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CONTENTS

	Page
INTRODUCTORY NOTES	5
SUMMARY STATEMENT CONCERNING CERTAIN ITEMS	9
BALANCE OF PAYMENTS STATEMENTS FOR INDIVIDUAL COUNTRIES :	
Albania	47
Australia	49
Austria	58
Bulgaria	61
Canada	65
China	70
Curaçao	74
Cyprus	75
Czechoslovakia	77
Denmark	82
Estonia	86
Finland	90
France	94
Germany	100
Greece	104
Haiti	107
India	109
Iraq	113
Irish Free State	117
Japan	119
Latvia	124
Lithuania	128
Netherlands	133
Netherlands Indies	137
New Zealand	140
Norway	144
Philippines	149
Poland	152
Siam	156
Surinam	158
Sweden	160
Switzerland	165
Union of South Africa	171
United Kingdom	175
United States of America	185

INTRODUCTORY NOTES

Reservations regarding accuracy.

In this volume, statements of the balance of international payments for thirty-five countries are reproduced. 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 ⁽¹⁾. 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) Series of publications: 1930. II. 54¹¹.

INTRODUCTORY NOTES

Contractions used (credit and debit items)	Full wording of the items given in the first column	
	Credit items	Debit items
Goods, services and gold.		
I. Merchandise.		
1. Merchandise	Merchandise, including silver bullion and coins other than gold, exported (according to trade returns)	Merchandise, including silver bullion and coins other than gold, imported (according to trade returns)
2. Adjustment for wrong valuation	Adjustment of 1 in order to arrive at the commercial value f.o.b.	Adjustment of 1 in order to arrive at the commercial value c.i.f.
3. Contraband	Contraband exports	Contraband imports
II. Interest and dividends.		
4. Interest on inter-governmental debts	Interest received on intergovernmental debts n.e.i. (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
III. Other services (1).		
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
Goods, services and gold (<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.
Capital items.		
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 original outlay 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.

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 ⁽¹⁾, 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 by reference to the table. Particular attention should be paid to the fact that, in some cases, where direct evidence was not available concerning the short-term capital transactions (column 8), the balance of such transactions has been calculated as the difference between the balance of long-term capital movements (column 7) and that of goods, services and gold (column 6). In these cases, the amounts (which include allowances for possible errors and omissions in other groups of items) have been given in brackets in the table. In other cases, the balances shown in the last column are due to errors and omissions in the account.

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

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 gold \$ (000,000's).

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 la colonne relative aux opérations de capitaux à court terme (col. 8) sont obtenus en calculant la différence entre la balance du mouvement des capitaux à long terme (col. 7) et celle des marchandises, des services et de l'or (col. 6). Ils comprennent donc une marge pour les erreurs et les omissions dans les autres colonnes. Cette méthode implique que les chiffres relatifs aux marchandises, aux services, à l'or et aux capitaux à long terme sont assez complets ou que les erreurs et les omissions peuvent être considérées comme se compensant. Les chiffres calculés ainsi indirectement sont donnés entre parenthèses.

Voici les principales caractéristiques des rubriques du tableau :

Marchandises (col. 1). — Les chiffres de base pour le calcul des balances comprennent l'argent en lingots et les monnaies autres que les monnaies d'or. Les données primitives ont été rectifiées de façon à exprimer la valeur c. i. f. des importations et la valeur f. o. b. des exportations. On a, pour cela, fait entrer en ligne de compte des éléments tels que les frets à l'importation, les sous-estimations et les surévaluations 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 les 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 transferts gouvernementaux, 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 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 the column for short-term capital operations (col. 8) represent the difference between the balance of long-term capital movements (col. 7) and that of goods, services and gold (col. 6). They include, therefore, allowances for possible errors and omissions in the other columns. This method implies that the figures for goods, services, gold and long-term capital items are fairly complete, or that errors and omissions can be considered as offsetting each other. Such indirectly calculated figures are given in brackets.

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

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

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

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

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

Gold (col. 5). — The figures given in the trade returns have in some cases been adjusted on account of unrecorded gold movements. 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 d'anciens dollars-or).
Balances of International Payments, in terms of old gold \$ (000,000's).

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.

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).

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.

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 ¹	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	-185.4	-76.4	-24.1	-283.9	+218.9	-65.0	-8.6	(+73.6)	+65.0	—
	1930	-161.0	-73.5	-22.9	-256.7	+225.1	-31.6	+43.2	(-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	-37.5	-12.9	-159.5	+190.3	+30.8	-6.9	(-23.9)	-30.8	—
Argentine ² 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	-183.4	-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 ³	1927	+100.9	-170.2	+173.3	+104.0	+33.0	+137.0	.	.	-18.7	+118.3
	1928	+75.6	-165.9	+223.7	+133.4	+68.0	+201.4	.	.	.	.
	1929	-180.9	-169.7	+239.1	-111.5	+46.5	-65.0	.	.	.	.
	1930	-162.3	-184.1	+201.0	-145.4	-13.8	-159.2	.	.	.	.
	1931	-47.7	-174.7	+183.5	-38.9	+65.6	-60.7	.	.	.	.
	1932	+36.3	-169.2	+137.8	+4.9	+58.6	+63.5	-20.3	.	.	.
	1933	+81.7	-164.7	+45.4	-37.6	+67.2	+29.6	+45.0	.	.	.
	1934	+61.2	-138.5	-62.0	-15.3	+56.7	+41.4	-12.1	.	.	.
Etats-Unis d'Amérique — United States of America ⁴	1927	+417	+679	-572	+524	+154	+678	-740	+845	+105	+783
	1928	+738	+680	-684	+734	+272	+1,006	-671	+228	-899	+107
	1929	+382	+699	-681	+400	+120	+280	-90	-95	-185	+95
	1930	+386	+769	-580	+575	-278	+297	-213	-465	-678	-381
	1931	+17	+621	-493	+145	+176	+321	+231	-719	-485	-161
	1932	+150	+455	-504	+101	-11	+90	+247	-489	-242	-152
	1933	+67	+325	-218	+174	+139	+313	+39	-383	-344	-31
	1934	+172	+196	-141	+227	-726	-499	+120	+81	+201	-298
Uruguay ⁵	1930	+4.6	-20.5	-1.5	-17.4	+6.6	-10.8	.	.	.	.
	1931	-21.7	-12.8	-1.1	-35.6	+4.8	-30.8	.	.	.	.

a) 1.X - 30.IX.

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

² Argentine (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.

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

⁴ 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. On estime qu'en plus des importations de capitaux indiquées en 1931, il y eut une importation non enregistrée de capitaux à long terme de 30 à 90 millions de dollars-or et de capitaux à court terme de 180 à 300 millions de dollars-or.

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

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

² 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.

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

⁴ 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. It is estimated that, in addition to the capital imports shown for 1931, there was an unrecorded import of long-term capital of \$30-90 million gold, and of short-term capital of \$180-300 million gold.

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

SUMMARY STATEMENT

Balances des paiements internationaux (en millions d'anciens dollars-or).
Balances of International Payments, in terms of old gold \$ (000,000's).

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)
Chine — China ¹	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	-58.3	-26.8	+85.0	-0.1	+22.5	+22.4	.	.	+16.2	+38.6
Mandchourie et Province de Kouang-Toung — Manchuria and Kwan- tung Province	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	(+66.5)	+120.1	—
	1928/29	+242.8	-118.6	-113.9	+10.3	-77.4	-67.1	+1.9	(+65.2)	+67.1	—
	1929/30	+196.4	-115.3	-65.7	+15.4	-51.9	-36.5	+48.6	(-12.1)	+36.5	—
	1930/31	+135.6	-122.6	-58.1	-45.1	-46.6	-91.7	+157.8	(-66.1)	+91.7	—
	1931/32	+69.6	-108.7	-56.1	-95.2	+181.3	+86.1	+36.8	(-122.9)	-86.1	—
	1932/33	-14.3	-90.0	-42.2	-145.5	+171.3	+24.8	-17.0	(-7.8)	-24.8	—
	1933/34	+65.8	-82.4	-29.6	-46.2	+138.5	+92.3	-52.3	(-40.0)	-92.3	—
	1934/35	+25.0	-72.2	-31.0	-78.2	+116.7	+38.5	-19.2	(-19.3)	-38.5	—
Indes néerlandaises — Nether- lands Indies ²	1927	+299.9	-149.6	-86.8	+63.5	-6.4	+57.1	-26.9	+2.0	-24.9	+32.2
	1928	+230.3	-142.7	-80.8	+6.8	-6.0	+0.8	-5.2	-2.4	-7.6	-6.8
	1929	+135.0	-127.0	-70.4	-62.4	-4.0	-66.4	-24.9	+56.7	+31.8	-34.6
	1930	+106.9	-104.1	-63.5	-60.7	+0.8	-59.9	+31.8	.	+31.8	-28.1
	1931	+66.7	-59.1	-52.8	-47.7	+16.8	-28.2	+13.7	+18.5	+32.2	+4.0
	1932	+67.9	-45.8	-39.4	-17.3	+18.5	-2.4	+11.3	+3.4	+19.7	+20.9
	1933	+64.7	-46.2	-35.4	-16.9	+14.5	-2.4	+13.7	+6.0	+19.7	+17.3
	1934	+97.3	-47.0	-33.4	+16.9	+10.4	+27.3	+35.8	-51.9	-16.1	+11.2
	Irak — Iraq a)	1926/27	-19.5	+0.4	+12.0	-7.1	+2.6	-4.5	+2.3	+1.0	+3.3
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	+7.6	-7.1	+2.7	-4.4	+2.0	+1.7	+3.7	-0.7
1929/30		-16.3	-0.3	+7.3	-9.3	+2.9	-6.4	+1.4	+1.5	+2.9	-3.5
1930/31		-12.9	-0.9	+6.4	-7.4	+2.7	-4.7	+2.8	+0.8	+3.0	-1.1
1931/32		-8.7	-0.8	+8.9	-0.6	+4.4	+3.8	+1.2	+3.3	+3.0	+0.8
1932/33		-14.7	-1.5	+6.2	-10.0	+2.8	-7.2	+4.4	+0.7	+3.7	-3.5
1933/34		-11.8	-1.1	+5.7	-7.2	+2.2	-5.0	+5.2	-1.2	+4.0	-1.0
Japon (y compris Corée et Formose) — Japan (incl. Korea and Formosa)		1927	-134.1	-1.5	+68.7	-66.9	+17.0	-49.9	-59.8	+81.9	+22.1	-27.8
	1928	-150.1	-11.1	+81.1	-80.1	-0.2	-80.3	+24.7	+29.3	+54.0	-26.3
	1929	-75.5	-9.1	+93.4	+8.8	-0.3	+8.5	-2.3	-1.9	-26.2	-17.7
	1930	-76.4	-12.5	+75.4	-13.5	+141.6	+128.1	-45.4	-100.5	-145.9	-17.8
	1931	-69.4	-11.5	+52.8	-28.1	+189.6	+161.5	-114.2	-30.1	-153.9	+8.2
	1932	-16.0	-10.6	+42.4	+15.8	+31.5	+47.3	-47.2	-45.4	-92.6	+4.8
	1933	-16.1	-10.2	+28.2	+1.9	+7.0	+8.9	-8.2	-41.3	-49.5	-40.6
	1934	-23.6	+36.0	—	+12.4	—	+12.4	—	—	—	—
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.

¹ Chine (1928-1930, relevé privé du professeur C. F. Remer).
— Les paiements au titre de l'amortissement sont compris dans la col. 2 ou lieu de la col. 7. Les chiffres pour 1933 et 1934 ont trait à la Chine non compris la Mandchourie et le Jehol.
² Indes néerlandaises. — Col. 2 et 7 : non compris les réinvestissements des bénéfices réalisés dans le pays par les entreprises étrangères.

¹ China (1928-1930, private compilation by Prof. C. F. Remer).
— Amortisation payments are included in col. 2 instead of col. 7. The figures for 1933 and 1934 refer to China exclusive of Manchuria and Jehol.
² Netherlands Indies. — Col. 2 and 7 : not including reinvestments of profits earned in the country by foreign firms.

Balances des paiements internationaux (en millions d'anciens dollars-or).
Balances of International Payments, in terms of old gold \$ (000,000's).

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)
Allemagne — Germany ¹ . .	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 ² }	1929	-83.9	+52.9	+134.2	+103.2	-37.7	+65.5	.	.	.	.
Bulgarie — Bulgaria ³ . . .	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	-3.2	-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	—
b) 1934	+1.4	-1.6	+0.3	+0.1	—	+0.1	—	-0.1	—	—	
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	-22.9	-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	+8.7	+4.2	+0.3
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	+0.3	+1.8	—	+1.8	-0.1	-2.1	-2.2	-0.4	
Finlande — Finland . . .	1927	-1.8	-8.0	+11.7	+1.9	—	+1.9	-4.8	+1.5	-3.3	-1.4
	1928	-44.8	-8.8	+13.2	-40.4	—	-40.4	.	.	.	.
	1929	-14.5	-10.3	+12.8	-12.0	—	-12.0	.	.	.	.
	1930	+4.6	-10.4	+11.1	+5.3	-0.5	+4.8	.	.	.	.
	1931	+23.4	-10.4	+10.7	+23.7	-0.2	+23.5	.	.	.	.
	1932	+17.5	-9.0	+9.7	+18.2	—	+18.2	.	.	.	.
	1933	+20.0	-7.7	+7.4	+19.7	—	+19.7	.	.	.	.
	1934	+19.5	-5.7	+7.1	+20.9	—	+20.9	.	.	.	.

a) I-XI. b) I-X.

¹ 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.

² 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.

³ Bulgarie. — L'amortissement de la dette de l'Etat figure dans la col. 2.

¹ 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.

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

³ Bulgaria. — Amortisation of Government debt is included in col. 2.

SUMMARY STATEMENT

Balances des paiements internationaux (en millions d'anciens dollars-or).
Balances of International Payments, in terms of old gold \$ (000,000's).

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)
France et territoires d'outre- mer, sauf l'Indochine — France and Oversea terri- tories, excl. Indo-China ¹	1927	+4.2	+479.1		+483.3	+20.6	+503.9	.	.	.	.
	1928	-129.3	+619.5		+490.2	-253.7	+236.5	.	.	.	.
	1929	-435.4	+752.4		+317.0	-336.7	-19.7	.	.	.	.
	1930	-506.2	+708.5		+202.3	-459.8	-257.5	.	.	.	.
	1931	-519.1	+453.3		-65.8	-725.0	-790.8	.	.	.	.
	1932	-395.3	+45.6	+156.7	-193.0	-724.4	-917.1	.	.	.	.
1933	-352.6	+72.5	+168.5	-111.6	+81.1	-30.5	.	.	.	.
1934	-264.5	+98.0	+121.5	-45.0	-58.8	-103.8	.	.	.	.
Grèce — Greece ²	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	—
Hongrie — Hungary ³	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	+52.2	+32.7	+87.9	-3.5
	1929	-7.8	-28.3	-1.1	-37.2	-0.8	-38.0	+38.2	-1.3	+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	+20.4	.	.	+0.2	.	.	.	.	.
	1932	-54.6	+15.3	.	.	+0.2	.	.	.	.	.
	1933	-53.4	+12.6	.	.	—	.	.	.	.	.
Italie — Italy ⁴	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	.	.	.	.
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	-0.1	1.5	-1.1	+1.7
	1933	-0.8	-0.8	+1.8	+0.2	-1.8	-1.6	-1.0	+2.4	+1.4	-0.2
	1934	-0.6	-0.7	+1.7	+0.4	-0.3	+0.1	-0.4	+0.4	—	+0.1
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	-0.1	+1.9	+1.7
	1931	-4.8	-1.0	+2.7	5.1	-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	+0.5
	1929	-63.3	-18.5	+71.9	-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	+55.1	-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	-1.7	-11.1	-2.2
	1934	-18.6	-10.7	+35.4	+7.1	-1.7	+5.4	+3.5	-11.0	-7.5	-2.1

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

² Grèce. — L'or a été compris dans la col. 9.

³ 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.

⁴ Italie. — Chiffres basés sur un relevé privé du professeur G. Borgatta.

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

² Greece. — Gold is included in col. 9.

³ 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.

⁴ Italy. — Figures based on a private compilation by Professor G. Borgatta.

SUMMARY STATEMENT

Balances des paiements internationaux (en millions d'anciens dollars-or).
Balances of International Payments, in terms of old gold \$ (000,000's).

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)
Pologne — Poland ^a	1927	-16.8	-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	-3.1	-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 ^b	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	+525.0	+301.5	-178.8	(-52.6)	(-231.4)	.	.	.	.
	1933	-871.6	+530.2	+348.0	+6.6	(-649.6)	(-613.0)	.	.	.	.
1934	-886.6	+526.0	+357.6	-3.0	(-399.7)	(-402.7)	.	.	.	.
Suède — Sweden ^c	1927	+7.7	+5.1	+52.0	+64.8	+0.3	+65.1	+13.7	-38.1	-24.4	+40.7
	1928	-36.2	+6.7	+50.9	+21.4	-2.9	+18.5	-48.0	+9.1	-38.9	-20.4
	1929	+9.9	+8.1	+56.2	+74.2	-2.9	+71.3	-0.5	-25.5	-26.0	+45.3
	1930	-31.1	+5.4	+52.0	+26.3	—	+26.3	-105.1	+21.2	-83.9	-57.6
	1931	-76.8	-1.5	+45.2	-32.1	+9.6	-22.5	-34.9	+48.0	+13.1	-9.4
	1932	-37.9	+23.6	+30.7	+16.4	+1.3	+17.7	+22.9	-41.9	-19.1	-1.3
	1933	-2.6	+13.5	+25.7	+36.6	-7.4	+29.2	+9.5	-43.0	-33.5	-4.3
1934	—	+10.4	+21.5	+31.9	+12.1	+41.0	-7.4	-38.1	-43.5	-1.5	
Suisse — Switzerland ^d	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	-2.8	+58.4	-61.0	-7.6	-68.6	-10.2
	1928	+60.0	-16.9	+18.1	+61.2	-4.7	+56.5	-50.9	-5.5	-56.4	+0.1
	1929	+15.4	-10.7	+21.4	+26.1	-3.7	+22.4	-34.8	+9.8	-25.0	-2.6
	1930	+52.7	-16.9	+15.1	+50.9	-9.0	+41.9	-7.3	+16.6	-9.3	+32.6
	1931	+40.7	-10.5	+7.0	+39.1	-3.8	+35.3	-15.6	+40.8	+25.2	+51.5
	1932	-4.3	-8.3	+4.7	+0.1	-1.8	-1.7	+33.2	-24.4	+8.8	-0.9
	1933	+0.6	-9.8	+7.8	-1.4	+0.1	-1.3	+6.0	+3.7	+9.1	+8.4
1934	+22.9	-8.4	+7.0	+21.5	-13.0	+8.5	-12.0	+7.3	-4.7	+3.8	
Turquie — Turkey ^e	1926	-26.6	-3.9	+2.2	-28.3	—	-28.3	+4.9	+21.8	+26.7	-1.6
	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	-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	-5.9	+19.4	-3.8
	1928	-38.3	-20.5	+31.6	-27.2	—	-27.2	+19.2	+7.1	+26.3	-0.9
	1929	-9.4	-22.3	+44.5	+12.8	-0.1	+12.7	+14.5	-22.7	-8.2	+4.5
	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	.	.	+109.9	-63.8
1930/31	+66.7	-167.8	+17.9	-83.2	+37.9	-45.3	.	.	+13.6	-11.7	
1931/32	+116.2	-111.6	+10.4	+14.7	+34.7	+49.4	.	.	—	-53.3	
1932/33	+64.0	-99.1	+4.4	-31.0	+37.5	+26.5	.	.	—	-52.5	
1933/34	+88.9	-91.0	+0.4	-1.7	+20.3	+18.6	.	.	—	-78.9	
Nouvelle-Zélande — New Zealand ^{b)}	1928/29	+48.3	-42.3	-1.9	+4.1	+5.4	+9.5	—	+30.6	+31.7	+41.2
	1929/30	-13.6	-42.7	-0.8	-57.1	+5.3	-51.8	-11.9	—	+18.7	-33.1
	1930/31	-7.0	-4.4	-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	+20.1	-13.0	+7.4	+5.2
	1932/33	+31.3	-26.9	-2.0	+2.4	+9.6	+12.0	-1.1	+7.4	+3.3	+13.3
	1933/34	+45.4	-25.4	-0.6	+19.4	+3.7	-23.1	-10.4	-60.1	-70.5	-47.4

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

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

² Royaume-Uni. — Les transactions gouvernementales des 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.

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

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

² 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.

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

The balancing of the international accounts — a choice between conflicting national interests.

General considerations.

Modifications in a country's international transactions generally begin with changes in certain principal capital items, for example, new capital issues. These changes are at first offset to a considerable extent by the movement of other capital items or of gold. A borrowing country, for instance, whose economy is adjusted to the inflow of capital but is suddenly shut off from foreign capital markets, will have to reduce its foreign currency balances or export gold. But unless the initial disturbance is eliminated, price reactions normally arise which tend sooner or later to adjust the balance on account of current items to the new situation.

Among these items, the merchandise trade shows the greatest variability. In the case of practically all countries, total merchandise imports or exports are far greater than the receipts or payments on account of other items of a current nature, and a change in either therefore affects the balance more than a proportionate change in inward or outward payments of interest and dividends or "other services". But the change in the trade balance from one year to another does not necessarily mean that a final adjustment of the national consumption or production of goods has taken place. A temporary fall in a trade deficit, for example, may be rendered possible by the reduction of stocks of imported and exportable goods held within the country concerned.

The balances on account of interest and dividends are not subject to large annual variations, but the change over a series of years may be of real importance. The same is sometimes true of the group "other services", though in the case of numerous countries the variability of the most important items within the group is not very great. Thus, the income from freights is generally closely connected with the merchandise trade, certain items such as Government expenditure for representation are comparatively immobile, and emigrants' remittances sometimes vary in a direction opposite to that required to offset changes in the capital account. The amounts involved in other variable items, such as tourists' expenditure, are seldom great enough to be of decisive importance in the adjustment of the accounts.

