.

	Rupees (000,000's)								
	Goods, services and gold					Known capital items			All items (?)
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1923-24 Balance	+1,105.3	—323.7	—433.0	—292.1	+56.5	+221.0	—10.5	+210.5	+267.0
1924-25 Balance	+1,176.6	—317.8	—333.7	—738.8	—213.7	—122.5	—0.3	—122.8	—336.5
1925-26 Balance	+1,190.5	—289.9	—364.8	—348.6	+187.2	—165.3	+3.3	—162.0	+25.2
1926-27 Balance	+351.0	—297.8	—347.2	—194.0	—488.0	+383.8	—0.5	+383.3	—104.7
1927-28 Balance	+513.4	—314.4	—347.0	—181.0	—329.0	+146.8	—65.5	+81.3	—247.7
1928-29 Balance	+665.0	—324.7	—312.2	—212.0	—183.9	+5.2	+7.1	+12.3	—171.6
1929-30 Balance	+538.1	—316.0	—180.1	—142.2	—100.2	+133.2	+41.2	+174.4	+74.2
1930-31 Balance	+371.3	—335.8	—159.1	—127.6	—251.2	+432.2	—53.3	+378.9	+127.7
1931-32 Balance	+222.6	—347.6	—179.4	+579.7	+275.3	+117.6	—86.8	+30.8	+306.1
1932-33 Balance	—54.7	—344.1	—161.6	+655.2	+94.8	—65.0	—81.5	—146.5	—51.7

(1) It would appear that the amount in question has been included with item 2 c.

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

## SUMMARY TABLE (concluded).

		Rupees (000,000's)								
		Goods, services and gold					Known capital items			All items (1)
		Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1933-34	Credit .	1,635.1	5.8	154.9	581.5	2,377.3	253.9	—	253.9	2,631.2
	Debit .	1,364.2	345.0	276.8	11.0	1,997.0	469.4	96.2	565.6	2,562.6
	Balance	+ 270.9	- 339.2	- 121.9	+ 570.5	+ 380.3	- 215.5	- 96.2	- 311.7	+ 68.6
1934-35	Credit .	1,706.7	15.9	131.7	532.6	2,386.9	37.1	—	37.1	2,424.0
	Debit .	1,594.1	341.0	271.1	7.2	2,213.4	123.8	105.6	229.4	2,442.8
	Balance	+ 112.6	- 325.1	- 139.4	+ 525.4	+ 173.5	- 86.7	- 105.6	- 192.3	- 18.8
1935-36	Credit .	1,821.3	16.3	116.1	383.1	2,336.8	.	.	134.3	2,471.1
	Debit .	1,627.5	336.5	275.8	9.5	2,249.3	.	.	255.4	2,504.7
	Balance	+ 193.8	- 320.2	- 159.7	+ 373.6	+ 87.5	.	.	- 121.1	- 33.6

In previous editions, a perfect balance was obtained by entering amounts, not based on direct evidence but interpolated as balancing accounts, against a special item in the capital account. It has been thought preferable to exclude this item and thus let the amount in question appear as a balance of all the other items (see the last column of the Summary Table). The recorded capital items would appear to represent only transactions effected by the Government and, in 1935-36, by the Reserve Bank of India; the balance of all the items shown may thus be taken to represent private capital transactions and possible errors and omissions in the account for goods, services and gold.

The transactions in England have been converted into rupees at the rates of 1s. 6<sup>1</sup>/<sub>16</sub>d. in 1932-33, 1s. 6d. in 1933-34, 1s. 6<sup>1</sup>/<sub>16</sub>d. in 1934-35 and 1s. 6<sup>3</sup>/<sub>32</sub>d. in 1935-36 — 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 undervaluation of imported merchandise.

*Interest and dividends.* The credit figures shown against item 3 represent interest on investment in sterling securities in London. That entered against item 3-4 for 1935-36 includes interest earned on the investments in England of the Reserve Bank of India. Item 4 represents the interest on investments of Government Treasury and reserve balances in British Treasury bills.

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

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



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

The payments on account of post, telegraph and telephone services (item 7), and of Government expenditure abroad not elsewhere indicated (item 9) represent expenditure in England after excluding interest charges (items 3 and 4).

### Capital items.

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

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

	Rupees (000,000's)			
	1932-33	1933-34	1934-35	1935-36
1. Value of Government rupee securities retransferred from London to India . . . . .	1.3	1.1	—	5.6
2. Sinking Fund purchases on account of Government of India sterling loans . . . . .	2.6	2.7	2.7	2.3
3. Repayment of 6 % India Bonds and E.I. Railway 4½ % Debenture Stock . . . . .	120.7	167.7	0.1	116.0
4. Cost price of India stocks and bonds purchased but not cancelled	—	57.1	97.5	—

In addition to the amount entered as "Repayment of 6 % India Bonds and E.I. Railway 4½ % Debenture Stock" for 1935-36, bonds to the extent of £6.7 million, which had been purchased in the previous years, were cancelled during the year.

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

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

The figures under item 4 represent reduction in the deposits in provident funds in England.

The sums entered against item 5 up to 1934-35 inclusive 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.

### International indebtedness.

The foreign liabilities of the Government of India (including sterling loans, railway annuities, liability assumed by the Government of India in respect of British Government 5 % War Loan, 1929-47, etc., but excluding rupee securities held by foreigners), and the assets of the Government on account of Treasury and reserve balances held in London in recent years, were as follows :

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

The assets figure for March 31st, 1936, includes the foreign assets of the Reserve Bank of India on April 3rd, 1936, and £4.9 million, representing the cost price of India Stock and Bonds purchased by the Secretary of State out of his Treasury balance, but not cancelled. It is stated that, on the inauguration of the Reserve Bank, the assets of the Government of India held in England on account of the Paper Currency Reserve and the Gold Standard Reserve, and the balance at the Government of India Home Treasury, were handed over to it with the exception of a small balance held by the Secretary of State and £7½ million for the Silver Redemption Reserve.

No information is available concerning private assets and liabilities abroad.

# IRAQ

A statement of the balance of payments of Iraq in the financial year April 1st, 1934, to March 31st, 1935, has been supplied by the Government of that country and is reproduced below together with those for the three preceding years which appeared in last year's issue of this publication. Certain of the figures for the latter years, as well as those given in the Summary Table for the years 1926-27 to 1930-31, have been revised.

## Goods, services and gold.

Items	Dinars (000's) (1)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
<i>I. Merchandise.</i>								
1. Merchandise, including silver bul- lion (2), as recorded . . . . .	2,766	2,050	2,448	3,523	4,798	6,240	6,009	6,002
2. Adjustment for overvaluation of imports . . . . .	—	—	—	—	107	133	139	151
3. Contraband . . . . .	28	20	24	35	165	177	247	279
<i>II. Interest and dividends.</i>								
4. Interest on Government debts :								
(a) Dredging Loan . . . . .	—	—	—	—	25	12	2	—
(b) Port of Basrah and Railway Loans . . . . .	—	—	—	—	20	19	18	17
5. Interest on other investments . . . . .	120	120	136	137	7	8	5	—
6. Profits of foreign firms working in Iraq . . . . .	—	—	—	—	214	456	386	367
<i>III. Other services.</i>								
7. Port and dredging dues . . . . .	414	407	459	400	—	—	—	—
8. Transport fees . . . . .	115	96	150	147	—	—	—	—
9. Commissions, brokerage :								
(a) profits on account of transit trade . . . . .	116	97	226	220	—	—	—	—
(b) profits on account of export trade . . . . .	138	103	144	199	—	—	—	—
10. Post and telegraph . . . . .	31	22	20	30	49	24	42	38
11. Emigrants' remittances, etc. :								
(a) remittances from Iraqis abroad	10	10	10	10	—	—	—	—
(b) charitable and educational funds	25	25	26	27	—	—	—	—
(c) private remittances for or by foreign officials . . . . .	—	—	—	—	105	79	94	74
12. Pension contributions to foreign offi- cials . . . . .	—	—	—	—	100	93	87	71
13. Tourists' expenditure . . . . .	241	283	302	349	225	228	229	225
Carried forward . . . . .	4,004	3,233	3,945	5,077	5,601	7,203	6,980	6,922

(1) One Iraqi dinar equals one pound sterling.

(2) Silver coin, which in the case of other countries is grouped with merchandise, has been entered in the capital account up to 1931-32 and excluded in subsequent years for reasons given in the explanatory notes of the 1934 issue of this publication. The figures for merchandise exports exclude oil products which are exported by concessionaire companies and the value of which is not received in Iraq.

Items	Dinars (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
Brought forward . . . . .	4,004	3,233	3,945	5,077	5,601	7,203	6,980	6,922
14. Expenditure of students and missions	50	50	15	12	35	28	35	34
15. Disbursement by British forces in Iraq . . . . .	690	612	582	656	—	—	—	—
16. Expenditure in Iraq by the Persian Gulf Lighting Service . . . . .	10	12	13	12	—	—	—	—
17. Diplomatic expenditure . . . . .	63	64	68	75	22	40	51	55
18. Government receipts from abroad:								
(a) British Government contribution to Iraq army . . . . .	60	31	—	—	—	—	—	—
(b) oil royalties . . . . .	863	655	536	989	—	—	—	—
(c) contribution by Currency Board	—	—	—	15	—	—	—	—
19. Other items . . . . .	—	—	—	—	25	25	25	25
IV. Gold.								
20. Gold coin and bullion, as recorded	1,044	810	707	460	2	2	16	43
Total . . . . .	6,784	5,467	5,866	7,296	5,685	7,298	7,107	7,079
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 57	—2,639	—1,932	— 200				
(b) gold . . . . .	+ 1,042	+ 808	+ 691	+ 417				
(c) goods, services and gold . . . . .	+ 1,099	—1,831	—1,241	+ 217				

## Capital items.

Items	Dinars (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
I. Long-term operations.								
1. Amortisation of Government foreign debts:								
(a) Ottoman Public Debt . . . . .	—	—	—	—	66	64	64	—
(b) Dredging Loan . . . . .	—	—	—	—	125	170	97	—
(c) Port of Basrah and Railway loans . . . . .	—	—	—	—	18	18	18	18
2. Direct long-term capital investments in Iraq:								
(a) value of fixed capital imported	78	1,199	1,061	377	—	—	—	—
(b) local expenditure of investors	200	332	718	517	—	—	—	—
II. Known short-term operations.								
3. Currency notes and coin other than gold, imported and exported <sup>(1)</sup> . . . . .	359	—	—	—	1,153	—	—	—
4. Known change in short-term debts abroad . . . . .	.	.	94	50	.	.	.	.
5. Known change in short-term assets abroad . . . . .	.	.	21	—	153	468	454	1,456
Total . . . . .	637	1,531	1,894	944	1,515	720	633	1,474
Net inward (+) or outward (—) move- ment of capital . . . . .	— 878	+ 811	+ 1,261	— 530				

(1) Cf. note (2) on preceding page.

## SUMMARY TABLE.

	Dinars (000's)								
	Goods, services and gold					Capital items			All items ( <sup>2</sup> )
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term ( <sup>1</sup> )	Total	
1926-27 Balance . .	-4,008	+ 76	+ 2,467	+ 542	- 923	+ 472	+ 211	+ 683	- 240
1927-28 Balance . .	-3,236	+ 51	+ 1,853	+ 242	-1,090	- 73	+ 118	+ 45	-1,045
1928-29 Balance . .	-3,048	+ 24	+ 1,825	+ 554	- 645	+ 417	+ 344	+ 761	+ 116
1929-30 Balance . .	-3,353	- 50	+ 1,772	+ 598	-1,033	+ 286	+ 310	+ 596	- 437
1930-31 Balance . .	-2,649	- 148	+ 1,578	+ 557	- 662	+ 580	+ 158	+ 738	+ 76
1931-32 Balance . .	-2,062	- 146	+ 2,265	+ 1,042	+ 1,099	+ 69	- 947	- 878	+ 221
1932-33 Credit . . .	2,070	120	2,467	810	5,467	1,531	-	1,531	6,998
Debit . . .	6,284	495	517	2	7,298	252	468	720	8,018
Balance . .	-4,214	- 375	+ 1,950	+ 808	-1,831	+ 1,279	- 468	+ 811	- 1,020
1933-34 Credit . . .	2,472	136	2,551	707	5,866	1,779	115	1,894	7,760
Debit . . .	6,117	411	563	16	7,107	179	454	633	7,740
Balance . .	-3,645	- 275	+ 1,988	+ 691	-1,241	+ 1,600	- 339	+ 1,261	+ 20
1934-35 Credit . . .	3,558	137	3,141	460	7,296	894	50	944	8,240
Debit . . .	6,130	384	522	43	7,079	18	1,456	1,474	8,553
Balance . .	-2,572	- 247	+ 2,619	+ 417	+ 217	+ 876	-1,406	- 530	- 313

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.

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

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

The increase in short-term assets abroad during 1934-35 entered against capital item 5 includes 520,000 dinars acquired by the Iraq Currency Board and 682,000 dinars representing increase in Government deposits in London.

The figures previously published for certain items have been revised back to 1928-29. The revised figures for the years 1928-29 to 1930-31 (not shown in the detailed tables above) are :

	Dinars (000's)					
	Inward or credit movements			Outward or debit movements		
	1928-29	1929-30	1930-31	1928-29	1929-30	1930-31
<i>Goods, services and gold.</i>						
5. Interest on other investments . . . . .	150	150	150	10	10	7
13. Tourists' expenditure . . . . .	365	446	431	324	303	284

(1) The information concerning short-term capital movements is incomplete.

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

# JAPAN

A statement of the balance of payments of Japan — including Chosen (Korea) and Taiwan (Formosa) — in 1934, arranged according to the League of Nations scheme, has been supplied by the Japanese Government and is set out below, together with those for 1931-1933 published in the preceding issue.

## Goods, services and gold.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
<b>I. Merchandise.</b>								
1. Merchandise :								
(a) Japan proper . . . . .	1,148.6	1,418.7	1,868.7	2,185.8	1,237.8	1,431.6	1,917.3	2,282.9
(b) Chosen . . . . .	12.8	29.2	52.8	57.7	53.0	61.8	64.4	79.6
(c) Taiwan . . . . .	19.4	18.0	17.7	26.6	30.9	31.0	35.5	38.5
2. Adjustment of item 1 :								
(a) ships' stores purchased by foreign ships . . . . .	6.5	7.2	9.8	11.8	—	—	—	—
(b) other items . . . . .	11.4	18.6	17.0	57.1	19.1	24.1	28.7	29.7
<b>II. Interest and dividends.</b>								
3. Interest on public debts . . . . .	9.9	9.9	13.8	14.0	55.0	58.0	70.6	72.4
4. Yield of other long-term capital :								
(a) interest . . . . .	62.4	3.6	4.6	4.8	38.1	39.7	40.6	24.8
(b) dividends, profits . . . . .		68.6	71.2	85.2		20.8	22.4	24.6
5. Interest on short-term capital	3.9	5.1	3.0	0.8	6.7	6.5	10.0	9.4
<b>III. Other services.</b>								
6. Shipping freights (1) :								
(a) ordinary freights . . . . .	140.2	154.5	196.7	213.8	—	—	—	—
(b) charter money . . . . .	2.2	1.6	0.5	0.3	0.6	1.7	2.9	6.7
(c) passage money . . . . .	13.9	12.7	15.4	17.0	—	—	—	—
7. Port fees . . . . .	3.9	5.0	5.3	6.3	40.5	49.3	63.1	59.8
8. Other transport fees . . . . .	(2)	(2)	(2)	(2)	—	—	—	—
9. Commissions, insurance, brokerage . . . . .	108.8	117.3	117.6	138.5	105.9	108.4	108.9	115.1
10. Post, telegraph and telephone	1.5	1.2	1.6	1.6	4.6	5.3	5.5	4.3
Carried forward . . . . .	1,545.4	1,871.2	2,395.7	2,821.3	1,592.2	1,838.2	2,369.9	2,747.8

(1) Maritime freight on goods imported in national ships, which is included on the credit side against this item and also in Group 1 of imports (debit), amounted to 58.8 million yen in 1931, 63.5 million in 1932 and 83.1 million in 1933.

(2) Included in item 6.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward . . . . .	1,545.4	1,871.2	2,395.7	2,321.3	1,592.2	1,838.2	2,369.9	2,747.8
11. Immigrants' and emigrants' funds . . . . .	42.7	98.4	110.3	116.7	3.0	3.9	5.6	3.9
12. Immigrants' and emigrants' remittances . . . . .	27.7	39.9	50.9	70.2	34.4	29.6	57.0	54.6
13. Tourists' expenditure . . . . .	4.5	6.6	6.9	6.9	9.9	9.6	10.6	10.4
14. Diplomatic and similar expenditure . . . . .	2.0	—	—	—	—	—	—	—
15. Reparation receipts in cash . . . . .	1.2	—	—	—	—	—	—	—
16. Counter-value of reparations in kind included in merchandise imports above . . . . .	2.9	3.7	5.6	4.2	33.3	83.9	122.5	137.4
17. Other Government receipts and expenditure . . . . .	1.0	23.6	34.9	45.0	12.1	21.8	29.3	47.3
18. Other services . . . . .								
IV. Gold.								
19. Gold coin and bullion:								
(a) Japan proper . . . . .	419.9	112.7	20.9	—	9.0	—	—	—
(b) Chosen . . . . .	—	—	—	—	21.6	0.7	—	—
(c) Taiwan . . . . .	—	—	—	—	1.1	—	—	—
20. Adjustment of item 19 . . . . .	—	—	13.8	—	—	—	—	—
Total . . . . .	2,047.3	2,156.1	2,639.0	3,064.3	1,716.6	1,987.7	2,594.9	3,001.4
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	— 57.5	+ 56.4	+ 9.4	+ 62.9				
(b) gold . . . . .	+ 388.2	+ 112.0	+ 34.7	—				
(c) goods, services and gold . . . . .	+ 330.7	+ 168.4	+ 44.1	+ 62.9				

## Capital items.

Items	Yen (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Long-term operations.								
1. Amortisation:								
(a) of public debts . . . . .	23.8	—	—	—	97.9	57.1	24.6	24.5
(b) of other debts . . . . .	44.3	31.1	151.4	79.6	12.4	52.8	45.4	36.0
2. Purchases and sales:								
(a) of domestic securities . . . . .	74.5	8.0	84.4	48.1	231.5	70.9	13.8	30.9
(b) of foreign securities . . . . .	218.8	74.9	22.8	139.0	225.1	4.8	37.0	38.2
3. New capital issues:								
(a) Government and municipal . . . . .	—	—	—	—	—	—	—	9.8
(b) other . . . . .	49.7	—	—	—	—	—	—	—
4. Other long-term investments . . . . .	—	—	—	—	78.1	96.2	178.8	350.5
II. Short-term operations.								
5. Change in short-term debts . . . . .	1.3	67.7	20.0	39.8	—	—	—	—
6. Change in short-term assets . . . . .	—	—	—	54.7	81.3	229.3	225.2	—
Total . . . . .	412.4	181.7	278.6	361.2	726.3	511.1	524.8	489.9
Not outward (—) movement of capital . . . . .	— 313.9	— 329.4	— 246.2	— 128.7				

## SUMMARY TABLE.

		Yen (000,000's)								All items ( <sup>2</sup> )
		Goods, services and gold					Capital items			
		Merchan- dise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1924	Balance . . . . .	- 729.2	- 7.5	+188.9	—	-547.8	+238.0	( <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	-58.7
1928	Balance . . . . .	- 323.4	- 24.0	+174.8	- 0.4	-173.0	+ 53.4	+ 63.1	+116.5	-56.5
1929	Balance . . . . .	- 163.7	- 19.8	+202.5	- 0.6	+ 18.4	- 52.8	- 4.1	- 56.9	-38.5
1930	Balance . . . . .	- 154.7	- 25.2	+152.6	+286.7	+259.4	- 92.0	-203.4	-295.4	-36.0
1931	Balance . . . . .	- 142.1	- 23.6	+103.2	+388.2	+330.7	-233.9	- 80.0	-313.9	+16.8
1932	Credit . . . . .	1,491.7	87.2	464.5	112.7	2,156.1	114.0	67.7	181.7	2,337.8
	Debit . . . . .	1,548.5	125.0	313.5	0.7	1,987.7	281.8	229.3	511.1	2,498.8
	Balance . . . . .	- 56.8	- 37.8	+161.0	+112.0	+168.4	-167.8	-161.6	-329.4	-161.0
1933	Credit . . . . .	1,966.0	92.6	545.7	34.7	2,639.0	258.6	20.0	278.6	2,917.6
	Debit . . . . .	2,045.9	143.6	405.4	—	2,594.9	299.6	225.2	524.8	3,119.7
	Balance . . . . .	- 79.9	- 51.0	+140.3	+ 34.7	+ 44.1	- 41.0	-205.2	-246.2	-202.1
1934	Credit . . . . .	2,339.0	104.8	620.5	—	3,064.3	266.7	94.5	361.2	3,425.5
	Debit . . . . .	2,430.7	131.2	439.5	—	3,001.4	489.9	—	489.9	3,491.3
	Balance . . . . .	- 91.7	- 26.4	+181.0	—	+ 62.9	-223.2	+ 94.5	-128.7	- 65.8

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



# LATVIA

A statement of the balance of payments of Latvia in 1935 has been supplied by the Latvian Government <sup>(1)</sup> and is reproduced below, together with those for the years 1932-1934 published last year. Certain of the figures for 1934 have been revised.

## Goods, services and gold.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise . . . . .	96.5	81.5	85.3	98.8	84.5	91.1	94.9	100.9
2. Adjustment for :								
(a) ships sold and purchased	0.3	0.3	0.4	0.5	0.6	0.5	0.2	0.1
(b) various items . . . . .	2.8	2.9	3.1	1.7	0.2	0.2	0.5	1.5
(c) ships' stores exported .	2.5	2.7	3.1	2.8	—	—	—	—
<b>II. Interest and dividends.</b>								
3. Interest on public debts <sup>(2)</sup> . .	—	—	—	—	2.4	1.4	0.7	1.0
4. Other interest and dividends .	2.0	0.7	0.4	0.2	4.9	3.4	3.5	3.5
<b>III. Other services.</b>								
5. Shipping freights . . . . .	13.9	14.4	12.0	11.9	—	—	—	—
6. Port fees, etc. . . . .	0.5	0.5	<sup>(3)</sup>	<sup>(3)</sup>	10.7	10.3	8.6	9.3
7. Sawing of Russian and Polish wood in transit . . . . .	1.5	1.0	1.3	1.5	—	—	—	—
8. Railway transport fees :								
(a) for goods in transit . .	3.4	2.0	1.6	1.4	—	—	—	—
(b) for passengers, repairs, wagon hire, etc. . . . .	0.2	0.2	0.2	0.4	0.9	0.8	0.8	1.1
9. Insurance, commissions . . . .	3.5	2.7	3.8	3.2	4.2	4.2	3.9	3.7
10. Post, telegraph and telephone	0.8	0.3	0.4	0.4	1.0	0.5	0.5	0.2
11. Funds of foreign seasonal workers . . . . .	—	—	—	—	2.5	1.6	2.5	3.1
12. Emigrants' remittances . . . .	2.2	2.0	1.5	1.3	—	—	—	—
13. Latvian students abroad . . . .	—	—	—	—	2.0	1.5	1.3	1.0
14. Tourists' expenditure, etc. :								
(a) Russian emigrants pass- ing through Latvia . . . . .	0.1	0.1	—	—	—	—	—	—
(b) tourists and travellers . .	8.0	6.5	6.4	7.3	4.0	4.0	3.8	3.8
Carried forward . . . . .	138.2	117.8	119.5	131.4	117.9	119.5	121.2	129.2

(1) Cf. also *Bulletin mensuel*, of the Latvian Statistical Office, June 1936.

(2) Interest on the loan granted by the Swedish Match Company. Interest on interallied debts is included with amortisation, capital item 1.

(3) Included with item 2 c.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward . . . . .	138.2	117.8	119.5	131.4	117.9	119.5	121.2	129.2
15. Diplomatic and similar expenditure . . . . .	4.0	4.0	4.0	4.0	1.4	1.3	1.4	1.6
16. Other Government receipts . . . . .	0.5	0.5	0.4	( <sup>1</sup> )	—	—	—	—
17. Cinematograph film royalties . . . . .	0.2	0.3	0.5	0.1	0.3	0.3	0.1	0.1
18. Other items . . . . .	—	—	0.1	0.2	0.5	0.7	0.2	0.4
IV. Gold.								
19. Gold coin and bullion as recorded . . . . .	—	—	—	—	0.1	0.1	—	0.1
20. Change in the gold reserve of the Bank of Latvia ( <sup>2</sup> ) . . . . .	—	—	—	—	4.1	9.3	1.4	—
Total . . . . .	142.9	122.6	124.5	135.7	124.3	131.2	124.3	131.4
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 22.8	+ 0.8	+ 1.6	+ 4.4				
(b) gold . . . . .	— 4.2	— 9.4	— 1.4	— 0.1				
(c) goods, services and gold . . . . .	+ 18.6	— 8.6	+ 0.2	+ 4.3				

## Capital items.

Items	Lats (000,000's)							
	Inward or credit capital movements				Outward or debit capital movements			
	1932	1933	1934	1935	1932	1933	1934	1935
I. Long-term operations.								
1. Amortisation of Government debts . . . . .	—	—	—	—	0.1	0.1	0.1	0.1
2. Sales and purchases of real estate . . . . .	0.4	0.2	0.3	—	—	—	—	0.5
3. Change in foreign investments in Latvian companies . . . . .	—	—	—	—	2.7	5.5	2.5	4.2
II. Short-term operations.								
4. Change in short-term foreign liabilities:								
(a) of Government bodies . . . . .	—	4.6	1.9	—	1.3	—	—	2.3
(b) of the Bank of Latvia . . . . .	7.0	—	—	2.3	—	0.3	3.1	—
(c) of credit institutes and joint-stock companies . . . . .	—	—	—	—	26.7	14.8	4.1	2.7
(d) miscellaneous . . . . .	—	0.6	3.8	2.2	—	—	—	0.1
5. Change in short-term foreign assets ( <sup>3</sup> ):								
(a) of Government bodies . . . . .	—	2.4	—	0.8	1.2	—	0.7	—
(b) of the Bank of Latvia and the Government . . . . .	2.9	9.3	—	—	—	—	0.2	3.8
(c) of credit institutes and joint-stock companies . . . . .	6.9	2.4	2.9	3.8	—	—	—	—
6. Change in foreign currency holdings in the country . . . . .	4.8	8.2	1.0	0.5	—	—	—	—
Total . . . . .	22.0	27.7	9.9	9.6	32.0	20.7	10.7	13.7
Net inward (+) or outward (—) capital movement . . . . .	— 10.0	+ 7.0	— 0.8	— 4.1				

(1) Figure not available, but probably included in item 14 b, credit.

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

(3) Other than "foreign currency holdings" (cf. item 6).

## SUMMARY TABLE.

	Lats (000,000's)								
	Goods, services and gold					Capital items			All items ( <sup>1</sup> )
	Mer- chandise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1920 Balance . . .	- 25.6	—	+ 19.4	( <sup>2</sup> )	- 6.2	.	.	.	.
1921 Balance . . .	- 32.5	- 0.5	+ 32.2	( <sup>2</sup> )	- 0.8	.	.	.	.
1922 Balance . . .	+ 17.9	- 1.2	+ 27.3	( <sup>2</sup> )	+ 44.0	.	.	.	.
1923 Balance . . .	- 18.3	+ 0.7	+ 34.7	( <sup>2</sup> )	+ 17.1	.	.	.	.
1924 Balance . . .	- 59.4	- 0.7	+ 31.2	- 1.8	- 30.7	+ 12.8	+ 21.8	+ 34.6	+ 3.9
1925 Balance . . .	- 71.5	- 3.6	+ 44.2	- 0.1	- 31.0	+ 14.4	+ 20.2	+ 34.6	+ 3.6
1926 Balance . . .	- 57.2	- 4.5	+ 36.6	- 0.1	- 25.2	+ 11.8	+ 0.3	+ 12.1	- 13.1
1927 Balance . . .	- 5.2	- 6.2	+ 33.4	—	+ 22.0	+ 6.8	- 16.4	- 9.6	+ 12.4
1928 Balance . . .	- 15.0	- 3.4	+ 26.3	- 0.6	+ 7.3	- 4.4	- 26.9	- 31.3	- 24.0
1929 Balance . . .	- 50.0	- 5.9	+ 30.7	- 0.1	- 25.3	+ 36.5	- 4.3	+ 32.2	+ 6.9
1930 Balance . . .	- 15.4	- 6.0	+ 28.7	- 0.1	+ 7.2	- 2.4	+ 24.2	+ 21.8	+ 29.0
1931 Balance . . .	- 3.3	- 5.9	+ 17.0	- 0.5	+ 7.3	- 0.5	+ 10.3	+ 9.8	+ 17.1
1932 Balance . . .	+ 16.8	- 5.3	+ 11.3	- 4.2	+ 18.6	- 2.4	- 7.6	- 10.0	+ 8.6
1933 Credit . . .	87.4	0.7	34.5	—	122.6	0.2	27.5	27.7	150.3
Debit . . .	91.8	4.8	25.2	9.4	131.2	5.6	15.1	20.7	151.9
Balance . . .	- 4.4	- 4.1	+ 9.3	- 9.4	- 8.6	- 5.4	+ 12.4	+ 7.0	- 1.6
1934 Credit . . .	91.9	0.4	32.2	—	124.5	0.3	9.6	9.9	134.4
Debit . . .	95.6	4.2	23.1	1.4	124.3	2.6	8.1	10.7	135.0
Balance . . .	- 3.7	- 3.8	+ 9.1	- 1.4	+ 0.2	- 2.3	+ 1.5	- 0.8	- 0.6
1935 Credit . . .	103.8	0.2	31.7	—	135.7	—	9.6	9.6	145.3
Debit . . .	102.5	4.5	24.3	0.1	131.4	4.8	8.9	13.7	145.1
Balance . . .	+ 1.3	- 4.3	+ 7.4	- 0.1	+ 4.3	- 4.8	+ 0.7	- 4.1	+ 0.2

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

### Goods, services and gold.

*Merchandise.* The amounts entered on the credit side against item 2 *b* represent a deduction from the recorded import value.

*Insurance, commissions.* Of the amount entered for 1935 on the credit side against item 9, 1.9 million lats refer to operations of insurance companies and 1.3 million to commissions earned by commercial and industrial enterprises.

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

(2) Included in merchandise.

*Other items.* The credit figure entered against item 18 for 1935 comprises 0.13 million lats, revenue from Press subscriptions, and 0.02 million, payment by the Swedish Match Company. The debit figure is made up of 0.17 million lats, salaries of journalists living abroad, 0.14 million, payments by the Alcohol Trust for licences, etc., and 0.04 million, sums taken out of the country by foreign artists and expenditure of Latvian artists abroad.

*Gold.* The statements from 1932 include the changes in the gold reserve of the Bank of Latvia (item 20). As these changes are largely offset by the movement of foreign currency holdings not (or not completely) included in the capital account before 1932, the changes in the gold reserve have been excluded from the account in previous years, as in the original statements.

### Capital items.

The amount entered against item 4c in 1935 represents the reduction in the foreign debts of credit institutions (1.1 million lats) and of joint-stocks companies (1.5 million); that against item 4d, credit, the increase in the balances in Latvia of foreign countries in clearing accounts (with the exception of Germany, transactions with that country being included in the accounts of the Bank of Latvia); that against item 4d, debit, the decrease in the debts of private enterprises other than those referred to under item 4c; and that against item 5c, the decrease in foreign assets of credit institutions (2.98 million lats) and of joint-stocks companies (0.80 million).

### International indebtedness.

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

	Lats (000,000's) at the end of				
	1931	1932	1933	1934	1935
<i>Liabilities.</i>					
1. Liabilities on account of intergovernmental debts <sup>(2)</sup> :					
(a) to the United Kingdom . . . . .	35.6	33.6	33.0	29.8	29.5
(b) to the United States of America . . . . .	35.8	36.8	24.5	22.5	22.3
(c) to France . . . . .	0.9	0.9	0.9	0.9	0.9
2. Liabilities on account of the foreign debt of the town of Riga . . . . .				11.0	11.0
3. Government loan raised through the Swedish Match Company . . . . .	<sup>(3)</sup> 31.2	<sup>(3)</sup> 31.2	<sup>(3)</sup> 20.8	<sup>(3)</sup> 19.0	<sup>(3)</sup> 18.5
4. Foreign participation in the capital of Latvian joint-stock companies . . . . .	97.7	95.0	89.5	87.1	82.9
5. Private debts:					
(a) public bodies . . . . .	<sup>(4)</sup>	1.2	5.8	7.6	5.3
(b) commercial banks . . . . .	27.5	15.8	8.5	6.0	5.3
(c) joint-stock companies . . . . .	102.4	87.5	78.3	76.3	75.2
(d) balances of the Clearing Office . . . . .	<sup>(4)</sup>	0.2	0.8	4.7	6.9
(e) others . . . . .	<sup>(4)</sup> 2.5				7.7
6. Foreign deposits in Latvia . . . . .	3.6	10.4	9.6	6.8	8.3
Total . . . . .	337.2	312.6	271.7	271.7	273.8

(1) September 1934, page 516, October 1935, page 751, and August 1936, page 783.

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

(3) \$6 million.

(4) Debts of public bodies and balance of the Clearing Office at the end of 1931 are included with item 5 e.

	Lats (000,000's) at the end of				
	1931	1932	1933	1934	1935
<i>Assets.</i>					
7. Real estate owned by the Government abroad. . .	2.2	2.2	2.2	2.2	2.2
8. Foreign assets of :					
(a) the Government and the Bank of Latvia (including gold deposited abroad) . . . . .	41.7	42.8	42.7	44.3	48.1
(b) public bodies . . . . .	.	3.0	0.6	1.3	0.5
(c) commercial banks . . . . .	12.8	10.2	8.0	5.6	2.6
(d) joint-stock companies . . . . .	18.3	14.0	18.4	17.9	17.1
(e) others . . . . .	1.8	.	.	.	0.8
9. Foreign bills and currency notes in Latvia . . . .	15.1	10.2	2.0	1.0	0.6
Total . . . . .	91.9	82.4	73.9	72.3	71.9
Net liabilities . . . . .	245.3	230.2	197.8	199.4	201.9

The foreign participation in Latvian joint-stock companies (item 4 in the above table) was distributed as follows : (1)

	Lats (000,000's) at the end of		
	1930	1931	1933
Germany . . . . .	25.7	27.1	23.4
United Kingdom . . . . .	16.1	17.9	16.1
Sweden . . . . .	11.8	12.2	12.1
Other countries . . . . .	51.2	40.6	37.9
Total . . . . .	104.8	97.8	89.5

(1) Cf. *Bulletin Commercial* (published by the Office commercial de Belgique), June 15th, 1936.

# NETHERLANDS

Data concerning the principal items in the balance of payments of the Netherlands for 1935 have been supplied by the Government of that country and are reproduced below, together with the figures for 1932-1934 published last year (certain of these figures have, however, been revised).

## Goods, services and gold.

Items	Gulden (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise, excluding goods by post . . . . .	850	727	713	680	1,306	1,214	1,046	940
2. Goods sent by post (excl. diamonds) . . . . .	.	12	9	9	.	29	23	20
3. Adjustment for:								
(a) diamonds . . . . .	.	16	15	22	.	12	11	18
(b) fishery products bought from foreign vessels . . . . .	—	—	—	—	1	1	1	1
<b>II. Interest and dividends.</b>								
4. Interest received on intergovernmental debts . . . . .	11	11	17	15	—	—	—	—
5. Yield of securities (interest and dividends): recorded receipts and payments <sup>(1)</sup> . . . . .	148	148	129	147	63	54	56	48
6. Yield of direct investments in property . . . . .	.	.	.	.	23	21	21	20
7. Interest on short-term capital <sup>(2)</sup> . . . . .	26	22	18	17	11	8	7	8
<b>III. Other services.</b>								
8. Net shipping income <sup>(3)</sup> . . . . .	91	72	72	76	—	—	—	—
9. Receipts on account of transshipment, inland navigation, port fees, repair of ships . . . . .	41	47	49	42	—	—	—	—
10. Bank commissions <sup>(2)</sup> . . . . .	8	3	3	3	1	—	—	1
11. Post, telegraph and telephone . . . . .	7	7	6	6	6	6	6	6
12. Tourists' expenditure . . . . .	7	5	4	3	30	30	34	35
13. Pensions, salaries, etc.:								
(a) paid by the Governments of the Netherlands Indies, Surinam and Curaçao . . . . .	27	30	28	21	—	—	—	—
(b) paid by private concerns <sup>(4)</sup> . . . . .	23	21	20	20	—	—	—	—

(1) Figures for 23 banks in 1932, 37 in 1933, 33 in 1934 and 40 in 1935. The credit figures for 1933-1935 include also receipts through the Ministry of Colonies and certain Government offices (26 in 1933, 28 in 1934 and 1935).

(2) Figures for 23 banks in 1932, 37 in 1933, 38 in 1934 and 39 in 1935; the credit figures against item 7 for 1932 and 1933 include discounts, and that for 1933 brokerage receipts, on all foreign acceptances eligible for discount at the Netherlands Bank.

(3) The earnings of the Dutch Rhine fleet are included with item 9.

(4) Including administration costs and *tantièmes*.

Items	Gulden (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
14. Emigrants' remittances (from the Netherlands Indies) . . . . .	6	5	4	4	—	—	—	—
15. Net expenditure in the Netherlands by the Government of the Netherlands Indies on account of items not mentioned elsewhere . . . . .	47	27	10	11	—	—	—	—
16. Government assistance to Dutch nationals abroad . . . . .	—	—	—	—	3	4	3	2
17. Government receipts and exp. n. e. i. . . . .	1	—	—	—	8	7	7	7
IV. Gold.								
18. Gold coin and bullion, excluding gold sent by post. . . . .	352	697	305	503	641	530	124	211
19. Gold sent by post . . . . .	—	11	7	27	—	87	41	38
20. Earmarking transactions by the Netherlands Bank . . . . .	190	34	84	218	82	37	109	255

## Capital items.

Items	Gulden (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
1. Amortisation of intergovernmental debts	6	6	9	8	—	—	—	—
2. Amortisation of other Government debts	—	—	—	—	9	—	—	—
3. Private amortisation receipts and payments (1) . . . . .	39	84	52	58	12	12	9	12
4. Purchases and sales of securities through certain banks (2) . . . . .	303	361	302	316	344	338	359	420
5. New capital issues in the Netherlands for the account of :								
(a) the Government of the Netherlands Indies . . . . .	—	—	—	—	102	—	140	15
(b) "foreign" governments . . . . .	—	—	—	—	8	—	—	—
(c) other borrowers in "foreign" countr. . . . .	—	—	—	—	15	—	—	—
6. Payments to pension funds in the Netherlands by :								
(a) colonial governments, etc. . . . .	10	8	9	—	—	—	—	—
(b) private concerns (including remittances on account of life insurance) . . . . .	9	6	6	6	—	—	—	—
7. Government long-term loans granted to the Government of the Netherlands Indies . . . . .	—	—	—	—	—	115	—	—
8. Net change in short-term credits granted by the Government abroad, including advances on current account to the Governments of the Netherlands Indies, Surinam and Curaçao . . . . .	—	—	106	—	77	9	—	8
9. Long-term investments abroad not mentioned elsewhere (3) . . . . .	—	—	—	—	—	—	6	7
10. Known movement of :								
(a) short-term foreign debts (4) . . . . .	41	38	23	24	55	85	114	77
(b) short-term assets abroad (4) . . . . .	110	172	77	33	19	40	9	48

(1) Cf. note (1) on the preceding page.

(2) Figures for 24 banks in 1932, 38 in 1933, 39 in 1934 and 40 in 1935.

(3) Figures for 39 banks in 1934 and 40 in 1935.

(4) Figures for 24 banks in 1932, 38 in 1933, 37 in 1934 and 38 in 1935.

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

As will be seen from the footnotes to the table, the amounts shown in respect of certain items — namely, income from securities, interest on short-term capital, bank commissions and certain capital transactions — do not represent the total operations of the country, but merely the amounts recorded by a certain number of banks which have replied to the questionnaires sent to them. The number of banks furnishing figures has increased from 23-24 in 1932 to 37-40 in the following years (1). The banks were asked in the questionnaires, when the exact proportion between interest and amortisation in the receipts on account of capital invested in foreign countries was not known, to estimate the amount of the amortisation. The figures sent in by three banks did not contain such an estimate, and the amortisation receipts in question are therefore included in the figures showing the "income from securities".

Further particulars will be found below in regard to certain important items of the table. For more detailed information, reference should be made to the *Maandschrift* of the Central Statistical Office of the Netherlands (2).

### Goods, services and gold.

*Interest and dividends.* The following details are available in regard to the receipts shown against item 5 for 1933-1935 :

	Gulden (000,000's)		
	1933	1934	1935
Interest on loans of the Netherlands Indies Government received through the Ministry of Colonies . . . . .	28	36	43
Interest and dividends received through Government offices :			
(a) interest on bonds of foreign companies and public bodies . . . . .	3.7	2.7	1.6
(b) dividends on shares . . . . .	2.6	2.6	2.8
Interest and dividends received through banks . . . . .	114	88	100
Total . . . . .	148	129	147

It is pointed out in regard to the sums received through banks that the amount concerning interest received from Germany in 1934 is incomplete.

An estimate has also been made on a different basis of the sums received from foreign countries in 1935 in respect of interest and dividends on long-term capital. The tax on coupons of foreign securities (which does not include shares or bonds of the Netherlands Indies) produced a sum of 1.8 million gulden in 1935. As the rate of this tax is 2%, the income from foreign securities in 1935 may be put at 90 million gulden. According to estimates by the Central Statistical Office of Batavia, the profits of private plantations and dividends of plantation and other joint-stock companies in the Netherlands Indies amounted to 28 million gulden in 1935. Assuming that some 70% of this amount is transferred to the Netherlands, the income under this heading must have totalled some 20 million gulden. According to an estimate made by M. Roet, published

(1) The following figures for 1933-1935, relating to 22 banks (23 in the case of capital item 4), may be compared with those given in the table for 1932 :

Goods, services and gold.	1933	Credit			Debit		
		1934	1935	1933	1934	1935	
Item 5 . . . . .	107	81	78	45	48	40	
Item 7 . . . . .	20	17	14	7	6	7	
Capital items.							
Item 3 . . . . .	63	15	21	11	8	12	
Item 4 . . . . .	310	248	252	293	302	348	
Item 10a . . . . .	37	17	21	79	107	63	
Item 10b . . . . .	170	70	10	35	8	31	

(2) Volume 1936, No. 9.



in the quarterly bulletin of the *Amsterdamsche Bank*, the interest on bonds of municipalities, public bodies, private companies, etc., in the Netherlands Indies, quoted on the Amsterdam Stock Exchange, amounted to 7 million gulden in 1935. As the greater part of these bonds is held in the Netherlands, the amount received in the country on this account must total some 6 million gulden. Lastly, the interest on Netherlands Indies Government bonds paid in the Netherlands amounted to 43 million gulden according to statements by the Ministry of Colonies (see above). If these figures, derived from different sources, are put together, a total of 159 million gulden is obtained for interest and dividends on long-term capital received from abroad in 1935. In the following table, the above figures are reproduced together with similar estimates for the three previous years :

	Gulden (000,000's)			
	1932	1933	1934	1935
Income from " foreign " securities . . . . .	60	60	80	90
Dividends and profits of undertakings in the Netherlands Indies . . . . .	20	19	18	20
Interest on Netherlands Indies Government bonds . . . . .	45	49	34	43
Interest on other Netherlands Indies loans . . . . .	10	10	10	6
Total . . . . .	135	138	142	159

In order to obtain the total income from long-term capital invested abroad, there should be added to these figures the income from real estate abroad, the interest received by mortgage banks established in the country but operating exclusively in foreign countries — these two items are estimated at a few million gulden only — and other very important elements of income such as income from participations and claims other than shares or bonds, as to the amount of which complete figures are not obtainable.

The amounts shown against item 6 are based on data in regard to the taxable part of income accruing in the Netherlands to persons and public bodies established in other countries. The figure for 1935 is provisional.

The credit figures shown against item 7 for 1932 and 1933 include discounts on all foreign acceptances declared eligible for discount at the Netherlands Bank, and the figure for 1933 also includes brokerage charges on these bills — which last amount should normally appear under item 10. Since 1934, the Netherlands Bank has not been able to supply these figures, and the amounts shown for 1934 and 1935 only include discounts and brokerage on bills presented by banks communicating figures.

*Shipping, etc.* The amount of maritime freight charges, and of passage money paid by foreigners, earned by a group of companies representing 98% of the total tonnage of the mercantile marine, is shown below. The figures of certain companies for the years 1929 and 1930 have been estimated. Income derived from tankers and tugs is not included.

	Gulden (000,000's)						
	1929	1930	1931	1932	1933	1934	1935
Maritime freights . . . . .	321	256	194	133	124	120	121
Passage money paid by foreigners . . . . .	77	75	58	41	33	35	(1) 33
Total . . . . .	398	331	252	174	157	155	154

The net income as shown under item 8 includes an estimate of the net receipts of the companies not covered by the enquiry. It also includes sums paid in respect of shipping insurance, which represented an outlay of 2.2 and 1.6 million gulden in 1933

(1) The total amount of passage money received was 35 million gulden.

and 1934 respectively, and a balance of approximately 1 million gulden by which the sums received for damages exceeded the premia paid in 1935.

The amounts shown against item 9 include (i) receipts from transit traffic with transshipment, based on an average of the rates communicated by authoritative quarters, (ii) net income of international inland navigation, based on details furnished by a certain number of ship-owners, (iii) dues paid by foreign vessels in ports under official administration, and (iv) receipts in respect of shipping repairs for foreign account as shown in the production statistics.

*Tourist expenditure* (item 12). Inward and outward payments in connection with the tourist traffic in recent years have been estimated by M. van de Werk, a Director of the *Haagsche Vereeniging voor Vreemdelingenverkeer*. It is pointed out that the movement of tourists and the payments involved largely elude direct control, so that care is needed in the use of the figures. The number of Netherlands tourists abroad increased in 1935; but their expenditure per head was lower, owing to the reduction in the inclusive charges for board and lodging in the places they visited, their tendency to abandon the more expensive for the less expensive hotels and to resort to less costly means of transport, and, lastly, the extension of reductions of fares by foreign railways.

*Pensions, salaries, etc.* Item 13a comprises sums which appear in the budgets of the Netherlands oversea territories and are expended in the Netherlands in the shape of pensions, salaries of officials on leave, retaining and half-pay emoluments, expenditure on education, and cost of missions undertaken by civil and military officials. The decrease between 1934 and 1935 is due to the reform of the pensions system. As a result of this reform, it has been possible to determine exactly, in the case of pensions paid outside the Netherlands Indies, the proportion paid in the Netherlands and that paid in other countries — 90.2% and 9.8% respectively.

According to estimates by the Central Statistical Office of Batavia for the years 1933 to 1935, administration costs (including *tantièmes*) paid in foreign countries by companies operating in the Netherlands Indies amounted to some 14 million gulden a year, pensions paid by private undertakings in the Netherlands Indies amounted to some 10 million a year, and the expenditure of individuals from the Netherlands Indies on leave in foreign countries to some 6, 5 and 5 million respectively. It is assumed that 70% of these sums are spent in the Netherlands (item 13b).

*Other services.* The figure against item 15 for the year 1935 includes the Netherlands contribution to the expenditure of the Netherlands Indies Navy — 12 million gulden.

Diplomatic expenditure is not included in item 17, it being assumed that it is offset by similar expenditure by foreign countries in the Netherlands, as to which no particulars are available. For similar reasons, item 17 does not include the receipts of the Industrial Property Office in respect of licences applied for and granted, which total some 0.8 million gulden a year.