In view of the predominant importance of the trade balance, the effects of modern commercial policy upon the international accounts are worthy of special consideration. The disturbances in the international money and capital markets, which began in 1928 in connection with the legal stabilisation of the French franc, called for adjustments in the current accounts which, owing largely to the rigidity of their domestic price levels, certain countries could attain only through depreciation of their currencies, while others were anxious to avoid such adjustment out of consideration for their domestic production and economic equilibrium. The last few years have witnessed the development of a technique regulating trade to a degree that was not possible as long as the tariff was the only important instrument of commercial policy. The co-ordination of tariff measures with control of domestic production and sale of commodities (particularly agricultural products) and the use of exchange control, quotas and bilateral clearing agreements have to a large extent paralysed the former automatic adjustment of the international accounts.

As a result of these measures, a considerable tension has arisen between the price levels in different countries. The protracted strain on debtor countries is reflected in the low level of the prices of their products, which in its turn prevents the resumption of capital exports on a large scale from creditor countries. The transitional period during which the pressure experienced by the debtor countries could be alleviated by

the surrender of gold and foreign exchange has come to an end and a new relationship between debtor and creditor countries is being established, dependent more upon the restrictive measures referred to above than upon automatic price reactions. But the rigidity of this new organisation of trade should not be mistaken for stability. The almost continuous fall during the last few years in the gold prices of commodities in international markets has entailed repeated disturbances in transactions between gold and paper countries and in the domestic economic equilibrium of the former, while many of the restrictions established by governments have had secondary effects which were not anticipated. Measures taken to protect certain interests in the community have sometimes proved detrimental to others and thereby to the community as a whole. A creditor country, for example, may well succeed in managing its monetary or commercial policy so as to improve its trade balance in the interest of its industry ; but if the transfer of payments due to the country from abroad is thereby rendered difficult or impossible, the yield of its foreign investments will decline through the insolvency of debtors or the reduction of dividend payments, and the capital value of these investments will fall off accordingly.

It has become increasingly clear, therefore, that in the present situation the financial interests of many countries conflict to a certain extent with their industrial and agricultural interests and, accordingly, that measures affecting their international transactions frequently involve a selection between the interests the country may wish to protect. It is of interest to consider the nature of the choice thus faced by the principal trading countries in the light of the recent changes in their international accounts. In the present volume, this analysis will be confined to the United Kingdom and the United States.

United Kingdom.

The depreciation of sterling in 1931 and the tariffs introduced in the United Kingdom in that and the following year served to protect the industries whose competitive power had been rapidly reduced during the early depression years. The currency depreciation put an end to the decline in exports of manufactured goods and, together with the new tariffs, entailed a reduction in the imports of such goods. The passive trade balance fell from £408 million in 1931 to £295 million in 1934. The income from abroad on account of interest, dividends and services rendered is estimated in 1934 to have reached a sterling figure almost as large as in 1931 ; it was lower than in 1929, however, by nearly £200 million :

Year	Merchandise	Interest and dividends	£ (000,000's)		Gold
			Other services (1)	Total goods and services	
1929 . . .	—381	+250	+234	+103	+ 15
1930 . . .	—386	+220	+194	+ 28	— 5
1931 . . .	—408	+170	+134	—104	+ 35
1932 . . .	—287	+150	+ 86	— 51	(2)(— 15)
1933 . . .	—263	+160	+105	+ 2	(2)(—196)
1934 . . .	—295	+175	+119	— 1	(2)(—133)

It is difficult to estimate to what extent these changes in trade balance and income from abroad are due to the depreciation of sterling. While contributing to the reduction

(1) Including Government capital transactions and short-term interest.
 (2) Gold imports mainly for foreign account.

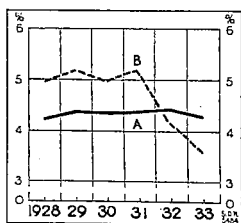
of the trade deficit and thus rendering transfers to the United Kingdom more difficult, the depreciation has involved a decline in the gold value of the payments due and to that extent alleviated the burden of debtors. The barter terms of trade of the countries in which the bulk of the British foreign investments are made have improved since 1931, and the fall in the average sterling prices of their export products has been checked. It may well be that the maintenance of sterling at its gold parity would have entailed numerous defaults and a larger fall in the British income from abroad on account of dividends than has actually occurred.

The new British tariff policy implies preferential treatment of the exports (mainly primary products) of countries within the British Empire and the partial suppression of imports of manufactured articles (mainly derived from non-British countries). The import surplus derived from British countries rose from £35 million in 1930 to £75 million in 1934, while that derived from non-British countries fell from £351 to £210 million. These diverging movements have affected British oversea investments in two ways.

First, the increased transfer difficulties of the agricultural countries outside the British Empire have entailed losses to the British holders of investments in these countries. Complete information concerning the distribution of the British income from oversea investments is not available, but the adjoining diagram based on figures

UNITED KINGDOM : INCOME
FROM LOANS TO OVERSEA
GOVERNMENTS AS PERCENTAGE
OF THE NOMINAL AMOUNT
OUTSTANDING.

- A = Loans to Dominion and
colonial governments.
B = Loans to foreign gov-
ernments.



given elsewhere in this volume⁽¹⁾ shows that, whilst the yield of government, provincial and municipal loans to British countries has not shown any considerable fluctuations in recent years, that of loans to foreign governments fell by almost a third between 1931 and 1933, largely on account of defaults (the interest rates on the latter loans had only been reduced to a relatively small extent by conversion operations). As the government finances to a large extent reflect the economic conditions in the countries concerned, there are good grounds for believing that investments in foreign countries other than loans to governments have, since 1931, yielded relatively less than similar investments in British countries.

Secondly, with the reduction in the British imports of manufactured articles, the amount of foreign currency available to the United States and the European industrialised countries for the purchase of primary products in undeveloped countries has been reduced, and the prices of such products, as well as the quantities entering into trade, may thus have been maintained on a lower level than might otherwise have been the case⁽²⁾. To the extent that this has happened, it has no doubt affected the income of the United Kingdom from her oversea investments, which are largely in agricultural countries. The dependence of the power to transfer debt service payments to the United Kingdom upon exports of primary products from agricultural to industrial countries, and of manufactured goods from these to the United Kingdom, is evident from the following figures. Of the outstanding British oversea investments in 1930, amounting to £3,750 million, only some £295 million were made in Europe and £200 million in the United States. As part of the former figure represents investments in the

(1) Cf. page 132.

(2) For a more ample discussion, see the preceding issue of this publication, pages 23-31.

undeveloped countries of Europe, probably only some 10 % of the British oversea investments were in the United States and highly developed European countries. On the other hand, two-thirds of the import surplus of the United Kingdom in 1930 resulted from her trade with these countries. The reduction of this proportion to two-fifths in 1934 has involved the partial elimination of the triangular trade movements responsible for the transfer of payments due to the United Kingdom and a sacrifice of financial for industrial interests in that country.

This sacrifice undoubtedly contributed to the consolidation of the domestic economic conditions of the United Kingdom. Economic activities there have regained or surpassed the level before the depression, and unemployment is falling steadily though slowly. But the income of the United Kingdom from abroad, though increasing somewhat since 1932, remains on a level much lower than in 1929. With the approach to domestic equilibrium, the United Kingdom might find it possible to allow her import surplus with Europe and the United States again to increase and thus also to render her foreign investments more remunerative. A considerable increase in her import surplus from undeveloped countries cannot easily take place except at the expense of her exports to these countries, as the quantities of their products which she requires are limited.

The exports of the United Kingdom are mainly disposed of in these undeveloped countries. During a period when capital exports to these countries are discouraged by the low prices of their products, the transfer of payments in the service of debts depends, in the long run, on the import surplus of the United Kingdom. If the transfer is facilitated, the yield of the investments is likely to rise, economic conditions in the debtor countries to improve and their imports of manufactured products, particularly from the United Kingdom, to increase. The rise in the import surplus of the United Kingdom from these countries is thus being checked, and the payments to the United Kingdom can only be transferred through larger imports from other countries.

Thus, if the mechanism of the triangular transfer to the United Kingdom functions, the interests of her export industry and her foreign bondholders are not conflicting but united. If it does not function, both are likely to be adversely affected. If the trade deficit with the United States and the European countries is reduced through smaller imports from, or larger exports to, these countries, they will find it necessary to an increasing extent to finance their imports of primary products by exports of manufactured articles to undeveloped countries. Even now there is a clear tendency of such a change in their exports⁽¹⁾ and, if it continues, it will necessarily affect British exports to those countries.

The alternatives which appear to present themselves to the United Kingdom in the future formation of her balance of payments therefore differ from those faced by her in 1931. At that time, a heavy deficit on her current account coincided with large withdrawals of short-term capital by other creditor countries, and a reduction in the import surplus was urgently required for the adjustment of the account. During the years 1933 and 1934, on the other hand, the current account was approximately balanced, and it may be that a surplus on this account will arise in 1935. Such a surplus must be offset either by gold purchases or capital exports, but, unless the sterling price of gold continues to rise, investments in gold will not be remunerative and capital exports may not add anything to the national wealth and income if the ability of the United Kingdom to receive the yield of foreign investments is not increased. While in 1931 the United Kingdom had to mobilise her forces to meet a sudden deficit in her accounts, she is now faced by the problem of how to allow

(1) Cf., for example, *Review of World Trade, 1934*, pages 37-40.

SUMMARY STATEMENT

her revenue from abroad to expand without prejudice to her exports. Owing to the importance of the British market for foreign goods, the road upon which she will embark will determine, not only her domestic economic development, but to a large extent also economic and political conditions elsewhere.

United States of America.

The United States is faced with a problem which resembles that of the United Kingdom in that it does not arise out of the difficulty of making both ends meet in her international accounts, but out of her strength in business relations with other countries. As the following figures show, the balance of the current items (goods and services) in her account has even during the last few years been decidedly active :

Year	Merchandise	Interest and dividends	Other services	\$ (000,000's)		Capital items	
				Total goods and services	Gold	Long-term	Short-term
1929	+382	+699	-681	+400	- 120	- 90	- 95
1930	+386	+769	-580	+575	- 278	-213	-465
1931	+ 17	+621	-493	+145	+ 176	+234	-719
1932	+150	+455	-504	+101	- 11	+247	-489
1933	+ 83	+404	-271	+216	+ 173	+ 48	-475
1934	+289	+323	-237	+380	-1,217	(¹)+202	(¹)+136

During post-war years up to 1928, the surplus on current account was offset mainly by long-term capital exports and — in certain years — by gold imports. Between 1928 and 1933, the principal balancing factor was the withdrawal of large foreign-owned short-term funds until the foreign balances in the United States were reduced to a minimum necessary for current business transactions. These withdrawals were large enough also to offset the inward movement of long-term capital which began in 1931. But in 1934 and 1935, when an inward movement of short-term capital again occurred, the accounts could be balanced only through a heavy inflow of gold.

Certain of the questions involved in the United States international accounts have been dealt with by a special unofficial Commission set up to enquire into national policy in international economic relations (²). The Commission's report analyses the future relationship between different groups of foreign transactions on the assumption that the United States is to remain a creditor country. It states that foreign debtors cannot in the long run pay interest due to the United States in the form of gold, and that new loans to debtors — if they could be raised in the United States — enabling them to pay would only conceal the disequilibrium of the accounts and delay the day of final settlement. The employment of the surplus on account of current items for the purchase of American securities held abroad would only be a temporary expedient, since in the long run it would increase the net amount of interest to be paid to the United States. With the present immigration policy, immigrants' remittances abroad are likely to decline, and larger expenditure of United States tourists abroad is also unlikely to remedy the maladjustment of the account. The only way open would thus be a reduction or, rather, a reversal of the active trade balance of the United States. This might be reached through a reduction in exports ;

(1) It is estimated that in 1934 there was, in addition, an unrecorded import of long-term capital, amounting to \$50-150 million, and of short-term capital, amounting to \$300-500 million.

(2) Cf. *Report of the Commission to enquire into National Policy in International Economic Relations* (Minneapolis, 1934). The Commission was appointed by the Social Science Research Council, but was, it is pointed out, responsible neither to the Council nor to the United States Government.

the Commission draws attention, however, to the fact that, though exported goods only represent some 7 % of the domestic production, taken as a whole, the corresponding percentage is much higher for important individual branches of production (for example, 40 % for copper and 66 % for cotton) and that a further loss of export markets would entail great capital losses, increased unemployment and other disturbances which might be mitigated only if the new regime were introduced very gradually. In these circumstances, the Commission recommends that steps be taken to increase imports as rapidly as possible, in the first instance through the removal of tariffs in all cases where no serious addition to unemployment would result.

A similar line of thought has been pursued by the Secretary of Agriculture, Mr. Henry A. Wallace⁽¹⁾. According to him, the United States will have to choose between three different courses in her foreign relations. The first course, implying a "definite international approach", involves a considerable increase in imports, necessary to service the debts owed from abroad and to provide effective foreign purchasing power for the disposal of American goods abroad. The second course, implying increased economic isolation, would necessitate a rapid fall in exports and the withdrawal from cultivation of a large portion of the acreage under cotton, wheat, maize and tobacco. A planned middle course between these two extremes would imply a somewhat smaller increase in imports than under the first alternative, and a smaller reduction in acreage than under the second.

It is interesting in this connection to note that the increase in the United States export surplus following upon the depreciation of the dollar in 1933 came to an end in 1934. During the first nine months of 1935, the dollar value of the United States imports grew by 21 %, while exports remained practically unchanged. The result was a diminution of the export surplus from \$319 to \$65 million. The temporary heavy capital influx to the United States and the drought in 1934 appear, however, to be the main factors responsible for this change, which accordingly may not be a sign of a lasting adjustment of her accounts.

Capital movements.

Columns 7 and 8 of the Summary 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 23 gives the total inward and outward movements from which the balances of long-term capital are calculated.

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

(1) Cf. Henry A. Wallace, *America Must Choose* (published jointly in 1934 by the Foreign Policy Association, New York, and the World Peace Foundation, Boston).

SUMMARY STATEMENT

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

	\$ (000,000's) gold					
	1931	1932	1933	1934	Jan.-Sept.	
					1934	1935
U.S.A. :						
Issues for domestic account (2)	2,862	1,165	572	847	610	576
Issues for foreign account	254	26	—	—	—	—
Foreign as % of total	8.1	2.2	—	—	—	—
U.K. :						
Issues for domestic account	193	294	315	321	199	401
Issues for oversea account	209	102	125	131	105	44
Foreign as % of total	52.0	25.8	28.5	28.9	34.6	11.0
Netherlands :						
Issues for domestic and colonial account	74	96	105	106	(4) 75	(4) 12
Issues for foreign account (3)	15	9	—	0.1	—	—
Foreign (2) as % of total	16.9	8.8	—	0.1	—	—
Switzerland :						
Issues for domestic account	101	62	53	83	53	24
Issues for foreign account	20	28	—	1	1	—
Foreign as % of total	16.6	31.1	—	1.3	0.4	—

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 the first three quarters of 1935, practically no foreign issues, except for conversion, were floated in the United States, the Netherlands or Switzerland. The United Kingdom continued to lend, though on a reduced scale, to certain countries. The proportion 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.

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 \$55 million in 1930, \$146 million in 1931, \$65 million in 1932 and \$16 million in 1933; in 1934, no such issues involving fresh capital outlay were floated in France. French

(1) Sources: For the United States of America, the *Financial and Commercial Chronicle* (nominal value; United States Government issues excluded; the data with reference to foreign issues differ from the official figures given elsewhere in this volume); for the United Kingdom, the *Monthly Reviews of the Midland Bank Ltd.* (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).

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

(3) Excluding issues for the account of Dutch oversea territories.

(4) January-August.

SUMMARY STATEMENT

23

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

Country	Inward movement						Outward movement					
	1929	1930	1931	1932	1933	1934	1929	1930	1931	1932	1933	1934
Union of South Africa	4.3	49.1	7.0	23.1	4.3	.	12.9	0.9	5.1	0.9	11.2	.
Argentina (1) . .	59.8	178.7	42.4	.	.	.	(11.1)	(3.0)	(48.3)	.	.	.
United States of America	2,300.0	2,238.0	1,541.0	894.0	1,213.0	692.0	2,480.0	2,451.0	1,307.0	647.0	1,174.0	572.0
India (2)	74.5	176.7	112.0	33.4	61.6	8.3	25.9	18.9	75.2	50.4	114.0	27.5
Netherlands Indies	23.7	72.4	41.4	41.8	46.2	60.7	48.6	40.6	27.7	30.5	32.5	24.9
Iraq	2.9	3.4	1.2	5.3	5.8	.	1.5	0.6	0.9	0.9	0.6	.
Japan (incl. Korea and Formosa)	137.4	178.8	200.8	32.0	52.0	.	161.7	224.2	315.0	79.2	60.2	.
Germany (3) . . .	(516.4)	(592.4)	(270.4)	(71.4)	(47.6)	.	(359.2)	(325.9)	(227.5)	(68.1)	(59.5)	.
Bulgaria	5.8	6.4	4.1	—	—	(4)	—	0.5	—	—	0.1	(4)
Denmark	24.1	30.8	25.8	10.3	8.3	7.8	30.8	33.5	31.8	17.3	16.7	12.3
Spain . . . . .	.	.	7.3	8.1	.	.	.	.	7.5	9.8	.	.
Estonia	—	2.0	—	—	—	—	0.2	0.3	0.2	0.1	0.1	0.1
Hungary	55.7	65.9	20.9	1.7	—	—	17.5	31.3	17.5	1.5	.	.
Latvia	7.5	—	—	0.1	—	0.1	0.5	0.5	0.1	0.5	1.0	0.5
Lithuania	1.1	3.1	3.5	1.8	0.5	0.6	0.4	1.1	1.1	1.1	1.7	1.8
Norway	21.4	42.6	42.9	11.7	10.6	12.5	25.2	46.3	36.1	11.0	17.8	9.0
Poland	27.4	18.8	52.1	20.4	10.4	9.8	22.7	15.3	39.3	16.5	11.4	12.5
Roumania	97.4	42.0	—	—	—	—	6.8	7.8	—	—	—	—
Sweden	76.4	58.4	119.9	45.1	32.8	24.7	76.9	163.5	154.8	22.2	23.3	32.1
Czechoslovakia .	63.4	88.6	36.9	44.6	18.1	10.1	98.2	81.3	52.5	11.4	12.1	22.1
Turkey	13.6	5.4	5.1	2.7	.	.	7.5	4.4	1.9	2.7	.	.
Yugoslavia . . .	33.5	.	.	.	.	.	19.0	.	.	.	.	.
New Zealand (2)	—	39.2	20.4	—	—	.	11.9	—	—	4.1	10.4	.

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

oversea possessions have continued to have access to the French capital market during the whole period under review.

In Sweden, certain new capital issues have been floated since 1933 for the account of neighbouring States.

Other long-term capital movements.

The absence of any real revival of international business transactions is reflected, not only in the absence of capital lendings by creditor countries, but also in the continued tendency of liquidation of outstanding long-term obligations.

Regular amortisation payments have, it is true, in many cases been suspended or reduced; but even certain countries which have defaulted on debt-service payments have found means for the repurchase of national bonds abroad. The liquidation has in such cases been hastened by the fact that bonds defaulted upon have fallen heavily

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

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

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

(4) January-October.

in price in international markets; a relatively small amount of cash is thus required for the extinction of a certain nominal amount of debt.

The information available concerning the repurchase of securities by various debtor countries is very incomplete. The nature and extent of the recent liquidation of long-term liabilities may therefore most conveniently be studied from the data available with reference to the movements of the foreign investments of the two largest creditor nations — the United Kingdom and the United States.

The United States foreign assets have been liquidated to a much greater extent than the British. As is shown by figures reproduced elsewhere in this volume ⁽¹⁾, the nominal value of the United States private long-term investments abroad was reduced between the end of 1930 and the end of 1934 from \$15,170 million to \$13,114 million, or by over \$2 milliard. The actual net inflow of cash on account of capital operations affecting such investments during the four years in question, as recorded in the balance of payments accounts, was only \$566 million ⁽²⁾. The cash received thus only represented somewhat over a quarter of the nominal value of the assets liquidated. It should be noted, however, that, at the same time as the total portfolio of foreign securities was reduced, considerable changes in its composition resulted from sales and purchases offsetting each other to a large extent. This is brought out by the following table, in which the annual changes in the nominal value of outstanding securities are shown together with the corresponding inward and outward cash payments recorded in the balance of payments account:

	\$ (000,000's)				Total
	1931	1932	1933	1934	1931-1934
Change in the nominal value ⁽³⁾ of United States investments abroad	-535	-683	-153	-685	-2,056
Payments on account of capital transactions:					
(a) tending to increase these investments (outward payments) ⁽⁴⁾	762	290	787	453	2,292
(b) tending to reduce the same investments (inward payments) ⁽⁵⁾	921	561	738	(6) 638	2,858
Net outward (+) or inward (-) payments	-159	-271	+ 49	-185	-566

Though the statistical record of certain capital operations is very incomplete and the figures accordingly are by no means exact, they permit of drawing an important conclusion concerning the nature of the transactions. The inward payments on account of transactions affecting the United States long-term investments abroad in no year reached 40 % of the reduction in the nominal value of such investments, and in 1933 a reduction in that value coincided with a net *outward* payment on the respective items. When account is taken of the fact that the average depreciation of all foreign bonds on the New York Stock Exchange on January 1st, 1934, was less than a quarter of their nominal value ⁽⁷⁾, there is reason to believe that the large discrepancy between the reduction in the nominal value of the portfolio and the payments received is due to the fact that the average price of the securities sold was much lower than that of securities bought.

(1) Cf. page 196.

(2) As shown on page 188, there was a recorded net inward long-term capital movement during this period of \$731 million, of which \$53 million representing amortisation of intergovernmental debts, \$566 million, reduction of United States private investments abroad, and \$112 million, increase in foreign investments in the United States.

(3) Original outlay in the case of direct investments.

(4) New capital issues floated for foreign account, purchase of foreign securities, new direct investments abroad.