In the original statement there is a *pro memoria* entry for profits derived from trade in foreign countries, the attempts to obtain adequate data under this head having failed.

Insurance transactions (other than shipping insurances, which are included in the shipping income, and the amounts covered by capital item 6b) have also been omitted from the statement owing to the impossibility of obtaining complete figures. Fragmentary information on the subject is, however, to be found in the *Maandschrift*.

*Gold.* The amounts entered against items 18 and 19 represent the movements of gold recorded in the trade statistics. Details of the earmarking operations of the Netherlands Bank (item 20) are as follows:

Items	Gulden (000,000's)							
	1932		1933		1934		1935	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
1. Increase of gold deposits abroad due to earmarking for account of the Bank . . . . .	—	10.6	—	26.3	—	56.6	—	146.6
2. Decrease of gold deposits abroad due to sale of earmarked gold . . . . .	24.4	—	11.6	—	15.2	—	29.3	—
3. Transfer to the Netherlands of gold earmarked abroad . . . . .	105.7	—	—	—	—	—	103.9	—
4. Earmarking for foreign account of imported gold . . . . .	58.9	—	13.5	—	56.5	—	84.6	—
5. Decrease in domestic gold reserve due to earmarking for foreign account . . . . .	1.0	—	8.9	—	12.6	—	0.2	—
6. Increase in domestic gold reserve due to release to the Bank of gold earmarked for foreign account . . . . .	—	—	—	1.8	—	—	—	11.4
7. Repatriation by foreign countries of gold deposited at the Bank . . . . .	—	11.7	—	—	—	—	—	2.7
8. Purchase by the Bank of imported gold subsequently earmarked for foreign account . . . . .	—	56.8	—	1.5	—	39.3	—	—
9. Purchase by the Bank of earmarked gold which was already deposited with it at the beginning of the year . . . . .	—	3.2	—	7.5	—	12.6	—	94.5
Total . . . . .	190.0	82.3	34.0	37.1	84.3	108.5	218.0	255.2

### Capital items.

*Amortisation.* The following table gives details of the income in respect of amortisation of intergovernmental debts (item 1) :

	Gulden (000,000's)			
	1932	1933	1934	1935
Poland : relief credit . . . . .	—	—	0.6	0.9
Belgium : internment costs . . . . .	3.4	3.5	3.7	3.9
Netherlands Indies :				
1933 gulden Loan . . . . .	—	—	1.2	1.3
Share of the Netherlands Indies in 1895 Loan . . . . .	0.8	0.8	0.8	0.9
Share of the Netherlands Indies in 1898 Loan . . . . .	2.0	2.1	2.2	1.3
Total . . . . .	6.2	6.4	8.5	8.3

In addition to the amounts received through banks, item 3, credit, covers amortisation of Netherlands Indies Government loans received through the Ministry of Colonies — 21 million gulden in 1933, 35 million in 1934, and 28 million in 1935 — together with amounts of 0.2, 0.1 and 1.9 million respectively received through Government offices.

*New capital issues.* Item 5a shows the amounts actually paid in respect of new issues (excluding conversion loans) calculated on the basis of the issue price. An amount of 4% of the nominal value has been deducted to cover costs of issue, stamp duties, etc.

*Payments to pensions funds (item 6b).* For the three years 1933 to 1935, the Central Statistical Office of Batavia estimated at 3 million gulden the amount of remittances to the Netherlands of life insurance premia in favour of the staff of private companies,

and at 6 million gulden the amount of remittances to life insurance companies in the Netherlands. The figure 9 million accordingly appeared under item 66 in previously published statements. But an enquiry made by the Central Statistical Office of the Netherlands of all life insurance companies doing colonial business showed that the net amount remitted to them from the colonies in 1935 was only 3.4 million gulden, including transfers in the form of capital movements such as the transfer to the Netherlands for investment of sums set free in the Netherlands Indies as a result of redemption operations, drawings or sales. The amount previously estimated under this heading is thus found to have been too high. It has been assumed that these remittances remained at the same level between 1933 and 1935. Accordingly, the figure 6 million gulden is shown for these years for the whole of the remittances to which the item refers.

*Various Government transactions.* The figure shown against item 7, debit, in 1933 represents the portion of the proceeds of the Netherlands 4% Loan 1933 which was transferred to the Netherlands Indies.

The amounts shown under item 8 represent the following changes in various short-term credits granted by the Government to other countries :

	Gulden (000,000's)				
	1931	1932	1933	1934	1935
Increase or decrease of advances in current account :					
(a) to the Netherlands Indies Government . . . . .	+ 56	+ 88	+ 11	(1) — 116	(2) + 5.3
(b) to the governments of Surinam and Curaçao . . . . .	+ 4	— 2	— 2	— 3	— 2
Increase or decrease in the "revolving credit" granted to Germany . . . . .	— 3.5	— 9.1	— 0.3	+ 12.9	+ 4.3
Total . . . . .	+ 56	+ 77	+ 9	— 106	+ 8

### International indebtedness.

The following details are available concerning certain items in the balance of international indebtedness of the Netherlands. Private long-term investments are not included.

<i>Liabilities.</i>	Gulden (000,000's) at the end of				
	1931	1932	1933	1934	1935
1. Liabilities on account of intergovernmental debts . . . . .	—	—	—	—	—
2. Floating debts abroad of certain banks (41 in 1933, 44 in 1934 and 43 in 1935) (2) :					
(a) on current account with foreign correspondents . . . . .			96	63	49
(b) liabilities on account of bills of exchange . . . . .			16	9	8
(c) other debts . . . . .			281	253	217

(1) The decrease is due to the funding of a portion of the advance by the issue of the Netherlands Indies Government Loan 1934, to payments by the Netherlands Indies, and to the taking over by the Netherlands Government of silver coin consigned to the Netherlands.

(2) The following operations involved decreases in the amount of the advance :

	Gulden (000,000's)
Payments by Netherlands Indies . . . . .	82
Silver coin taken over by the Netherlands Government . . . . .	10.6
Amount funded . . . . .	5.1

But for these operations, the amount of the advance would have increased by some 103 million gulden in 1935.

(3) Including the Netherlands Bank and the Amsterdam branch of the Java Bank.

	Gulden (000,000's) at the end of				
	1931	1932	1933	1934	1935
<i>Assets.</i>					
3. Claims on account of long-term intergovernmental debts :					
(a) on "foreign" countries . . . . .		37	34	29	25
(b) on the Netherlands Indies . . . . .		29	141	136	132
4. Claims on account of short-term intergovernmental debts :					
(a) on "foreign" countries ("revolving credit" granted to Germany) . . . . .	95	86	86	98	103
(b) on the Netherlands Indies . . . . .	142	230	241	125	130
(c) on Surinam and Curaçao . . . . .	22	20	18	16	14
5. Floating assets abroad of certain banks (41 in 1933, 44 in 1934 and 43 in 1935) <sup>(1)</sup> :					
(a) on current account with foreign correspondents . . . . .			128	130	199
(b) assets on account of bills of exchange . . . . .			49	50	28
(c) other assets . . . . .			390	320	252

The floating debts and assets were distributed between creditor and debtor countries as follows :

	Gulden (000,000's)					
	Floating debts			Floating assets		
	1933	1934	1935	1933	1934	1935
Germany . . . . .	66	51	45	239	178	109
United Kingdom . . . . .	44	36	32	84	86	112
France . . . . .	42	27	22	69	59	44
United States . . . . .	38	27	27	32	30	88
Belgium . . . . .			45			38
Switzerland . . . . .			26			8
Netherlands Indies . . . . .	203	184	30	143	148	5
Other countries . . . . .			47			75
<b>Total . . . . .</b>	<b>393</b>	<b>325</b>	<b>274</b>	<b>567</b>	<b>501</b>	<b>479</b>

Figures for the floating debts and assets of a smaller number of banks are available for all the five years shown in the table :

	Gulden (000,000's) at the end of				
	1931	1932	1933	1934	1935
Floating debts abroad of 24 banks in 1931 and 1932 and 23 in 1933-1935 <sup>(2)</sup> :					
(a) on current account with foreign correspondents . . . . .	69	107	68	59	44
(b) liabilities on account of bills of exchange . . . . .	30	13	12	8	7
(c) other debts . . . . .	301	307	265	236	205
Floating assets abroad of 24 banks in 1931 and 1932 and 23 in 1933-1935 <sup>(2)</sup> :					
(a) on current account with foreign correspondents . . . . .	188	190	118	116	183
(b) assets on account of bills of exchange . . . . .	159	120	44	47	28
(c) other assets . . . . .	396	341	316	258	215

Dutch assets in Germany in the form of standstill credits amounted to 134 million gulden at the end of 1934 and to 85 million at the end of 1935.

The arrears due to the Netherlands in clearing account with Germany increased from 12 million gulden at the end of 1934 to 36 million at the end of 1935. Arrears on account of commercial credits previously granted to Germany decreased from 68 million gulden at the end of 1934 to 30 million at the end of 1935 ; total commercial arrears thus fell from 80 million to 66 million gulden.

(1) Including the Netherlands Bank and the Amsterdam branch of the Java Bank.  
(2) Including the Netherlands Bank.

## Balance of transactions with the Netherlands Indies.

A private estimate of the balance of Netherlands transactions with the Netherlands Indies in 1933 and 1934 published by the *Nederlandsche Handel-Maatschappij* <sup>(1)</sup> is reproduced below. A few changes have been made in the classification of the items.

*Goods, services and gold.*

Items	Gulden (000,000's)			
	Credit movement		Debit movement	
	1933	1934	1933	1934
<b>I. Merchandise.</b>				
1. Merchandise, excluding silver. . . . .	30.7	30.5	50.6	58.4
2. Silver . . . . .	0.3	—	4.0	6.6
<b>II. Interest and dividends.</b>				
3. Interest paid by the Netherlands Indies Government to the Netherlands Government in respect of :				
(a) the Netherlands loan of 1895 . . . . .	0.7	0.6	—	—
(b) the Netherlands loan of 1898 . . . . .	0.2	0.1	—	—
(c) the Netherlands Indies loan of 1933 . . . . .	2.3	4.6	—	—
(d) advances . . . . .	2.6	6.6	—	—
4. Interest on Netherlands Indies Government loans . . . . .	49.0	34.0	—	—
5. Interest on the loans of municipalities, districts, private companies, etc., in the Netherlands Indies . . . . .	10.0	10.0	—	—
6. Dividends and profits of colonial undertakings. . . . .	19.0	18.0	—	—
<b>III. Other services.</b>				
7. Net income of shipping companies derived from the Netherlands Indies . . . . .	21.0	21.0	—	—
8. Pensions, salaries, etc., paid to the Netherlands by the Netherlands Indies Government . . . . .	30.0	28.0	—	—
9. Administration costs (including <i>tantièmes</i> ) and pensions paid by colonial undertakings, expenditure by persons from the Netherlands Indies on leave in the Netherlands . . . . .	21.0	( <sup>2</sup> ) 21.0	—	—
10. Remittances from the colony to relatives in the Netherlands . . . . .	5.0	4.0	—	—
11. Net expenditure in the Netherlands of the Netherlands Indies Government ( <sup>3</sup> ) . . . . .	28.0	12.0	—	—
<b>IV. Gold.</b>				
12. Gold coin and bullion . . . . .	—	—	2.9	4.2
<b>Total</b> . . . . .	<b>219.8</b>	<b>190.4</b>	<b>57.5</b>	<b>69.2</b>
<b>Surplus (+) or deficit (—) :</b>				
goods and services. . . . .	+ 165.2	+ 125.4		
gold . . . . .	— 2.9	— 4.2		
goods, services and gold . . . . .	+ 162.3	+ 121.2		

(1) See its *Bulletin trimestriel* for April 1936 ("La signification des Indes néerlandaises pour la balance des paiements de la Hollande").

(2) Corrected figure (according to the official statement of the Netherlands balance of payments in 1935, reproduced above) : 20.

(3) Corrected figures : 1933, 27 ; 1934, 10.

*Capital items.*

Items	Gulden (000,000's)			
	Credit movement		Debit movement	
	1933	1934	1933	1934
1. Amortisation payments by the Netherlands Indies Government to the Netherlands Government in respect of :				
(a) the Netherlands loan of 1895 . . . . .	0.8	0.8	—	—
(b) the Netherlands loan of 1898 . . . . .	2.1	2.2	—	—
(c) the Netherlands Indies loan of 1933 . . . . .	—	1.2	—	—
2. Amortisation of Netherlands Indies Government loans . . . . .	34.0	22.0	—	—
3. Amortisation of other Netherlands Indies loans . . . . .	8.0	8.0	—	—
4. New capital issues of the Netherlands Indies Government . . . . .	—	—	—	140.0
5. Long-term loans of the Netherlands Government to the Netherlands Indies Government . . . . .	—	—	115.0	—
6. Payments by the Netherlands Indies Government to pensions funds in the Netherlands . . . . .	8.0	9.0	—	—
7. Payments by colonial undertakings to pension funds and remittances in respect of life insurance . . . . .	(1) 9.0	(1) 9.0	—	—
8. Change in the advances on current account granted to the Netherlands Indies Government by the Netherlands Government . . . . .	—	116.0	11.0	—
Total . . . . .	61.9	168.2	126.0	140.0
Net inward (+) or outward (—) movement of capital . . . . .	— 64.1	+ 28.2		

## SUMMARY TABLE

	Gulden (000,000's)						
	Goods, services and gold					Capital items	All items
	Mer-chandise	Interest and di-vidends	Other services	Gold	Total		
1933 Credit . . . . .	31.0	83.8	105.0	—	219.8	61.9	281.7
Debit . . . . .	54.6	—	—	2.9	57.5	126.0	183.5
Balance . . . . .	— 23.6	+ 83.8	+ 105.0	— 2.9	+ 162.3	— 64.1	+ 98.2
1934 Credit . . . . .	30.5	73.9	86.0	—	190.4	168.2	358.6
Debit . . . . .	65.0	—	—	4.2	69.2	140.0	209.2
Balance . . . . .	— 34.5	+ 73.9	+ 86.0	— 4.2	+ 121.2	+ 28.2	+ 149.4

Most of the figures have been taken either direct from the statements of the Netherlands balance of payments in 1933 and 1934, or from the publications of the Central Statistical Office. The figures relating to goods, silver and gold are derived from the Netherlands trade returns. The only amounts which have had to be specially calculated are those under item 7 of the account " Goods, services and gold " and under capital items 2 and 3, regarding which the following particulars have been given.

(1) Corrected figures (according to the official statement of the Netherlands balance of payments in 1935, reproduced above) : 6 in each year.

*Net income from shipping.* It has been assumed that the proportion of this income derived from the Netherlands Indies is equal to the proportion of the whole Netherlands merchant marine which serves the Netherlands Indies. Sums transferred to the Netherlands by shipping companies operating exclusively in the Netherlands Indies have not been included, as the available data were inadequate; it is believed, however, that these amounts are very small. Various factors, such as the laying-up of vessels and the difference in the receipts obtained by lines serving the Netherlands Indies and those serving other countries have also been ignored. "As better results were obtained by lines serving the colony than by other lines, the figure of 21 million florins may be regarded as a conservative estimate."

*Amortisation of Netherlands Indies Government loans.* "The amount of the Netherlands Indies bonds taken up in the Netherlands may be assumed to be not less than the proportion of shares issued by colonial companies in the Indies held by our country. This latter amount is estimated at 70%. Moreover, a large proportion of the bond loans contracted abroad (dollar and sterling loans) was transferred to the Netherlands before these loans were converted. Under these conditions, we have assumed that in 1933 and 1934 80% of the Netherlands Indies bond loans was taken up in the Netherlands and consequently that a corresponding percentage of amortisation payments is made to the home country."

*Amortisation of other Netherlands Indies loans.* The amount of the interest on the loans of municipalities, districts, private companies, etc., paid to the Netherlands has been estimated at 10 million gulden in 1933 and 1934. The amortisation of these loans has been estimated on the basis of an average rate of interest of 5% and an average duration of the loans of twenty-five years.

The data available suggest that payments received by the Netherlands in respect of transactions in goods and services with the Netherlands Indies represent about 17% to 19% of payments made in respect of those transactions with all countries. The corresponding figure for payments made by the Netherlands is 4% to 5%. While known items in respect of Netherlands transactions in goods and services with all countries together left a deficit of roughly 230 million gulden in 1933 and 120 million in 1934, the same transactions with the Netherlands Indies showed a surplus of approximately 160 and 120 million gulden respectively.



## NETHERLANDS INDIES

An official statement of the balance of payments of the Netherlands Indies for 1935 is shown below together with the statements for 1931-1934 given in the previous edition of this volume. Certain of the figures for the years 1932-1934 have been revised; those for 1935 are provisional.<sup>(1)</sup>

### Goods, services and gold.

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
<i>I. Merchandise.</i>										
1. Merchandise (from 1932 excl. silver coin), as recorded . . . . .	774	545	471	490	454	607	385	330	291	277
2. Adjustments of item 1 on account of:										
(a) export duty . . . . .	4	2	2	<sup>(2)</sup> 15	<sup>(2)</sup> 26	—	—	—	—	—
(b) statistical duty . . . . .	2	1	1	1	1	—	—	—	—	—
(c) purchases of ships . . . . .	—	—	—	—	—	7	—	—	—	—
(d) silver coin exported for reduction of the Govt. floating debt . . . . .	—	—	—	29	11	—	—	—	—	—
<i>II. Interest and dividends.<sup>(3)</sup></i>										
3. Int. and div. received by the Govt. . . . .	6	7	6	7	6	—	—	—	—	—
4. Interest paid abroad . . . . .	—	—	—	—	—	89	85	89	90	82
5. Dividends paid abroad by:										
(a) planting companies (including profits of private estates) . . . . .	—	—	—	—	—	17	—	—	—	—
(b) other companies . . . . .	—	—	—	—	—	45	35	21	20	28
6. Trade profits of individuals . . . . .	—	—	—	—	—	2	—	—	—	—
<i>III. Other services.</i>										
7. Tourists' expenditure:										
(a) passenger fares . . . . .	—	—	—	—	—	25	17	13	14	14
(b) other . . . . .	5	3	3	3	2	34	16	13	12	14
8. Remittances to relatives abroad . . . . .	—	—	—	—	—	10	8	7	6	6
9. Excess of Govt. expenditure n.e.i. over income in the Netherlands . . . . .	—	—	—	—	—	15	53	35	14	22
10. Administration expenditure abroad, including <i>tantièmes</i> . . . . .	—	—	—	—	—	20	16	14	14	14
11. Pensions paid abroad . . . . .	—	—	—	—	—	31	34	36	34	21
12. Contribution by the Netherlands to the marine of the Neth. Indies . . . . .	—	—	—	—	12	—	—	—	—	—
Carried forward . . . . .	791	558	483	545	512	902	649	558	495	478

(1) An analysis by A. K. Pringgodigdo of the balance of payments in 1935 is contained in the *Economisch Weekblad voor Nederlandsch Indië* (issued by the Departement van Economische Zaken) for April 24th, 1936 (page 708).

(2) Of which in 1934, 12, and in 1935, 24 million gulden representing extraordinary export duty on native rubber.

(3) 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.

## NETHERLANDS INDIES

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
Brought forward . . . . .	791	558	483	545	512	902	649	558	495	478
IV. Gold.										
13. Gold coin and bullion :										
(a) imports . . . . .	—	—	—	—	—	3	9	—	—	1
(b) exports, divided into :										
gold from domestic mines	5	6	4	3	3	—	—	—	—	—
other gold . . . . .	39	40	32	23	21	—	—	—	—	—
14. Adjustment of item 13a (1) . . . . .	—	—	—	—	—	—	—9	—	—	—
Total . . . . .	835	604	519	571	536	905	649	558	495	479
Surplus (+) or deficit (—) on account of :										
(a) goods and services . . . . .	—111	—91	—75	+50	+34					
(b) gold . . . . .	+41	+46	+36	+26	+23					
(c) goods, services and gold . . . . .	—70	—45	—39	+76	+57					

## Capital items. (2)

Items	Gulden (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
I. Long-term operations.										
1. Amortisation :										
(a) of Government debt . . . . .	—	—	—	—	—	33	47	58	45	33
(b) of other debts . . . . .	—	—	—	—	—	—	—	—	—	—
2. Purchases of dom. securities abroad	—	—	—	—	—	15	10	6	4	4
3. Remittances on account of pension funds and life insurance premia .	—	—	—	—	—	21	19	17	13	9
4. Government loans raised in the Netherlands . . . . .	103	92	115	141	4	—	—	—	—	—
5. Other new foreign investments . . . . .	—	1	2	10	4	—	—	—	—	—
II. Known short-term operations.										
6. Change in the Government short-term debt . . . . .	46	87	12	—	8	—	—	—	115	—
Total . . . . .	149	180	129	151	16	69	76	81	177	46
Net inward (+) or outward (—) move- ment of capital . . . . .	+80	+104	+48	—26	—30					

(1) The amount entered against item 14 for 1932 represents the import of gold in transit which, for technical reasons, was not included in export returns when forwarded abroad.

(2) See footnote (3) on preceding page.

## SUMMARY TABLE.

	Gulden (000,000's)								
	Goods, services and gold					Capital items (1)			All items (2)
	Merchandise	Interest and dividends (1)	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance . .	+ 974	— 359	— 136	— 14	+ 465	— 18	— 198	— 216	+ 249
1926 Balance . .	+ 700	— 408	— 160	— 21	+ 111	— 56	+ 79	+ 23	+ 134
1927 Balance . .	+ 746	— 372	— 216	— 16	+ 142	— 67	+ 5	— 62	+ 80
1928 Balance . .	+ 573	— 355	— 201	— 15	+ 2	— 13	— 6	— 19	— 17
1929 Balance . .	+ 336	— 316	— 175	— 10	— 165	— 62	+ 141	+ 79	— 86
1930 Balance . .	+ 266	— 259	— 158	+ 2	— 149	+ 79	.	+ 79	— 70
1931 Balance . .	+ 166	— 147	— 130	+ 41	— 70	+ 34	+ 46	+ 80	+ 10
1932 Balance . .	+ 163	— 113	— 141	+ 46	— 45	+ 17	+ 87	+ 104	+ 59
1933 Credit . . .	474	6	3	36	519	117	12	129	648
Debit . . .	330	110	118	—	558	31	—	81	639
Balance . . .	+ 144	— 104	— 115	+ 36	— 39	+ 36	+ 12	+ 48	+ 9
1934 Credit . . .	535	7	3	26	571	151	—	151	722
Debit . . .	291	110	94	—	495	62	115	177	672
Balance . . .	+ 244	— 103	— 91	+ 26	+ 76	+ 89	— 115	— 26	+ 50
1935 Credit . . .	492	6	14	24	536	8	8	16	552
Debit . . .	277	110	91	1	479	46	—	46	525
Balance . . .	+ 215	— 104	— 77	+ 23	+ 57	— 38	+ 8	— 30	+ 27

The practice followed with reference to imports and exports of silver coin has varied in the original statements. That most recently received, covering the years 1932-1935, excludes silver coin imported and exported by the Government, with the exception of coin paid to the Dutch Government for reduction of the floating debt. In the above tables the same method has been applied for the years in question; for the period up to 1931, however, all silver coin has been included with merchandise. A large proportion of this trade represents coin withdrawn from circulation and a new coin substituted therefor.

The only short-term capital operations recorded in the detailed tables above are those represented by the change in the floating debt of the Government (capital item 6). The balances of short-term capital items given in the Summary Table for the years 1925-1929 include, however, known capital operations on private account. For later years, such operations, as well as other omissions and errors in the account, determine the final balances shown in the last column of that table.

Reinvestments in the country of non-distributed profits earned by foreign-owned enterprises are excluded from the inward capital movement as well as from the outward payments of interest and dividends, as there were no data on which reliable estimates of the amounts in question could be based. The capital account therefore understates the extent to which the Netherlands Indies has recourse to foreign 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

(1) See footnote (3) on page 123.

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

were considerable during prosperous years; in 1925, for example, they are believed to have reached some 30 % of the amounts entered as dividends paid abroad in the account for goods, services and gold.

Capital items 2 and 3 largely represent savings effected by Europeans living in the Netherlands Indies who intend eventually to return to their home country. It follows that the outward capital movement shown by these items does not imply a corresponding reduction of the foreign indebtedness of the Netherlands Indies.

Details concerning the methods employed in the calculations are given in the 1927-1929 edition of this volume <sup>(1)</sup>.

The total amount of the Government's short-term debt due abroad (in the Netherlands) amounted to 122.4 million gulden at the end of 1934, and 129.5 million at the end of 1935 <sup>(2)</sup>.

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(1) Series of publications 1930.11.5411.

(2) Cf. *Economisch Weekblad voor Nederlandsch Indië*, April 24th, 1936, page 693.

# NEW ZEALAND

An estimate of the balance of payments of New Zealand for the fiscal year ending March 31st, 1935, has been supplied by the Government of that country and is set out below together with the figures for the three preceding years published in the last issue of this publication. The figures for the whole period are given in pounds sterling.

## Goods, services and gold.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	30,469	31,683	36,067	35,610	22,565	22,171	21,555	26,981
2. Adjustment for wrong valuation . . . . .	—	—	—	—	204	500	490	245
<i>II. Interest and dividends.</i>								
3. Interest on intergovernmental debts . . . . .	8	7	7	7	—	—	—	—
4. Interest on:								
(a) Govt. debt . . . . .	—	—	—	—	6,670	5,935	7,100	6,978
(b) local bodies' debt . . . . .	—	—	—	—	1,235	1,165		
5. Other interest and dividends on long-term capital (1)	239	162	140	161	800	800	900	1,000
<i>III. Other services.</i>								
6. Shipping income:								
(a) freights (2) . . . . .	150	170	165	197	—	—	—	—
(b) passage money. . . . .	250	200	253	317	—	—	—	—
7. Port fees . . . . .	620	610	627	652	—	—	—	—
8. Immigrants' and emigrants' funds . . . . .	170	80	72	81	280	290	320	368
9. Tourists' expenditure. . . . .	590	550	563	644	1,740	1,440	1,414	1,946
10. Diplomatic and similar expenditure . . . . .	30	30	30	30	60	60	60	60
11. Reparations in cash . . . . .	167	—	—	—	—	—	—	—
12. Other Government receipts and expenditure . . . . .	143	276	273	297	922	711	370	713
<i>IV. Gold.</i>								
13. Gold coin and bullion . . . . .	1,108	2,770	1,140	3,314	3	1	—	2
Total . . . . .	33,944	36,538	39,337	41,310	34,479	33,073	32,209	38,293
Surplus (+) or deficit (—) on account of:								
(a) goods and services. . . . .	— 1,648	+ 696	+ 5,988	— 295				
(b) gold . . . . .	+ 1,105	+ 2,769	+ 1,140	+ 3,312				
(c) goods, services and gold	— 543	+ 3,465	+ 7,128	+ 3,017				

(1) The figures on the credit side represent interest received on account of Government investments alone.  
(2) Maritime freight on imported goods, which is included in group 1 of imports, amounted to approximately £2,300,000 in 1931-32, £2,000,000 in 1932-33, £2,400,000 in 1933-34 and £3,000,000 in 1934-35. Of these amounts, about £90,000, £110,000, £100,000 and £125,000 respectively were paid to national ships and included in the figure entered on the credit side against item 6 a.

## Capital items (Government operations only).

Items	£ (000's) sterling							
	Inward or credit capital movement				Outward or debit capital movement			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
<i>I. Long-term operations.</i>								
1. Change in Government and local bodies' debt domiciled abroad . . . . .	3,371	—	—	—	—	1,199	2,240	2,293
2. Change in Government holdings of foreign government bonds . . . . .	1,500	7	5	835	—	—	967	—
<i>II. Short-term operations.</i>								
3. Net change in Government floating assets abroad . .	—	2,135	—	18,932	3,098	—	18,575	—
Total . . . . .	4,871	2,142	5	19,767	3,098	1,199	21,782	2,293
Net inward (+) or outward (—) movement of capital on account of the above items . .	+ 1,773	+ 943	— 21,777	+ 17,474				

## SUMMARY TABLE.

	£ (000's) sterling								
	Goods, services and gold					Capital items (Government operations only)			All known items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1928-29 Balance (1)	+ 9,921	— 8,687	— 391	+ 1,102	+ 1,945	—	—	+ 6,518	+ 8,463
1929-30 Balance	— 2,790	— 8,775	— 170	+ 1,037	— 10,648	— 2,445	+ 6,290	+ 3,845	— 6,803
1930-31 Balance	— 1,437	— 9,128	— 304	+ 271	— 10,598	+ 8,058	— 7	+ 8,051	— 2,547
1931-32 Credit	30,469	247	2,120	1,108	33,944	4,871	—	4,871	38,815
Debit	22,769	8,705	3,002	3	34,479	—	3,098	3,098	37,577
Balance	+ 7,700	— 8,458	— 882	+ 1,105	— 535	+ 4,871	— 3,098	+ 1,773	+ 1,238
1932-33 Credit	31,683	169	1,916	2,770	36,538	7	2,135	2,142	38,680
Debit	22,671	7,900	2,501	1	33,073	1,199	—	1,199	34,272
Balance	+ 9,012	— 7,731	— 585	+ 2,769	+ 3,465	— 1,192	+ 2,135	+ 943	+ 4,408
1933-34 Credit	36,067	147	1,983	1,140	39,337	5	—	5	39,342
Debit	22,045	8,000	2,164	—	32,209	3,207	18,575	21,782	53,991
Balance	+ 14,022	— 7,853	— 181	+ 1,140	+ 7,128	— 3,202	— 18,575	— 21,777	— 14,649
1934-35 Credit	35,610	168	2,218	3,314	41,310	835	18,932	19,767	61,077
Debit	27,226	7,978	3,087	2	38,293	2,293	—	2,293	40,586
Balance	+ 8,384	— 7,810	— 869	+ 3,312	+ 3,017	— 1,458	+ 18,932	+ 17,474	+ 20,491

The only figures available concerning capital movements refer to changes in the Government and local bodies' debts abroad and in the floating foreign assets

(1) For previous years, reference should be made to figures given on page 134 of the 1933 issue of this publication.

of the Government. The balance of the whole account as shown in the last column of the Summary Table will be seen to be largely due to the omission of other capital items, particularly short-term operations on private account.

### Goods, services and gold.

*Merchandise.* The import figures shown against item 1 (debit) represent the current domestic value of the goods in the country of export plus 10% to cover carriage, insurance and freight. Investigation has shown this percentage to be insufficient, and a further addition of 1% for 1931-32, 2 ½% for 1932-33 and 1933-34 and 1% for 1934-35 has been made.

*Interest and dividends.* The amounts shown as interest on intergovernmental debts (item 3, credit) represent interest on the loan to the Samoan Government.

Very little is definitely known about the foreign private capital invested in New Zealand. The figures of British investments abroad compiled by Sir G. Paish in 1910 have been used as a basis for a conservative estimate and an allowance has been made for interest on this amount (item 5, debit).

*Tourists' expenditure.* In calculating the figures entered against item 9, estimates concerning the average expenditure *per capita* have been applied to the number of tourists arriving and leaving. The debit figures include passage money.

*Gold.* Gold coin, shown in the trade returns at face value, has been converted into sterling at the rate indicated by the *Statist* gold index.

### Capital items.

*Long-term operations.* Item 1 represents the net increase or decrease in the indebtedness abroad of the Government and local authorities. The figures shown under item 2 relate to Government investments only.

*Short-term operations.* The debit figure entered against item 3 for 1933-34 represents the excess of fixed bank deposits over withdrawals, and the credit figure for 1934-35 the excess of withdrawals over deposits, both mainly on account of transactions arising out of the Banks' Indemnity (Exchange) Act of 1932-33.

### International indebtedness.

The following information is available concerning the balance of international indebtedness of New Zealand at March 31st of recent years. It excludes private floating assets and debts. The figures represent the nominal value in the case of securities, and original outlay in the case of private investments.

Items	£(000's) sterling			
	1932	1933	1934	1935
<i>Liabilities.</i>				
1. Intergovernmental debts . . . . .	24,100	24,100	24,100	24,100
2. National securities domiciled abroad . . . . .	162,097	162,902	160,662	157,709
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) . . . . .	206,197	207,002	204,762	201,809

Items	£(000's) sterling			
	1932	1933	1934	1935
<i>Assets.</i>				
4. Claims on account of intergovernmental debts . . .	165	139	136	132
5. Foreign securities held by the Government of New Zealand (on account of other foreign government and municipal debt) . . . . .	1,286	1,279	2,241	1,406
6. New Zealand Government securities held in London by New Zealand public bodies (offsetting item 2 above) . . . . .	3,517	3,517	3,517	3,517
7. Estimated private holdings of foreign securities . . .	1,500	1,500	1,500	1,500
8. Floating assets abroad of the New Zealand Government . . . . .	3,065	930	19,505	603
Total assets (excluding private floating assets)	9,533	7,365	26,899	7,158
Net liabilities . . . . .	196,664	199,637	177,863	194,651

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 the estimate made in 1910 by Sir George Paish.

In addition to the above statement, official figures have been published monthly in the *New Zealand Gazette* since the end of July 1934 concerning the amount of foreign liabilities and assets of New Zealand trading banks. The figures for certain dates during the last few years are reproduced below :

	N.Z. £(000's)				
	July 30th, 1934	Dec. 31st, 1934	June 24th, 1935	Dec. 30th, 1935	June 29th, 1936
<i>Liabilities.</i>					
Demand liabilities elsewhere than in New Zealand incurred in respect of New Zealand business	2,661	260	379	541	605
Time liabilities elsewhere than in New Zealand incurred in respect of New Zealand business	739	846	906	553	778
<i>Assets.</i>					
Oversea assets in respect of New Zealand business:					
(a) in London . . . . .	8,822	10,618	18,683	9,755	17,317
(b) elsewhere . . . . .	8,360	8,924	5,814	6,028	5,900



# NORWAY

An estimate of the Norwegian balance of payments for the year 1935, compiled by the Central Statistical Office, has been supplied by the Norwegian Government and is set out below together with the statements for 1932-1934 which were published in the last edition of this volume. Certain figures for 1934 have been revised.

## Goods, services and gold.

Items	Kroner (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. Merchandise <sup>(1)</sup> . . . . .	569	557	578	605	690	661	733	821
2. Whale oil sold from herding grounds . . . . .	6	36	31	39	—	—	—	—
<b>II. Interest and dividends.</b>								
3. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
4. Interest on other public debts . . . . .	4	3	3	3	65	62	56	55
5. Other interest and dividends on long-term capital . . . . .	5	6	6	5	21	20	18	18
6. Interest on short-term capital . . . . .	7	6	7	8	16	16	13	13
<b>III. Other services.</b>								
7. Shipping income :								
(a) ordinary freights and passage money . . . . .	262	377	404	420	—	—	—	—
(b) charter money . . . . .	116	—	—	—	—	—	—	—
8. Port fees <sup>(2)</sup> . . . . .	5	4	4	5	190	190	202	212
9. Expenses of whaling companies abroad . . . . .	—	—	—	—	8	8	8	12
10. Other transport fees <sup>(3)</sup> . . . . .	17	13	13	14	—	—	—	—
11. Post, telegraph and telephone . . . . .	2	1	1	1	3	3	3	3
12. Immigrants' and emigrants' remittances . . . . .	14	7	5	5	—	—	—	—
13. Tourists' expenditure . . . . .	30	30	34	38	(4)	(4)	(4)	(4)
14. Diplomatic and similar expenditure . . . . .	—	—	—	—	3	3	3	4
15. Other items . . . . .	5	13	17	18	8	10	11	10
<b>IV. Gold.</b>								
16. Gold coin and bullion . . . . .	—	20	8	12	—	19	8	12
17. Change in earmarked gold . . . . .	(5)	—	10	51	(5)	23	29	—
<b>Total . . . . .</b>	<b>1,042</b>	<b>1,073</b>	<b>1,121</b>	<b>1,224</b>	<b>1,004</b>	<b>1,015</b>	<b>1,084</b>	<b>1,160</b>
<b>Surplus (+) or deficit (—) on account of :</b>								
(a) goods and services . . . . .	+ 38	+ 80	+ 56	+ 13				
(b) gold . . . . .	—	— 22	— 19	+ 51				
(c) goods, services and gold . . . . .	+ 38	+ 58	+ 37	+ 64				

(1) The figures for 1933-1935 exclude the trade with Svalbard (Spitzbergen).

(2) The figures on the debit side include expenses abroad for bunker fuel, provisions, commissions, wages, insurance, repairs, etc., i.e., all foreign expenses of national ships.

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

(4) Included in item 15.

(5) Up to 1932 inclusive, the movement of earmarked gold is included with capital item 5.

## Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Long-term operations.</b>								
1. Purchases and sales:								
(a) of domestic securities . . .	31	26	9	27	(1) 34	(1) 60	(1) 24	(1) 66
(b) of foreign securities . . .	(2) 34	(2) 37	(2) 35	(3) 37	27	46	35	26
2. New capital issues:								
(a) Government and municipal	—	—	17	40	—	—	—	—
(b) other . . . . .	—	—	22	10	—	—	—	—
3. Other long-term investments . .	—	—	—	—	—	—	—	—
<b>II. Short-term operations.</b>								
4. Change in short-term debts . .	—	—	—	—	76	84	25	2
5. Change in short-term assets(3) .	4	56	—	—	—	—	40	91
Total . . . . .	69	119	83	114	137	190	124	185
Net outward (—) movement of capital . . . . .	— 68	— 71	— 41	— 71				

## 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	(1) + 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 Balance . . . . .	— 273	— 72	+ 237	—	— 108	— 14	+ 153	+ 139	(5) + 31
1931 Balance . . . . .	— 296	— 70	+ 221	+ 39	— 106	+ 27	+ 87	+ 114	(5) + 8
1932 Balance . . . . .	— 115	— 86	+ 239	—	+ 38	+ 4	— 72	— 68	(5) — 30
1933 Credit . . . . .	593	15	445	20	1,073	63	56	119	1,192
Debit . . . . .	661	98	214	42	1,015	106	84	190	1,205
Balance . . . . .	— 68	— 83	+ 231	— 22	+ 58	— 43	— 28	— 71	(5) — 13
1934 Credit . . . . .	609	16	478	18	1,121	83	—	83	1,204
Debit . . . . .	733	87	227	37	1,084	59	65	124	1,208
Balance . . . . .	— 124	— 71	+ 251	— 19	+ 37	+ 24	— 65	— 41	(5) — 4
1935 Credit . . . . .	644	16	501	63	1,224	114	—	114	1,338
Debit . . . . .	821	86	241	12	1,160	92	93	185	1,345
Balance . . . . .	— 177	— 70	+ 260	+ 51	+ 64	+ 22	— 93	— 71	(5) — 7

(1) Including amortisation payments.

(2) Including amortisation receipts and foreign participation in national capital issues.

(3) Cf. note (5) on the preceding page.

(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 largely to the exclusion of short-term capital operations. But even in the statements for 1926-1935, 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, 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, including gold under earmark, 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 main results of the enquiries are given below <sup>(1)</sup> :

	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	838	168	18	346	— 1,736	— 1,201
Dec. 31st, 1932 . . . .	1,531	71	762	168	18	342	— 1,836	— 1,215
Dec. 31st, 1933 . . . .	1,344	71	678	172	18	309	— 1,594	— 973
Dec. 31st, 1934 . . . .	1,430	71	653	182	17	368	— 1,587	— 870
Dec. 31st, 1935 . . . .	1,506	71	651	171	17	406	— 1,634	— 890

(1) For further details, see *Statistiske Meddelelser* (issued by the Norwegian Central Statistical Office), Nos. 4 and 5, 1936.

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				
	1931	1932	1933	1934	1935
<i>Liabilities.</i>					
1. Norwegian bonds and shares, held abroad :					
(a) State bonds . . . . .	623	772	641	698	732
(b) municipal debt . . . . .	218	212	198	201	185
(c) debt of certain banks (1) . . . . .	149	158	156	182	197
(d) private bonds . . . . .	144	142	105	137	147
(e) shares . . . . .	225	247	244	212	245
2. National real estate owned by foreigners . . . . .	71	71	71	71	71
3. Floating debt of :					
(a) official institutions (including the Bank of Norway) . . . . .	25	24	14	19	15
(b) banks and brokers . . . . .	131	115	108	88	93
(c) other private enterprises . . . . .	682	623	556	516	543
Total liabilities . . . . .	2,268	2,364	2,093	2,154	2,228
<i>Assets.</i>					
4. Foreign bonds and shares, held in Norway by :					
(a) official institutions (including the Bank of Norway) . . . . .	10	8	7	8	14
(b) banks and brokers . . . . .	25	25	25	22	22
(c) other private enterprises . . . . .	133	135	140	152	135
5. Foreign real estate owned by Norwegians . . . . .	18	18	18	17	17
6. Floating assets of :					
(a) official institutions (including the Bank of Norway) . . . . .	96	106	70	124	154
(b) banks and brokers . . . . .	59	54	51	56	60
(c) other private enterprises . . . . .	191	182	188	188	192
Total assets . . . . .	532	528	499	567	594

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 1931 to 1935 to 106, 111, 109, 118 and 117 million kroner respectively.

A division by countries of the market value of the Norwegian shares held abroad (item 1e in the above table) and the total face value of these shares at the end of 1933, 1934 and 1935 is given below :

Shares held in	Kr. (000,000's)			Shares held in	Kr. (000,000's)		
	1933	1934	1935		1933	1934	1935
France . . . . .	78.3	55.5	74.2	Belgium . . . . .	0.2	0.6	0.7
U.K. . . . .	34.5	33.0	34.8	Canada . . . . .	15.5	18.2	17.4
Germany . . . . .	4.8	5.4	5.5	Other countries	2.9	2.7	3.5
Sweden . . . . .	33.2	30.4	34.0	Total market value . . . . .	244.3	212.3	244.9
U.S.A. . . . .	36.9	34.7	33.8	Total face value . . . . .	347.0	332.4	322.5
Denmark . . . . .	3.2	3.3	4.9				
Switzerland . . . . .	28.5	21.3	28.5				
Netherlands . . . . .	6.3	7.2	7.6				

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".

Country of issue	Kr. (000,000's)					
	End of 1934			End of 1935		
	Bonds	Shares	Total	Bonds	Shares	Total
United Kingdom . . . . .	23.9	40.4	64.3	16.6	37.1	53.7
United States . . . . .	10.8	6.6	17.4	9.5	11.2	20.7
Sweden . . . . .	8.7	30.0	38.7	10.4	29.9	40.3
Switzerland . . . . .	0.2	16.5	16.7	0.2	13.4	13.6
Germany . . . . .	4.3	4.8	9.1	1.1	1.2	2.3
France . . . . .	2.1	4.3	6.4	0.8	4.2	5.0
Finland . . . . .	0.9	2.0	2.9	0.8	2.0	2.8
Denmark . . . . .	5.3	1.5	6.8	5.4	2.1	7.5
Other countries . . . . .	7.5	12.6	20.1	8.8	16.2	25.0
Total market value . . . . .	63.7	118.7	182.4	53.6	117.3	170.9
Total face value . . . . .	71.8	139.3	211.1	61.4	139.7	201.1

The floating debts and assets were distributed among different currencies as follows :

At the end of year	Amounts converted into Norwegian kroner (000,000's)								Total
	£ sterling	\$ U.S.A.	Swedish kronor	Danish Kroner	French francs	Gulden	Other foreign currencies	Norwegian kroner	
<i>Debts</i>									
1932 . . . . .	318.1	77.9	98.3	8.5	18.0	24.9	21.6	184.0	751.3 <sup>(1)</sup>
1933 . . . . .	301.3	52.6	89.8	6.3	17.1	20.8	19.2	171.2	678.3
1934 . . . . .	268.4	49.8	107.7	4.4	17.0	17.5	22.0	166.2	652.9
1935 . . . . .	263.6	50.5	104.4	3.0	20.1	20.4	20.2	168.8	651.0
<i>Assets</i>									
1932 . . . . .	118.7	63.9	16.4	3.0	7.2	5.9	29.1	97.6	341.8
1933 . . . . .	137.8	30.8	18.4	3.1	5.8	1.5	14.0	97.3	308.7
1934 . . . . .	174.6	50.9	21.1	2.8	5.2	1.5	25.5	86.2	367.9
1935 . . . . .	168.4	46.1	26.4	3.5	3.5	0.9	25.2	131.6	405.6

The information concerning the changes in the floating assets and liabilities has been utilised for determining the short-term capital items in the balance of payments statements from 1926 inclusive. 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 1913-1927 issue of this volume, as they obviously do not affect the balance of payments. For subsequent years, the changes in the floating assets and debts have been entered unaltered in the balance of payments account (capital items 4 and 5 and, since 1933, item 17 of the account for goods, services and gold).

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)				
	1931	1932	1933	1934	1935
Net increase (+) or decrease (—) in foreign long-term indebtedness . . . . .	— 46	+ 172	— 191	+ 77	+ 87
Net inward (+) or outward (—) movement of long-term capital . . . . .	+ 27	+ 4	— 43	+ 24	+ 22.

The difference between the two sets of figures is largely due to variations in the book value of securities.

(1) The revised total for 1932, as given in a preceding table, is 762.

# PALESTINE

The report of the Government of the United Kingdom to the Council of the League of Nations on the Administration of Palestine and Trans-Jordan for the year 1935 contains the following information with reference to the Palestine balance of payments in the fiscal year April 1st, 1934–March 31st, 1935 :

“ The figures of imports into Palestine and of exports from Palestine during 1934-35 show an adverse balance of trade of nearly £P11½ million. There are two other items on the debit side of the balance of payments — viz., the amount annually required for the service of the Palestine loan, namely £P284,000 and dividends and interest on capital of companies and corporations subscribed abroad which, comparatively speaking, are modest in amount and do not materially affect ascertainable figures. Against these must be set a number of invisible exports on the credit side of the account. An estimate of the minimum funds imported into Palestine during 1934-35 by 6,445 immigrants (excluding dependants) with capital and assured incomes is approximately £P6 million. The number of travellers (excluding immigrants) recorded as visiting Palestine in 1934-35 was 99,996 and the number of returning residents was 49,484 and, assuming that the average expenditure in the country of a traveller is £P10 and that each returning resident brings with him £P5 as petty cash, the total amount brought into the country by travellers and returning residents may be reckoned at approximately £P1,250,000. The total receipts of the various Zionist funds in 1934 approximated £P740,000, and it may be assumed that an equivalent amount was remitted to Palestine during 1934-35. During 1934-35 Government receipts abroad (such as grants, interest on investments, etc.) utilised for Government payments abroad approximated £P350,000. It is also estimated that in 1934-35 imports paid for otherwise than by remittances from Palestine by charitable, religious and archaeological institutions, consuls, the Iraq Petroleum Company, the Royal Air Force and Army, and imports of used personal effects were close upon £P1,200,000.

“ Apart from these items, which total approximately £P9½ million, there were other items of the nature of invisible exports, which it is impossible to estimate precisely. For example, institutions of the kinds mentioned in the previous paragraph spent locally substantial sums derived from abroad. Again public bodies and local and foreign companies carrying on business in Palestine utilised loans or other sums derived from abroad for the purchase of goods imported into Palestine.

“ Other items of importance which cannot be estimated are Palestinian emigrants' remittances to their families in Palestine and capital brought into the country in cash or goods by returning residents.

“ In these circumstances, it is safe to assume that if imports of capital be regarded as invisible exports the balance of payments in Palestine in 1935 was not adverse. ”

In the following table, the items numerically determined above have been arranged in so far as possible according to the scheme employed for the majority of countries dealt with in this volume. For the foreign trade, gross figures of imports and exports are given with division between specie and different categories of merchandise trade.