(5) Amortisation receipts, resale of foreign securities and of direct investments abroad.

(6) In addition, there occurred unrecorded resales of foreign bonds which, together with unrecorded sales of American securities abroad, are roughly estimated at between \$50 and \$150 million.

(7) Cf. *Balances of Payments, 1933*, page 187.

The liquidation has accordingly mainly affected bonds which — like those of the majority of Latin-American countries — have fallen relatively much in price; to a large extent the proceeds from their sales have been employed for the purchase of high-priced foreign bonds.

It is interesting to compare the changes in the nominal value of the United States investments abroad with the balance of the corresponding capital operations over a longer period. As the diagram below shows, the difference between the two sets of figures was not so great during the years 1926-1930, when the United States investments abroad were expanding, as during the subsequent four years. Except in 1928, when the amount of new capital issues floated was exceptionally great, the increase in the nominal value of the investments exceeded the net outward payments on account of the capital operations concerned; the surplus for the period 1926-1930 amounts to almost \$900 million. The bulk of the increase in investments during this period resulted from new capital issues, sold at a price which was generally not materially below the nominal value. It would thus appear that dealings in old securities during this period consisted of an exchange of high-priced for low-priced securities and thus involved a lowering in the quality of the United States portfolio of foreign securities, in clear contrast with the tendency just found to prevail during the period 1931-1934.

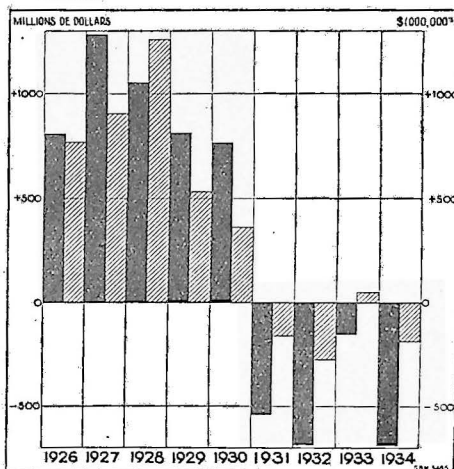
The nominal amount of British private investments on long term overseas is estimated to have fallen from £3,738 million at the end of 1929 to £3,665 million at the end of 1933, or by £73 million (1). Information concerning the movement of these investments in 1934 is not available, but it may be that British holdings in that year increased on account of realisations of securities on the London Stock Exchange by American capitalists withdrawing their capital investments in Europe.

As the excess of new capital issues for overseas account in London over amortisation payments received during the period 1930-1933 amounted to £78 million (2), it might be concluded that the reduction in the nominal value of the investments through net sales of outstanding securities was in the neighbourhood of £150 million. The actual cash receipts from these sales have undoubtedly been much smaller, both because of the reduction in average quotations of the securities sold (in July 1931, the average quotations, calculated as a percentage of the nominal value of the securities, was 77 % for Government bonds, 73 % for other bonds and 83 % for shares) and because of the

CHANGE IN UNITED STATES INVESTMENTS ABROAD,
AND BALANCE OF CORRESPONDING
CAPITAL OPERATIONS.

Solid columns = Increase (+) or decrease (—) in nominal value of United States private long-term investments abroad.

Shaded columns = Outward (+) or inward (—) balance of recorded capital operations affecting United States private long-term investments abroad.



(1) Cf. page 184.

(2) The amount of new issues raised was £259 million (cf. the figures given in footnote (2) on page 179) and the amount of amortisation receipts £181 million (page 179).

SUMMARY STATEMENT

fact that, as in the case of the United States foreign investments, the tendency of liquidation has been most prominent in the case of securities which have fallen relatively much in price.

The following table gives some further details concerning the movement of British overseas investments :

CHANGE IN THE NOMINAL VALUE OF BRITISH OVERSEA INVESTMENTS
DURING THE PERIOD 1930-1933 (1).

Group	£ (000,000's)				
	Nominal value of investments at the end of		Increase (+) or decrease (-)	Amortisation receipts	Change through new issues and movement of outstanding securities
	1929	1933			
Loans to Dominion and colonial governments . . .	1,061	1,147	+ 86	- 81	+ 167
Loans to foreign governments	351	332	- 19	- 44	+ 25
Investments in British companies operating abroad :					
loan capital	385	387	+ 2	- 27	+ 29
share capital	802	824	+ 22	-	+ 22
Investments in foreign and colonial companies :					
loan capital	403	350	- 53	- 29	- 24
share capital	436	345	- 91	-	- 91
Various investments not included above	300	280	- 20	-	- 20
Total	3,738	3,665	- 73	- 181	+ 108
The total balance in the last column may be divided into :					
New capital issues, about					+ 259
Balance of purchases and sales of old securities, about					- 151

The figures in the last column of the table (calculated as the difference between those in the two preceding columns) represent the changes on account of new capital issues raised and purchase and sale of old securities ; the information available unfortunately does not permit of allocating the movement of old securities between the groups given (2). It would appear, however, that the increase shown for loans to governments (Dominion and colonial as well as foreign) is almost wholly accounted for by new capital issues in London during the period concerned. Total issues of debentures and shares are well in excess of the increase shown in investments in British companies operating abroad. The dealings in old securities may thus be estimated to have entailed a net sale of investments in companies. The bulk of the reduction in the debentures and shares in foreign companies must in fact be attributed to such dealings.

The tendency of debt liquidation reflected in the movement of the foreign investments of the world's principal creditor countries is undoubtedly partly due to the fall in long-term interest rates in various national markets (3). As conversion of existing loans raised abroad in order to obtain lower interest rates has not always been possible, debtors have been brought to extinguish foreign debts and replace them by loans

(1) Source : Sir Robert Kindersley's estimates of British overseas investments (*cf.* pages 179, 181-184).

(2) The details available with reference to new overseas issues refer to another series than that compiled by Sir Robert Kindersley (*cf.* the tables on page 181 and footnote (2) on page 179).

(3) See below, pages 31-32.

raised in national markets. In particular, conversion of foreign loans has not been possible on the New York market. The interest payable on foreign dollar bonds is high in relation to the rates at present charged in various national markets, and also generally exceeds that charged on outstanding foreign sterling bonds. The devaluation of the United States dollar, by reducing the value of foreign dollar bonds in terms of the currencies of the debtor countries, induced many debtors to hasten liquidation. The exceptionally large inflow of gold to the United States in 1934 and 1935 is partly accounted for by the large repurchases by foreign debtors of bonds held in the United States.

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 fifth annual report of the Bank for International Settlements :

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

Of the 32 milliard francs outstanding at the end of 1933, about 11.5 milliards were estimated to have been blocked through currency regulations, standstill agreements and similar measures.

The report divides the outstanding short-term obligations into four categories :

- (i) funds employed in the financing of foreign trade ;
- (ii) central bank and other monetary and banking reserves held in foreign currencies ;
- (iii) funds held to meet interest, dividends and amortisation payments on long-term loans and other foreign liabilities ; and
- (iv) a miscellaneous class of mostly " financial " short-term money.

The comparatively small reduction of 2-3 milliard Swiss francs in total liabilities in the course of 1934 is attributed largely to the further depreciation of sterling and the dollar. Capital transactions accordingly did not entail any substantial liquidation of short-term debts in that year.

It is stated, however, that, during 1934, the total amount of purely financial indebtedness further decreased, while the volume of trade financing and monetary reserves in foreign countries increased, especially within the sterling area.

It seems probable, on the other hand, that, in the case of several countries in continental Europe, the funds involved in the financing of foreign trade were reduced. The trade value for the majority of the countries maintaining their currencies at par continued to fall and with it the demand for merchandise credits, and the rapid extension of the use of clearing agreements entailed another reduction in that demand. While ordinarily the credits a country raises abroad on account of its merchandise imports and the credits it grants to foreign buyers of its exports offset each other to a large extent, the clearing agreements imply that the exporters in each country are paid out of domestic funds provided by payments from the importers ; accordingly only the balance of the international transactions considered enters as an international credit. The agreements generally aim at balancing these transactions, in which case credits would become unnecessary. In many cases, the agreements have failed in

that object, however, and have entailed a rapid growth in the net indebtedness of the party with the weaker currency (1). Thus, in the course of the second half of 1934 and the first few months of 1935, new German commercial debts totalling over 500 million Reichsmarks accumulated.

A portion of the reduction of some 40 milliard Swiss francs in outstanding short-term liabilities since 1929 is due to the depreciation in the currencies in which debts are due, and some losses have no doubt been incurred by creditors on account of insolvency of debtors. The remainder of the reduction has been brought about through transactions of various kinds. The importance of the debt liquidation called for by the contraction in international transactions may be illustrated by the following figures. World merchandise exports amounted in 1929 to \$33,021 million, or 171 milliard Swiss francs. In 1931, the figure had fallen to 108 milliard Swiss francs. If it be assumed that the international credits required for the financing of foreign trade and other current business transactions corresponded in each year to two months' credit on merchandise transactions, they would have fallen from 28 to 18 milliard Swiss francs. Since 1931, the decline in the gold value of foreign debts has continued, but, owing to the depreciation of most currencies, the contraction of mercantile credits has slowed down.

Undoubtedly, there are few countries whose foreign assets have been affected to the same extent as their liabilities by the large retrenchment of credits required to finance current business transactions. This retrenchment, therefore, has demanded large repayments of short-term debts through the surrender of gold or a change in the balance on account of current items. But under the circumstances which have prevailed during the last few years, such repayment has in many cases proved impossible. Mercantile credits have frequently been blocked or they have had to be turned into financial credits and, in spite of the large liquidation of short-term liabilities which has taken place, the burden of floating liabilities is a matter of concern to many countries. It is obvious, on the other hand, that if international business transactions were allowed to increase again, the present volume of mercantile credits would soon prove insufficient, obligations of a purely financial character would be discharged and an increase in the total short-term obligations of debtors become necessary.

The information supplied by the balance of payments accounts concerning short-term capital operations is scanty and incomplete. Among the principal movements reflected by the figures is the recent outflow of funds from certain countries within the sterling bloc. Thus, the accounts for South Africa and India point to a large outward movement of funds from those countries in 1932 and 1933. The Treasury and reserve balances of the Indian Government rose during the three years ending March 31st, 1935, by £52.4 million (2). The net oversea assets of Australian banks (including the Commonwealth Bank) rose by almost £35 million during the two years ending June 30th, 1934, at the same time as the net short-term indebtedness oversea of Australian central and local governments fell by £4 million (3). Since then, however, the Australian banks have had to draw upon their foreign balances. The oversea assets of the Government of New Zealand rose by £19 million in the course of 1934 and those of New Zealand trading banks by £7 million between June 30th, 1934 (the first date for which figures are available), and June 24th, 1935 (4). The recorded net outflow of Swedish short-term capital during the years 1932-1934 totals \$123 million gold; Finland has in recent years reduced her debts and increased her assets on short-term account, and Norway has reduced her floating liabilities (5). The sterling balances held as primary or secondary cover by the Union of South Africa, Australia, India, Egypt and the four Scandinavian countries are estimated by the Bank for

(1) The question is dealt with in greater detail in *Enquiry into Clearing Agreements* (Series No. 1935, II.B.6).

(2) Cf. page 112.

(3) Cf. page 56.

(4) Cf. page 143.

(5) Cf. pages 161, 92 and 146.

International Settlements to have risen from £50 million at the end of 1931 to £120 million at the end of 1933 and some £140 million at the end of 1934 (1).

During the same period, the balance of the United Kingdom on account of goods, services and net Government receipts from overseas was approximately even. The United Kingdom employed the inflow of funds from the sterling area for the acquisition of short-term assets in the countries outside that area, or of gold, particularly as in 1932 there was also a net inflow of funds to the United Kingdom on account of long-term capital operations. It is known that, in 1932 and 1933, the operations of the British Exchange Equalisation Fund resulted in large purchases of foreign assets; the increase in the gold reserve of the Bank of England of £71 million gold in 1933 was no doubt partly on account of gold originally acquired by that fund. In the course of 1934, however, the fund had to relinquish very large amounts of the foreign assets in its possession. Thus, it is estimated to have sold gold from its deposits in France to the value of £105-110 million (2). In view of the fact that the estimated deficit on account of current items in the balance of payments of the United Kingdom during that year was only £1 million and that there was an afflux of funds of some £20 million from countries within the sterling area, this realisation of assets must be attributed to an outward movement of capital in other directions. In particular, the United States absorbed large funds — to a great extent representing the return, after the provisional stabilisation of the dollar, of American funds which had sought refuge in London during 1933.

The movement in 1934 of short-term capital from the United Kingdom and other countries to the United States marks the end of the net outflow of funds from that country which had lasted since 1929. To the recorded net import into the United States of short-term capital in 1934, amounting to \$136 million, must be added an unrecorded afflux of some \$300-500 million (3). The attraction of funds, domestic as well as foreign-owned, to New York continued in 1935; during the first half of that year, it amounted, according to an estimate published by the United States Department of Commerce, to \$560 million, and there are indications that it continued during the third quarter. The unstable political situation in Europe contributed to this movement. The transfer has necessitated large gold movements to the United States; the total of the net gold imports of that country, and its purchases of gold from foreign deposits within its frontiers, amounted to \$1,217 million in 1934 and \$1,023 million during the first nine months of 1935.

A considerable portion of the gold flow into the United States was derived from countries with gold currencies. During the first nine months of 1935, the central banks of France, Switzerland, Netherlands and Italy lost over \$700 million gold:

	\$ (000,000's) gold held by central banks at the end of		
	1933	1934	September 1935
France	3,021	3,218	2,819
Switzerland	386	369	265
Netherlands	371	338	215
Italy	373	306	224

This outflow of gold was not caused entirely by the movement of short-term funds, but no doubt to some extent resulted from the deterioration of the balance on account of current items of the countries concerned. In particular, this is true of Italy, where exchange control checked the exodus of funds at the same time as the receipts from foreign tourists and remittances from emigrants are believed to have declined considerably.

(1) Cf. page 184.

(2) Cf. page 99.

(3) Cf. pages 188 and 189.

Of other important short-term capital movements which have recently taken place may be mentioned the reduction of Russian commercial debts to Germany from about 1,100 million Reichsmarks at the end of 1932 to 800 million at the end of 1933 and 250 million at the end of 1934. German standstill credits fell from about 4 milliard Reichsmarks on February 28th, 1933, to 1.7 milliard at the end of 1934 and 1.5 milliard in September 1935; this liquidation is taking place through the sale of registered marks at depreciated rates at the expense of the creditors.

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 consequently to move from countries where interest is high to countries where it is 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 different countries have again converged — if only to an insignificant extent as a result of capital transfers — and, although the credit of several debtor countries has by no means been restored, interest rates have fallen in others to levels which are as low as, or even lower than, before the depression. The same is true of creditor countries, in most of which interest rates were considerably lower at the end of 1934 than at the end of 1929; but in the first nine months of 1935 there are signs of a cessation and even reversal of the downward trend of interest rates in certain important creditor countries.

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 necessitate a careful and detailed analysis of a number of widely different markets. No such analysis can be attempted here, but it may be of some interest to give a 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 movement of bond yields.

The broad changes in the yield of bonds in certain countries are illustrated by the following table ⁽¹⁾. 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.

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, 1934-35*, pages 248 to 250.

ACTUAL PERCENTAGE YIELD OF BONDS.

Country	Bonds	Dec. 1929	Dec. 1931	Dec. 1932	Dec. 1933	Dec. 1934	Sept. 1935
<i>According to London quotations.</i>							
Argentina	4% Rescission Bonds	5.35	6.73	9.00	5.08	4.08	4.00
Australia	5% Registered	5.60	6.55	4.49	4.10	3.44	4.13
Brazil	5% Funding Loan 1914	7.09	8.85	7.80	6.80	6.10	8.76
China	5% Reorg. Loan 1913	8.34	8.75	7.10	5.84	5.10	5.05
Egypt	4% Unified	5.08	4.94	4.05	3.85	3.73	4.10
Germany	7% Dawes Loan 1924	6.65	12.75	8.14	7.95	11.10	12.40
India	3½% Gov. Stock	5.69	7.00	3.98	3.98	3.52	3.80
Japan	6% Loan 1924	6.23	8.13	9.30	7.10	6.70	6.80
Un. of S. Africa	5% Inscribed	5.00	5.45	4.15	3.81	3.23	3.44
<i>According to domestic quotations.</i>							
Belgium	3% Rente	4.49	4.23	4.53	4.48	4.05	3.93
Canada	Province of Ontario Loans	4.90	5.20	4.92	4.72	3.65	3.96
Czechoslovakia	Gov. Bonds (average)	5.76	6.35	6.40	6.28	5.54	5.06
France	3% Rente	3.58	3.80	3.91	4.47	3.82	3.87
Germany	Misc. Bonds 8% and less (av.) ⁽¹⁾	8.42	11.90	7.42	6.61	6.15	4.88
Hungary	5% Forced Loan 1924	8.66		24.41	15.23	12.29	9.81
Italy	3½% Rente	5.26	4.87	4.56	3.88	4.18	5.02
Japan	Public Bonds (average)	5.04	6.00	4.92	4.56	4.61	4.46
Netherlands	Gov. Bonds (average)	5.16	5.33	4.56	4.78	3.93	4.40
Poland	Gov. Bonds (average)	10.59	16.42	16.27	14.58	11.68	⁽²⁾ 11.24
Roumania	Four Gov. Bonds (average)	9.41	13.26	18.24	14.69	12.10	⁽³⁾ 10.82
Sweden	Seven Gov. Bonds (average)	4.46	4.80	4.01	3.71	3.01	3.27
Switzerland	3½% Fed. Railways	4.29	3.84	3.58	3.77	4.18	4.89
United Kingdom	2½% Consols	4.75	4.55	3.38	3.37	2.68	3.09
United States	Three Treasury Bonds	3.46	3.92	3.31	3.53	2.97	2.78

The figures given in the first part of the table for Brazil and Germany represent bonds exempted from the foreign debt moratoria in force in those countries during part of the period under review, and are therefore by no means indicative of the credit of the countries in question. The yields of internal bonds in these and certain other debtor countries in Central and Eastern Europe and Latin America are still relatively high : as the second part of the table shows, the bond yields prevailing in Hungary, Poland and Roumania were even higher in 1934 than in 1929 (the same is true of certain creditor countries such as France and Switzerland). A substantial decline of interest rates has, however, taken place in the debtor countries during 1933 and 1934, and it appears that this decline continued in the first nine months of 1935, Germany, Hungary, Japan, Poland and Roumania being among the countries in which bond yields in September 1935 were lower than in December 1934. On the other hand, in an important group of creditor countries — which does not include the United States — the downward movement of bond yields appears not only to have come to an end at the beginning of 1935, but even to have given way to a slight but definite upward tendency ; as will be seen from the table, in France, Italy, the Netherlands, Sweden, Switzerland and the United Kingdom, internal bond yields ruled higher in September 1935 than at the end of 1934. The trend thus seems to be towards equalisation of interest rates as between debtor and creditor countries.

The improvement of the credit of debtor countries is remarkable because, in the majority of cases, it is the result, not of an influx of fresh capital from creditor countries, but of domestic adjustments in production and consumption.

The reversal of the fall of interest rates in the creditor countries mentioned is not due to uniform factors. In the case of the United Kingdom, Sweden and certain

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

(2) June.

(3) August.

other countries, where bond yields are still exceptionally low, it appears — in part at least — to be a natural consequence of increased industrial demands on the capital market ⁽¹⁾ and a direct reflection of higher profits and dividends, which induce investors to redistribute their holdings in favour of shares and thus exert a depressing influence on the prices of fixed-interest securities. In the creditor countries which still adhere to the gold standard, such as France, the Netherlands and Switzerland, the irregular movement of bond yields may largely be ascribed to doubts of the investing public regarding the future of the respective currencies as well as to Treasury requirements for the financing of budget deficits. Similar apprehensions explain the recent substantial rise of the yield of Italian Government bonds.

Special mention must be made of the continuance of the decline in bond yields in the United States. This is probably due to some extent to the considerable transfers of capital, reflected in large gold movements, which took place from certain European countries — including the United Kingdom — to the United States on account of repatriation of American funds, monetary and political apprehensions in Europe, etc.

Conversion operations.

The fall in long-term rates of interest has enabled the countries concerned to achieve a considerable reduction in the amounts due for the service of their outstanding debts, through conversion of loans (domestic or foreign) which have matured or were redeemable at the option of the debtor into new ones bearing interest at lower rates.

In the two preceding issues of this publication, details were given of the most important operations of this kind during 1932, 1933 and the first nine or ten months of 1934. The following data bring this account up to the autumn of 1935, but do not claim to give a complete record of the conversions made.

In April 1934, the *Argentine* Government issued the first of a series of conversion loans on the London market. This issue, the proceeds of which were used to redeem two 5% loans, consisted of £2.3 million of 4½% bonds sold at 90. A second conversion loan of £7.6 million, carrying 4½% interest and issued at 90½, was offered in September 1934 with a view to converting various Argentine municipal and Government loans bearing interest at 5%. Conversion applications, however, only amounted to £4.5 million, and the balance of the 5% loans called for redemption was paid off by the issue of an internal loan of 50 million paper pesos, at an interest rate of 4½% and an issue price of 84, thus effecting an appreciable repatriation of debt. A third 4% sterling loan, amounting to £3.8 million, issued in December 1934 at 92, was used to convert a 5% loan. The balance of the £7.6 million 4½% loan which was not taken up in September 1934 — viz., £3.1 million — was offered in May 1935, this time at a price of 94; the proceeds were employed to meet certain commercial commitments of the Argentine in the United Kingdom. An internal conversion scheme, by which 7 and 6½% municipal loans totalling 110 million pesos were converted into 5½% bonds, was successfully carried through in September 1935.