	£P (000's)	
	Credit movements	Debit movements
<i>I. Merchandise.</i>		
1. Exports of Palestine produce, imports for consumption, as recorded	3,857	16,257
2. Exports from bond. . . . .	48	—
3. Re-exports. . . . .	308	—
<i>II. Interest (including amortisation).</i>		
4. Service of the Palestine Loan . . . . .	—	284

	£P (000's)	
	Credit movements	Debit movements
III. <i>Other services.</i>		
5. Funds brought in by immigrants . . . . .	6,000	—
6. Receipts of Zionist funds . . . . .	740	—
7. Expenditure of foreign tourists . . . . .	1,250	—
8. Government receipts, such as grants, interest on investments, etc. . . . .	350	—
9. Contributions by charitable, religious and archaeological institutions, imports of the Iraq Petroleum Company and of the Royal Air Force and Army, imports of used personal effects . . . . .	1,200	—
IV. <i>Gold.</i>		
10. Specie (1) . . . . .	899	234

(1) Besides gold, this item includes small amounts of silver specie.

# SIAM

A statement for the calendar year 1935 has been supplied by the Government of Siam and is given below together with those for the fiscal years ending March 31st, 1927 and 1933, and the calendar year 1934, appearing in the preceding issue of this publication. The figures refer only to the foreign trade in merchandise and gold and to Government transactions.

## Goods, services and gold.

Items	Baht (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1926-27	1932-33	1934	1935	1926-27	1932-33	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	240.0	127.6	152.3	161.5	176.0	89.5	95.5	101.7
2. Contraband . . . . .	.	.	1.0	.	.	.	0.5	.
<i>II. Interest and dividends.</i>								
3. Interest on public debts . . .	—	—	—	—	7.5	6.2	4.6	4.4
4. Other interest and dividends .	—	—	—	—	.	.	.	.
<i>III. Other services.</i>								
5. Port receipts . . . . .	.	.	0.2	0.2	—	—	—	—
6. Diplomatic and similar expenditure . . . . .	—	—	—	—	1.2	0.5	0.4	0.5
7. Other Government expenditure .	—	—	—	—	13.4	4.3	8.2	3.5
<i>IV. Gold.</i>								
8. Gold coin and bullion . . . . .	—	24.9	13.3	11.1	9.8	—	0.1	—
Total . . . . .	240.0	152.5	166.8	172.8	207.9	100.6	109.3	110.1
Surplus (+) on account of the above items . . . . .	+ 32.1	+ 51.9	+ 57.5	+ 62.7				

## Known capital item (long-term operations).

	Baht (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1926-27	1932-33	1934	1935	1926-27	1932-33	1934	1935
Amortisation of public debts . . .	—	—	—	—	.	24.4	3.4	3.6



The credit balances on account of goods, services and gold, as given above, cannot be taken as representing the export of capital, as no private transactions other than trade in goods and gold are included in the table. The *Report of the Financial Adviser on the Budget of the Kingdom of Siam* for the year 1933-34 states that the "invisible" imports for which figures are lacking consist of "remittances of profits earned by foreign companies or individuals carrying on business in Siam, payments for freight and insurance so far as they are not included in the Customs declarations and private remittances which, in the main, consist of remittances of Chinese emigrants to their families in China".

The following condensed statements, contained in the *Report of the Financial Adviser* for 1933-34 and 1934-35, show the recorded trade and Government remittances abroad during six consecutive financial years.

	Baht (000,000's)					
	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
Exports and re-exports of private merchandise, coin and bullion . . . . .	252.5	219.8	161.5	124.0	152.5	144.1
Imports of private merchandise, coin and bullion . . . . .	180.1	195.3	147.8	92.9	87.8	88.3
Excess of exports over imports . . . . .	72.4	24.5	13.7	31.1	64.7	55.8
Payments abroad on Government account (imports, interest and amortisation of debts, pensions, diplomatic expenditure, etc.) . . . . .	22.4	24.6	20.2	17.9	13.4	16.7
Balance in favour of Siam . . . . .	50.0	— 0.1	6.5	13.2	51.3	39.1

It is pointed out that, until 1930-31, Siam was a gold-importing country. During the twenty years ending 1929-30, the imports of gold leaf totalled 124.4 million ticals (baht). The movement in recent years of bullion, coin, leaf and ornaments of gold has been as follows :

	Baht (000,000's)						
	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Exports . . . . .	—	—	1.5	9.2	24.9	14.1	11.1
Imports . . . . .	7.9	4.9	1.3	0.3	—	0.1	—
Excess of imports (—) or exports (+)	— 7.9	— 4.9	+ 0.2	+ 8.9	+ 24.9	+ 14.0	+ 11.1

# SURINAM

A statement of the main items in the balance of payments for Surinam in 1935 has been supplied by the Dutch Government and is set out below in a slightly modified form, together with the estimates for 1932-1934 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)			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise . . . . .	4,616	3,094	3,906	3,359	5,650	4,877	5,320	5,382
2. Adjustment for wrong valuation . . . . .	—	—	—	—	1,130	975	1,064	—
<i>II. Interest and dividends.</i>								
3. Interest on public debts . . . . .	—	—	—	—	259	228	361	437
<i>III. Other services.</i>								
4. Shipping freights . . . . .	59	47	34	34	31	19	19	—
5. Other transport charges . . . . .	10	8	9	—	7	11	6	96
6. Port fees . . . . .	5	3	3	3	9	64	40	33
7. Post, telegraph and telephone . . . . .	212	503	93	76	403	199	67	49
8. Immigrants' and emigrants' remittances . . . . .	—	—	—	—	—	—	—	16
9. Tourists' expenditure . . . . .	3	2	3	25	63	70	39	31
10. Diplomatic and similar expenditure . . . . .	—	—	—	—	—	—	—	9
11. Other Government receipts and expenditure . . . . .	3,822	3,364	3,020	3,169	701	466	430	410
<i>IV. Gold.</i>								
12. Gold coin and bullion . . . . .	—	708	526	557	—	22	39	36
13. Adjustment of item 12 . . . . .	—	—	—	—	—	5	8	—

## Capital items.

Items	Gulden (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Long-term operations.</i>								
1. Amortisation of public debts	—	—	—	—	106	108	108	98
<i>II. Known short-term operations.</i>								
2. Change in short-term public debts . . . . .	239	—	377	—	—	261	—	217

As the information is incomplete <sup>(1)</sup>, no totals have been struck. For details concerning the figures entered against certain items, reference should be made to the 1931-1932 issue of this publication.

## International indebtedness.

The following items in the balance of the international indebtedness of Surinam relate to the public debt only.

	Gulden (000's) (nominal value) at the end of					
	1930	1931	1932	1933	1934	1935
Bonded public debt . . . . .	2,010	1,906	1,800	1,692	1,584	1,486
Floating public debt . . . . .	12,380	13,046	13,285	13,024	13,401	13,184
Total . . . . .	14,390	14,952	15,085	14,716	14,985	14,670

(1) Thus, information concerning interest and dividends paid on account of foreign capital invested in Surinam, other than in Government loans, is not available.

# SWEDEN

A statement of the balance of payments of Sweden in 1935 has been supplied by the Government of that country and is reproduced below, together with the data for 1932-1934 published last year. The 1934 figures for certain items have been revised.

## Goods, services and gold.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<i>I. Merchandise.</i>								
1. Merchandise (special trade) . . . . .	947	1,077	1,303	1,298	1,158	1,096	1,307	1,480
2. Adjustments of item 1:								
(a) warehouse trade . . . . .	9	8	6	6	5	4	7	7
(b) re-exports and reimports . . . . .	5	5	4	4	6	8	6	7
(c) fish exported direct from fishing grounds . . . . .	3	3	3	3	—	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest paid abroad on Swedish public debts . . . . .	—	—	—	—	20	21	17	17
4. Other interest on long-term capital . . . . .	149	89	73	92	10	4	5	5
5. Dividends . . . . .	13	13	13	13	—	—	—	—
6. Interest on short-term capital . . . . .	19	13	16	16	10	12	13	12
<i>III. Other services.</i>								
7. Shipping :								
(a) ordinary freights . . . . .	207	205	219	225	—	—	—	—
(b) charter money . . . . .	17	16	15	14	—	—	—	—
(c) passage money . . . . .	15	11	12	13	—	—	—	—
8. Port expenditure (including provisions) . . . . .	15	15	18	19	115	112	119	122
9. Railway transport fees (net) . . . . .	1	2	3	3	—	—	—	—
10. Commissions . . . . .	12	11	12	10	12	10	14	11
11. Post, telegraph and telephone . . . . .	1	—	—	—	—	—	—	—
12. Immigrants' and emigrants' funds . . . . .	2	1	1	1	1	1	1	1
13. Emigrants' remittances . . . . .	35	20	12	12	1	1	1	1
14. Tourists' expenditure . . . . .	35	38	38	56	31	35	41	45
15. Passage money paid by Swedes to national ships (1) . . . . .	—	—	—	—	7	5	6	6
16. Diplomatic and similar expenditure . . . . .	1	1	1	1	4	4	4	4
Carried forward . . . . .	1,473	1,528	1,749	1,786	1,380	1,313	1,541	1,718

(1) Included also on the credit side against item 7 c.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward . . . . .	1,473	1,528	1,749	1,786	1,380	1,313	1,541	1,718
17. Cinematograph film royalties . . . . .					3	3	5	6
18. Lottery tickets, subscriptions to foreign Press, etc. . . . .	2	2	2	3	3	2	3	2
IV. Gold.								
19. Gold coin and bullion . . . . .	9	5	7	20	2	48	—	200
20. Change in earmarked gold . . . . .	(1)	(1)	71	117	(1)	(1)	—	—
Total . . . . .	1,484	1,535	1,829	1,926	1,388	1,366	1,549	1,926
Surplus (+) or deficit (—) on account of:								
(a) goods and services . . . . .	+ 89	+ 212	+ 202	+ 63				
(b) gold . . . . .	+ 7	— 43	+ 78	— 63				
(c) goods, services and gold . . . . .	+ 96	+ 169	+ 280	± 0				

## Capital items.

Items	Kronor (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
I. Long-term operations.								
1. Amortisation receipts (2) . . . . .	25	18	16	16	—	—	—	—
2. Purchases and sales:								
(a) of real estate . . . . .	—	—	—	—	2	—	—	—
(b) of domestic securities . . . . .	65	49	33	76	49	72	39	38
(c) of foreign securities . . . . .	154	123	110	67	66	62	167	99
3. Other long-term investments . . . . .	—	—	—	—	3	1	1	—
II. Short-term operations.								
4. Change in short-term debts of enterprises other than banks . . . . .	40	(3)116	12	22	93	32	120	22
5. Change in short-term assets:								
(a) of banks (net)(4) . . . . .	—	—	—	—	167	374	117	69
(b) of other enterprises . . . . .	86	67	32	57	93	26	53	33
Total . . . . .	370	373	203	238	473	567	497	261
Net outward (—) movement of capital . . . . .	—103	—194	—294	— 23				

(1) Included with capital item 5 a. According to official statistics, the amount of gold held by the Bank of Sweden abroad was, in million kronor, 0 at the end of 1931 and 1932, 110.6 at the end of 1933, 66.1 at the end of 1934 and 0 at the end of 1935.

(2) Amortisation payments, effected by means of the repurchase of Swedish bonds from abroad through Swedish banks, are included with item 2b, debit.

(3) Including an estimated sum of 80 million kronor, representing amounts raised abroad by exporters as protection against currency risks. The same amount is included in the figure entered on the debit side for 1934, in which year the repayment is believed to have taken place.

(4) Before 1934, including changes in gold held abroad by the Bank of Sweden.

## SUMMARY TABLE.

	Kronor (000,000's)								All items ( <sup>1</sup> )
	Goods, services and gold					Capital items			
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance . . .	- 137	+ 3	+ 139	-	+ 5	- 34	+ 130	+ 96	+ 101
1924 Balance . . .	- 148	+ 6	+ 144	+ 36	+ 38	+ 80	- 66	+ 14	+ 52
1925 Balance . . .	- 88	+ 3	+ 162	- 2	+ 75	- 28	- 92	- 120	- 45
1926 Balance . . .	- 71	+ 7	+ 184	+ 2	+ 122	- 11	+ 39	+ 28	+ 150
1927 Balance . . .	+ 29	+ 19	+ 194	+ 1	+ 243	+ 51	- 142	- 91	+ 152
1928 Balance . . .	- 135	+ 25	+ 190	- 11	+ 69	- 179	+ 34	- 145	- 76
1929 Balance . . .	+ 37	+ 30	+ 210	- 11	+ 266	- 2	- 95	- 97	+ 169
1930 Balance . . .	- 116	+ 20	+ 194	-	+ 98	- 392	+ 79	- 313	- 215
1931 Balance . . .	- 304	- 6	+ 183	+ 38	- 89	- 138	+ 190	+ 52	- 37
1932 Balance . . .	- 205	+ 128	+ 166	+ 7	+ 96	+ 124	- 227	- 103	- 7
1933 Credit . . .	1,093	115	322	5	1,535	190	183	373	1,908
Debit . . .	1,108	37	173	48	1,366	135	432	567	1,933
Balance . . .	- 15	+ 78	+ 149	- 43	+ 169	+ 55	- 249	- 194	- 25
1934 Credit . . .	1,316	102	333	78	1,829	159	44	203	2,032
Debit . . .	1,320	35	194	-	1,549	207	290	497	2,046
Balance . . .	- 4	+ 67	+ 139	+ 78	+ 280	- 48	- 246	- 294	- 14
1935 Credit . . .	1,311	121	357	137	1,926	159	79	238	2,164
Debit . . .	1,494	34	198	200	1,926	137	124	261	2,187
Balance . . .	- 183	+ 87	+ 159	- 63	-	+ 22	- 45	- 23	- 23

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 1931 would appear to be due largely to the incomplete record of the movement of short-term capital. In these years, only the changes in the floating assets and liabilities of the Bank of Sweden and the banking companies were taken into account, while since 1931 the short-term capital transactions of other enterprises were also included.

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.

### Goods, services and gold.

*Interest.* The total amount of interest and dividends received during 1935 (121 million kronor) includes coupons due earlier to the value of 12-13 million and about 6 million on account of "scrips" cashed; the remainder represents amounts both due and received in the course of the year.

*Freights.* In the original statements for 1932-1935, only half the income of Swedish ships from passage money has been included on the credit side of the account, on the assumption that the other half represented fares paid by Swedes. In accordance

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

with the principles applied elsewhere in this volume, the above table shows the total income from passage money as a credit item (item 7 c); the offsetting estimated payments by Swedes have been entered on the debit side against item 15.

Earnings on postal shipments have been excluded from 1932 inclusive, as they are taken into account when calculating the amounts entered against item 11.

The port expenditure abroad by Swedish ships in 1932-1935 has been calculated at 49.5% of the gross earnings, in accordance with the result of an enquiry.

Item 8, credit, comprises the following amounts in 1933, 1934 and 1935 (in million kronor) :

	1933	1934	1935		1933	1934	1935
Port dues . . . . .	1.6	1.8	2.0	Ships' stores . . . . .	1.0	1.0	1.0
Light dues . . . . .	1.6	1.9	2.0	Loading and unloading charges . . . . .	5.6	6.8	6.7
Pilotage charges . . . . .	1.2	1.2	1.4	Repairs . . . . .	3.0	4.4	4.8
Tonnage dues . . . . .	0.2	0.3	0.3	Consular fees, etc. . . . .	0.5	0.5	0.5
Canal and lock dues . . . . .	0.1	0.1	0.2				

The loading and unloading charges are taken into account, as they are generally not included in the recorded values of goods imported and exported.

*Commissions, etc.* The amounts entered against item 10 do not include insurance premia and indemnities, as no enquiry concerning the insurance transactions with foreign countries has as yet been carried out.

*Emigrants' remittances* (item 13). Remittances proper are calculated at 8 million kronor in 1934 and 7 million in 1935, 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, 1.9 and 0.5 million kronor respectively, and inheritances, 2.3 and 3.8 million kronor. The amounts entered on the debit side refer to Nobel prizes, inheritances, etc.

*Tourists' expenditure* (item 14). The outward payments entered for 1932-1935 represent the total of the sums employed for travellers' letters of credit, travellers' cheques and the purchase of foreign currency notes, estimated on the basis of information collected from banks (23, 26, 31 and 34 million kronor during the four years in question), plus expenditure through travelling bureaux, shipping agencies, etc. (about 8, 9, 10 and 11 million kronor respectively).

The increase of 18 million kronor in the expenditure of foreign visitors to Sweden during 1935 is due in part to a rise in the number of tourists, particularly from the United Kingdom and the United States, and in part to an increase in the average length of stay.

### Capital items.

The amounts entered in the capital account are based partly upon the official bank statistics, partly upon information collected by the *Kommerskollegium* from banks and important firms. Item 5a shows the changes in the net short-term assets of the Bank of Sweden and the commercial banks (see below), while items 4 and 5b show the changes in the short-term assets and debts of other enterprises.

### International indebtedness.

*Swedish Government bonds held abroad.* According to the National Debt Office<sup>(1)</sup>, the amount of outstanding Swedish Government bonds held abroad, which was 251 million kronor at the end of 1929, rose to 326 million at the end of 1932, but fell to 286 million at the end of 1934 and 219 million at the end of 1935. As bonds payable in foreign currencies have, however, been converted at par rates, the actual foreign debt at the end of the last-mentioned years exceeded the figure indicated.

(1) "Riksgäldskontoret, Årsbok, Budgetåret 1934-35".

*Foreign short-term assets.* According to official banking statistics, the net foreign short-term assets (current account and bills) of the Swedish banks are as follows (in million kronor) :

	Bank of Sweden	Commercial banks
End of 1930 . . . . .	328.3	(1) — 9.7
„ 1931 . . . . .	49.1	114.0
„ 1932 . . . . .	213.6	116.2
„ 1933 . . . . .	446.2	43.2
„ 1934 . . . . .	507.5	98.4
„ 1935 . . . . .	560.6	114.3

The movement of these assets, as shown in banking statistics, was entered against capital item 5a. An adjustment was made for 1933 in order to account for the fact that certain of the transactions were booked at par rates of exchange.

(1) Net indebtedness.



# UNION OF SOVIET SOCIALIST REPUBLICS

A condensed statement of the balance of payments of the Union of Soviet Socialist Republics in 1935 has been supplied by the Government of that country. The statement, which is drawn up on principles differing somewhat from those employed by other countries dealt with in this volume, is reproduced below with a few modifications in form. It has not proved feasible to reclassify the items in accordance with the scheme adopted by the League of Nations Secretariat.

Items	Roubles (000,000's) (1)	
	Credit movements	Debit movements
1. Merchandise : cash receipts on account of exports (valued f.o.b.) and cash payments on account of imports (valued c.i.f.) . . . . .	1,800.4	860.0
2. Excess of interest paid on account of Government debts and credits on long and short term over interest receipts . . . . .	—	88.8
3. Shipping income (net) . . . . .	47.5	—
4. Port fees and services rendered to foreign ships (net) . . . . .	11.5	—
5. Other transport charges (net) . . . . .	11.6	—
6. Insurance operations (net) . . . . .	5.7	—
7. Non-commercial international transfers (net) . . . . .	61.6	—
8. Net income on account of expenditure by tourists and other foreign residents . . . . .	29.3	—
9. Foreign technical assistance and installation of equipment . . . . .	—	23.5
10. Excess of diplomatic and other Government expenditure over Government receipts from abroad . . . . .	—	56.8
11. Receipts (in cash and in kind) in connection with the treaty regulating the sale of the East Chinese Railway . . . . .	(2) 79.5	—
12. Miscellaneous receipts . . . . .	85.5	—
13. Receipts on account of gold sold abroad (excluding selling costs) . . . . .	52.2	—
14. Sale of Government bonds abroad (net) . . . . .	7.7	—
15. Amortisation of import credits . . . . .	—	693.7
16. Reduction of short-term credits raised on account of exports, and banking credits . . . . .	—	318.9
17. Net increase in the assets on current account abroad of the Soviet Government and the Bank of Foreign Commerce of the U.S.S.R. . . . .	—	150.8
Total . . . . .	2,192.5	2,192.5

Total inward and outward transactions shown in the above table balance exactly. In the official publication *Sowjetwirtschaft und Aussenhandel*, which contains a summary of the statement (3), the absence of any balance due to errors and omissions is attributed to the fact that the figures, instead of representing incomplete estimates of various origins, are compiled from exact information concerning the foreign transactions, available in the book-keeping departments of the Soviet economic organisations.

In the statement received, the surplus on account of items 1-13 above (1,155.7 million roubles) is shown as "balance on account of current items", while items 14-17, resulting in a passive balance of the same magnitude, are shown as "movement of credits". For the purpose of this publication, it has been thought better not to maintain this distinction, which does not coincide with that in "Goods, services and gold" and "Capital movements" employed for the majority of countries dealt with.

(1) Rouble of the new parity (1 rouble equalling 3 French francs).  
 (2) Of which 42.1 million in kind and 37.4 million in cash.  
 (3) Vol. 1936, No. 11 (1. Juniheft).

Thus the receipts and payments on account of merchandise trade differ considerably from the amounts recorded in the trade returns for imports and exports (details are given below) mainly on account of the movement of certain merchandise credits <sup>(1)</sup>, which elsewhere in this volume are regarded as a capital item. The same is true of the receipt on account of the sale of the East Chinese Railway (item 11) in so far as the amount in question does not represent interest.

*Merchandise.* The sum entered on the credit side against item 1 represents the cash receipts derived from the sale of exported goods, less the amount of freights, insurance costs and other additional charges on the sale of goods abroad, while that on the debit side represents cash payments for the imports in 1935, including the amount of freight and insurance. Goods paid on account of financial credits raised by the Union of Soviet Socialist Republics in 1935 are also included.

The figures compare with the recorded merchandise trade as follows :

	Roubles (000,000's)	
	Exports	Imports
Cash receipts on account of exports and cash payments on account of imports (item 1) . . . . .	1,800.4	860.0
Merchandise trade according to trade returns . . . . .	<u>1,608.5</u>	<u>1,056.7</u>
Difference . . . . .	+ 191.9	— 196.7

The active balance on account of the amounts against item 1 thus exceeds that recorded in trade returns by 388.6 million roubles. The following explanation of this discrepancy is given :

" The difference of 388.6 million roubles results. . . from credits on imported merchandise, the payments on account of financial credits (for example, the payments effected in pursuance of the arrangement with Czechoslovakia and of the treaty with Germany) being already included in the cash payments entered against item 1, debit. A further reason for this discrepancy is the fact that the amounts received at the time of export do not agree with the recorded export value (reduction in the residue of goods held abroad, reduction in indebtedness of the buyers). "

*Shipping income, etc.* Item 3 shows the net income of the Soviet merchant marine less the amount of ocean freight paid to foreign ships for the transport of goods between national ports (coastal traffic) and the transport of travellers.

The income of the Soviet merchant marine comprises (i) ocean freights for the transport of foreign goods ; (ii) amounts received on account of the transport of exported goods and repaid by the foreign buyers, and (iii) amounts received on account of the transport of imported goods and included as well in the sum entered on the debit side against item 1 (cash payments on account of imports, valued c. i. f.).

Item 5 shows the excess of income of other branches of transport (such as railway transit traffic) over the amounts paid to foreign railways.

*Insurance.* The amount entered on the credit side against item 6 comprises (i) insurance premia covering risks run by foreign interests, (ii) premia for insurance of exports, repaid by the foreign buyers, as well as premia for insurance of imports, included as well in the sum entered on the debit side against item 1, and (iii) damages paid by foreign reinsurance companies.

The sum entered on the debit side represents (i) insurance premia paid to foreign reinsurance companies and (ii) damages paid to foreigners.

(1) Certain other merchandise credits have not been incorporated in the amounts entered against item 1 (merchandise trade) but are shown in items 15 and 16.

# UNITED KINGDOM

Estimates of the transactions in goods, services and gold in the balance of payments of the United Kingdom are published regularly at the beginning of each year in the *Board of Trade Journal* <sup>(1)</sup>.

The following table, containing the figures for 1929-1935, differs from that given in the *Board of Trade Journal* mainly in that the gold movement has been included in 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)						
	1929	1930	1931	1932	1933	1934	1935
1. Excess of imports of merchandise, including silver coin and bullion . . . . .	381	386	408	287	263	294	261
2. Estimated excess of Government receipts from overseas <sup>(2)</sup> . . . . .	24	19	14	(3)-24	(3)-2	7	(3)-2
3. Estimated net national shipping income <sup>(4)</sup> . . . . .	130	105	80	70	65	70	75
4. Estimated net income from overseas investments . . . . .	250	220	170	150	160	175	185
5. Estimated net receipts from short interest and commissions . . . . .	65	55	30	25	30	30	30
6. Estimated net receipts from other sources . . . . .	15	15	10	15	10	10	10
Total, items 2-6 . . . . .	484	414	304	236	263	292	298
Estimated credit (+) or debit (—) balance on account of goods, services and Government capital transactions	+103	+ 28	-104	- 51	± 0	- 2	+ 37
Excess of exports (+) or imports (—) of gold <sup>(5)</sup> . . . . .	+ 15	- 5	+ 35	(- 15)	(-196)	(-133)	(- 70)
Estimated credit (+) or debit (—) balance on all items specified above . . . . .	+118	+ 23	- 69	(- 66)	(-196)	(-135)	(- 33)
<i>New overseas capital issues on London market in year</i> <sup>(6)</sup> . . . . .	94	109	46	29	38	43	21

The Government transactions shown in the statement include certain amounts properly belonging to the capital account, such as amortisation receipts and payments on account of inter-allied debts. Otherwise the statement relates to goods, services and gold only; the aggregate of new overseas issues on the London market, according to statistics issued by the Midland Bank, have, however, been added on the last line of the table for reference.

(1) See, for example, the number dated February 20th, 1936.

(2) These include some items on loan accounts.

(3) Estimated excess of Government payments made overseas.

(4) Including disbursements of foreign ships in British ports.

(5) In recent years this item is not included in the account as shown by the *Board of Trade Journal* (cf. the explanatory notes).

(6) 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)						
	1929	1930	1931	1932	1933	1934	1935
Imports . . . . .	1,229.1	1,052.5	869.7	709.5	685.4	753.6	797.3
Exports and re-exports . . . . .	848.1	666.0	461.3	422.0	422.3	459.7	536.1
Excess of imports over exports. . . . .	381.0	386.5	408.4	287.5	263.1	293.9	261.2

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 reimports of cut and polished gems are likewise excluded from the trade returns, but it is stated that the net charge against the country cannot be great.

Ships' stores and bunker fuel exported on foreign vessels are likewise excluded, but are taken into account when calculating the shipping income. Old vessels bought and sold are included under "Receipts from other sources".

*Government transactions.* Receipts and payments in respect of loans between governments, reparations receipts, and receipts on account of Indian home charges form the chief elements under this heading. Receipts on account of Indian debt and interest on Indian railway capital are, however, not included here, but with income from foreign investments. Of less importance, but still of some magnitude, are receipts and payments on account of the overseas activities of the Admiralty, War Office, Air Ministry, Dominions Office, Colonial Office, Diplomatic and Consular Service, and other public departments. Only receipts originating overseas and payments made overseas are taken into account; for example, the value of stores sent from home and the cost of sea-transport paid in the United Kingdom are excluded.

While nearly £29 million were paid to the United States in December 1932 on account of the debt due to that country, only two token payments totalling £3.3 million were made in 1933; in 1934 and 1935, no payment was made. In 1934, £7½ million were repaid by the South African Government in respect of war debt, and the Straits Settlements loan, amounting to £1¼ million, was repaid to the Government of that country. No corresponding item was taken into account for 1935.

*Net national shipping income.* The figures entered against this heading represent the balance of the following credit and debit items :

*Credit.*

Gross earnings of British shipping on account of the transport of all goods and the forwarding of passengers not normally resident in the United Kingdom (1).

Compensation for services performed for shippers by shipowners, through their agencies in overseas ports.

Disbursements (wages, fuel, stores, port dues, commissions, etc.) of foreign ships in British ports.

*Debit.*

Disbursements of British shipping in overseas ports.

Fares paid to foreign shipowners by passengers normally resident in the United Kingdom (2).

(1) The fares of passengers resident in the United Kingdom are excluded from the shipping income as well as from the debit figure for tourists' expenditure taken into account when calculating the "net receipts from other sources".

(2) These fares are thus not included in the debit figures for tourists' expenditure taken into account when calculating the "net receipts from other sources".

Freight earnings are estimated to have increased slightly in 1935, as in 1934, owing to the continued rise in average freight rates and better utilisation of the tonnage capacity of the ships. The number of foreign visitors to the country rose, but the number of non-resident passengers on British ships underwent little change; it is stated that it may have risen but that insofar as it has occurred the increase would have been offset by a corresponding increase in the number of United Kingdom residents travelling on foreign vessels.

The aggregate receipts from passenger traffic are therefore believed to have been substantially the same as in 1934. The expenditure of British ships in foreign ports is believed to have been slightly higher than in 1934. Sales of bunker coal and oil to foreign ships are believed to have fallen by over £1 million.

*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.

Payments from reserves in the United Kingdom to maintain plantations, etc., abroad have been taken into account as a reduction from the receipts, while as a credit item are included remittances from overseas to pay for head office expenses in the United Kingdom.

"There was a further improvement last year (1935) in the receipts from foreign investments, this being principally in respect of ordinary dividends and sums placed to reserve, though in all classes except foreign and Dominion Government and Corporation stocks there was no decline so far as can at present be estimated from the somewhat limited information available. As regards these stocks, payments were resumed or increased in respect of certain loans on which defaults had previously occurred. There was, however, a substantial reduction in interest arising from conversion operations, and in the aggregate the total may be estimated at £60.5 million, as compared with £61.0 million for 1934. As regards other loans, receipts are not expected to show any substantial change, a partial resumption of interest payments on certain loan capital being offset by some reduction in the volume of commercial loans outstanding. Dividends on preference and ordinary shares of foreign and Dominion railways were slightly smaller. In general, profits on industrial investments abroad were maintained or increased, a notable exception being in respect of tea companies. In particular, rubber and oil companies did well, and there was a substantial increase in receipts from mines. Allocations to reserves, whether held at home or abroad, have to be taken into account in the case of British companies operating abroad, and these appear to have increased again in 1935.

The improvement in internal trade in the United Kingdom during the last year will have led to a corresponding increase in payments to non-residents in respect of their commercial investments in this country. No substantial change is believed to have taken place in foreign holdings of British Government securities and the total payments to overseas residents in respect of all their investments in this country probably amounted to not less than £12 million.

The increase in the total net receipts from overseas investments last year may well have been about the same as at present estimated for 1934, viz. £15 million, but for the present an increase of £10 million will be assumed, the provisional total for 1935 being accordingly £185 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, insurance remittances from abroad, and earnings on exchange transactions. Payments are also made to foreigners for similar services.

The aggregate net receipts in 1935 from the items under review are believed to have remained at about the same figure as in 1934 (£30 million).

*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, diplomatic expenditure, etc.

Information is available concerning the estimated balance of tourists' expenditure included in this item. The number of tourists and other travellers in traffic with the European continent (including visitors from and to all Mediterranean countries) was as follows, not reckoning persons visiting the Continent recorded as diplomats, etc., as seamen, as holding Ministry of Labour permits or as in transit, and also excluding British visitors to the Continent and visitors from the Continent taking week-end tickets or going on day trips, whose expenditure is relatively small :

	1930	1931	1932	1933	1934	1935
	Number (000's)					
British visitors to the Continent . . . . .	960	910	660	780	770	790
Visitors from the Continent to the United Kingdom	265	235	195	190	230	240

The average expenditure of these visitors was taken at £30 for each year.

The number of tourists and travellers in extra-European traffic was as follows :

	1930	1931	1932	1933	1934	1935
	Number (000's)					
Alien visitors to the United Kingdom from places outside Europe . . . . .	125	90	75	62	66	78
British subjects travelling to countries outside Europe:						
on pleasure cruises . . . . .		10	35	50	44	36
others : residing in the United Kingdom . . . . .		104	103	54	58	61
residing in other British countries . . . . .						
residing in foreign countries . . . . .						
Total British subjects . . . . .		114	138	151	157	153

The expenditure abroad of residents of the United Kingdom counts as a debit, while that in the United Kingdom of residents of British and foreign countries overseas counts as a credit. The expenditure per head of visitors to the United Kingdom from overseas is relatively heavy, but the number does not vary greatly from year to year. On the basis of the replies to a questionnaire issued to colonial officers on leave during 1934, the average expenditure per head in the United Kingdom during an average stay of about five months was between £175 and £200. The number of persons covered by this sample enquiry was 3,429 or about 5 % of the total number of British visitors from overseas. The expenditure of persons on pleasure cruises in countries overseas is believed to have been small compared with the average amount spent by other United Kingdom residents travelling to countries outside Europe.

It is stated that the information available is insufficient to justify any change in the ranges of expenditure used in framing the estimates last year ; such little evidence as was obtained regarding the expenditure of British visitors to countries outside Europe is believed to indicate that the average expenditure in 1935 was slightly less than in the preceding year.

Overseas visitors to the United Kingdom increased in number in 1935 as compared with 1934, but there was an increase in expenditure by United Kingdom visitors to the Continent. On balance it is estimated that a debit in respect of tourist expenditure, amounting to £3 million in 1933 and £1 million in 1934, was further reduced in 1935, but that it is improbable that the reduction was as much as £1 million.

Payments on film royalties are also included in the present item. The net payment, when allowance is made for the annual payments made to the American owners of sound film apparatus and for the receipts from British films, is estimated at £5 million in 1933 and £5.6 million in each of the years 1934 and 1935.

The tonnage of second-hand ships sold to foreigners in 1935 showed a substantial increase over that of 1934, and prices realized rose ; on the debit side in respect of this item there is a much smaller sum paid by United Kingdom residents for foreign second-hand vessels.

The number of emigrants in 1935 was about the same as in 1934, but the number of immigrants to the United Kingdom decreased, and it is stated that there might have been a corresponding reduction in the funds brought into the country.

*Gold.* According to trade returns, gold imports and exports during the years 1929-1935 were as follows :

	£ (000,000's)						
	1929	1930	1931	1932	1933	1934	1935
Imports . . . . .	62.4	86.7	98.3	152.2	251.6	262.5	244.1
Exports . . . . .	77.6	81.8	132.9	134.3	60.3	128.7	174.0
Excess of imports (—) or exports (+)	+ 15.2	— 4.9	+ 34.6	— 17.9	— 191.3	— 133.8	— 70.1

The recorded excess of imports of gold since 1931 represents neither 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 in 1932, £133 million in 1933, £82½ million in 1934 and £42 million in 1935, if taken at parity, and to £15 million, £196 million, £132½ million and £70½ million respectively, if valued in sterling.

In the last four statements published by the *Board of Trade Journal*, the gold movement is not included in the table. The inward movement of gold in 1935 is believed to have been due in part to gold being sent to the United Kingdom and held there for foreign account, though possibly not to the same extent as in 1933 and 1934. It is stated that "the ownership of such gold being unchanged, it is unnecessary to take account of it in any way in connection with the balance of payments." The gold reserve of the Bank of England increased by £8 million gold in 1935. It is pointed out, however, that a certain amount of gold reaches the market each year from internal sources, and that this is believed to have been more than sufficient to meet the requirements of industry and the arts.

*New overseas issues.* 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. 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 have reached approximately the following amounts :

Year	£(000,000's)	Year	£(000,000's)
1927 . . . . .	34	1932 . . . . .	48
1928 . . . . .	30	1933 . . . . .	67
1929 . . . . .	49	1934 . . . . .	47
1930 . . . . .	39	1935 . . . . .	.
1931 . . . . .	27		

In 1932, these receipts exceeded the amount of new overseas issues on the London market (1).

On the other hand, British investors may have taken part in flotations in foreign capital markets. Subscriptions to new issues may be provided for out of balances

(1) The figures for repayments, however, would appear to include amounts offset by issues for redemption, which are not included in the statistics of new overseas issues shown in the tables of this section. Sir Robert compares the figures for repayments with the following series of figures for new issues, which is stated to include issues for redemption : 1929, £96 million ; 1930, £98 million ; 1931, £41 million ; 1932, £37 million ; 1933, £83 million.

of realizations over purchases of securities previously existing. Short-term investments of foreign money in the London market have also helped indirectly in the financing of permanent loans to other countries. Account should also be taken of sums directly invested abroad in private business.

The geographical distribution of the capital issues on the London market 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)										
	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
India and Ceylon . . . .	3.4	2.1	1.4	7.7	10.1	28.7	22.5	6.4	5.0	1.1	0.8
Other British countries .	54.0	49.9	86.4	78.4	44.3	41.4	14.4	22.5	24.8	39.2	17.2
Of which :											
Australasia . . . .	25.6	31.6	41.1	34.8	17.1	10.6	(4) 5.0	(4) 5.0	0.4	4.7	3.1
America (chiefly Canada) . . . .	2.0	6.1	7.4	20.4	15.2	3.5	1.2	3.2	17.1	9.9	1.9
Africa . . . . .	14.8	6.4	27.8	16.6	10.4	26.5	7.9	(7) 13.0	6.3	22.7	10.1
Asia . . . . .	11.0	5.0	5.0	4.25	1.4	0.8	.	.	.	.	.
Foreign countries . . . .	30.4	60.4	50.9	57.3	39.9	38.7	9.2	0.3	8.0	3.1	2.9
Of which :											
Germany . . . . .		6.0	7.0	8.25			3.0	.	.	.	.
Belgium . . . . .	(1) 11.0	7.0			21.5	11.0	.	.	.	.	.
Other European . .		11.8	(2) 14.5	(3) 25.5			.	.	(8) 5.5	.	.
Netherlands Indies	3.5	2.8									
Japan . . . . .	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 . . . . .		12.3	13.0	9.25							
Chile . . . . .	6.0	3.0			7.5	3.0	(5) 2.3	.	(9) 1.8	.	.
Other American . .		2.2	7.0	6.0							
Total issues for overseas account . . . . .	87.8	112.4	138.7	143.4	94.3	108.8	(6) 46.1	29.2	37.8	43.4	20.9
Issues for domestic ac- count . . . . .	132.1	140.9	176.0	219.1	159.4	127.4	42.6	83.8	95.1	106.7	161.9

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.

A classification of the objects of the issues, by main groups of countries, in the last nine years is given in the following table.

- (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) South America, other than Argentine.
- (6) Of this amount, only £3 million was offered during the second half of the year.
- (7) Of which South Africa £7.75 million.
- (8) Austria £4.5 million (for the funding of a short-term credit extended by the Bank of England in the summer of 1931) and Denmark £1 million (raised by the Danish Government to finance capital development in Denmark undertaken by a Danish firm).
- (9) "Private placings" by companies operating in South America.



	£ (000,000's)								
	1927	1928	1929	1930	1931	1932	1933	1934	1935
<b>India and Ceylon :</b>									
Governments . . . . .	—	6.9	9.1	27.8	21.7	3.5	4.7	—	—
Municipalities and Public Boards . . . . .	—	—	—	—	—	1.0	—	—	—
Railways . . . . .	—	—	—	—	—	1.3	—	—	—
Industrial undertakings .	1.4	0.8	1.0	0.9	0.8	0.6	0.3	1.1	0.8
<b>Other British countries :</b>									
Governments . . . . .	51.8	37.9	17.7	25.5	8.9	21.1	20.2	10.7	(1)2.9
Municipalities and Public Boards . . . . .	5.1	7.3	3.8	2.7	—	—	—	0.3	—
Railways . . . . .	5.0	9.5	4.5	5.5	0.8	—	—	—	—
Industrial undertakings	24.5	23.7	18.3	7.6	4.7	1.3	4.6	28.2	(2)14.3
<b>Foreign countries :</b>									
Governments . . . . .	11.8	12.9	3.6	12.6	0.2	—	5.3	—	0.5
Municipalities and Public Boards . . . . .	8.1	6.8	0.5	—	—	—	—	—	—
Railways . . . . .	6.3	4.2	7.8	9.8	3.1	—	1.4	0.4	0.4
Industrial undertakings	24.7	33.4	28.0	16.4	5.9	0.4	1.3	2.7	2.0
<b>Total :</b>									
Governments . . . . .	63.6	57.7	30.4	65.9	30.8	24.6	30.2	10.7	3.4
Municipalities and Public Boards . . . . .	13.2	14.1	4.3	2.7	—	1.0	—	0.3	—
Railways . . . . .	11.3	13.7	12.3	15.3	3.9	1.3	1.4	0.4	0.4
Industrial undertakings	50.6	57.9	47.3	24.9	11.4	2.3	6.2	32.0	17.1
<b>Grand total . . . .</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>	<b>37.8</b>	<b>43.4</b>	<b>20.9</b>

(1) Trinidad and Southern Rhodesia.

(2) Chiefly mining companies, of which Australian, £3 million, and African, £8¼ million.

# UNITED STATES OF AMERICA

Estimates of the balance of payments of the United States are published annually in the *Trade Information Bulletins* issued by the Department of Commerce. The 1935 figures which have now become available <sup>(1)</sup> are reproduced below, together with the statements for 1932-1934 which appeared in the preceding issue of this publication. The Summary Table given after the detailed account covers the whole period from 1919-1935. The figures for 1934 differ slightly from those given last year owing to a revision of the data for certain items.

The order and classification of the items in the original statements have been modified in accordance with the scheme used for the majority of statements in this volume. Full agreement with these statements has not been reached, however, for merchandise imports have not been shown at their value c.i.f. at the United States ports or frontier, except in the years 1929-1931 and 1933-1935, for which information concerning freights on imports earned by American ships was available (item 2g 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 7a), and the aggregate balance is thus not affected.

The capital account as shown in the present volume includes amortisation of war debts, which is excluded therefrom by the Department of Commerce. Further, in this volume the earnings on account of underwriters' commissions (which have been deducted by the Department of Commerce from the amounts of new capital issues for foreign account) have been shown together with "Other services".

## Goods, services and gold.

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
<b>I. Merchandise.</b>								
1. (a) Merchandise proper . . .	1,612	1,675	2,133	2,283	1,323	1,450	1,655	2,047
(b) Silver coin and bullion . .	14	19	17	19	20	60	103	355
2. Adjustments of item 1:								
(a) bunker coal and oil . . .	21	18	19	20	5	5	6	6
(b) ship chandling and repairs	30	30	30	30	20	15	15	12
(c) vessels sold and bought	—	1	2	1	1	2	2	1
(d) unrecorded parcels post	15	14	18	19	—	—	—	—
(e) undervaluation of exports by rail . . . . .	16	16	18	20	—	—	—	—
(f) freights on imports, paid to foreign ships and carriers	—	—	—	—	113	55	84	87
(g) ditto, earned by American ships <sup>(2)</sup> . . . . .	—	—	—	—	—	26	40	47
Carried forward . . . . .	1,708	1,773	2,237	2,392	1,482	1,613	1,905	2,555

(1) *Trade Information Bulletin* No. 833 (*The Balance of International Payments of the United States in 1935*, by Amos E. Taylor).

(2) Except in the years 1929 to 1931 and from 1933 inclusive, 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.

Items	§ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward . . . . .	1,708	1,773	2,237	2,392	1,482	1,613	1,905	2,555
2. Adjustments of item 1 (cont.):								
(h) correction for exchange fluctuations . . . . .	—	—	—	—	— 5	—	—	—
(i) deduction for household goods of immigrants and departing aliens . . . . .	11	4	7	.	4	8	4	.
(k) other adjustments, includ- ing contraband . . . . .	25	3	12	35	113	76	57	67
II. Interest and dividends.								
3. Interest on intergovernmental debts . . . . .	67	20	1	—	—	—	—	—
4. Interest on other public debts	—	—	—	—	—	—	—	—
5. Yield of other long-term capital:								
(a) yield of securities . . . . .	311			188				( <sup>2</sup> ) 85
(b) earnings on direct invest- ments . . . . .	85	( <sup>1</sup> ) 487	( <sup>1</sup> ) 472	320	60	100	125	35
(c) other interest . . . . .	—	—	—	—	—	—	—	25
6. Interest on short-term capital	60	43	21	13	8	3	1	1
III. Other services.								
7. Shipping income :								
(a) freights on United States imports ( <sup>3</sup> ) . . . . .	.	26	40	47	—	—	—	—
(b) freights, other . . . . .	55	30	40	40	—	—	—	—
8. Other transport fees . . . . .	2	3	3	3	5	10	12	12
9. Insurance . . . . .							( <sup>4</sup> ) 19	( <sup>4</sup> ) 15
10. Underwriters' commissions . . . . .	2	1	—	1	—	—	—	—
11. Brokerage receipts . . . . .	5	10	9	11	—	—	—	—
12. Telegraph and telephone . . . . .	9	13	13	14	7	9	9	9
13. Immigrants' and emigrants' funds . . . . .	6	3	5	5				
14. Immigrants' and emigrants' remittances . . . . .	—	—	—	—	138	110	105	92
15. Missionary and charitable contributions . . . . .	—	—	—	—	31	25	31	28
16. Tourists' expenditure ( <sup>5</sup> ) :								
(a) Canada . . . . .	35	35	39	63	183	101	120	192
(b) Mexico . . . . .	5	4	4	5	36	28	45	34
(c) overseas . . . . .	31	32	43	49	227	163	166	183
17. Diplomatic and similar expen- diture . . . . .	7	7	8	8	10	8	9	10
18. Government receipts and expenditure n. e. i. ( <sup>6</sup> ) . . . . .	24	25	23	20	91	77	59	73
Carried forward . . . . .	2,448	2,476	2,977	3,214	2,390	2,331	2,667	3,416

(1) Revised estimates. The unrevised figure for 1933 comprised \$267 million, interest on securities; \$105 million, earnings on direct investments; and \$27 million, "interest and earnings funded". The corresponding unrevised figures for 1934 were \$215, 200 and 17 million.

(2) Of which 22, interest, and 63, dividends.

(3) See note (2) on preceding page.

(4) Net.

(5) Beginning with 1931, the passenger fares earned by United States ships on account of United States tourists have been deducted from the tourists' expenditure (item 16, debit).

(6) Receipts on account of war debts are shown against item 3 and capital item 1a.