Australia continued her conversion operations on the London market which were begun in October 1932. In November 1934, nine stocks bearing interest at a weighted average of 4.13% were converted into a 3¼% loan amounting to £12.6 million, issued at 99. A ninth conversion issue (£22.4 million, carrying 3¾% interest and sold at par, to replace a 5% loan) followed in January 1935 but was not an immediate market success, as 39% of it was left with the underwriters. The tenth conversion issue, offered in July 1935, took the form of a short-dated loan (with a maximum currency of six years, bearing 3% interest and issued at par) and was used to redeem a 3% loan of £12.4 million falling due and to convert a 5% stock of £1.1 million; it thus amounted altogether to £13.5 million. The Australian conversion issues made on the London capital market since 1932 have in all affected £160.3 million of debt, resulting in a total annual interest saving of £2.5 million.

In December 1934, *Austria* was able to convert her Foreign Guaranteed Loan 1923/1943. This loan was issued in ten countries in 1923 under the auspices of the League of Nations, at interest rates of between 6 and 7% (on an average of 6.3%) and at net issue prices of about 80. The Schilling equivalent of the amount outstanding in 1934 was 533.7 million. This was converted into the Austrian Government Guaranteed Conversion Loan 1934/1959 bearing interest at 4½-5% (average 4.7%) and issued at prices varying from 87

(1) In the United Kingdom, according to figures published in *The Economist* (October 5th, 1935, page 645), new capital issues for the account of domestic industry rose from a low point of £29.9 million in 1932 to £33.7 million in 1933 and £54.7 million in 1934. In the first three quarters of 1935 they amounted to £54.9 million.

in the case of France, Austria and Czechoslovakia, to 98½ in the case of the 4½% London issue of £10.2 million. As the United States *tranche*, of which \$14.5 million (bearing 7% interest) was outstanding in 1934, could not be converted in the United States itself, half of it was redeemed out of the proceeds of the London issue, while the other half of the dollar debt was repatriated by means of the Austrian part of the conversion loan, carrying interest at 5%. Amortisation of the new conversion loan is suspended for the first three years; after that, the total service of the debt will require an annuity of about 45 million Schillings as against about 100 million Schillings hitherto, this reduction being due partly to the lower interest charges and partly to the reduced amortisation payments owing to the extension of the currency of the loan. Besides this important and successful conversion, a number of dollar loans of provincial and municipal authorities were converted into Schilling bonds on the domestic market in 1934 and 1935, the reductions in interest rates being partly or wholly offset by attractive exchange rates. Some purely domestic conversion operations have also been successfully carried out recently, aided by the reductions in bank deposit and other interest rates which have taken place in consequence of the growing liquidity of the domestic money market and the revival of stock-exchange activity.

In *Belgium*, a large Government debt conversion took place in May 1935. Various internal Government loans carrying interest rates of 5 to 7% were converted into a single 4% stock, the "Unified Debt", which represented 16,000 million francs out of a total of about 26,000 million involved in the conversion, the balance consisting of 4,500 million of preferred railway shares, 4,700 million of State lottery loans, and about 1,000 million of Treasury bonds, all of which were converted to a 4% basis. The holders of the old securities received capital bonuses ranging from 5 to 12½% according to the category of the loans in question. An alternative of repayment at par was not offered; and it was provided that bonds not converted would no longer be negotiable on the Stock Exchange and would not be accepted as collateral at the National Bank. Only 90 million francs of bonds, or approximately 0.35%, were not converted. The operation was facilitated by a reduction of the discount rate of the National Bank from 2½ to 2%, and by the formation of a "Securities Equalisation Fund" of 1,000 million francs out of the proceeds of the revaluation profit on the gold reserve of the National Bank, this fund being used to support quotations of Government securities in general and of the "Unified Debt" in particular.

Of the numerous refunding operations which have recently been carried out in *Canada*, mention may be made of the Dominion Refunding Loan of \$250 million issued in the latter part of 1934, consisting of 2- to 15-year bonds carrying 2 to 3½% interest. The proceeds of this loan were employed in redeeming 5½% bonds of the 1919 Victory Loan. The annual interest saving resulting from this operation is approximately \$5 million (the annual saving obtained by previous conversions of the funded debt of the Dominion Government since 1930 amounts to \$9 million). In September 1935, the Government issued \$45 million 1½% one-year bonds (at a price yielding 1.9%) and \$90 million 2% 3-year bonds (yielding 2¼%) to redeem \$90 million 3½% 2-year bonds (yielding 3¾% on the original issue price) and \$25 million 4% 3-year bonds (yielding 4.28%).

In *Czechoslovakia*, 687 million Kč of 5% Treasury notes were converted into 4½% one- and two-year Treasury notes; subscriptions exceeded the required amount by 300 million Kč, which were employed for the repayment of other maturities.

Finland has benefited from a sharp reduction of interest rates owing to the exceptional liquidity of the domestic money market since the latter part of 1933. This, coupled with the increase in foreign exchange reserves during the same period as a result of the remarkable recovery in the country's export trade, has permitted the Government to undertake large-scale loan operations, converting foreign debt into domestic at lower rates of interest. The following State loans were issued in the latter part of 1934 and the first half of 1935: a loan of 15 million Swedish kronor at 4½% in October 1934, a 5½% internal loan of 146 million markkaa, a 4% loan of \$10 million issued in January 1935 in New York, a 5% internal loan of 300 million markkaa arranged through a domestic banking consortium, of which half was offered for public subscription in February 1935, and an internal premium bond loan (with total prizes equivalent to 4½% per annum) of 100 million issued in April 1935. By means of these issues, the following Government loans were redeemed: a 7% Debenture Loan of 1925 (a foreign loan issued in Finnish currency); a 7% Dollar Loan of 1925, and a 5½% Dollar Loan of 1928. Besides, 6% 1923 sterling bonds were converted to a lower rate of interest, and the external floating debt of the State was greatly reduced in 1934.

In *France*, conditions on the Paris capital market were not favourable to loan conversions. Certain French railways, however, obtained a reduction in their interest obligations by converting, in February 1935, approximately £5 million of 6% sterling bonds issued in 1922 into now 4% 40-year bonds issued in London at 98½ (plus a cash payment of 4½%).

An important conversion operation was carried out in *Germany* under a law of January 24th, 1935, by which private and communal mortgage bonds carrying interest at 6% or more were to be exchanged for new bonds at 4½%, plus a conversion bonus of 2% in cash. Of a total nominal amount of 8,320 million marks (of which 6,398 million private real estate mortgage bonds and 1,922 million communal and other bonds), 21.6 million, or 0.26%, were not exchanged. These unconverted bonds ceased to be negotiable on the German Stock Exchanges and no repayment in cash was offered. Next, a law of February 27th, 1935, provided for the conversion, on similar lines, of public loans carrying interest at 6% or more into 4½% bonds. The terms of this operation were on the whole identical with those of the preceding one, no cash repayments being

offered. Of a total of public debts (*i.e.*, debts of the Reich Government and of State, provincial and municipal Governments) amounting to 11,036 million marks, only 2,076 million marks were involved in this conversion, as foreign loans, loans at less than 6% interest, and loans maturing before the end of 1937 were excluded. Bonds in respect of which the conversion offer was rejected amounted to 12.3 million marks, or only 0.6% of the total loans affected.

In August 1935, an internal 3% loan of 15 crores of rupees (£11.25 million) was issued in *India* to convert Treasury bonds bearing 5 to 6½% interest.

On November 1st, 1935, the *Irish Free State* Government announced the issue of a loan whereby it is proposed to convert a 5% loan of £10 million, issued in 1923, into new bonds carrying interest at 4%.

On the lines of the successful conversion — mentioned in the preceding issue of this publication — of real estate mortgage bonds undertaken in *Italy* in September 1934, holders of 650 million lire of municipal 6% bonds were offered redemption at par on January 1st, 1935, or alternatively conversion to 4½% bonds as from that date. The conversion offer was accepted in respect of 99.5% of the total involved. The subsequent development of the Italian capital market, however, was unfavourable to conversion issues, and in this connection mention may be made of a recent loan transaction of the Italian Government which to some extent represents an "upward" conversion. On September 18th, 1935, a 5% Government loan was issued at a price of 95, to finance military operations in East Africa, and it was announced that, in subscription to this loan, bonds of the great 3½% conversion issue of February 1934 would be accepted at 80% of their par value, the remaining 15% having to be paid in cash. Since, in September 1935, the market price of the 3½% bonds was only 68, it was expected that many holders of these bonds would be willing to accept a capital loss of a further three points (80 minus the cash subscription of 15) in order to secure the higher interest yield. By the end of September 1935, 1,300 million lire of the 3½% bonds had already been converted into the new 5% loan.

Conversion issues in the *Netherlands* amounted altogether to 1,659 million gulden in 1934, as compared with only 268 million of new issues in that year and only 182 million of conversion loans in 1933. Most of the 1934 total of 1,659 million is accounted for by the conversion loans named in last year's edition — *viz.*, the big 900 million Government loan at 4%, various municipal and industrial bonds, and several issues of the *Netherlands Indies*. Of the latter, mention may be made of a 4% loan of 150 million gulden issued at par in November 1934 to replace dollar loans of the *Netherlands Indies* carrying more than 4% interest.

In June 1935, *New Zealand* Government stock amounting to £10 million and bearing 5% interest was converted in London into 3% bonds, issued at 98½, to an amount of £8 million, the balance being repaid in cash.

Norway has recently been able to carry out a number of loan operations on the London market. In September 1934, a Norwegian industrial concern issued a 5½% loan of £1.15 million in London, the proceeds of which were used to redeem 21.5 million kroner of 6½% mortgage bonds held by the Bank of Norway. In January 1935, the City of Bergen issued a 4% loan, priced at 96, of £960,000 in London in conversion of a 5½% sterling loan taken up in 1922. In the same month, the Mortgage Bank of Norway obtained a 4% loan of £1 million in London, by which it redeemed a 6% issue of 1929. Of domestic operations, mention may be made of a Government conversion, carried out in November 1934, of a 7% loan of 1927 into a 4% issue totalling 48.5 million kroner.

In *Spain*, a series of State conversion operations was effected in the first ten months of 1935. In April, an issue of 600 million pesetas of 4% 4-year Treasury bonds was made to redeem 300 million of 5% bonds issued in 1933, the balance being used chiefly to repay a floating debt of the Treasury to the Bank of Spain. In July, the State converted a 6% loan of 500 million pesetas issued in 1929 into new bonds bearing 4% interest. Two major conversions of public debt were effected in September. The first involved the replacement of a 5% loan of 990 million pesetas issued in 1900 by a new 4% issue; cash applications amounted to 46 million, or 4.71% of the total issue. The second affected a 1917 loan of 890 million pesetas carrying interest at 5%, which was converted into a 4% issue redeemable within fifty years. In October 1935, the Government issued a 3½% 2-year loan of 290 million pesetas for the purpose of redeeming a 5% loan issued in 1933.

Interest rates in *Sweden* continued to be exceptionally low, the Government being able, during the winter 1934/35, to place four issues of Treasury bills totalling 65 million kronor at rates ranging only from 0.48 to 0.60% per annum. Nevertheless, an internal conversion operation attempted in January 1935, by which it was hoped to convert certain 3.6% State loans into 3% stock, proved a failure, as in the absence of underwriting arrangements with private banks only 26 million kronor of conversion applications were received out of a total of 83 million kronor. A number of debtors have, however, benefited from the prevailing ease of the Swedish capital market — the City of Stockholm, which in January 1935 converted a 5% loan raised in 1925 into a 3% issue of 18 million kronor, and the City Mortgage Bank, which in the autumn of 1935 recalled a 5% loan of 57 million kronor issued in 1926 to be converted into 3½% bonds at 101½.

In March 1935, the Federal Government of *Switzerland* issued a 3½% loan of 100 million francs (priced to yield 4.07%) for the conversion of 5% Federal railway bonds of an outstanding issue of 200 million francs. Conversion applications amounted to 91.4 million; of the remainder, 6.6 million were taken up by the National Bank and 2 million by the Government itself. The remaining 100 million of maturing railway bonds were redeemed by an issue of 3½% 6-year Treasury bonds taken up by a banking consor-

tium. A 5% Federal Loan of 1924, amounting to 80 million francs, was replaced in June 1935 by an issue of 3½% 2-year bonds and 4% 6-year bonds, sold at 99 and 97½ respectively.

The Government of the *Union of South Africa* effected a domestic debt conversion in December 1934 by issuing £7 million of 3½% bonds in exchange for outstanding 5% bonds at par. It also issued, at the end of 1934, a 3% conversion loan of £11 million in London, but no interest saving was obtained, as the stock to be converted (viz., the outstanding balance of the £35 million "Transvaal Loan") carried likewise 3%.

For the *United Kingdom*, calculations made by *The Economist* (1) show the amount of conversion issues in London from September 1932 (i.e., after the completion of the vast War Loan Conversion) to February 1935, as follows:

Borrowers	£ (000,000's)		
	September 1932 to end of December 1933	January 1934 to end of February 1935	Total September 1932 to end of February 1935
<i>(a) Governments, municipalities, and railways:</i>			
British Government	191.1	105.0	296.1
British municipalities and public boards . .	4.2	43.6	47.8
Dominion and colonial governments	123.2	83.1	206.3
Foreign governments and municipalities . .	—	25.1	25.1
Railways	—	6.4	6.4
<i>Total Government, etc.</i>	318.4	263.3	581.7
<i>(b) Industrial and miscellaneous</i>	66.6	37.6	104.2
<i>Total (all classes)</i>	385.1	300.9	686.0

It appears from this table that the total volume of conversions on the London market was appreciably smaller in the period from January 1934 to February 1935 than in the period from September 1932 to December 1933. This is particularly the case in regard to industrial and other issues. The total of industrial conversions during the whole period — i.e., £104.2 million — represents only about 4% of total outstanding industrial fixed-interest securities quoted in London, amounting to about £2,600 million; of the unconverted stock, a large part is not convertible, while a substantial proportion consists of pre-war stock already carrying low rates of interest (2). In the first nine months of 1935, altogether £126 million of fixed-interest debt was converted to lower rates of interest on the London Stock Exchange; industrial conversion issues account for £43 million of this total, or about £10 million more than in the first nine months of 1934, the remainder being for the account of Dominion and colonial governments (£55 million), British municipalities and public boards (£22.5 million) and foreign governments and municipalities (about £4 million). (3)

As mentioned in last year's edition, the *United States* Treasury called a third block of 4¼% Fourth Liberty Loan bonds, amounting to \$1,870 million, for redemption in April 1935; the conversion stock offered in exchange consisted of 20- to 25-year bonds carrying interest at 2⅞%. In March 1935, \$528 million of 2½% Treasury notes were converted into 1⅞% 5 year notes. In June 1935, 20- to 25 year 2⅞% bonds and 1⅞% Treasury notes were offered in exchange for \$1,933 million of 3½% First Liberty Loan bonds called for redemption. In the autumn of 1935, the last block of 4¼% Fourth Liberty Loan bonds totalling \$1,250 million was converted into 10 to 12 year 2¾% bonds and 3- to 5-year 1½% bonds to the extent of \$985 million, the balance having to be repaid in cash.

The prominence given in the above survey to Government conversion operations derives some justification from the fact that, in many countries, Government bonds form the bulk of the securities on the domestic capital market. By offering bondholders the alternative of conversion to a lower interest rate or repayment in cash, governments are often in a position to force down long-term interest rates generally, since the reinvestment of funds received by investors who do not accept the conversion often tends to drive up the prices of other securities. Where the State controls only a small proportion of the total supply of securities on the market, this consideration is of minor importance, but even under such circumstances — as was the case, e.g., in Germany — the State may step in to organise large-scale conversions of private

(1) March 2nd, 1935, page 482.

(2) Cf. *The Economist*, March 2nd, 1935, page 484.

(3) Cf. *The Economist*, October 5th, 1935, page 646.

and communal indebtedness. The various forms of indirect compulsion frequently employed in conversion operations, as for example in Belgium and Germany in 1935, have not been ineffective in reducing long-term interest rates generally.

In several countries, conversion operations appear to have been greatly facilitated by a preceding devaluation (or depreciation) of the currency due to the return of "refugee" capital which, in anticipation of the devaluation, had been held abroad but was repatriated to reap the exchange profit obtainable in terms of the domestic currency. This factor has doubtless been partly responsible for the success of the recent loan conversions in Austria and Belgium, and perhaps to some extent also in the United Kingdom, Finland and other countries.

A significant feature of recent loan conversions is the appreciable amount of debt repatriation which has taken place through the operations. As was mentioned above, many debtor countries have been able to reduce their internal bond yields by domestic readjustments aided by currency devaluations. Since, on the other hand, the New York capital market has remained practically closed to foreign conversion issues, an incipient movement towards liquidation of foreign dollar debts has been a natural consequence of the situation. In the above survey of conversion operations, examples of debt repatriation by domestic conversion issues will be found in the case of the Argentine, Austria, Finland and Sweden.

London continues to be almost the only capital market open for the conversion of bonds other than domestic. The abundance of capital on the London market and the ease with which the conversion of sterling bonds has been carried out were doubtless due in part to the restriction imposed upon issues of fresh capital for oversea account. Outside the British Empire, however, only a few debtor countries — for example, the Argentine, Austria and Norway — have gained relief by conversion issues in London.

Money rates.

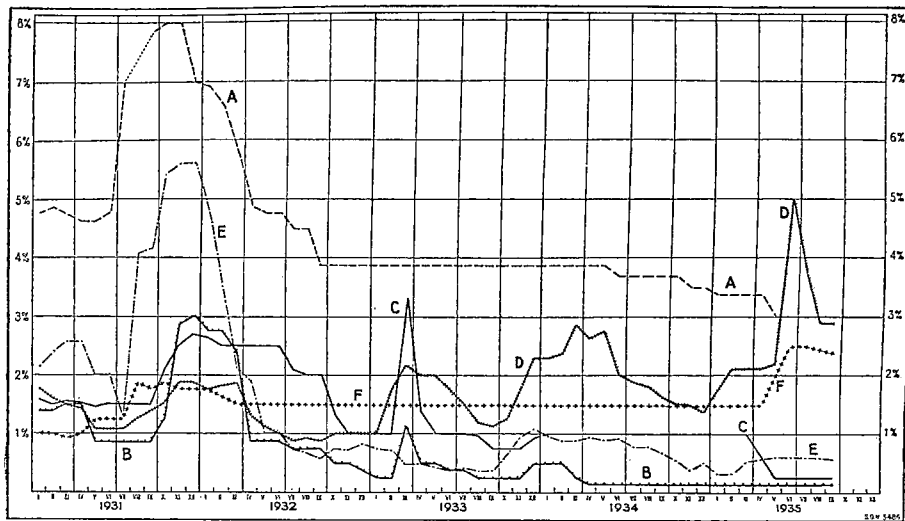
The price of short-term capital may be studied from the available data for market rates of discount. The figures summarised for a few countries in the graph on page 37 illustrate the relaxation of the strain on the chief money markets after the financial crisis of the latter part of 1931 and the early months of 1932. For 1935, the diagram shows widely divergent movements in the countries considered. The German market rate of discount was steadily reduced from 3.88% in May 1934 to 3% a year later; a slight reversal of the downward movement took place in September (1), due partly to seasonal influences, partly to Government borrowing. In the gold-standard countries, considerable disturbances on the money market took place in the spring and early summer of 1935 owing to a sudden exodus of short-term funds. The French market rate of discount rose sharply from 1.5% at the end of 1934 to 5.6% in June 1935; and the corresponding rate in the Netherlands — not shown in the diagram — soared up from 0.5% to 4.4% in the first six months of 1935. In comparison with these violent increases, the movement of the Swiss money rate was relatively moderate. After the middle of 1935, market rates in these countries began to decline to more normal levels.

Money rates in the United Kingdom ruled rather lower in the first nine months of 1935 than in the corresponding period of 1934. The decline of bill rates in the autumn of 1934 was due to the breakdown of an agreement between the clearing banks concerning their bidding for bills in the discount market; a new arrangement, however, was concluded in February 1935 and was followed by a slight rise of money rates. Cheap money continues to characterise market conditions also in the United States, where throughout the first nine months of 1935 the rate on bankers' acceptances stood at the exceptionally low figure of 0.13%.

(1) The increase did not affect the minimum rate shown in the diagram.

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.



With regard to countries not represented in the diagram⁽²⁾, reference may be made to the increase in Italian market rates of discount from 3.5-4% in July 1935 to 5-5.5% in September 1935. In Denmark, in connection with the agitation for a further depreciation of the currency, the bankers' discount rate — following the official rate of the Central Bank — was raised from 2.5% to 3.5% in the summer months of 1935.

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 1934 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

(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) For more extensive information, see *Monthly Bulletin of Statistics* (League of Nations), Table 16.

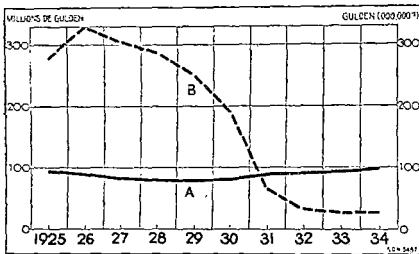
of currencies, in particular the pound and the dollar, in which the bulk of outstanding debts are due; (2) the reduction of dividend rates and the returns from direct investments up to 1932; (3) the liquidation of a portion of outstanding long- and short-term debts; (4) defaults; (5) the lowering of money rates and the rate of interest on bonded loans through conversions or arrangements with the creditors.

The table on the following page summarises available information concerning inward and outward payments of interest and dividends during the years 1929-1934.

The net income of the United Kingdom on account of her long-term private investments overseas, while rising slightly in sterling value during the period 1932-1934, remained practically stable in gold value. Over the whole period 1929-1934, the fall in gold value amounted to 57%, or much less than the corresponding figure for the United States, which was 69%. The reduction in the gross income from long-term investments was 58% for the United Kingdom (employing Sir

NETHERLANDS INDIES : PAYMENTS OF INTEREST
AND DIVIDENDS ABROAD.

A = Interest. B = Dividends and profits.



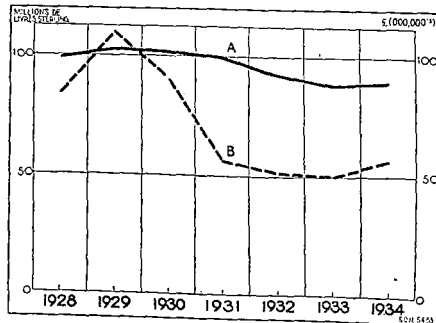
Robert Kindersley's estimates) and 71% for the United States. As was explained last year, the United States investments are to a far greater extent than the British in Latin-American and Central-European countries having defaulted upon their public debts or stopped the transfer of outward interest and dividend payments. In 1933, 14% of the United States private long-term investments abroad were affected by complete, and 18% by partial, defaults, and the bulk of the latter would appear to have become complete after the extension of the German transfer moratorium in 1934. The income of the United Kingdom from overseas investments was reduced through defaults by some £5 million annually in 1932 and 1933, and, it would appear, by a somewhat smaller amount in 1934.

Of the nominal value of total investments outstanding, probably over a third represents share capital. Dividend payments between nations have naturally fallen much more rapidly than interest payments during the last few years. An outstanding example is afforded by the Netherlands Indies, whose outward payments of dividends and profits have fallen to one-tenth of the amount in 1929, while her interest payments have slightly increased (see diagram).

The British income in the form of dividends has fallen off (in sterling) by one-third since 1929, while interest receipts have declined by only one-tenth (see the lower diagram).

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

A = Interest. B = Dividends.



RECEIPTS AND PAYMENTS OF INTEREST AND DIVIDENDS.

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

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

Country	Net receipts (+) or payments (-) in 1929	Receipts						Payments						
		1929	1930	1931	1932	1933	1934	1929	1930	1931	1932	1933	1934	
United Kingdom (1)	+ 1,216.6	1,216.6	1,070.5	771.0	525.9	530.2	526.0							
United States of America	+ 699.0	1,118.0	1,069.0	747.0	523.0	408.0	271.0	419.0	300.0	126.0	68.0	83.0	75.0	
France (includ. the French oversea territories except Indo-China) (2)	+ 219.6	247.0	219.5	168.6	80.9	82.3	115.6	(27.4)	(19.6)	(11.8)	35.3	9.8	17.6	
Netherlands	+(3) 129.0		146.7	.	.	.	.		24.5	.	.	.	.
Switzerland (4)	+ 67.1	86.4-96.0	.	.	.	.	.	11.5-19.3	.	.	.	.	.
Belgium, Luxemburg and Congo	+ 53.0	100.1	.	.	.	.	.	47.1	.	.	.	.	.
Irish Free State	+ 28.8	57.4	55.0	47.6	35.4	29.8	.	28.6	28.9	27.2	20.1	17.2	.	
Sweden	+ 8.1	29.5	33.6	27.3	31.1	19.9	15.8	21.4	28.2	28.8	7.4	6.4	5.4	
Greece (5)	+ 7.4	32.2	26.9	12.1	10.8	8.0	6.9	24.8	26.4	27.8	7.8	12.2	12.1	
Spain	+ (6) 3.4	.	.	14.5	9.9	.	.	.	.	11.1	14.7	.	.
Iraq	- 0.3	0.7	0.5	0.3	0.2	0.2	.	1.0	1.4	1.1	1.7	1.3	.	
Lithuania	- 0.5	0.3	0.3	0.3	0.2	0.2	0.2	0.8	1.3	1.3	1.0	0.6	0.5	
Latvia	- 1.1	1.2	0.8	0.5	0.4	0.1	0.1	2.3	2.0	1.7	1.4	0.9	0.8	
Estonia	- 1.6	0.4	0.3	0.3	0.1	0.1	0.1	2.0	2.1	1.6	1.5	1.1	0.8	
Turkey	- 2.2	0.7	0.7	0.5	0.4	.	.	2.9	3.6	0.9	0.4	.	.	
Bulgaria	- 7.8	0.7	0.7	0.3	0.3	0.2	.	8.5	8.9	8.4	4.0	1.5	.	
Japan, includ. Korea and Formosa	- 9.1	47.2	44.8	37.2	24.5	18.6	.	56.3	57.3	48.7	35.1	28.8	24	
Finland	- 10.3	1.0	1.0	0.7	0.5	0.3	0.3	11.3	11.4	11.1	9.5	8.0	6.0	
Czechoslovakia	- 10.7	20.7	17.4	17.5	14.3	10.8	7.6	31.4	34.3	28.1	22.6	20.6	16.0	
Uruguay	- 15.0	0.3	.	.	.	.	.	15.3	20.5	12.8	.	.	.
Denmark	- 16.9	11.2	9.9	8.0	6.0	4.9	2.0	28.1	23.6	25.5	20.0	16.7	14.8	
Norway	- 18.5	4.3	4.8	4.3	2.9	2.5	2.4	22.8	24.1	21.8	18.4	16.5	13.1	
Yugoslavia	- 22.3	.	.	.	.	.	.	22.3	.	.	.	.	.
Hungary	- 28.3	2.8	2.5	3.0	0.1	.	.	31.1	35.2	39.3	3.4	.	.	
Roumania	- 34.0	0.8	0.8	.	.	.	.	34.8	41.1	.	.	.	.
Poland	- 42.6	3.5	3.4	2.9	1.7	1.5	0.9	46.1	54.0	49.7	33.7	25.4	18.8	
New Zealand (7)	- 42.7	2.5	1.2	1.0	0.6	0.5	.	45.2	45.6	36.5	27.5	26.9	.	
Italy (8)	- 52.6	.	.	.	.	.	.	52.6	51.3	47	23	.	.
Union of South Africa	- 76.4	0.9	0.8	0.9	0.9	0.6	.	77.3	74.4	68.5	62.2	58.1	54.3	
India (7)	- 115.3	15.7	8.5	3.9	2.3	1.4	3.5	131.0	131.1	112.6	92.3	83.8	75.7	
China (9), excl. Manchuria	- 118.5	0.6	0.6	.	.	1.0	.	119.1	95.6	.	.	23.1	26.8	
: Manchuria						3.6	2.1					13.6	12.9	
Netherlands Indies	- 127.0	5.2	4.4	2.4	2.8	2.4	2.8	132.2	108.5	61.5	48.6	43.6	49.8	
Canada	- 169.7	87.2	88.1	68.1	49.3	36.6	36.2	256.9	272.2	242.8	218.5	201.3	174.7	
Australia (10)	- 170.5	14.5	10.2	12.1	6.0	5.0	.	185.0	178.0	123.7	105.4	96.0	.	
Argentina (11)	- 188.4	0.4	0.4	0.4	.	.	.	188.8	168.2	117.6	.	.	.	
Germany (12)	- 190.6	95.3	95.3	71.5	47.6	35.7	.	285.9	333.5	357.4	262.0	202.4	107.8	

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 \$1,441 million in 1930, \$566 million gold in 1933 and \$556-562 million gold in 1934. The net receipts on account of short interest and commissions are estimated at \$316 million in 1929, \$268 million in 1930, \$136 million in 1931, \$83 million in 1932, \$90 million gold in 1933 and \$90 million gold in 1934.

(2) France: 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) 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.

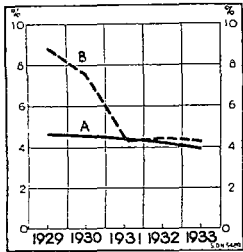
(11) Argentina: Economic years ending September 30th. The figures for payments include amortisation of the public debt and certain mortgage loans.

(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.

It should not be concluded from these figures that foreign investments in bonds are by nature more advantageous to the investor than investments in shares or directly in property. The British dividend income from abroad in 1929 represented the yield of a share capital invested abroad of £1,238 million, while the income in the form of interest, though slightly lower than the dividend receipts,

UNITED KINGDOM :
PERCENTAGE YIELD OF LONG-
TERM INVESTMENTS OVERSEAS

A = Loan capital.
B = Share capital.



was earned on a loan capital of £2,200 million (nominal value). As the diagram opposite shows, the heavy fall in dividend rates during the depression years has only brought down the yield of British share capital invested abroad to the same percentage level as that of loan capital. Though the figures summarised in this diagram show the yield as a percentage of the nominal value of the respective investments and may therefore not reflect accurately the yield of the amount originally invested (1), they seem to indicate that, even during a depression period, investments in shares may on an average prove more remunerative than investments in bonds.

An extended use of shares in financing would undoubtedly make the economic system work more smoothly. Periods during which prices are falling and profits declining are more easily supported and production better maintained if the yield of the capital invested in enterprises is allowed to fluctuate with business conditions than if it is payable at fixed rates.

This factor is probably of greater importance in international than in national financing since in times of strain the discontinuation of international lending on long term and other circumstances constitute special obstacles to the transfer of funds from debtor countries.

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 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 below. The figures for the United States and Uruguay include funds taken out by returning emigrants. Those for France and Germany represent exclusively earnings of foreign workers.

(1) The nominal value of the securities is higher than the original outlay by the investor, in the case of loan capital mainly on account of discounts and in the case of share capital mainly on account of the distribution of bonus shares.

IMMIGRANTS' REMITTANCES FROM CERTAIN COUNTRIES.

	\$ (000,000's) gold								
	1926	1927	1928	1929	1930	1931	1932	1933	1934
U.S.A.	253.0	241.0	250.0	240.0	199.0	173.0	138.0	88.6	62.7
France	107.3	98.0	86.0	98.0	98.0	70.6	47.0	31.3	39.2
Argentina (1)	27.8	35.3	32.9	31.5	26.3	14.4	.	.	.
Canada	20.5	22.4	23.2	23.2	23.0	12.6	6.3	4.4	4.5
Germany	11.9	11.9	11.9	11.9	5.7	1.9	—	—	—
Mexico	8.4	.	.	.	.	.	.	.	.
Netherlands Indies	6.0	6.0	6.0	6.0	4.8	4.0	3.2	2.8	2.4
Australia (2) . . . .	.	.	3.9	4.1	3.4	1.3	1.0	1.0	.
Uruguay . . . . .	.	.	.	3.5	4.6	2.0	.	.	.
Turkey	2.1	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 following page are shown the estimated receipts of remittances in different countries in the years 1926-1934. 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 1931-1934, 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.

Total remittances to China, as recorded in the table, were greater in 1934 than in 1933. The figure for Chinese receipts in the last-mentioned year is, however, only a partial estimate; in view of the large deficit on account of the estimated items of the balance of payments of China in that year, actual receipts may have been considerably higher and may even have exceeded those in 1934.

The latest figures available for total receipts of Italy refer to 1932. It is estimated that her receipts remained unchanged during the first half of 1933 but rose during the second half.

(1) Economic years ending September 30th.

(2) Economic years beginning July 1st.

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

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

42

Country	Old \$ (000,000's) gold													
	Emigrants' remittances received									Remittances from U.S.A. (including funds of returning immigrants)				
	1926	1927	1928	1929	1930	1931	1932	1933	1934	1929	1931	1932	1933	1934
Albania	1.7	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	0.1	—	—
Bulgaria (2)	0.6	0.8	1.7	1.1	0.9	0.6	0.7	0.5	0.4	0.8	0.4	.	.	0.1
Canada	25.5	26.4	28.1	27.5	17.7	11.3	6.1	4.2	3.9	13.0	3.0	2.0	1.6	0.9
China (3) . . . . .	.	.	118.8	119.9	96.8	.	.	41.0	50.8	22.5	10.0	15.0	(4)24.2	.
Czechoslovakia	13.0	16.0	17.9	17.9	15.7	11.5	7.9	5.2	3.4	10.5	7.0	6.0	2.8	2.5
Denmark	0.5	0.5	2.7	2.7	4.0	2.5	1.9	1.5	1.3	1.0	0.2	0.3	.	.
Finland	5.0	5.0	5.0	4.8	4.0	2.9	3.4	2.2	1.3	1.5	0.9	2.3	1.5	0.9
Germany (5)	14.3	14.5	14.3	14.3	.	.	.	.	.	10.0	8.0	7.0	5.2	3.9
Greece	35.9	33.7	31.3	38.0	40.7	34.5	14.0	15.0	8.8	25.3	25.0	11.0	13.7	7.2
Hungary (6)	5.0	4.3	6.3	7.2	5.7	3.4	1.2	.	.	6.6	3.5	1.1	0.8	0.9
Irish Free State (7)	14.6	11.7	12.0	12.0	11.0	18.1	14.2	9.9	.	11.7	8.8	13.3	9.5	6.3
Italy (8)	133.8	121.2	120.7	122.3	120.0	90.8	55.0	.	.	46.2	26.5	26.4	16.1	9.8
Japan (2)	24.8	26.0	28.2	28.1	24.2	20.9	27.7	22.2	.	6.9	12.2	11.0	12.1	2.1
Latvia	1.5	1.5	1.5	1.5	1.2	0.9	0.4	0.4	0.3	1.5	0.5	0.1	0.1	0.1
Lithuania	4.2	4.2	4.4	4.6	3.7	3.2	3.0	1.7	1.6	1.0	2.0	1.8	1.0	.
Mexico	13.7	.	.	.	.	.	.	.	.	8.7	4.0	3.5	2.0	1.5
Netherlands . . . . .	.	.	.	.	4.0	3.2	2.4	2.0	1.6	0.3	0.1	—	—	—
Norway (9)	3.1	3.6	4.0	4.8	3.5	3.3	2.5	1.2	0.8	4.6	4.0	.	.	2.2
Poland (2)	28.0	28.6	31.5	31.2	32.7	30.8	23.2	17.0	.	18.1	11.0	10.1	6.8	4.8
Roumania (10)	2.3	2.4	2.1	4.8	4.2	.	.	.	.	4.5	1.0	2.0	1.2	0.6
Spain . . . . .	.	.	.	.	.	30.9	38.1	.	.	5.0	1.0	2.0	6.7	2.0
Sweden (4)	9.4	9.4	9.4	9.4	8.0	6.6	6.5	3.5	1.9	9.4	8.5	7.1	4.2	3.1
Turkey . . . . .	.	1.5	1.0	1.0	0.5	0.4	0.4	.	.	1.0	0.7	0.4	—	0.1
U.S.S.R. (11)	16.7	17.0	15.4	15.5	15.5	.	.	.	.	10.0	15.0	.	.	.
Yugoslavia (2)	13.2	13.7	16.0	17.0	.	.	.	.	.	4.5	5.0	3.4	1.3	0.9
Other countries . . . . .	.	.	.	.	.	.	.	.	.	22.1	14.2	.	.	.
Total of countries given for the years 1926-1932	306.6	294.6	306.6	315.0	294.4	242.7	168.9	.	.	158.1	113.5	.	.	.
Total of countries given for the years 1926-1933	167.8	169.1	179.6	185.5	168.7	148.5	112.7	85.3	.	105.3	83.5	.	.	.
Total remittances from U.S.A. . . . .	.	.	.	.	.	.	.	.	.	246.9	172.6	138	89	63

SUMMARY STATEMENT

(1) The figures for total receipts refer to economic years beginning July 1st.
 (2) The figures for total emigrants' remittances received by Japan, Bulgaria, Poland and Yugoslavia include funds brought in by returning emigrants. The amount of such funds brought into Yugoslavia in 1926 has been estimated at \$1.8 million.
 (3) Total receipts from 1933 refer to China exclusive of Manchuria and Jehol.
 (4) " Tentative estimate pending further investigation. It appears probable that the figures for the preceding years are too low. "
 (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 amounting to \$1 million in 1926.
 (10) The figures for total receipts in 1928 and earlier years according to estimates by M. Loutru.
 (11) Total receipts as estimated by the Russian Commissariat of Finance, quoted by the Birmingham Bureau of Research on Russian Economic Conditions in its 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.

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

Remittances to :	\$ (000,000's) gold				
	1929	1931	1932	1933	1934
Austria	2.2	0.9	0.9	0.4	0.2
Egypt	0.1	0.1	(¹)	(¹)	(¹)
Estonia	1.2	0.1	.	.	0.04
France	1.0	0.5	0.3	—	—
Palestine	2.0	1.5	(²)	(²)	(²)
Portugal	4.0	2.5	2.0	1.6	(³)
Switzerland	1.2	1.0	1.0	0.8	0.6
United Kingdom	7.8	6.5	(⁴)	(⁴)	(⁴)
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). It is interesting to note that, while United States remittances to Italy (which are largely for investment purposes) fell from \$16.1 million in 1933 to \$9.8 million in 1934, those from France to Italy (to a great extent representing moneys sent by Italian workers for support of their families) are estimated to have been much greater in 1934 than in 1933.

Tourists' expenditure.

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

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

The total outward payments on account of tourists' expenditure for the world as a whole may have exceeded \$1,700 million in 1929 — a sum representing about 5 % 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.

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

(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).

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

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

Pays	Recettes provenant des touristes étrangers Receipts from foreign tourists						Dépenses à l'étranger des touristes nationaux National tourists' expenditure abroad					
	1929	1930	1931	1932	1933	1934	1929	1930	1931	1932	1933	1934
France	392.0	(1)	(1)	117.5	117.5	(1)	58.7	(1)	(1)	(19.6)	.	(1)
Canada	307.1	278.8	241.6	187.1	80.5	83.1	120.7	113.1	73.7	50.6	36.6	32.5
Italie (2)	137.4	104.5	72.8	59.2	68.6	.	16.7	14.3	10.1	8.9	.	.
Suisse (2)	(1)	(1)	.	.	.	.	(1)	(1)	.	.	.	.
Belgique	34.8	.	.	.	.	.	5.6	.	.	.	.	.
Autriche	36.6	.	.	.	.	.	9.2	.	.	.	.	.
Chine	12.8	12.3	.	.	2.1	.	2.6	2.5	.	.	1.1	.
Roumanie	3.0	2.4	.	.	.	.	2.1	1.7	.	.	.	.
Tchécoslovaquie	24.0	23.5	17.2	12.4	8.5	12.1	21.0	20.7	22.5	12.4	4.9	5.7
Grèce	6.8	4.9	4.5	3.0	10.0	5.8	4.7	5.0	4.4	1.1	1.1	1.3
Yougoslavie	7.2	.	.	.	.	.	6.0	.	.	.	.	.
Japon	20.6	17.3	13.5	11.2	10.2	10.8	19.4	19.6	16.8	8.3	11.5	.
Pologne	18.7	17.7	6.2	5.2	3.5	.	18.5	27.5	16.5	10.0	7.8	.
Estonie	1.0	1.0	1.0	0.7	0.6	0.5	0.9	1.0	0.9	0.8	0.6	0.5
Royaume-Uni (3) . . . . .	.	(1)	(1)	(1)	(1)	(1)	.	(1)	(1)	(1)	(1)	(1)
dont touristes allant à et venant de :												
a) continent européen . . . . .	.	38.7	32.0	20.5	19.4	19.8	.	140.2	123.8	69.4	77.5	70.3
b) autres parties du monde . . . . .	.	(1)	(1)	(1)	(1)	(1)	.	(1)	(1)	(1)	(1)	(1)
Lithuanie	1.4	1.4	1.1	1.1	0.8	0.9	1.5	2.1	2.0	1.5	1.1	0.6
Turquie	2.2	2.1	1.0	1.4	.	.	2.3	3.1	2.5	3.2	.	.
Lettonie	4.3	4.7	3.1	1.6	1.3	1.2	4.6	4.3	3.5	1.2	1.1	1.0
Finlande	4.8	4.8	4.5	2.9	2.5	2.8	5.5	5.5	3.8	2.2	2.3	2.5
Irak (2)	0.9	0.9	0.4	0.4	0.4	.	1.7	1.6	1.1	0.9	0.9	.
Uruguay	4.0	3.9	1.4	.	.	.	4.9	4.2	2.1	.	.	.
Bulgarie	0.4	0.4	0.4	0.3	0.3	.	1.8	1.6	1.5	1.1	1.0	.
Espagne . . . . .	.	.	12.4	12.9	.	.	.	.	14.1	10.2	.	.
Danemark (3)	4.0	4.0	2.5	1.9	2.2	2.7	6.7	6.7	5.0	3.8	3.7	2.7
Hongrie	4.0	4.8	4.6	3.8	.	.	9.9	10.5	10.1	5.7	.	.
Suède	(1)	(1)	9.3	6.5	6.6	5.9	(1)	(1)	8.8	7.0	6.9	7.3
Nouvelle-Zélande (2)	5.5	4.6	2.5	1.9	1.8	.	13.8	12.8	7.3	5.0	4.6	.
Brésil . . . . .	.	.	.	0.5	.	.	.	.	.	9.6	.	.
Pays-Bas . . . . .	.	5.2	3.6	2.8	2.0	1.6	.	18.1	13.3	12.1	12.1	13.7
Australie (7)	6.3	4.2	2.9	2.5	2.4	.	19.3	9.1	6.5	8.1	9.0	.
Union Sud-Africaine	5.5	5.1	4.3	3.6	3.1	.	21.7	20.7	18.7	17.7	13.8	.
Argentine (8)	11.5	10.5	7.2	.	.	.	28.7	21.9	14.4	13.2	.	.
Allemagne (4)	42.9	44.1	31.0	19.1	16.7	.	71.5	50.0	33.1	30.3	23.3	.
Indes néerlandaises	2.4	2.0	2.0	1.2	1.2	1.2	34.6	33.4	23.7	13.3	10.1	9.6
Etats-Unis d'Amérique	183.0	160.0	112.0	71.0	57.2	56.1	868.0	811.0	¹⁰⁾ 568.0	¹⁰⁾ 446.0	¹⁰⁾ 235.3	¹⁰⁾ 187.4
dont touristes allant à et venant de :												
a) Canada	94.0	75.0	57.0	35.0	28.2	28.0	296.0	266.0	238.0	183.0	81.4	71.6
b) Mexique	7.0	13.0	9.0	5.0	3.2	2.4	38.0	56.0	44.0	36.0	22.6	24.5
c) outre-mer	82.0	72.0	46.0	31.0	25.8	25.7	534.0	489.0	286.0	227.0	131.3	91.3
Cuba (11)	28.4	30.0	22.2	15.3	.	.	.	.	.	.	.	.
Antilles britanniques . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Etat libre d'Irlande . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Egypte . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Palestine . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
U.R.S.S. . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Norvège	7.2	8.8	7.5	5.4	5.0	5.1	.	.	.	.	.	.
Portugal . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Inde . . . . .	.	.	.	.	.	.	.	.	.	.	.	.
Panama . . . . .	.	(12) 2.0	(12) 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 turistiche». (3) Balances pour 1929 et 1930 d'après évaluations du professeur Bachmann, président de la Direction générale de la Banque nationale suisse. (4) Les chiffres relatifs aux touristes britanniques ne comprennent pas le montant des billets de voyage. (5) Années économiques commençant le 1^{er} avril. (6) Les chiffres relatifs aux dépenses des touristes danois ne comprennent pas le montant des billets de voyage versé aux navires étrangers. (7) Années économiques commençant le 1^{er} juillet. (8) Années économiques se terminant le 30 septembre, compris le montant des billets de voyage versé aux navires nationaux (estimés à 49 millions de dollars en 1930). (9) Les chiffres relatifs aux recettes totales ne comprennent pas les dépenses des étudiants étrangers en Allemagne. (10) Non chiffres relatifs aux recettes totales sont tirés du numéro de février 1932 du *Cuba Importadora e Industrial*. (11) Voir le numéro du 6 août 1932, page 121, du *South American Journal*. (12) Voir le numéro