Items	\$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1932	1933	1934	1935	1932	1933	1934	1935
Brought forward . . . . .	2,448	2,476	2,977	3,214	2,390	2,331	2,667	3,416
19. Other items :								
(a) cinematograph royalties . . . . .	50	75	75	85	—	—	5	5
(b) Press subscriptions . . . . .	4	4	4	4	2	2	2	2
(c) Canadian electric power . . . . .	—	—	—	—	2	2	2	2
(d) patents, copyrights and royalties . . . . .	12	—	—	—	12	—	—	—
(e) advertising . . . . .	3	3	2	2	10	7	7	7
IV. Gold.								
20. Gold coin and bullion . . . . .	809	367	53	2	363	193	1,187	1,741
21. Changes in earmarked gold (net)	—	58	—	—	457	—	83	—
22. Adjustment of items 20-21. . . . .	—	—	—	—	—	59	—	—
Total . . . . .	3,326	2,983	3,111	3,307	3,236	2,594	3,953	5,173
Surplus (+) or deficit (—) on account of :								
(a) goods and services . . . . .	+ 101	+ 216	+ 375	— 127				
(b) gold . . . . .	— 11	+ 173	— 1,217	— 1,739				
(c) goods, services and gold . . . . .	+ 90	+ 389	— 842	— 1,866				

## Capital items.

Items	\$ (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1932	1933	1934	1935	1932	1933	1934	1935
I. Long-term operations.								
1. Amortisation :								
(a) of intergovernmental debts . . . . .	32	—	—	—	—	—	—	—
(b) of other debts :								
(i) bond redemption payments . . . . .	92	41	51	131	50	50	25	15
(ii) sinking fund payments . . . . .	80	82	63	54	—	—	—	—
2. Purchases and sales :								
(a) of domestic securities . . . . .	300	760	480	1,305	305	580	480	970
(b) of foreign securities . . . . .	385	565	510	425	225	686	405	475
3. New capital issues . . . . .	—	—	—	—	29	11	—	45
4. Direct long-term investments . . . . .	1	7	12	24	36	91	48	25
5. Resale and repurchase of direct long-term investments . . . . .	4	50	14	52	2	—	—	—
6. Estimated transfer of funds in arbitrage operations (net) . . . . .	—	—	30	—	—	40	—	—
II. Short-term operations.								
7. Changes in international banking accounts (net) . . . . .	—	—	192	970	409	412	—	—
8. Movement of commercial and other funds . . . . .	—	—	—	105	—	—	—	—
9. Reconstruction Finance Corporation credits . . . . .	—	—	—	—	—	7	8	—
10. Net inflow of funds resulting from funding agreements, unofficial exchanges, etc. . . . .	—	34	—	—	—	—	—	—
11. Movement of currency notes (net)	—	—	30	30	80	90	56	31
Total . . . . .	894	1,539	1,382	3,096	1,136	1,966	1,022	1,661
Net inward (+) or outward (—) movement of capital . . . . .	— 242	+ 427	+ 360	+ 1,535				

## 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	+ 160	+ 3,194	- 2,126	+ 90	- 2,036	+ 1,158	
1920 Balance . . . . .	+ 2,866	+ 56	- 736	- 50	+ 2,136	- 1,051	+ 100	- 951	+ 1,185	
1921 Balance . . . . .	+ 1,908	+ 119	- 628	- 686	+ 713	- 742	- 100	- 842	- 129	
1922 Balance . . . . .	+ 663	+ 351	- 546	- 235	+ 233	- 735	+ 375	- 360	- 127	
1923 Balance . . . . .	+ 313	+ 417	- 628	- 295	- 193	+ 66	+ 53	+ 119	- 74	
1924 Balance . . . . .	+ 939	+ 464	- 662	- 216	- 525	- 631	+ 166	- 465	+ 60	
1925 Balance . . . . .	+ 619	+ 515	- 719	+ 102	+ 517	- 516	- 121	- 637	- 120	
1926 Balance . . . . .	+ 139	+ 627	- 564	- 72	+ 130	- 648	+ 310	- 338	- 208	
1927 Balance . . . . .	+ 417	+ 679	- 572	+ 154	+ 678	- 740	+ 845	+ 105	+ 783	
1928 Balance . . . . .	+ 738	+ 680	- 684	+ 272	+ 1,006	- 671	- 228	- 899	+ 107	
1929 Balance . . . . .	+ 382	+ 699	- 681	- 120	- 280	- 90	- 95	- 185	+ 95	
1930 Balance . . . . .	+ 386	+ 769	- 580	- 278	+ 297	- 213	- 465	- 678	- 381	
1931 Balance . . . . .	+ 17	+ 621	- 493	+ 176	+ 321	+ 234	- 719	- 485	- 164	
1932 Balance . . . . .	+ 150	+ 455	- 504	- 11	+ 90	+ 247	- 489	- 242	- 152	
1933 Credit . . . . .	1,780	507	271	425	2,983	1,505	34	1,539	4,522	
Debit . . . . .	1,697	103	542	252	2,594	1,457	509	1,966	4,560	
Balance . . . . .	+ 83	+ 404	- 271	+ 173	+ 389	+ 48	- 475	- 427	- 38	
1934 Credit . . . . .	2,256	494	308	53	3,111	1,160	222	1,382	4,493	
Debit . . . . .	1,966	126	591	1,270	3,953	958	64	1,022	4,975	
Balance . . . . .	+ 290	+ 368	- 283	- 1,217	- 842	+ 202	+ 158	+ 360	- 482	
1935 Credit . . . . .	2,427	521	357	2	3,307	1,991	1,105	3,096	6,403	
Debit . . . . .	2,622	146	664	1,741	5,173	1,530	31	1,561	6,734	
Balance . . . . .	- 195	+ 375	- 307	- 1,739	- 1,866	+ 461	+ 1,074	+ 1,535	- 331	

The practice followed in compiling the statements was, it is explained, "to use all those figures which are reported in various Government documents, such as merchandise trade, war-debts receipts, certain governmental expenditures and receipts, and gold movements, revised up to date". In the case of items estimated on the basis of questionnaires, "the figures used are those actually returned, subject only, in the case of the international securities movement, to uniform percentage estimates for omissions".

As the last column of the Summary Table shows, a perfect balance is not obtained in the account for any year — a fact due to erroneous or incomplete record of certain transactions. The fact that the residual item in certain years is very small should not be taken as a proof, however, that the errors or omissions in those years are insignificant.

The large excess of outward payments in 1934 is attributed in large part to the following four factors :

1. The aggregate of such factors as repatriated balances of American corporations, unrecorded currency exports, and short-term capital items representing the counterpart of the possible importation of gold which was held under earmark abroad by governmental agencies at the end of 1933 and which had therefore been carried as an "invisible" gold import in the 1933 balance ;

2. Repatriation of foreign dollar bonds and sales in foreign markets of American securities by methods which precluded the recording of their value in the questionnaire returns ;

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

3. Inflow of private funds (balances in foreign banks or hoarded abroad) expatriated roughly between April 1933 and the end of January 1934 ;

4. Unrecorded foreign-owned funds sent to the United States after devaluation as a result of political uncertainty and economic instability abroad.

Though the same factors are believed also to account in large part for the corresponding item in 1935 (\$331 million), it is stated that in that year foreign dollar-bond repatriations were less important than in 1934, while entries of merchandise import values probably represented deviations from actual payments more frequently in the latter year than in the former.

Particulars concerning a number of important items in the account are given below. For further details, reference should be made to the *Trade Information Bulletin*.

### Goods, services and gold.

*Merchandise.* In view of the special nature of United States silver imports during recent years, item 1 has in the above table been divided into (a) merchandise proper and (b) silver coin and bullion.

*Interest and dividends* (items 3-5). Receipts of the United States Government on account of interest and principal of war debts (item 3 and capital item 1a) during the years 1932-1935 were as follows :

Debtor countries	\$ (000,000's)							
	1932		1933		1934		1935	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Czechoslovakia . . . . .	1.5	—	0.3	—	—	—	—	—
Finland . . . . .	0.1	0.1	0.1	0.3	0.1	0.3	0.1	0.3
Great Britain . . . . .	30.0	65.6	—	17.5	—	—	—	—
Greece . . . . .	—	—	—	0.1	—	0.3	—	—
Italy . . . . .	—	1.2	—	2.0	—	—	—	—
Latvia . . . . .	—	0.1	—	—	—	—	—	—
Lithuania . . . . .	—	0.1	—	—	—	—	—	—
Total . . . . .	31.6	67.1	0.4	19.9	0.1	0.6	0.1	0.3

Receipts on account of foreign securities (mainly bonds) held in the United States (item 5a) continued to fall in 1935, owing largely to the fact that the amount of such securities was reduced as a result of sinking fund and redemption operations. In the case of Germany, default caused a decline in receipts. In other cases there was some alleviation of the default situation. Austria, for example, resumed full service on its external debt. Also, partial cash payments were made on the external debt of Brazil, including the national, state, and municipal obligations, in place of the payments in funding bonds that had been made previously on the national government debt. Nevertheless, the net result of these changes was that the average rate of return from American holdings of foreign bonds was slightly under 4 % in 1935, as compared with slightly more than that rate in 1934.

A specification by countries of the amount received as interest, dividends and amortisation on account of foreign securities is given in the table on page 165.

Interest paid in funding bonds or scrip amounted to \$7 million in 1935, of which \$6 million from Latin-American countries and the remainder from Europe ; it is stated that, contrary to the practice followed in previous years, the amount has been omitted from the balance of payments account, since no cash transfer was involved.

The income from direct investments abroad was calculated on a new and extensive

basis for 1935, and the figure for 1934 was revised. Interest and preferred dividends included in the total income from direct investments amounted to \$30 million. The geographical division of the income from direct investments was as follows in recent years (in million dollars) :

	1932		1933 <sup>(1)</sup>		1934 <sup>(1)</sup>	1935
	Earnings	Transfers	Earnings	Transfers	Transfers	Transfers
Canada . . . . .	20- 30	15- 25	35- 55	20- 30	60- 80	( <sup>2</sup> )110-120
Europe . . . . .	25- 35	20- 30	30- 40	20- 30	40- 60	70- 80
Latin America . . . .	35- 45	25- 35	45- 65	30- 50	50- 80	90-100
Africa, Asia, Oceania	10- 20	7- 13	15- 25	10- 20	10- 20	30- 40
Total . . . . .	90-130	67-103	125-185	80-130	160-240	300-340

Since 1932 inclusive, only the estimated *transfers* have been entered in the balance of payments account. The amount of the total earnings in 1934 and 1935 is not indicated, but it is stated that the American direct investments abroad, which are recorded at their book value, rose by \$50-55 million in the former and \$40-45 million in the latter year without any transfer of funds being involved.

Inward short-term interest in 1935 was calculated at  $1\frac{1}{4}$ - $1\frac{1}{2}$ % of the total outstanding amount, averaging \$1,000 million. The corresponding percentage in 1931 was  $5\frac{3}{4}$ %; in 1932,  $5\frac{1}{4}$ %; in 1933,  $4\frac{3}{8}$ %; and in 1934,  $2$ - $2\frac{1}{2}$ %.

Outward short-term interest in 1935 is estimated at less than \$1 million. The foreign-owned short-term banking assets amounted to \$1,220 million at the end of 1935, but approximately 86% of this amount consisted of deposits. Under the provisions of the Banking Act of 1933, member banks are prohibited from paying interest on demand deposits, and the proportion of foreign deposits carried as time deposits is believed to have been almost negligible.

*Freights.* Ocean and Great Lakes freight on American imports and exports in 1934 and 1935 has been estimated as follows :

	\$ (000,000's)							
	1934				1935			
	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 . . . . .	28.5	68.6	34.0	63.6	33.9	70.1	34.2	67.1
Tankers . . . . .	10.7	5.4	3.5	19.7	12.0	5.9	4.4	21.1
Total . . . . .	39.2	74.0	37.5	83.3	45.9	76.0	38.6	88.2
Great Lakes freight	1.0	1.5	1.7	6.1	1.4	2.2	1.9	6.5
Grand total . . . . .	40.2	75.5	39.2	89.4	47.3	78.2	40.5	94.7

In this publication, the import freights earned by American ships (item 7a) have been included in the balance of payments account only in the years 1929-1931 and 1933-1935, as figures for other years are not available. As they are 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.

- (1) Unrevised figures.  
(2) Including Newfoundland.

No figures are available for passage money earned in the years 1931 to 1935. 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.

*Insurance* (item 9). A special study has been carried out with reference to the international insurance transactions of the United States (1). The following table summarises the transactions during 1934 and 1935 :

Item	§ (000,000's)					
	Net movement of funds on account of operations of foreign insurance companies in the United States		Net movement of funds on account of operations of United States insurance companies abroad		Balance	
	1934	1935	1934	1935	1934	1935
Branches and agencies :						
fire and marine companies . . . . .	- 16.3	- 13.9	+ 2.5	+ 2.3	- 13.8	- 11.6
casualty companies . . . . .	- 4.6	- 3.4	+ 1.1	+ 1.2	- 3.5	- 2.2
life companies . . . . .	- 4.2	- 3.7	+ 11.9	+ 12.9	+ 7.7	+ 9.2
Total . . . . .	- 25.1	- 21.0	+ 15.5	+ 16.4	- 9.6	- 4.6
Non-admitted foreign companies . . . . .	- 4.0	- 6.0	—	—	- 4.0	- 6.0
Affiliates :						
fire and marine companies . . . . .	- 3.7	- 2.3	+ 0.2	+ 0.2	- 5.5	- 5.1
casualty companies . . . . .	- 2.0	- 3.0				
Total . . . . .	- 5.7	- 5.3	+ 0.2	+ 0.2	- 5.5	- 5.1
Grand total . . . . .	- 34.8	- 32.3	+ 15.7	+ 16.6	- 19.1	- 15.7
Canada . . . . .	- 4.5	- 3.5	+ 13.8	+ 14.4	+ 9.3	+ 10.9
United Kingdom . . . . .	- 24.1	- 24.0	—	—	- 24.1	- 24.0
Other foreign countries . . . . .	- 6.2	- 4.8	+ 1.9	+ 2.2	- 4.3	- 2.6
Total . . . . .	- 34.8	- 32.3	+ 15.7	+ 16.6	- 19.1	- 15.7

*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. Account should be taken of the fact that fares paid by United States tourists to national vessels are not included either in the debit figures against tourists' expenditure or in the credit figures against shipping income.

An estimate of the United States tourist expenditure in recent years 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".

(1) Cf. *Insurance Transactions in the Balance of International Payments of the United States*. (Trade Information Bulletin, No. 834.)



	\$ (000,000's)			
	1932	1933	1934	1935
<i>Foreign services to American tourists (item 16, debit).</i>				
Canada :				
Motorists . . . . .	145	72	86	132
Rail and steamer tourists . . . . .	38	29	34	60
Mexico :				
U.S. visitors classified as tourists . . . . .	10	4	8	10
U.S. border visitors . . . . .	26	24	37	24
West Indies and Central America . . . . .	24	15	17	21
Europe, South America and Far East . . . . .	136	95	98	112
U.S. citizens permanently residing abroad . . . . .	15	10	10	10
Alien-American tourists (immigrants visiting fatherland)	43	32	20	22
U.S. citizens on cruise tours . . . . .	10	11	18	15
U.S. citizens departing by air . . . . .	—	—	3	3
Gross total . . . . .	447	292	331	409
Deduction :				
Merchandise included in recorded merchandise imports	1	—	—	—
Total deductions . . . . .	1	—	—	—
Net total . . . . .	446	292	331	409
<i>American services to foreign visitors (item 16, credit).</i>				
Canada :				
Motorists . . . . .	24	23	25	40
Rail and steamer visitors . . . . .	11	12	14	23
Mexican border . . . . .	5	4	4	5
Foreign visitors from overseas . . . . .	31	32	43	49
Total . . . . .	71	71	86	117

The number of United States citizen tourists departing from seaports for "overseas areas" (mainly Europe, South America and the Far East) was as follows in the years 1932-1935 :

	1932	1933	1934	1935
<i>By steamer, etc.</i>				
Western Europe . . . . .	119,853	79,256	75,585	86,542
Northern Europe . . . . .	53,004	30,834	30,346	34,771
Mediterranean area . . . . .	38,560	34,181	29,733	24,248
Orient . . . . .	13,180	14,293	17,304	18,820
South America . . . . .	4,389	4,417	5,833	6,425
West Indies . . . . .	82,719	61,580	68,610	72,028
Central America . . . . .	10,800	12,210	15,167	15,180
North America . . . . .	16,769	13,051	12,550	11,853
Total . . . . .	339,274	249,822	255,128	269,867
<i>By air.</i>				
South America . . . . .	26	24	34	28
West Indies . . . . .	5,794	7,893	9,574	9,284
Central America . . . . .	90	13	—	3
Total . . . . .	5,910	7,930	9,608	9,315
Grand total . . . . .	345,184	257,752	264,736	279,182

The total expenditure of the visitors to Europe, South America and the Far East (excluding citizens permanently residing abroad, alien-American tourists and citizens on cruise tours) was \$124 million, from which amount \$12 million, representing fares paid to American vessels, have been deducted in the table.

Information concerning the calculation of United States tourists in Canada and Canadian tourists in the United States is collected by the United States Department of Commerce in collaboration with the Dominion Bureau of Statistics. For 1935, a sampling by questionnaire was employed for the first time in estimating the expenditure of rail and steamer visitors. The considerable increase in the estimates for that year suggests, it is stated, that the estimates for earlier years have been somewhat low.

*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)	
	1934	1935		1934	1935
Foreign representation in the United States <sup>(1)</sup> . . . . .	8.0	8.5	Treasury Department :		
Treasury Department :			Miscellaneous bureaux . . .	0.5	0.6
German mixed claims . . . .	1.0	—	Alien property custodian . .	0.8	0.1
Army of occupation costs . .	0.3	—	Navy Department . . . . .	16.8	20.3
Miscellaneous bureaux . . . .	0.1	0.1	War Department . . . . .	17.0	20.7
Mints and Bureau of engraving and printing . . . . .	0.2	0.8	Panama Canal (tolls paid by American vessels, etc.) . . .	11.2	10.2
Panama Canal (fiscal years) <sup>(2)</sup>	18.2	15.5	Department of State :		
Department of State :			American representation abroad . . . . .	8.5	9.8
Consular fees collected . . . .	2.1	2.2	Construction of buildings . .	0.2	—
Post Office Department . . . .	1.4	1.3	International bureaux and indemnities . . . . .	0.5	0.8
			Veterans' Administration . . .	9.4	10.1
			Post Office Department . . . .	2.0	1.5
			Department of Commerce . . .	0.6	0.8
			Department of Agriculture . .	0.4	<sup>(3)</sup> 9.3
Total . . . . .	31.3	28.4	Total . . . . .	67.9	<sup>(4)</sup> 84.2

*Gold* (item 22). Whereas the heavy gold inflow in 1934 was mainly the result of the devaluation of the dollar, that during 1935, it is stated, was to an important degree influenced by political and financial unsettlement in various European countries and by the fear late in September and in October that the Italo-Ethiopian conflict might have serious and far-reaching effects upon the peace of Europe. The inward movement resulted in part from a tendency on the part of commercial organisations to replenish their working balances in the United States. The year's heavy inflow of short-term and long-term capital, of which the large gold movements were the counterpart, was featured during a great part of the year by comparatively heavy forward discounts on the gold bloc currencies and the movement — especially during the three-month period beginning with September — may be specifically designated as a flight of capital from Europe to the United States.

(1) Estimated.

(2) Net revenue from canal operations transferred from the Zone to Washington.

(3) Includes approximately \$8.65 million paid to producers in the Philippine Islands as rental and benefit payments by the Agricultural Adjustment Administration.

(4) Revised figure, exceeding that entered in the balance of payments account by \$1 million.

## 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 1b.

SERVICE OF OUTSTANDING FOREIGN SECURITIES PUBLICLY FLOATED IN THE UNITED STATES, AND PAR VALUE OF BONDS RETIRED, IN 1935.

\$ (000,000's)

Country	Yield (interest, dividends)	Bond redemption payments	Sinking fund payments	Bonds presented for cancellation	Par value of bonds retired (1)	Country	Yield (interest, dividends)	Bond redemption payments	Sinking fund payments	Bonds presented for cancellation	Par value of bonds retired (1)
<i>Europe.</i>						<i>Latin America.</i>					
Austria . . . . .	4.2	9.1	0.5	1.8	25.8	Argentina . . . . .	19.5	7.7	7.8	—	19.7
Belgium . . . . .	3.5	—	3.7	—	3.7	Brazil . . . . .	8.3	—	4.6	5.2	10.8
Bulgaria . . . . .	0.2	—	—	—	0.1	Chile . . . . .	1.2	—	—	0.7	0.7
Czechoslovakia . . . . .	2.1	—	0.8	—	0.8	Colombia . . . . .	0.6	—	—	—	—
Danzig . . . . .	0.2	—	0.1	—	0.1	Costa Rica . . . . .	0.1	—	0.1	—	0.1
Denmark . . . . .	6.9	—	0.9	2.1	3.0	Cuba . . . . .	2.3	—	1.7	—	1.6
Estonia . . . . .	0.3	—	0.1	—	—	Dominican Republic . . . . .	0.9	—	—	—	—
Finland . . . . .	2.6	6.4	0.6	0.5	22.5	Guatemala . . . . .	0.1	—	—	—	—
France . . . . .	16.5	—	2.5	—	4.8	Haiti . . . . .	0.6	—	0.6	—	0.9
Germany . . . . .	11.3	0.5	2.4	45.5	50.2	Panama . . . . .	0.4	—	0.2	—	0.2
Greece . . . . .	0.5	—	—	—	0.2	Salvador . . . . .	0.2	—	—	—	—
Hungary . . . . .	0.4	—	—	1.0	1.0	Uruguay . . . . .	1.7	—	0.7	—	0.7
Irish Free State . . . . .	0.1	—	—	0.5	0.5	Total, Latin America	35.9	7.7	15.7	5.9	34.7
Italy . . . . .	14.8	—	5.9	4.7	11.6	<i>Africa, Asia and Oceania.</i>					
Latvia . . . . .	0.1	—	—	—	—	Australia . . . . .	12.7	—	1.8	0.2	2.0
Lithuania . . . . .	0.1	—	—	—	—	China . . . . .	0.2	—	—	—	—
Luxemburg . . . . .	0.4	—	—	0.2	0.2	Japan . . . . .	20.5	—	7.2	3.3	13.1
Netherlands . . . . .	2.9	—	0.2	—	0.2	Liberia . . . . .	—	—	—	0.7	0.7
Norway . . . . .	8.8	5.9	0.8	4.4	14.3	Palestine . . . . .	—	—	0.1	—	0.1
Poland . . . . .	8.5	—	2.0	2.4	4.3	Philippines . . . . .	2.6	—	3.8	—	4.3
Roumania . . . . .	0.5	—	—	—	—	Total, Africa, Asia and Oceania . . . . .	36.0	—	12.9	4.2	20.2
Sweden . . . . .	0.1	3.3	—	—	3.9	Total, World . . . . .	237.7	131.5	63.6	73.3	312.7
United Kingdom . . . . .	2.6	—	—	—	—	Deduct for payments on repatriated bonds . . . . .	50.0	—	10.0	—	—
U. S. S. R. . . . .	0.6	—	1.4	—	1.0	Net . . . . .	187.7	131.5	53.6	73.3	312.7
Yugoslavia . . . . .	0.4	—	0.1	—	0.2						
Total, Europe . . . . .	88.6	25.2	22.0	63.1	148.4						
<i>North America.</i>											
Canada . . . . .	76.5	98.6	13.0	0.1	109.4						
Newfoundland . . . . .	0.7	—	—	—	—						
Total, North America	77.2	98.6	13.0	0.1	109.4						

*Existing securities purchased and sold (item 2).* As in previous years, the trade in outstanding securities in 1935 was ascertained by means of questionnaires.

*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

(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. 833, page 34*).

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>(1)</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.

Data for the years 1922-1935 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
1933 . . . . .	71	60	11	—	11	1
1934 . . . . .	9	9	—	—	—	—
1935 . . . . .	62	16	46	1	45	1

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, \$5 million in 1931, \$1 million in 1933 and \$12 million in 1935 (nominal capital).

The geographical distribution of the foreign capital issues (including those of territorial possessions) in the years 1933-1935 is given in the following table. <sup>(2)</sup>

	\$ (000,000's)								
	1933			1934			1935		
	Number of issues	Nominal capital	Refund- ing	Number of issues	Nominal capital	Refund- ing	Number of issues	Nominal capital	Refund- ing
<i>Europe.</i>									
Finland . . . . .	—	—	—	1	5.00	5.00	—	—	—
U. S. S. R. . . . .	2	3.95	—	—	—	—	—	—	—
Total nominal . .	2	3.95	—	1	5.00	5.00	—	—	—
Total refunding . .		—			5.00			—	
Nominal new capital		3.95			—			—	

(1) These possessions are Alaska, Hawaii and Porto Rico. The Philippine Islands are treated as a foreign country because they have an independent statistical regime.

(2) Source: *Trade Information Bulletin*, Nos. 819, 826 and 833 (The Balance of International Payments, etc.).