les mêmes pays, par des touristes venant des Etats-Unis (en millions de dollars-or).
 expenditure in the same countries by United States tourists, in \$ (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	1930	1931	1932	1933	1934	1929	1932	1933	1934	
+ 333.3	+ 333.2	+ 235.2	+ 98.0	.	+ 98.0	137.1	70.0	48.4	29.8	France.
+ 186.4	+ 165.7	+ 167.9	+ 136.5	+ 43.9	+ 50.6	289.0	183.0	81.4	71.6	Canada.
+ 110.7	+ 90.2	+ 62.7	+ 50.3	.	.	30.4	13.5	8.1	5.1	Italy (2).
+ 54.0	+ 47.3	.	.	.	.	10.4	3.8	1.8	2.3	Switzerland (2).
+ 29.2	.	.	.	.	.	1.7	0.5	0.3	.	Belgium.
+ 27.4	.	.	.	.	.	2.9	2.0	1.7	1.0	Austria.
+ 10.2	+ 9.8	.	.	+ 1.0	.	3.3	1.5	1.0	.	China.
+ 3.1	+ 1.3	.	.	.	.	0.9	0.7	0.3	0.2	Roumania.
+ 3.0	+ 2.8	+ 5.3	± 0	+ 3.6	+ 6.4	1.3	1.2	0.6	0.5	Czechoslovakia.
+ 2.1	- 0.1	+ 0.1	+ 1.9	+ 8.9	+ 4.5	1.6	1.0	0.6	0.5	Greece.
+ 1.2	.	.	.	.	.	0.4	0.2	0.1	0.1	Yugoslavia.
+ 1.2	- 2.3	- 3.3	+ 2.9	- 1.3	.	8.4	5.3	5.1	4.2	Japan.
+ 0.2	- 9.8	- 10.3	- 4.8	- 4.3	.	1.3	0.5	0.4	.	Poland.
+ 0.1	± 0	+ 0.1	- 0.1	± 0	± 0	0.3	.	.	0.1	Estonia.
.	± 0	- 13.6	+ 7.0	- 9.9	- 4.5	40.6	22.0	14.5	.	United Kingdom (4) of which visitors to and from :
.	- 101.5	- 91.8	- 48.9	- 58.1	- 50.5	.	.	.	.	(a) European continent. (b) other parts of the world.
- 0.1	+ 101.5	+ 78.2	+ 55.9	+ 48.2	+ 46.0	0.3	.	0.2	.	Lithuania.
- 0.1	- 0.7	- 0.9	- 0.4	- 0.3	+ 0.3	1.0	0.2	0.2	0.1	Turkey.
- 0.3	+ 1.0	- 1.5	- 1.8	.	.	0.3	.	.	.	Latvia.
- 0.7	+ 0.4	- 0.4	+ 0.4	+ 0.2	+ 0.2	0.4	0.2	0.1	0.2	Finland.
- 0.8	- 0.7	+ 0.7	+ 0.7	+ 0.2	+ 0.3	.	.	.	.	Irak (5).
- 0.9	- 0.7	- 0.7	- 0.5	- 0.5	.	.	.	.	.	Uruguay.
- 1.4	- 0.3	- 0.7	.	.	.	0.2	.	.	.	Bulgaria.
.	- 1.2	- 1.1	- 0.8	- 0.7	.	1.6	1.1	0.9	0.8	Spain.
- 2.7	- 1.7	+ 2.7	.	.	.	1.1	0.4	9.3	0.2	Denmark (6).
- 5.9	- 2.7	- 2.5	- 1.9	- 1.5	± 0	1.1	0.2	0.2	0.2	Hungary.
- 8.0	- 5.7	- 5.5	- 1.9	.	.	5.7	0.9	1.1	1.2	Sweden.
- 8.1	- 6.7	+ 0.5	- 0.5	- 0.3	- 1.4	.	.	.	.	New Zealand (5).
.	- 7.8	- 4.8	- 3.1	- 2.8	.	.	.	.	.	Br zil
.	.	- 9.1	- 9.3	- 10.1	- 12.1	0.9	0.3	0.2	0.1	Netherlands.
- 13.0	- 12.9	- 9.7	- 9.3	- 10.1	- 12.1	.	.	.	.	Australia (7).
- 16.2	- 4.9	- 2.6	- 5.6	- 6.6	.	.	.	.	.	Union of South Africa.
- 17.2	- 15.6	- 14.4	- 14.1	- 10.7	.	.	.	.	.	Argentina (8).
- 28.6	- 11.4	- 7.2	.	.	.	15.0	5.2	2.5	2.5	Germany (9).
- 32.2	- 5.9	- 2.1	- 11.2	- 6.6	.	.	.	.	.	Netherlands Indies.
- 32.2	- 31.4	- 21.7	- 12.1	- 8.9	- 8.4	.	.	.	.	United States of America, of which visitors to and from :
- 685.0	- 651.0	- 456.0	- 375.0	- 178.1	- 131.3	.	.	.	.	(a) Canada. (b) Mexico. (c) overseas.
- 202.0	- 191.0	- 181.0	- 148.0	- 53.2	- 43.6	21.0	8.0	5.6	3.0	Cuba (11).
- 31.0	- 43.0	- 35.0	- 31.0	- 19.4	- 22.1	10.1	16.0	9.7	7.8	British West Indies.
- 452.0	- 417.0	- 240.0	- 196.0	- 105.5	- 65.6	4.3	2.5	1.4	1.2	Irish Free State.
.	.	.	.	.	.	4.3	.	.	.	Egypt.
.	.	.	.	.	.	2.1	.	.	.	Palestine.
.	.	.	.	.	.	1.7	.	.	.	U.S.S.R.
.	.	.	.	.	.	1.5	0.8	0.8	0.8	Norway.
.	.	.	.	.	.	1.1	0.1	0.1	0.1	Portugal.
.	.	.	.	.	.	1.0	1.0	0.8	.	India.
.	.	.	.	.	.	0.6	0.9	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) The figures for the expenditure of British tourists exclude fares. (5) Economic years beginning April 1st. (6) The figures for the expenditure of Danish tourists exclude fares paid to foreign ships. (7) Economic years beginning July 1st. (8) Economic years ending September 30th. (9) The figures for total receipts exclude the expenditure in Germany of foreign students. (10) Excluding fares paid to national ships (estimated at \$49 million in 1930). (11) The figures for total receipts are derived from *Cuba Importadora e Industrial*, February 1932. (12) Cf. *The South American Journal*, August 6th, 1932, page 121.

on the soil of all countries is estimated at \$651 million in 1929 and \$529 million in 1931.

For certain countries, several estimates of the balance on account of tourists' expenditure are available, which differ considerably from each other. The balance of receipts of Switzerland as estimated by Professor Bachmann, President of the General Directorate of the Swiss National Bank, and shown in the table (\$54 million in 1929 and \$47 million in 1930) is less than indicated by other compilers. According to another estimate reproduced in this volume ⁽¹⁾, her net receipts amounted to 466 million francs (\$90 million) in 1929 but fell as low as 31 million francs (\$6 million gold) in 1934. The fact that a third and admittedly tentative estimate puts the same balance in 1934 at 200 million francs ⁽²⁾ stresses the uncertainty which prevails with reference to the economic importance of the Swiss tourist traffic.

In spite of the recent heavy fall in the expenditure (measured in gold) of United States tourists abroad, the amounts received or paid by several European countries increased in the course of 1934. Thus total receipts of Czechoslovakia, Finland and Denmark, as well as the receipts of the United Kingdom on account of visitors from Europe, were greater in that year than in 1933, and the same is true of the expenditure by Czechoslovak, Finnish, Swedish and Dutch tourists abroad. Judging from such information as is available concerning the number of foreign tourists and the length of their stay, a further expansion of tourist expenditure occurred in certain European countries (particularly Austria and Germany) in the course of 1935.

While there are signs of a growth of inter-European tourist traffic, United States tourists appear to an increasing extent to prefer visiting countries outside Europe. Between 1933 and 1934 the expenditure of United States tourists in Canada, in current United States dollars, rose by 19%, in Mexico by 65%, and in the West Indies and Central America by 13%, at the same time as the United States expenditure in Europe, South America and the Far East declined by 28%. That this decline was on account of expenditure in Europe is obvious from the change in the distribution of the number of tourists departing for different areas. Since 1932, the number of United States visitors to Europe has declined and those to South America, the Orient and the Far East increased ⁽³⁾.

Percentage change in number of United States visitors to :	Between 1932 and 1933	Between 1933 and 1934
Western Europe	-21	- 5
Northern Europe	-42	- 2
Mediterranean area	-11	-13
Orient and Far East	+ 8	+21
South America	+ 1	+32

One of the main reasons for these diverging movements is undoubtedly the fact that the prices of hotel accommodation have fallen relatively little in the important tourist countries of Europe which maintain the exchange value of their currencies at par.

(1) Cf. page 168.

(2) Cf. page 168, footnote (2).

(3) Cf. page 191.

ALBANIA

An estimate of the balance of payments of Albania in 1933 has been supplied by the Government of that country and is set out below, in a slightly modified form, together with those for 1929-1932 published in the 1931-1932 issue.

Goods, services and gold.

Items	Francs ar (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1929	1930	1931	1932	1933	1929	1930	1931	1932	1933
<i>I. Merchandise.</i>										
1. Merchandise, as recorded	14.7	12.4	7.5	4.5	5.7	38.6	33.3	29.5	22.8	15.9
2. Adjustments of item 1:										
(a) for wrong valuation	2.2	1.8	1.1	0.7	—	—	—	—	—	—
(b) for goods escaping record	—	—	—	—	0.6	3.1	1.7	1.5	1.1	2.6
<i>II. Interest and dividends.</i>										
3. Yield of long-term capital . . . . .	.	.	.	.	0.3	0.2	0.2	0.2	0.2	0.6
4. Interest on short-term capital . . . . .	.	.	.	.	0.8					1.0
<i>III. Other services.</i>										
5. Commissions and insurance . . . . .	.	.	.	.	.	.	.	.	.	0.2
6. Post, telegraph and telephone	—	—	—	—	—	—	—	—	—	0.4
7. Emigrants' funds	—	—	—	—	—	0.5	0.1	—	0.2	—
8. Emigrants' remittances	10.0	7.0	7.0	6.0	3.9	—	—	(1) 1.0	—	0.8
9. Tourists' expenditure (2)	—	—	—	—	—	0.3	0.8	—	1.0	(3) 0.6
10. Diplomatic expenditure	5.0	5.0	5.0	5.0	2.0	0.7	0.9	0.9	0.8	0.8
11. Income from real estate rented to foreigners on long lease	0.7	0.1	—	—	—	—	—	—	—	—
12. Other items	—	—	—	—	0.2	—	—	—	—	0.6
<i>IV. Gold.</i>										
13. Gold	—	—	—	—	—	—	—	—	—	—
Total	32.6	26.3	20.6	16.2	13.4	43.4	37.0	33.1	26.1	23.5
Deficit (—)	—10.8	—10.7	—12.5	—9.9	—10.1					

(1) Including Government expenditure other than shown against item 10.

(2) The debit figures include the expenditure of Albanian students abroad.

(3) " Remuneration for services rendered abroad to Albanians."

Capital items.

Items	Francs ar (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1929	1930	1931	1932	1933	1929	1930	1931	1932	1933
<i>I. Long-term operations.</i>										
1. Receipts out of the loan granted by the Society for the economic development of Albania (Svea), and payment in amortisation of this loan	9.6	12.7	15.8	7.0	4.0	—	0.9	—	—	—
2. Other loans raised abroad (1)	—	—	1.0	7.0	3.4	—	—	—	—	—
3. Purchase of existing foreign securities	—	—	—	—	—	—	—	—	—	0.1
4. Other long-term capital movement	6.0	4.5	2.2	2.0	1.8	—	—	—	—	1.1
<i>II. Short-term operations.</i>										
5. Change in short-term debts	—	—	—	—	1.4	—	—	—	—	1.2
6. Change in short-term assets	—	—	—	—	1.9	—	—	—	—	—
Total	15.6	17.2	19.0	16.0	12.5	—	0.9	—	—	2.4
Net inward movement of capital (+)	+ 15.6	+ 16.3	+ 19.0	+ 16.0	+ 10.1					

SUMMARY TABLE.

	Francs ar (000,000's)								All items (2)
	Goods, services and gold					Capital items			
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term	Total	
1926 Balance	— 13.6	—	+ 11.9	—	— 1.7	+ 2.2	.	+ 2.2	+ 0.5
1927 Balance	— 14.5	— 0.2	+ 11.9	—	— 2.8	+ 3.6	.	+ 3.6	+ 0.8
1928 Balance	— 17.6	— 0.2	+ 12.7	—	— 5.1	+ 5.9	.	+ 5.9	+ 0.8
1929 Balance	— 24.8	— 0.2	+ 14.2	—	— 10.8	+ 15.6	.	+ 15.6	+ 4.8
1930 Balance	— 20.8	— 0.2	+ 10.3	—	— 10.7	+ 16.3	.	+ 16.3	+ 5.6
1931 Credit	8.6	—	12.0	—	20.6	19.0	.	19.0	39.6
Debit	31.0	0.2	1.9	—	33.1	—	.	—	33.1
Balance	— 22.4	— 0.2	+ 10.1	—	— 12.5	+ 19.0	.	+ 19.0	+ 6.5
1932 Credit	5.2	—	11.0	—	16.2	16.0	.	16.0	32.2
Debit	23.9	0.2	2.0	—	26.1	—	.	—	26.1
Balance	— 18.7	— 0.2	+ 9.0	—	— 9.9	+ 16.0	.	+ 16.0	+ 6.1
1933 Credit	6.2	1.1	6.1	—	13.4	9.2	3.3	12.5	25.9
Debit	18.5	1.6	3.4	—	23.5	1.2	1.2	2.4	25.9
Balance	— 12.3	— 0.5	+ 2.7	—	— 10.1	+ 8.0	+ 2.1	+ 10.1	—

(1) The amounts entered for 1931 and 1932 are stated to represent receipts out of the Italian Loan of 1931.
(2) The balances in this column are due to errors and omissions.

AUSTRALIA

A statement on the balance of payments of Australia in the year 1933-34 has been supplied by the Government of that country, and the figures for the five preceding years, which were given in the last issue of this publication, have been revised. The data for the last four years available are set out on the following pages in a form which differs slightly from that employed in the original statements⁽¹⁾. It is pointed out that, until further investigations have been carried out, the statements have to "be regarded as first approximations rather than as final results pretending to a substantial degree of accuracy".

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

For purposes of comparison, the Summary Table shows, besides the balances of the main groups of items during the six years 1928-29 to 1933-34 according to the official statements, the balances of goods, services and gold during the ten years beginning 1920-21, according to private calculations by Dr. Roland Wilson⁽²⁾.

Goods, services and gold.

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
<i>I. Merchandise.</i>								
1. Merchandise (as recorded)	77,050	75,813	78,548	91,107	60,586	44,059	56,872	59,681
2. Adjustment on account of :								
(a) undervaluation of imports on account of freight, insurance, etc. . .	—	—	—	—	3,229	3,387	4,308	4,681
(b) undervaluation of imported films	—	—	—	—	421	147	122	200
(c) ships' stores exported	1,401	1,225	1,295	1,294	—	—	—	—
(d) overvaluation of wool exported	— 613	—	—	—	—	—	—	—
(e) household effects, etc.	— 92	— 75	— 62	— 61	— 120	— 111	— 141	— 141
(f) exchange fluctuations	— 48	147	—	—	— 116	— 144	— 194	— 330
Carried forward	77,693	77,110	79,781	92,340	64,000	47,338	60,967	64,092

(1) Cf. *The Official Year Book of the Commonwealth of Australia*, Vol. 1934 (No. 27), page 873.

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

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
Brought forward . .	77,698	77,110	79,781	92,340	64,000	47,338	60,967	64,092
II. Interest and dividends.								
3. Interest on Government overseas debt and invest- ments :								
(a) Commonwealth :								
long-term securities					8,669	4,858	4,993	4,694
short-term securi- ties	161	174	161	86	134	493	256	210
bank advances or balances (net) . .	—	—	2	4	204	5	—	—
(b) States :								
long-term securities	—	—	—	—	19,874	18,932	18,386	18,034
short-term securi- ties	—	—	—	—	906	1,121	721	570
bank advances or balances (net) . .	—	16	2	8	320	—	—	—
4. Interest on sinking fund investments overseas	53	58	66	36	—	—	—	—
5. Interest on local bodies' debt overseas	—	—	—	—	1,438	1,640	1,643	(1) 1,512
6. Interest on the debt, domiciled in Australia, of :								
(a) New Zealand Go- vernment	278	186	127	124	—	—	—	—
(b) New Zealand local bodies	387	307	245	245	—	—	—	—
7. Interest on certain Austral. assets overseas	610	1,280	935	767	—	—	—	—
8. Interest and dividends on long-term private capital invested in Australia	—	—	—	—	4,585	4,106	4,532	5,096
9. Deduct contribution of British Government to interest on migra- tion loans	—	—	—	—	— 131	— 112	— 110	— 106
10. Interest on bank bal- ances held :								
(a) overseas by Aus- tralian banks	599	1,085	225	316	—	—	—	—
(b) in Australia by oversea banks	—	—	—	—	445	305	285	249
11. Interest on trade money held temporarily in Australia on oversea account	—	—	—	—	332	337	285	253
III. Other services.								
12. Shipping income	537	523	538	669	—	—	—	—
13. Port expenditure	4,505	3,891	4,233	4,056	—	—	—	—
Carried forward . .	84,828	84,630	86,315	98,651	100,576	79,023	91,958	94,604

(1) Including 31, "interest on other public debt held overseas".

Items	£ (000's) sterling							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
Brought forward. . .	84,828	84,630	86,315	98,651	100,576	79,023	91,958	94,604
14. Duties on ships' stores consumed in Australian waters	58	48	41	40	—	—	—	—
15. Insurances : (a) life (b) fire, marine and general	— 21	— — 15	— 13	— 15	24 459	16 805	24 1,043	26 1,200
16. Loan flotation and management expendi- ture and stamp duties on transfers .	—	—	—	—	42	33	529	1,078
17. Immigrants' and emi- grants' funds.	360	208	238	239	1,514	896	689	663
18. Immigrants' and emi- grants' remittances .	518	408	363	358	696	327	303	315
19. Tourists' expenditure.	853	735	739	776	1,853	1,419	2,381	2,871
20. Other payments to absentees	—	—	—	—	223	163	176	195
21. Diplomatic expenditure	110	100	100	100	170	119	125	133
22. War pensions	446	436	297	333	374	325	264	253
23. Upkeep of soldiers' graves.	—	—	—	—	95	—	—	—
24. Reparation receipts (in cash)	1,265	—	—	—	—	—	—	—
25. Oversea mail subsidy.	—	—	—	—	130	110	110	110
26. Land and income taxa- tion paid by oversea interests	834	633	547	581	—	—	—	—
27. Commonwealth contri- bution to assisted passages	—	—	—	—	10	—	—	—
28. Expenditure overseas by Department of Defence	—	—	—	—	137	81	53	80
29. Government receipts and payments n.e.i.	23	26	17	21	123	109	125	138
IV. Gold.								
30. Gold coin and bullion, as recorded : (a) imports (b) exports divided into : domestic production exports in excess of production :	— 2,157 10,119	— 3,609 5,927	— 4,606 13,443	— 5,659 2,015	374 — —	654 — —	1,141 — —	1,211 — —
Total	101,592	96,745	106,719	108,788	106,800	84,080	98,921	102,877
Surplus (+) or deficit (—) on account of : (a) goods and services. (b) gold (c) goods, services and gold	— 17,110 + 11,902 — 5,208	+ 3,783 + 8,882 + 12,665	— 9,110 + 16,908 + 7,798	— 552 + 6,463 + 5,911				

Capital items.

Items	£ (000's) sterling							
	Inward or credit capital movements				Outward or debit capital movements			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
1. Change in Government debt domiciled overseas:								
(a) Commonwealth:								
long-term securities	—	—	—	—	1,952	103	360	1,288
short-term securities	8,645	—	—	—	—	—	—	—
bank advances or balances (net) . .	—	—	8	—	7,817	1,190	—	610
(b) States:								
long-term securities	—	—	—	—	610	1,674	779	2,209
short-term securities	19,430	—	—	—	—	751	3,199	500
bank advances or balances (net) . .	—	5	—	—	14,698	—	512	834
discounts and cash bonuses on conversion	—	—	—	—	—	—	309	1,407
2. Change in local bodies' debt domiciled overseas	952	—	—	—	—	884	95	70
3. Change in other public debt held overseas . .	—	—	770	—	—	—	—	—
4. Change in Commonwealth Government investments overseas	155	29	699	—	—	—	—	28
5. Change in sinking fund investments overseas	—	84	—	2,213	247	—	2,028	—
6. Change in debt, domiciled in Australia, of:								
(a) New Zealand Government	86	204	835	—	—	—	—	31
(b) New Zealand local bodies	—	1,015	1,239	—	318	—	—	—
7. Change in bank balances held:								
(a) overseas by Australian banks . .	3,138	—	4,258	—	—	7,369	—	21,145
(b) in Australia by overseas banks	—	—	349	—	1,538	112	—	531
8. Change in trade moneys held temporarily in Australia on overseas account	6,390	557	—	110	—	—	1,673	—
9. Change in "other" Australian assets overseas	—	—	—	1,250	8,820	3,483	16,461	—
10. Change in net assets in Australia of overseas life insurance companies .	9	2	1,801	—	—	—	—	—
Total	38,805	1,896	9,959	3,573	36,000	15,566	25,416	28,653
Net inward (+) or outward (—) movement of capital	+ 2,805	— 13,670	— 15,457	— 25,080				

SUMMARY TABLE.

	£ (000's) sterling						
	Goods, services and gold					Capital items	All items (2)
	Merchandise	Interest and dividends	Other services	Gold	Total		
(a) Private calculations by Dr. Roland Wilson. (1)							
1920-21.	- 22,657	- 23,930	+ 4,644	+ 5,297	- 36,646		
1921-22.	+ 30,375	- 26,143	+ 3,476	+ 3,475	+ 11,183		
1922-23.	- 7,460	- 25,819	+ 4,695	+ 2,222	- 26,362		
1923-24.	- 15,670	- 28,378	+ 4,169	+ 2,792	- 37,087		
1924-25.	+ 19,384	- 28,593	+ 4,133	- 9,564	- 14,640		
1925-26.	- 7,816	- 31,266	+ 4,174	+ 3,993	- 30,915		
1926-27.	- 31,732	- 32,756	+ 5,766	+ 10,803	- 47,919		
1927-28.	- 8,831	- 35,752	+ 4,156	+ 1,836	- 38,591		
1928-29.	- 5,430	- 35,807	+ 3,171	+ 2,637	- 35,429		
1929-30.	- 34,788	- 35,490	+ 2,853	+ 27,394	- 40,026		
(b) Official figures.							
1928-29 Credit . .	138,107	3,368	12,012	2,987	156,474	31,889	188,363
Debit. . .	149,653	37,499	10,527	348	198,027	8,075	206,102
Balance . .	- 11,546	- 34,131	+ 1,485	+ 2,639	- 41,553	+ 23,814	- 17,739
1929-30 Credit . .	96,224	2,978	12,098	26,872	138,172	61,581	199,753
Debit. . .	138,780	38,021	9,090	294	186,185	26,676	212,861
Balance . .	- 42,556	- 35,043	+ 3,008	+ 26,578	- 48,013	+ 34,905	- 13,108
1930-31 Credit . .	77,698	2,088	9,530	12,276	101,592	38,805	140,397
Debit. . .	64,000	36,576	5,850	374	106,800	36,000	142,800
Balance . .	+ 13,698	- 34,488	+ 3,680	+ 11,902	- 5,208	+ 2,805	- 2,403
1931-32 Credit . .	77,110	3,106	6,993	9,536	96,745	1,896	98,641
Debit. . .	47,338	31,635	4,403	654	84,080	15,566	99,646
Balance . .	+ 29,772	- 28,579	+ 2,590	+ 8,882	+ 12,665	- 13,670	- 1,005
1932-33 Credit . .	79,781	1,763	7,126	18,049	106,719	9,959	116,678
Debit. . .	60,967	30,991	5,822	1,141	98,921	25,416	124,337
Balance . .	+ 18,814	- 29,228	+ 1,304	+ 16,908	+ 7,798	- 15,457	- 7,659
1933-34 Credit . .	92,340	1,586	7,188	7,674	108,788	3,573	112,361
Debit. . .	64,092	30,512	7,062	1,211	102,877	28,653	131,530
Balance . .	+ 28,248	- 28,926	+ 126	+ 6,463	+ 5,911	- 25,080	- 19,169

It will be noted that a perfect balance is not obtained for any of the six years shown in the official statement. The discrepancies given (see the last column of Summary Table) are attributed to "errors of estimation, omissions and time lags". No figures are available concerning the changes in private long-term investments of oversea capital, which are believed to have increased during the period. It is pointed out also that the inward movement of short-term funds may have been greater than the table suggests. Some part of the large discrepancy for 1928-29 may be due, it is pointed out, "to the actual receipt in 1928-29 of part of the oversea public borrowings of 1927-28, which amounted, for the States and the Commonwealth as a whole, to the huge sum of £54,254,627". The bulk of the debit balance for 1933-34 is supposed to be due to unrecorded imports of private capital. "Very large amounts of oversea capital were invested in Australian gold mines, old and new, in this year; certain

(1) Cf. page 49. These figures represent thousands of Australian pounds.

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

financial institutions sold off considerable blocks of securities domiciled overseas ; and some investment took place in miscellaneous business undertakings such as meat-works, etc. The evidence is not sufficiently definite to be reduced to publishable figures at this stage, but it gives some warrant for the belief that the margin of error in the calculations is rather less than might be feared."

For details concerning the compilation of the figures, reference should be made to the 1931-1932 issue of this publication. Supplementary information concerning the figures for certain items in 1933-34 is supplied below.

Goods, services and gold.

Merchandise. The freight charges, from which the amounts entered against item 2 a were calculated, were taken at 17.4 % of the f.o.b. value of merchandise imports. For insurance and numerous small charges not included in the recorded values, a further adjustment of $1\frac{1}{4}$ % was made. The excess of the total charges so estimated, over the 10 % already allowed in trade returns, is the final adjustment required.

The correction on account of exchange fluctuations (item 2 f) is entered for the first time in the present edition. The figures on the credit side "are designed to convert the export values uniformly to an English sterling basis, using the mean of the buying and selling rates for telegraphic transfers throughout". Imports are generally recorded in trade returns for duty purposes in British currency ; but as values recorded in terms of £ s. d. are regarded for duty and statistical purposes as being expressed in terms of such currency, adjustments are made to correct discrepancies in the case of imports from the Australian territories, New Zealand and South Africa.

Interest and dividends. The figure for 1933-34 with reference to payments on account of long-term private capital invested in Australia (item 8) is stated to be "largely conjectural, but rather more firmly based than in previous statements". The detailed calculations were based on data contained in the annual reports of the Commonwealth Commissioner of Taxation, and indexes of company profits from *Jobson's Investment Digest*.

In calculating the interest received on account of outstanding bank balances (item 10 a), the average rate for three months bankers' acceptances was applied to the average of the amount outstanding at the beginning and end of each year. For outward payments (item 10 b), the rate employed was 4 %.

Other services. The expenditure of foreign ships in Australia (item 13) was calculated at $22\frac{1}{2}$ % of the estimated total freight earnings of foreign shipping. The item covers numerous expenses (other than stores, fuel and duties) in Australian ports, and crews' expenditure in Australia.

Capital items.

An important revision has been made in the figures entered against item 7, which are now based upon direct records of the oversea assets of the banks. "In previous statements, it was necessary to resort to indirect estimates which prove to have been rather unsatisfactory for year-to-year comparisons. The incorporation of the new figures enables much more reliable inferences to be drawn from the general tables."

International indebtedness.

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

Items	Cur- rency	£ (000's) at June 30th					
		1929	1930	1931	1932	1933	1934
<i>Liabilities.</i>							
1. Government debt domiciled overseas :							
(a) Commonwealth :							
long-term securities	\$ 4.866	17,156	17,156	17,156	17,116	16,890	16,711
"	£ stg.	142,630	150,571	148,619	148,556	148,422	147,313
short-term securities	£ stg.	—	1,575	10,220	10,220	10,220	10,220
bank advances or balances (net)	£ stg.	(1)- 1,515	7,703	(1)- 114	(1)- 1,304	(1)- 1,296	(1)- 1,906
(b) States :							
long-term securities	\$ 4.866	30,779	30,687	30,436	29,964	29,581	29,237
"	£ stg.	381,718	370,209	369,850	368,648	368,252	366,387
short-term securities	£ stg.	—	8,425	27,855	27,104	23,905	23,405
bank advances or balances (net)	£ stg.	5,623	14,468	(1)- 230	(1)- 225	(1)- 737	(1)- 1,571
2. Local bodies' debt domiciled overseas	Mainly £ stg.						
3. " Other public debt held overseas "	£ A.	—	—	—	—	965	965
4. Net assets in Australia of oversea banks	£ A.	7,907	9,661	7,846	7,703	8,140	7,475
5. Net assets in Australia of oversea life insurance companies	£ A.	42	46	57	59	2,315	2,315
6. Long-term private capital invested in Australia (approximately)	£ A.	175,000	175,000	175,000	175,000	175,000	175,000
7. Trade moneys held temporarily in Australia on oversea account	£ A.	—	4,031	11,571	12,281	10,186	10,324
Total liabilities	£ stg.	554,565	580,694	584,895	580,810	576,482	571,494
	£ A.	182,949	188,738	194,474	195,043	196,606	196,079
	\$ 4.866	47,935	47,843	47,592	47,080	46,471	45,948
<i>Assets.</i>							
8. Commonwealth Government investments overseas	£ stg.	3,234	3,062	2,907	2,878	2,179	2,207
9. Sinking fund investments in securities domiciled overseas, or in bank accounts	£ stg.	1,131	1,098	1,345	1,261	3,289	1,076
10. " Other assets overseas "	£ stg.	6,081	21,046	29,866	33,349	49,810	48,560
11. Not assets overseas of Australian banks	£ stg.	45,613	27,499	24,361	31,730	27,472	48,617
12. New Zealand Government debt domiciled in Australia	£ A.	4,168	4,277	4,175	3,915	2,869	2,908
13. New Zealand Local Bodies' debt domiciled in Australia	£ A.	7,386	8,200	8,575	7,282	5,730	5,730
Total assets	£ stg.	56,959	52,705	58,479	69,218	82,750	100,460
	£ A.	11,554	12,477	12,750	11,197	8,599	8,638

(1) Net asset.

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

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

The figures entered against item 10 (" Other assets overseas ") are stated to be " based on confidential information received ".

Australia's " Reserves of international currency ".

The figures given above may be supplemented by information concerning Australia's " reserves of international currency ", as recorded in an enquiry by Dr. Roland Wilson (1). The following table differs slightly in arrangement from that given in the enquiry.

AUSTRALIA'S " RESERVES OF INTERNATIONAL CURRENCY ".
Figures in £ (000's) at June 30th of each year.

Items	1928	1929	1930	1931	1932		1933		1934	
	£ stg.	£ stg.	£ stg.	£ stg.	£ gold	£ stg.	£ gold	£ stg.	£ gold	£ stg.
1. Visible stocks of gold	46,390	45,483	21,183	11,733	8,966	12,102	889	1,286	882	1,431
2. Gold in transit overseas	—	—	—	4,001	2,001	2,701	—	—	—	—
3. Net overseas assets of Trading Banks and Banking Department of Commonwealth Bank(2)	50,728	45,613	27,499	24,361	23,508	31,730	18,974	27,472	29,956	48,617
4. Net overseas assets of Note Issue Department of Commonwealth Bank	5,720	6,981	21,046	25,865	22,729	30,678	34,403	49,810	29,921	48,560
5. Sundry credit balances of the Australian Government in London and New York	4,645	4,829	(3) 1,925	344	1,133	1,530	1,405	2,034	2,143	3,477
Total	107,483	102,906	71,653	66,304	58,337	78,741	55,671	80,602	62,902	102,085
<i>Deductions.</i>										
6. Overdrafts and short-term securities, domiciled overseas, of Australian Governments :										
(a) Commonwealth Bank (both departments)			(3) 16,938	30,125		30,125		30,125		30,125
(b) Australian Trading Banks	838	8,937	2,950	2,950	27,653	2,950	23,570	—	20,719	—
(c) British banks			9,208	5,000		4,250		4,000		3,500
(d) British public	—	—	5,000	—	—	—	—	—	—	—
Total short-term liabilities (4)	838	8,937	34,096	38,075	27,653	37,325	23,570	34,125	20,719	33,625
7. Long-term securities of Australian governing bodies included in overseas assets of Commonwealth Bank (both depts.)	244	1,133	1,018	1,018	1,102	1,488	77	112	132	215
Total deductions	1,082	10,070	35,114	39,093	28,755	38,813	23,647	34,237	20,851	33,840
Available " reserves of international currency "	106,401	92,836	36,539	27,211	29,582	39,928	32,024	46,365	42,051	68,245
Annual change therein		-13,565	-56,297	-9,328		+12,717		+6,437		+21,880

(1) " London Funds and the Australian Economy ", article published in the *Economic Record Supplement*, March 1935.

(2) Averages for the month of June.

(3) Includes £1,299,000 lent to the Commonwealth by Queensland (items 5 and 6a).

(4) External short-term debt and overdrafts as officially stated.

Item 1 (Visible stocks of gold) represents the gold held in Australia by the Commonwealth Bank (Note Issue and Banking Departments) as well as cheque-paying banks and savings banks. The changes in the total stocks thus calculated are, during most of the years shown in the table, somewhat less than the net exports of gold in excess of production. The discrepancy, amounting for the whole period considered to £2,840,000, is attributed to the surrender of gold by the public during the depression years. The reduction in the Australian gold stocks after 1929 is due to changes in the Australian banking practice. The bulk of the gold stocks of the trading banks has been exported and replaced by balances at the Commonwealth Bank — a change taken in conjunction with the Exchange Mobilisation Agreement of September 1930.

Item 2 represents gold shipped abroad for sale before June 30th but still on the water on that date.

Items 3-5 represent short-term assets abroad with reference to which information was available. The oversea net assets of the trading banks and the Banking Department of the Commonwealth Bank were calculated by "adding the shareholders' funds of each Australian bank to the quarterly average of its liabilities to the public within Australia and subtracting the quarterly average of its assets within Australia". In certain cases, a more elaborate method was employed. Figures concerning the relatively small amounts held by Australian importing houses with London offices and by independent exchange dealers and others were not available; it is stated that these reserves "may easily run into several millions".

Funds accumulated in New Zealand from former Australian accounts are not included in the figures given; the author of the statement believes, however, that the amounts in question are relatively small and relatively constant from one year to another.

Items 6 and 7 represent deductions from the total assets given in items 1-5. Item 7 represents the long-term securities included in the oversea assets of the Commonwealth Bank only; it was not possible to eliminate the trade banks' holdings of these securities which, it is stated, may run into millions of pounds. Speculative short-term moneys held in Australia by oversea interests are not deducted, but will be dealt with below.

In the following table, the total "reserves of international currency" calculated above are compared with the contingent liabilities against which they are held, namely, the note issue reserve and the estimated trading minimum required by banks for financing the seasonal lag in income from exports. The difference between the total reserves and these liabilities is shown as "Margin in excess of minimum requirements". The speculative short-term funds held in Australia by oversea interests, shown in the last two columns of the table, are not deducted from the margin just mentioned.

AUSTRALIA'S "RESERVES OF INTERNATIONAL CURRENCY" COMPARED WITH CERTAIN CONTINGENT LIABILITIES.

Figures in £ (000's) at June 30th of each year.

	Available "reserves of international currency"	Minimum current requirements for		Margin in excess of minimum requirements	Trade moneys held temporarily in Australia on oversea account		
		Note issue reserve (1)	Banks' trading reserve (say) (2)		£ stg.	£ A	£ stg.
1928	106,401	12,165	16,640	77,596	—	—	
1929	92,836	11,315	11,790	69,731	—	—	
1930	36,540	12,663	9,250	14,627	4,031	3,785	
1931	27,211	8,221	9,100	9,890	11,571	8,867	
1932	39,928	7,658	9,430	22,840	12,281	9,786	
1933	46,365	9,054	10,930	26,381	10,186	8,116	
1934	68,245	(10,750)	(9,600)	47,895	10,324	8,226	
1935 . . . . .	.	(12,500)	(10,000)	.	.	.

(1) Calculated at the statutory proportions of 25 % up to 1930-31, 15 %, 15 %, 13 %, 21½ % and 25 % respectively, in the following years, on the maximum weekly note issue in the twelve months following the date stated.

(2) Calculated at 12 % of the value of exports of merchandise in the twelve months following the date stated.

AUSTRIA

Estimates of a number of items in the balance of payments of Austria during the years 1926-1929 are contained in the 1930 edition of this publication ⁽¹⁾. No more recent figures of this kind have become available, but authoritative estimates of Austria's foreign indebtedness and of amounts due by her abroad in the service of loans have appeared and are reproduced below ⁽²⁾.

International indebtedness.

The following tables refer to liabilities in the form of loans and credits only. The comparatively small liabilities of agriculture and of individuals are excluded. The figures are largely based on information supplied in reply to questionnaires sent out by the National Bank of Austria. Credits for a period of up to six months are recorded as short-term credits, others as medium- or long-term credits. No deduction has been made from the funded debt on account of bonds which are still outstanding but have been acquired by Austrians. The amounts in foreign currency were first converted into gold Schilling at the rates published by the National Bank, and from gold Schilling into current Schilling at the rate of 128 Schilling for 100 gold Schilling.

AUSTRIAN LIABILITIES IN FOREIGN CURRENCY.

Debtors	Schilling (000,000's)			
	End of 1932	Changes during 1933		End of 1933
		Due to depreciation of currencies	Others	
A. Funded loans :				
(a) the State	1,663.0	— 170.3	⁽³⁾ + 262.8	⁽³⁾ 1,755.5
(b) provinces and municipalities	596.1	— 149.9	— 8.1	438.1
(c) credit institutions	53.6	—	+ 2.0	55.6
(d) industry and others	261.9	— 52.4	— 6.4	203.1
Total	2,574.6	— 372.6	⁽³⁾ + 250.3	⁽³⁾ 2,452.3
B. Long- and medium-term credits :				
(a) the State	^(4a) 37.6	^(4b) — 4.1	— 1.0	^(4c) 32.5
(b) provinces and municipalities	15.2	— 2.3	^(5a) + 1.2	14.1
(c) credit institutions	244.7	— 22.0	— 36.8	185.9
(d) industry and others	91.5	— 2.9	^(5b) + 39.0	127.6
Total	389.0	— 31.3	+ 2.4	360.1
C. Short-term credits :				
(a) the State	128.0	—	— 128.0	—
(b) credit institutions	1,012.0	— 159.4	— 630.8	221.8
(c) industry and others	147.4	— 4.7	^(6c) + 14.4	157.1
Total	1,287.4	— 164.1	— 744.4	378.9
General total	^(4a) 4,251.0	^(4b) — 568.0	⁽³⁾ — 491.7	⁽³⁾ ^(4c) 3,191.3

(1) Series No. 1931.II.A.28II.
(2) The data are extracted from an article, "Die Auslandsverschuldung Österreichs", by Dr. Gustav Wärmer, Head of the Statistical Department of the National Bank of Austria (*Mitteilungen des Verbandes österreichischer Banken und Bankiers*, Heft 10-11, 1934).
(3) Not including international relief credits: (a) 496.0 million Schilling; (b) — 108.5 million Schilling; (c) 387.5 million Schilling.
(4) Not including international relief credits: (a) 496.0 million Schilling; (b) — 108.5 million Schilling; (c) 387.5 million Schilling.
(5) Of which new credits granted during 1933: (a) 2.6 million Schilling; (b) 41.5 million Schilling; (c) 19.8 million Schilling.

Similar details concerning the debt position at the end of 1934 are not available, but according to the Annual Report of the National Bank of Austria for 1934, the foreign indebtedness of Austria may be taken to have fallen by 550-600 million Schilling in the course of 1934. At the end of that year this indebtedness may thus be estimated at about 2,700 million Schilling, excluding the debts on account of the Credit-Anstalt Agreement and relief credits.

The composition of the funded State loans held abroad (item A a in the above table) was as follows :

	Schilling (000,000's) at the end of	
	1932	1933
League of Nations Loan	835.6	686.8
International Loan, 1930	419.7	328.5
Lausanne Loan	—	337.7
Other loans	70.0	(¹) 63.3
Share in pre-war debts	337.7	339.2
Total	1,663.0	1,755.5

The composition of the short-term credits of credit institutions (item C b) is given below :

	Schilling (000,000's) at the end of	
	1932	1933
National Bank of Austria	135.7	—
Credit-Anstalt	525.2	—
Standstill liabilities of the banks	146.8	66.4
Other bank creditors	200.2	151.4
Insurance companies	(²) 4.1	(²) 4.0
Total	1,012.0	221.8

It is pointed out that, at the end of April 1931, the short-term indebtedness of the credit institutions amounted to about 1.5 milliard Schilling, of which some 1,150 million on account of debts to foreign banks (including the liabilities of the Credit-Anstalt) and 300-400 million on account of other debts. The corresponding indebtedness at the end of 1930 is believed to have been still higher, as withdrawals occurred during the early months of 1931.

The following table gives the distribution by creditor countries of the total foreign liabilities on account of loans and credits at the end of 1933. Funded loans are entered against the country of issue.

Creditor country	Schilling (000,000's)				
	The State	Provinces and municipalities	Industry	Other debtors	Total
U.S.A.	223.3	259.6	69.1	52.6	604.6
United Kingdom	480.9	4.2	71.3	48.0	604.4
Switzerland	106.2	89.2	167.8	193.7	556.9
France	289.7	88.3	1.2	13.4	392.6
Italy	175.8	—	49.5	26.2	251.5
Germany	128.4	—	16.4	28.8	173.6
Czechoslovakia	119.9	—	16.8	32.6	169.3
Netherlands	22.5	4.8	22.0	40.0	89.3
Other countries	241.3	6.1	2.6	99.1	349.1
Total	(³) 1,788.0	452.2	416.7	534.4	(³) 3,191.3

(1) Excluding 221.7 million Schilling, Government debt on account of the Credit-Anstalt Agreement.

(2) Partial estimate.

(3) Excluding State debt on account of the Credit-Anstalt Agreement, 221.7 million Schilling, and relief credits, 387.5 million Schilling.

Debt service.