	\$ (000,000's)								
	1933			1934			1935		
	Number of issues	Nominal capital	Refunding	Number of issues	Nominal capital	Refunding	Number of issues	Nominal capital	Refunding
<i>North America.</i>									
Alaska . . . . .	—	—	—	—	—	—	1	0.96	—
Canada . . . . .	2	60.13	54.00	—	—	—	2	62.00	16.45
Total nominal . .	2	60.13	54.00	—	—	—	3	62.96	16.45
Total refunding .		54.00			—			16.45	
Nominal new capital .		6.13			—			46.51	
<i>Latin America.</i>									
Argentina . . . . .	1	6.09	6.09	1	4.00	4.00	—	—	—
Cuba . . . . .	1	0.70	—	—	—	—	—	—	—
Porto Rico . . . . .	2	1.40	—	—	—	—	4	4.03	3.78
Total nominal . .	4	8.19	6.09	1	4.00	4.00	4	4.03	3.78
Total refunding .		6.09			4.00			3.78	
Nominal new capital .		2.10			—			0.25	
<i>Asia and Oceania.</i>									
Hawaii . . . . .	—	—	—	—	—	—	4	7.00	6.18
Total nominal . .	—	—	—	—	—	—	4	7.00	6.18
Total refunding . .		—			—			6.18	
Nominal new capital .		—			—			0.82	
Grand total nominal capital . . . . .	8	72.27	60.09	2	9.00	9.00	11	73.99	26.41
Grand total refunding		60.09			9.00			26.41	
Grand total nominal new capital . . . . .		12.18			—			47.58	

*Short-term operations.* 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 *Balance of international indebtedness* below). "The unprecedented inflow of banking funds in 1935 was only in part the result of the flight of foreign short-term capital to the United States; about one-third of the net inflow resulted from the return from foreign money markets of American-owned banking funds. The total volume of funds thus transferred — which had to a substantial degree their counterpart in an abnormally large inflow of gold — was also influenced in small part by the normal shift of banking funds employed for ordinary commercial purposes and by the further liquidation of 'standstill' and other short-term credits owed on American account by European banking debtors."

The reduction in foreign short-term assets in Germany under the German "standstill" agreement amounted to approximately \$26 million in 1935 as compared with about \$110 million in 1934. The actual cash receipts were, however, much less; the average discount at which registered marks were liquidated was nearly 30% in 1934 and about 40% in 1935.

The figure of \$105 million entered for 1935 against item 8 as inflow of "commercial and other funds" is stated to be based on reports of non-banking institutions, such as "governmental agencies, exporters, importers and industrial and commercial concerns". Though the item has been given as a short-term capital movement, it is stated that part of it represents long-term transfers and that "it is impossible, on the basis of the reported data, to make an adequate division of the individual movements involved".

The net international movement of United States paper currency through reporting banking channels is entered against item 11. "It was clearly recognised, however, that the recorded movement did not take account of substantial amounts of paper currency which left the country through nonbanking channels — that is, which was carried abroad by tourists or sent abroad through the mails principally by alien residents. Because of the difficulty in accurately estimating the amounts of currency exported through nonreporting channels, no attempt was made to adjust the currency item for unrecorded exports."

### Balance of payments by half-years.

The Department of Commerce has published condensed statements of the balance of payments during the first six months of 1934, 1935 and 1936. It is stated that the data reported for 1934 and 1935 are not fully comparable with each other or with the statements covering the full year periods, because of several important revisions which were made as the result of special studies during 1935. In spite of this lack of comparability, it has been thought useful in this publication to calculate the figures for the last six months of the years 1934 and 1935 by deducting the amounts given for January-June from those for the whole year, employing, in the case of 1935, the unrevised yearly figures (that is, those most comparable with the figures for January-June). The balances available for five consecutive periods of six months are summarised below:

	Balances in \$ (000,000's)				
	January - June 1934	July - December 1934	January - June 1935	July - December 1935	January - June 1936
Merchandise, including silver, according to trade returns . . . . .	+ 161	+ 231	- 50	- 50	- 125
Interest and dividends . . . . .	+ 160	+ 167	+ 145	+ 230	+ 190
Immigrants' and emigrants' funds and remittances, missionary and charitable contributions . . . . .	- 58	- 66	- 64	- 51	- 57
Tourists' expenditure . . . . .	- 80	- 140	- 103	- 189	- 115
Miscellaneous services, and merchandise adjustments	- 36	+ 41	+ 17	+ 21	- 1
Gold movement, according to trade returns . . . . .	- 839	- 295	- 804	- 935	- 511
Changes in earmarked gold . . . . .	- 81	- 2	+ 2	- 2	+ 38
<b>Total goods, services and gold . . . . .</b>	<b>- 773</b>	<b>- 64</b>	<b>- 891</b>	<b>- 976</b>	<b>- 581</b>
Long-term capital . . . . .	+ 310	- 108	+ 60	+ 402	+ 264
Changes in international banking accounts . . . . .	+ 250	- 58	+ 560	+ 410	+ 229
Currency notes . . . . .	- 30	- 18	- 11	+ 10	+ 3
<b>Total specified capital items . . . . .</b>	<b>+ 530</b>	<b>- 184</b>	<b>+ 609</b>	<b>+ 822</b>	<b>+ 496</b>
Balance on account of errors, omissions and un-specified capital items . . . . .	- 243	- 264	- 282	- 154	- 85

### 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 outstanding foreign assets and liabilities of the United States, but figures with reference to the most important items therein are given. 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.

Liabilities.	\$ (000,000's) at the end of				
	1931	1932	1933	1934	1935
Foreign long-term investments in the United States (in 1931 market value; in 1934 and 1935 partly par and partly book values; cf. text) . . . . .				4,270	5,035
Foreign short-term investments in the United States (banking accounts)	2,250			( <sup>1</sup> )614	1,220
<i>Assets.</i>					
Private long-term investments abroad (nominal capital in the case of securities, book values in the case of direct investments) . . . . .	14,635	13,952	13,799	13,114	12,630
Short-term investments abroad (banking accounts) . . . . .	1,239	1,053	1,082	( <sup>2</sup> )1,217	853

This table does not include the claims on account of war debts and other debts due to the United States Government by foreign Governments. The total amount of such claims (including interest postponed, funded or unpaid) as on January 10th, 1936, amounted to \$13,716 million, of which \$12,059 million represented funded debts of fifteen European countries (the shares of the United Kingdom, France and Italy in this amount were 41.1, 33.5 and 16.7% respectively), \$379 million unfunded debts due mainly by Russia and \$1,278 million due by Germany on account of "army costs" and "mixed claims".

The following details may be given concerning the items in the above table.

*Foreign long-term investments in the United States.* The figures for foreign long-term investments in the United States at the end of 1934 and 1935 result from a special study the object of which was to provide a sound statistical basis for computing annual interest and dividend payments to foreign countries. The following table shows the composition and geographical distribution of these investments at the end of 1935:

Type of investment	\$ (000,000's)								
	Canada	United Kingdom	France	Netherlands	Switzerland	Other Europe	Latin America	Other countries	Total
Direct investments . . . . .	322	362	14	249	13	62	5	18	1,045
Common stocks (market value) . . . . .	408	372	142	196	214	350	19	314	2,015
Preferred stocks . . . . .	66	146	19	13	32	30	3	20	329
Bonds . . . . .	49	91	53	220	65	87	8	34	607
Other investments . . . . .	161	403	54	106	75	123	8	109	1,039
Total . . . . .	1,006	1,374	282	784	399	652	43	495	5,035

The nature of the investments in question is more closely described in the following extracts from the *Trade Information Bulletin*.

"The *direct investments* in the United States of foreigners represent the total foreign interest in all American corporations, exclusive of financial institutions, in which foreign corporations or other foreign shareholders have the controlling voice in management as a result of their stock ownership. Holdings of shares in small lots which are not a part of those shares representing foreign control are included in the aggregate figure, in order that shares of individual corporations may be confined to a single investment category. For the same reason foreign-held bonds of foreign-controlled American subsidiaries are included in this class of investment, rather than under the regular classification of 'bonds'. In a number of cases the parent foreign corporation is the holder of all, or of a major part, of the outstanding bonds of the American subsidiary. Foreign investments in this category, which are not a part of the holdings of the controlling interest, amount to less than 10% of the total."

The valuations of the direct investments are "based on balance-sheet data with a view to approximating the net equity of foreigners in the assets of the American subsidiary corporations. 'Net equity' includes (1) the stated or par value of common stock plus (or minus) a proportionate share of surplus (or deficit) accounts, (2) the amount of net advances to the American company and net intercompany accounts, and (3) the par value of preferred stocks, bonds, debentures, and notes. In cases where balance-sheet data were not available (about 8% of the total), a figure for 'capital employed', or book value as shown on the books of the foreign company, was substituted."

"Foreign investments in American stocks include foreign-owned common shares of domestic corporations, whether held direct or through street names or 'nominee' accounts. The term is confined, however, to holdings in companies which are in no way controlled by foreign-held equity interests. This is distinctly

(1) New series (the figure comparable with that given for 1933 is 573).  
 (2) New series (the figure comparable with that given for 1933 is 976).

the most important single category of foreign investment in the United States and is statistically reported as the aggregate year-end market value of all shares of American corporations owned by foreign investors, exclusive of all so-called 'direct' investments and of stocks held in trust accounts."

*Preferred stocks and bonds* are shown at their market value. The amount of bonds recorded (\$607 million) is stated to include the bulk of bond investments in the United States held by residents of foreign countries. Of the amount in question, 16% are in default as to both principal and interest. As mentioned above, bonds of American corporations which are controlled by foreigners are included in the reported data on direct investments. Bonds constituting part of the investments administered through personal or corporate trust accounts for foreign beneficiaries are excluded from this category, since such investments are treated as part of the aggregate investments held in such accounts, and are therefore covered in a special category.

*Other investments* in the United States (\$1,039 million) consist of (1) securities and properties administered through personal or corporate trusts for foreign account; (2) the net equity of foreign insurance companies in United States branches and affiliates — that is the excess of admitted assets over total liabilities to policyholders and to other creditors; and (3) the estimated foreign holdings of urban and agricultural mortgages and real estate in the United States not elsewhere accounted for.

"The most important item in this group of investments is estimated at \$415 million and is based on the capitalisation at the arbitrary rate of 3¾ per cent of the estimated income accrued, in behalf of residents of foreign countries, from investments administered by trustees for foreign beneficiaries, a fairly substantial proportion of whom may be United States citizens residing abroad. A second item, computed at \$332 million, represents the net equity of foreign insurance companies in the admitted assets of their American branches and affiliates. These branches are considered as American entities, and their investment holdings are therefore not considered as foreign-owned investments in the United States, but rather as reserves against liabilities to policyholders in this country. The net equity held by foreign companies in these branches and affiliates is, however, properly viewed as a foreign investment in this country, although earnings on the investment portfolio of the American company are entered in the annual balance of international payments as a part of the net international movement of insurance funds, a large part of which may be derived from noninvestment sources". The third part of this item, aggregating \$292 million, is estimated on the basis of exceedingly scattered and incomplete information, and may, it is stated, be in substantial error. "It represents the aggregate of foreign ownership of real estate and real-estate mortgages not included in the investments shown under other categories."

"The geographical distribution of foreign holdings of United States investments, as shown in the table, does not necessarily reflect ultimate ownership. The country in which the nominal owner resides is in many cases not the original source of the investment funds. This is particularly true in cases where securities are held through a holding company, investment company, or nominee. In the case of direct investments, the stock of the foreign parent corporation which controls the American subsidiary may be largely or entirely held in countries other than that in which the parent organisation is incorporated. This factor is not particularly important in connection with the preparation of dividend and interest estimates in the balance of international payments, but it must be emphasised as a qualifying influence whenever the data are employed for other purposes. It is thus evident that if the ultimate source of investment funds be considered, the relative importance of such countries as, for example, Canada, Great Britain and Netherlands, in their holdings of American direct investments may be somewhat different from that shown in the table, in which British holdings are shown to exceed the Canadian by only \$40 million, while those of the Netherlands are considerably in excess of those of the rest of Europe, exclusive of Great Britain."

The commercial, industrial and financial distribution of foreign long-term investments in the United States at the end of 1935 is shown below:

Type of investment	\$ (000,000's)							Total
	Manufac- turing	Retail and wholesale distrib- ution	Railroads and other transporta- tion	Utilities	Mining (including petro- leum)	Finance	Miscel- laneous	
Direct investments . . . .	510	61	222	6	230	(1)	16	1,045
Common stocks (market value) . . . . .	1,054	69	169	327	303	81	12	2,015
Preferred stocks . . . . .	105	11	73	88	21	24	7	329
Bonds . . . . .	27	1	313	180	13	5	68	607
Other investments . . . . .	—	—	—	—	—	332	707	1,039
Total . . . . .	1,696	142	777	601	567	442	810	5,035

(1) Included in "Common stocks" and "Other investments".



*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 on 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 by groups of countries at the end of 1934 and 1935.

AMERICAN LONG-TERM INVESTMENTS IN FOREIGN COUNTRIES AT THE END OF 1934 AND 1935.

Area	\$ (000,000's)					
	1934			1935		
	Direct (1)	Portfolio (2)	Total	Direct (1)	Portfolio (2)	Total
Canada and Newfoundland. . . . .	2,120	1,780	3,900	2,130	1,634	3,764
Europe. . . . .	1,479	2,391	3,870	1,460	2,083	3,543
Central America and Mexico. . . . .	855	42	897	855	42	897
South America . . . . .	1,546	1,394	2,940	1,570	1,367	2,937
West Indies . . . . .	975	135	1,110	975	132	1,107
Africa . . . . .	129	2	131	130	2	132
Asia . . . . .	433	400	833	435	385	820
Oceania . . . . .	156	252	408	155	250	405
Total . . . . .	7,693	6,396	14,089	7,710	5,895	13,605
Add : Bank capital . . . . .	125	—	125	125	—	125
Deduct : Estimated net repurchases by foreigners. . . . .	—	1,100	1,100	—	1,100	1,100
Net total . . . . .	7,818	5,296	13,114	7,835	4,795	12,630

Similar figures for 1933, with more detailed distribution by areas and classes of securities, were given in the 1933 volume.

*Short-term debts and assets.* An investigation of the United States international banking accounts is carried out annually by the Department of Commerce. The data for the years 1931-1935 are summarised in the following table :

- (1) Book values.  
(2) Par values.

## UNITED STATES OF AMERICA

Items	About 165 banks					All banks (new series)	
	\$ (000,000's) at the end of						
	1930	1931	1932	1933	1934	1934	1935
<i>Due to foreigners :</i>							
Deposits . . . . .	1,640	1,025	715	389	480	496	1,056
Advances and overdrafts . . . . .	36	26	30	20	39	104	123
Short-term loans, investments, etc. . .	1,046	394	115	63	41	14	41
Acceptance credits . . . . .	15	20	10	15	13	14	41
Total . . . . .	2,737	1,465	870	487	573	614	1,220
<i>Due from foreigners :</i>							
Deposits . . . . .	294	113	144	250	288	302	92
Advances and overdrafts . . . . .	629	677	377	332	451	674	586
Short-term loans, investments, etc. . .	879	449	190	129	237	241	175
Acceptance credits . . . . .	879	449	342	371	237	241	175
Total . . . . .	1,802	1,239	1,053	1,082	976	1,217	853
Net short-term liabilities (—) or assets (+)	— 935	— 226	+ 183	+ 595	+ 403	+ 603	— 367
Net short-term capital movement under the above items ( <i>cf.</i> capital item 7 in the balance of payments account) . . .	— 486	— 709	— 409	— 412	+ 192	.	+ 970

The United States credits to Germany under the "standstill" agreements amounted to \$282 million at the end of 1933, \$172 million at the end of 1934 and \$146 million at the end of 1935.

# YUGOSLAVIA

An estimate of the balance of payments of Yugoslavia for the year 1935 has been supplied by the Government of that country and is reproduced below, in a slightly modified form, together with those for the years 1927-1929 which appeared in the 1929 issue of this publication.<sup>(1)</sup>

## Goods, services and gold.

Items	Dinars (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1927	1928	1929	1935	1927	1928	1929	1935
<i>I. Merchandise.</i>								
1. Merchandise (according to trade returns) . . . . .	6,400	6,445	7,922	4,031	7,278	7,831	7,590	3,603
2. Adjustment for wrong valuation . . . . .	128	129	158	36	364	391	228	140
3. Reparation receipts in kind, excluded from trade returns . . . . .	—	—	—	—	557	400	682	—
4. Contraband . . . . .	50	64	79	61	175	196	190	90
<i>II. Interest and dividends.</i>								
5. Interest on intergovernmental debts . . . . .	—	—	—	—	—	—	—	—
6. Interest on other public debts:								
(a) Government debt . . . . .	—	—	—	—	421	433	457	—
(b) paid by Government Mortgage Bank . . . . .	—	—	—	—	46	71	80	608
(c) paid by Government Monopolies Commission . . . . .	—	—	—	—	5	11	26	—
(d) on municipal loans . . . . .	—	—	—	—	12	18	47	—
7. Yield of other long-term capital:								
(a) interest . . . . .	—	—	—	—	—	—	—	267
(b) dividends . . . . .	1	1	1	—	575	540	585	100
8. Interest on short-term capital . . . . .	7	1	1	—	86	93	74	32
<i>III. Other services.</i>								
9. Shipping freights . . . . .	93	95	105	77	—	—	—	—
10. Port fees . . . . .	1	—	—	6	—	—	—	—
11. Other transport fees . . . . .	661	( <sup>2</sup> ) 345	( <sup>2</sup> ) 266	208	342	—	—	12
12. Commissions, insurance, brokerage . . . . .	161	156	180	26	188	179	180	60
13. Post, telegraph, telephone . . . . .	31	( <sup>2</sup> ) 24	( <sup>2</sup> ) 40	27	9	—	—	13
14. Immigrants' and emigrants' funds . . . . .	—	—	—	—	—	—	—	50
15. Immigrants' and emigrants' remittances . . . . .	780	908	966	( <sup>2</sup> ) 288	118	212	200	1
Carried forward . . . . .	8,313	8,168	9,718	4,760	10,176	10,375	10,339	4,976

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

(2) Net.

(3) According to the annual reports of the National Bank of Yugoslavia, emigrants' remittances received amounted to 888 million dinars in 1929, 740 million in 1930, 573 million in 1931, 206 million in 1932, 122 million in 1933, 120 million in 1934 and 192 million in 1935.

Items	Dinars (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1927	1928	1929	1935	1927	1928	1929	1935
Brought forward . . .	8,313	8,168	9,718	4,760	10,176	10,375	10,339	4,976
16. Tourists' expenditure . . . . .	427	361	409	(1) 307	454	344	343	157
17. Diplomatic expenditure . . . . .	170	177	190	90	176	177	176	75
18. Misc. personal services . . . . .	20	30	20	—	15	32	40	—
19. Reparations in cash . . . . .	22	245	608	—	—	—	—	—
20. Counter-value of reparations in kind . . . . .	557	400	682	—	—	—	—	—
21. Government expenditure . . . . .	—	—	—	—	—	—	—	2
22. Other items . . . . .	—	—	—	1	—	—	—	15
IV. Gold.								
23. Gold coin and bullion . . . . .	—	—	—	—	8	4	5	97
Total . . . . .	9,509	9,381	11,627	5,158	10,829	10,932	10,903	5,322
Surplus (+) or deficit (-) on account of :								
(a) goods and services . . . . .	-1,312	-1,547	+ 729	- 67				
(b) gold . . . . .	- 8	- 4	- 5	- 97				
(c) goods, services and gold . . . . .	-1,320	-1,551	+ 724	- 164				

## Capital items.

Items	Dinars (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1927	1928	1929	1935	1927	1928	1929	1935
I. Long-term operations.								
1. Amortisation :								
(a) of public debts :								
paid by the Government	—	—	—	—	132	155	200	
paid by the Government Mortgage Bank . . . . .	—	—	—	—	106	28	148	85
paid by the Government Monopolies Commiss. paid by municipalities.	—	—	—	—	277	69	297	
(b) of other debts . . . . .	—	—	—	—	4	1	233	
2. Purchases and sales :								
(a) of real estate abroad . . . . .	—	—	—	—	—	—	—	10
(b) of real estate in the country	22	25	30	8	—	—	—	5
(c) of domestic securities . . . . .	5	—	—	—	1	25	200	
Carried forward . . . . .	27	25	30	8	520	278	1,078	100

(1) According to the annual reports of the National Bank of Yugoslavia, the expenditure of foreign tourists amounted to 274 million dinars during 1933, 309 million during 1934 and 295 million during the first ten months of 1935. Figures previous to 1933 are not given.

Items	Dinars (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1927	1928	1929	1935	1927	1928	1929	1935
Brought forward . . .	27	25	30	8	520	278	1,078	100
3. New capital issues :								
(a) by the Government . . .	868	682	961					
(b) by the Government Mortgage Bank . . . . .	689	113	63	441	—	—	—	—
(c) by the Government Monopolies Commission . . .	—	155	166					
(d) by municipalities . . . .	124	69	336					
4. Participation in new capital issues	—	—	—	45	—	—	—	—
5. Other long-term investments . .	250	325	350	100	1	5	—	—
II. Short-term operations.								
6. Change in the foreign assets of the National Bank . . . . .	—	302	—		354	—	826	
7. Change in Yugoslav claims on foreign banks . . . . .	—	21	—	( <sup>1</sup> ) —	8	—	7	( <sup>1</sup> ) 377
8. Short-term credits received and repaid . . . . .	416	400	100		290	300	450	
9. Change in foreign claims on Yugoslav banks . . . . .	—	—	—	( <sup>1</sup> ) 20	51	21	107	( <sup>1</sup> ) 154
Total . . . . .	2,374	2,092	2,006	614	1,224	604	2,468	631
Net inward (+) or outward (—) movement of capital . . . . .	+ 1,150	+ 1,488	— 462	— 17				

## SUMMARY TABLE.

	Dinars (000,000's)								
	Goods, services and gold					Capital items			All items ( <sup>2</sup> )
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1926 Balance . .	— 744	— 902	+ 1,201	— 8	— 453	+ 298	+ 210	+ 508	+ 55
1927 Balance . .	— 1,796	— 1,137	+ 1,621	— 8	— 1,320	+ 1,437	— 287	+ 1,150	— 170
1928 Credit . . .	6,638	2	2,741	—	9,381	1,369	723	2,092	11,473
Debit . . .	8,818	1,166	944	4	10,932	283	321	604	11,536
Balance . .	— 2,180	— 1,164	+ 1,797	— 4	— 1,551	+ 1,086	+ 402	+ 1,488	— 63
1929 Credit . . .	8,159	2	3,466	—	11,627	1,906	100	2,006	13,633
Debit . . .	8,690	1,269	939	5	10,903	1,078	1,390	2,468	13,371
Balance . .	— 531	— 1,267	+ 2,527	— 5	+ 724	+ 828	— 1,290	— 462	+ 262
1935 Credit . . .	4,128	—	1,030	—	5,158	594	20	614	5,772
Debit . . .	3,833	1,007	385	97	5,322	100	531	631	5,953
Balance . .	+ 295	— 1,007	+ 645	— 97	— 164	+ 494	— 511	— 17	— 181

(1) In the statement received for 1935, the figures entered against items 6-9 are given as changes in the foreign short-term assets and debts (*cf.* the text).

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

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

The gold import recorded for 1935 would appear mainly to represent repatriation of gold previously held under earmark abroad by the National Bank of Yugoslavia. The amount of repatriated gold which, during the year, entered the domestic gold holdings of that bank amounted in fact to 232 million dinars (181 million "stabilized dinars") or more than double the recorded gold import. At the end of 1935, the amount of gold held abroad by the bank amounted to 122 million dinars (95 million "stabilized dinars").

The exact nature of the short-term capital operations recorded in the above tables for 1935 is not indicated. According to the annual report of the National Bank for 1935, the foreign-currency holdings of the bank rose by 139 million dinars during the year (from 225 to 364 million), the foreign debts on account of clearing agreements and other arrangements concerning external payments fell by 3 million "stabilized dinars" (from 239 to 236 million), and the foreign assets on account of similar agreements rose by 274 million "stabilized dinars" (from 203 to 477 million). The total (short-term) assets in dinars of foreigners are given at 349 million at the end of 1934 and 372 million at the end of 1935, of which amount 46 million represented "free" dinars, 38 million dinars provisionally blocked, 29 million blocked dinars, 118 million "internal" dinars and 141 million dinars "previously free".