The total service of foreign debts in 1932 and 1933, paid either in domestic or foreign currency, was as follows :

	Schilling (000,000's)	
	1932	1933
Interest	281.8	219.9
Amortisation	238.6	(¹) 346.7
Total	520.4	566.6

Only 54 % of the total for 1932, and 71 % of that for 1933, was actually transferred abroad (paid in foreign currency). The following table shows the composition of the amounts transferred.

Debtors	Schilling (000,000's)			1933
	1932			
	January- June	July- December	Total	
The State	91.8	0.1	91.9	(²) 232.7
Provinces and municipalities	18.3	0.6	18.9	2.3
Transport enterprises, convents and foundations	6.7	0.1	6.8	1.2
Credit institutions	111.1	33.7	144.8	(³) 149.1
Industry	14.1	4.2	18.3	16.4
Total	242.0	38.7	280.7	401.7

(1) Excluding the advance of the Bank of England, which was converted, but including repayment of 137.5 million Schilling lent by the Bank for International Settlements.

(2) Including arrears from 1932, 73.6 million Schilling. The repayment of the advance of the Bank of England is not included.

(3) Including repayment to the Bank for International Settlements.

BULGARIA

Statements of the balance of payments of Bulgaria in 1932, 1933 and the first ten months of 1934 have been prepared by the Statistical Service of the National Bank of Bulgaria and are set out below together with that for 1931 contained in the 1931-1932 edition of this publication (1).

Goods, services and gold.

Items	Leva (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	Jan-Oct. 1934	1931	1932	1933	Jan-Oct. 1934
<i>I. Merchandise.</i>								
1. Merchandise	5,934	3,383	2,846	1,937	4,660	3,471	2,202	1,827
2. Railway freight on imports	—	—	—	—	141	105	106	85
3. Adjustment for wrong valuation	-705	-287	-521	+ 94	-270	-906	-306	— 76
<i>II. Interest and dividends (2).</i>								
4. Gov. receipts and service of Gov. debts (2)	23	34	12	5	849	460	191	218
5. Interest on private investments : long-term	15	10	12	1	250	93	26	12
short-term	—	—	—	—	60	—	—	—
<i>III. Other services.</i>								
6. Shipping freights	30	55	60	50	—	—	—	—
7. Port fees	35	—	—	16	25	17	30	25
8. Railways	41	31	26	—	—	—	—	—
9. Commissions	—	—	—	115	—	—	—	—
10. Insurance	270	200	150	200	180	140	100	100
11. Post, telegraph, telephone	(3)	(3)	(3)	(3)	4	(4)	(4)	(4)
12. Emigrants' funds	—	—	—	—	—	—	—	—
13. Emigrants' remittances	80	100	75	50	26	23	20	10
14. Tourists' expenditure	50	45	45	50	95	76	68	35
15. National students abroad	—	—	—	—	105	74	70	45
16. Patents	2	—	—	—	—	—	—	—
17. Cinematograph film royalties	—	—	—	—	20	20	25	20
18. Gov. receipts and expenditure, n.e.i.:								
(a) legations, etc.	95	77	76	65	94	63	90	68
(b) in execution of peace treaties	60	45	—	—	290	81	21	—
Carried forward	5,930	3,693	2,781	2,383	6,549	3,757	2,683	2,369

(1) Series of publications : 1933.II.A.26.
(2) Including amortisation of Government debt.
(3) Included with item 8.
(4) Included with item 2.

Items	Leva (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	Jan.-Oct. 1934	1931	1932	1933	Jan.-Oct. 1934
Brought forward . . .	5,930	3,693	2,781	2,383	6,549	3,757	2,683	2,369
<i>IV. Gold.</i>								
19. Gold coin and bullion	—	—	—	—	19	—	—	—
20. Unrecorded gold transfers	—	—	—	—	—	—	—	—
Total	5,930	3,693	2,781	2,383	6,568	3,757	2,683	2,369
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 619	— 64	+ 98	+ 14				
(b) gold	— 19	—	—	—				
(c) goods, services and gold	— 638	— 64	+ 98	+ 14				

Capital items. (1)

Items	Leva (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	Jan.-Oct. 1934	1931	1932	1933	Jan.-Oct. 1934
<i>I. Long-term operations.</i>								
1. Government borrowing abroad . . .	413	—	—	—	—	—	—	—
2. Participation in new share issues . . .	38	—	—	—	—	—	—	—
3. Other long-term investments	114	—	—	4	—	—	18	5
<i>II. Short-term operations.</i>								
4. Changes in the foreign assets of the National Bank	573	264	46	16	—	—	—	—
5. Changes in short-term indebtedness . .	—	—	28	7	500	200	154	36
Total	1,138	264	74	27	500	200	172	41
Net inward (+) or outward (—) movement of capital	+ 638	+ 64	— 98	— 14				

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.

(1) Excluding amortisation of Government debt.

SUMMARY TABLE.

	Leva (000,000's)								
	Goods, services and gold					Capital items (1)			All items
	Mer- chandise	Interest and divi- dends (2)	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	- 787	+ 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	+ 826	- 685	+ 141	—
1931 Balance	+ 698	- 1,121	- 196	- 19	- 638	+ 565	+ 73	+ 638	—
1932 Credit	3,096	44	553	—	3,693	—	264	264	3,957
Debit	2,670	553	534	—	3,757	—	200	200	3,957
Balance	+ 426	- 509	+ 19	—	- 64	—	+ 64	+ 64	—
1933 Credit	2,325	24	432	—	2,781	—	74	74	2,855
Debit	2,002	217	464	—	2,683	18	154	172	2,855
Balance	+ 323	- 193	- 32	—	+ 98	- 18	- 80	- 98	—
1934 Credit	2,031	6	346	—	2,383	4	23	27	2,410
(Jan.-Debit	1,836	230	303	—	2,369	5	36	41	2,410
Oct.) Balance	+ 195	- 224	+ 43	—	+ 14	- 1	- 13	- 14	—

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
(a) Government debt :			
(i) to foreign governments	59	46	46
(ii) other	15,860	15,026	14,676
(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 (2) :			
(a) Government debt to foreign governments, post and railway administrations and banks	101	152	151
(b) debts of private banks	392	280	431
(c) private financial debts	390	340	320
(d) private commercial debts	3,152	1,997	1,755
(e) Government commercial debts	88	32	54
Total foreign liabilities (excluding reparations)	23,715	21,575	21,118
Liabilities on account of reparations	4,569	4,632	4,637

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

(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.

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.	(1) 46

(1) *i.e.*, item Ia (i).

CANADA

A statement on the balance of payments of Canada for 1934 has been published by the Dominion Bureau of Statistics⁽¹⁾ and is reproduced below, together with those for 1931-1933 which appeared in the preceding issue of this publication. The grouping of the items, as given in the original statements, has been slightly changed so as to agree with that employed for the majority of the statements in this volume. It should be noted, however, that the debit side of the merchandise group (items 1-6) does not represent the full c. i. f. value of imported goods, as it does not include freight paid to domestic ships. This freight (which, in fact, does not represent a foreign transaction) is also excluded from the freight income as shown on the credit side against item 8 and the exclusion accordingly does not affect the balance of the whole account.

The figures for 1933 and 1934 are provisional.

Goods, services and gold.

Items	Canadian \$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise, as recorded ⁽²⁾ . . .	617.2	502.8	537.7	659.9	628.1	452.6	401.2	513.5
2. Adjustment on account of over-valuation of imports due to exchange depreciation . . .	—	—	—	—	— 5.0	— 22.0	—	—
3. Import freights paid to foreign carriers	—	—	—	—	76.5	58.9	55.0	68.0
4. Export freights (earned in carrying exports to Canadian ports or boundary)	⁽³⁾ 26.0	⁽³⁾ 20.4	⁽³⁾ 20.9	⁽³⁾ 24.6	—	—	—	—
5. Unrecorded imports of ships	—	—	—	—	0.5	—	—	—
6. Deductions for settlers' effects and miscellaneous items	— 9.3	— 6.5	— 2.7	— 14.9	— 16.7	— 14.0	— 11.9	— 13.5
<i>II. Interest and dividends.</i>								
7. Interest and dividends received and paid	70.7	56.0	50.0	60.0	252.1	248.0	275.0	290.0
<i>III. Other services.</i>								
8. Shipping earnings on account of Canadian exports by sea and other transport earnings	⁽³⁾ 23.7	⁽³⁾ 18.5	⁽³⁾ 19.1	⁽³⁾ 22.4	—	—	—	—
Carried forward	728.3	591.2	625.0	752.0	935.5	723.5	719.3	858.0

(1) *Estimated Balance of International Payments for Canada, Preliminary Statement for 1934* (Dominion Bureau of Statistics; Ottawa, 1935).

(2) 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.

(3) In the original statement, only the total freight income in 1931, 1932, 1933 and 1934 (\$49.7, \$38.9, \$40 and \$47 million respectively) is given. In the above table, this total has been distributed between items 4 and 5 on the basis of the proportion between the respective earnings in 1930.

Items	Canadian \$ (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward . . .	728.3	591.2	625.0	752.0	935.0	723.5	719.3	858.0
9. Insurance	27.0	24.0	15.0	16.0	20.0	17.0	11.0	12.0
10. Immigrants' and emigrants' funds	5.2	4.4	4.0	4.0	3.8	3.8	3.2	3.2
11. Earnings of Canadians employed in U.S.A. (net)	1.8	0.8	0.7	0.5	—	—	—	—
12. Immigrants' and emigrants' remittances	10.0	6.1	5.0	6.0	13.1	7.1	6.0	7.5
13. Charitable and missionary contributions	0.9	0.5	1.0	2.0	1.8	1.0	1.0	1.2
14. Tourists' expenditure	250.8	212.4	110.0	138.0	76.5	57.4	50.0	54.0
15. Reparation receipts	1.3	—	—	—	—	—	—	—
16. Diplomatic and other Government expenditure	11.7	8.9	6.5	8.0	11.0	10.4	9.5	9.3
17. Advertising	3.0	2.0	1.5	2.0	5.0	3.5	3.0	1.5
18. Cinematograph film royalties	—	—	—	—	3.7	3.2	4.0	2.7
19. Miscellaneous services (1)	—	—	—	—	5.0	4.0	4.0	4.5
20. Allowance for exchange discrepancies on interest and maturity payments and receipts	—	10.0	3.0	—	5.0	23.8	12.0	—
IV. Gold.								
21. Gold coin and bullion (2)	70.1	60.8	66.0	95.0	2.0	2.2	0.8	0.8
22. Correction for exchange discrepancy	—	7.9	27.0	—	—	—	0.4	—
Total	1,110.1	929.0	864.7	1,023.5	1,082.4	856.9	824.2	954.7
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 40.4	+ 5.6	— 51.3	+ 25.4				
(b) gold	+ 68.1	+ 66.5	+ 91.8	— 94.2				
(c) goods, services and gold	+ 27.7	+ 72.1	+ 40.5	— 68.8				

Capital items (long-term operations only).

Items	Canadian \$ (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
1. Maturities	—	—	—	—	(3) 256	75	40	75
2. Purchase and sale of securities	207	150	350	(4) 350	25	100	250	300
3. Direct investments	(5) 11	(6) 2	1.5	5	—	—	—	—
Total	218	152	351.5	355	281	175	290	375
Net inward (+) or outward (—) capital movement	— 63	— 23	+ 61.5	— 20				

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

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

(3) Including redemption and sinking fund payments, etc. (for 1932 and 1933 such payments are included in the amounts entered against items 2-3).

(4) Including new issues floated in the United Kingdom, \$55 million.

(5) " Resale to foreigners of securities previously held and of direct investments ; decreases in other investments abroad."

(6) Direct investments by other countries in Canada.

SUMMARY TABLE.

	Canadian \$ (000,000's)								
	Goods, services and gold					Capital items			All items
	Mer- chandise	Interest and dividends	Other services	Gold (1)	Total	Long- term	Short- term	Total	
1920 Balance . . .	— 161.9	— 207.3	+ 73.6	+ 27.7	— 267.9				
1921 Balance . . .	— 83.1	— 211.8	+ 122.2	+ 35.6	— 137.1				
1922 Balance . . .	+ 55.7	— 206.8	+ 131.8	— 48.7	— 68.0				
1923 Balance . . .	+ 16.3	— 214.9	+ 176.2	+ 67.4	+ 45.0				
1924 Balance . . .	+ 175.8	— 213.9	+ 166.4	— 20.4	+ 107.9				
1925 Balance . . .	+ 299.5	— 207.8	+ 195.8	— 10.3	+ 277.2	— 166.7	— 10.0	— 176.7	(2) + 100.5
1926 Balance . . .	+ 228.3	— 168.2	+ 135.3	+ 33.0	+ 228.4	— 14.1	— 71.2	— 85.3	(2) + 143.1
1927 Balance . . .	+ 100.9	— 170.2	+ 173.3	+ 33.0	+ 137.0	— 11.7	— 7.0	— 18.7	(2) + 118.3
1928 Balance . . .	+ 75.6	— 165.9	+ 223.7	+ 68.0	+ 201.4				
1929 Balance . . .	— 182.3	— 171.0	+ 240.9	+ 46.9	— 65.5				
1930 Balance . . .	— 162.6	— 184.4	+ 201.3	— 13.8	— 159.5				
1931 Balance . . .	— 49.5	— 181.4	+ 190.5	+ 68.1	+ 27.7	— 63.0			
1932 Credit . . .	516.7	56.0	287.6	68.7	929.0	152.0			
Debit . . .	475.5	248.0	131.2	2.2	856.9	175.0			
Balance . . .	+ 41.2	— 192.0	+ 156.4	+ 66.5	+ 72.1	— 23.0			
1933 Credit . . .	555.9	50.0	165.8	93.0	864.7	351.5			
Debit . . .	444.3	275.0	103.7	1.2	824.2	290.0			
Balance . . .	+ 111.6	— 225.0	+ 62.1	+ 91.8	+ 40.5	+ 61.5			
1934 Credit . . .	669.6	60.0	198.9	95.0	1,023.5	355			
Debit . . .	568.0	290.0	95.9	0.8	954.7	375			
Balance . . .	+ 101.6	— 230.0	+ 103.0	+ 94.2	+ 68.8	— 20			

The balances obtained on account of goods, services and gold, although naturally affected by errors and omissions, are believed to reflect correctly the broad changes which have taken place in the direction of capital movements during the period covered by the Summary Table (1920-1934). The direct information concerning the movement of capital is rather incomplete and has been entered (in the Summary Table) for the years 1925-1927 and 1931-1934 only (for the last-mentioned years, this information is confined to long-term operations). In 1929, when the account for goods, services and gold showed a deficit of \$65 million, the short-term funds employed by the chartered banks, largely in New York, fell from \$188 million to \$98 million, and there was also a considerable repatriation of private short-term capital. In 1930, the deficit on account of goods, services and gold (\$159 million) was, unlike that in 1929, met largely by an inflow of foreign capital and only to a small extent by the repatriation of Canadian funds.

The increase in outward payments of interest and dividends from 1932 to 1933 is attributed to more complete information and back remittances made by branch and subsidiary plants after the disappearance of the discount on the Canadian dollar.

The methods employed in the compilation of the statements are explained in *Estimated Balance of International Payments for Canada, 1926-1930, together with Description of Methods used* (roneoed document issued by the Dominion Bureau of Statistics in 1932). Additional information with reference to tourists' expenditure and the securities movement is given below.

(1) See footnote (2) on the preceding page.

(2) Balance due to errors and omissions.

Tourists' expenditure. A pamphlet issued by the Dominion Bureau of Statistics ⁽¹⁾ summarises the methods employed in estimating the expenditure of foreign tourists in Canada and of Canadian tourists abroad. As the amounts given therein for certain years (1924, 1925, 1930, 1933 and 1934) differ somewhat from those entered in the balance of payments account, they are reproduced below :

	Canadian \$ (000,000's)										
	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934
Expenditure in Canada of foreign tourists .	173.0	193.2	201.2	238.5	275.2	309.4	279.2	250.8	212.4	117.1	130.0
Expenditure abroad of Canadian tourists .	85.0	86.2	98.7	108.7	107.5	121.6	100.4	76.5	57.4	50.9	60.9

The expenditure in 1933 and 1934 is composed of the following amounts :

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

The expenditure of visitors to Canada from overseas countries was estimated on the basis of the statistics of non-migrants entering Canada via ocean ports. The average expenditure in Canada is taken at \$1,100 for those travelling saloon or first class, \$850 for cabin class and \$600 for other passengers.

A similar method was employed in estimating the expenditure of Canadian visitors to overseas countries. The expenditure was in this case estimated on the basis of replies to questionnaires distributed to the tourists in 1933. The averages calculated (\$1,002 for saloon, \$674 for cabin and \$400 for other passengers) were employed also for 1934.

Statistics concerning the number of foreign cars entering from the United States are compiled by the Department of National Revenue. The cars are recorded by provinces and divided into three categories according to the length of the periods for which they are admitted (twenty-four hours, sixty days and six months). In estimating the expenditure of the tourists entering by these cars (as well as of Canadian tourists going by car to the United States), the Dominion Bureau of Statistics has, since 1928, collaborated with the United States Department of Commerce. The average expenditure per car within each category was calculated on the basis of replies to post-card questionnaires distributed to the motorists.

In estimating the expenditure of rail and steamer tourists, statistics obtained from the principal railway and steamship companies concerning the number of passengers buying tickets from the United States to places in Canada, and *vice versa*, were employed. The known number of emigrants leaving and returning to each of the two countries was deducted, and the share of the United States tourists to Canada and of Canadian tourists to the United States in the remainder was estimated on the assumption that the rail and steamship tourists to each country would be in the

(1) *The Tourist Trade, Canada, 1934* (Ottawa, 1935).

same proportion as motor-car tourists, after allowance for the difference in the ratio of population to passenger-cars in the two countries. To the number of rail and steamer tourists thus calculated, estimated averages of individual expenditure were applied.

Securities movement. Figures showing the securities movement between Canada and other countries by months since the beginning of 1933, as reported to the Dominion Bureau of Statistics by investment dealers, banks, stock exchange and others, have recently been published (1). The figures, which refer to securities purchased and sold for investment or speculative purposes, for sinking funds or retirements as well as on account of new loans raised, are somewhat lower than those entered in the balance of payments account against capital item 2. The totals for the years 1933 and 1934 and the first five months of 1935 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 to	Purchases from
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
January-May 1935	102.6	71.9	10.2	19.4	1.0	3.4	113.8	94.7

International indebtedness.

The following data derived from the *Canada Year Book* and, in the case of 1931-1934, from other sources, show foreign investments in Canada and Canadian investments abroad, by countries.

Foreign investments in Canada :	Canadian \$ (000,000's) at the end of					
	1929	1930	1931	1932	1933	1934
by U.K.	2,228.0	2,204.9	.	.	.	2,314
by U.S.A.	3,726.8	4,107.8	.	.	.	3,920
by other countries	171.2	165.2	.	.	.	172
Total	6,126.0	6,477.9	6,335	6,284	6,391	6,406
Canadian investments abroad :						
in U.K.	80.9	84.8	.	75.5	.	.
in U.S.A.	1,021.8	1,047.3	.	1,014	.	.
in other countries	678.6	699.2	.	727.5	.	.
Total	1,781.3	1,831.3	1,836	1,817	.	.

The *Canada Year Book* contains a division of the investments according to debtors and industries in which the investments were made.

(1) *Sales and Purchases of Securities between Canada and Other Countries, 1933-1935* (Dominion Bureau of Statistics).

CHINA

An estimate of the balance of payments of China in 1934 has been supplied by the Government of that country and is reproduced below, together with the figures for 1933 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	1933	1934
<i>I. Merchandise.</i>				
1. Merchandise according to trade returns :				
(a) merchandise proper	611.8	535.2	1,345.6	1,029.7
(b) silver	94.3	267.4	80.1	7.5
2. Adjustment for under-valuation of exports of merchandise proper (10% in 1933, 15% in 1934)	61.2	80.3	—	—
3. Contraband :				
(a) merchandise proper (10% in 1933, 15% in 1934)	—	—	134.6	154.5
(b) silver	—	20.0	—	—
<i>II. Interest and dividends (including amortisation).</i>				
4. Service of Government foreign loans :				
(a) Customs	—	—	75.6	75.4
(b) Salt	—	—	11.4	7.1
(c) Railways	—	—	6.0	18.5
(d) United States Wheat and Cotton Loans	—	—	—	11.6
5. Foreign business profits	—	—	20.0	20.0
6. Receipts from Chinese holdings of foreign securities	5.0	(?)	—	—
<i>III. Other services.</i>				
7. Foreign shipping expenditure	25.0		—	—
8. Mission and philanthropic remittances	50.0		—	—
9. Foreign military and naval expenditure	100.0	180.0	—	—
10. Tourists and students	10.0		5.0	
11. Diplomatic expenditure	30.0		4.0	9.0
12. Emigrants' remittances	200.0	250.0	1.0	—
Carried forward	1,187.3	1,332.9	1,683.3	1,333.3

(1) The average exchange value of the standard dollar in 1933 and 1934 was U.S. gold \$0.205 and 0.202 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	1933	1934
Brought forward	1,187.3	1,332.9	1,683.3	1,333.3
13. Insurance profits of foreign companies	—	—	4.0	—
14. Cinematograph film royalties	—	—	5.0	(1)
IV. Gold.				
15. Gold, according to trade returns	69.7	51.5	0.3	—
16. Contraband.	(2) 120.0	60.0	—	—
Total	1,377.0	1,444.4	1,692.6	1,333.3
Surplus (+) or deficit (—) on account of :				
(a) goods and services	— 505.0	— 0.4		
(b) gold	+ 189.4	+ 111.5		
(c) goods, services and gold	— 315.6	+ 111.1		

Capital items (excluding amortisation payments).

Item	Standard dollars (000,000's)			
	Inward or credit capital movement		Outward or debit capital movement	
	1933	1934	1933	1934
Foreign investments and credit extended to China (2) .	30.0	80.0	—	—

SUMMARY TABLE.

	Standard dollars (000,000's)						
	Goods, services and gold (1)					Known capital items (1)	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	(5) — 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	(6) + 191.1

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

(1) Included in item 5.

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

(3) The figure for 1934 includes, it is stated, "income from Chinese investment abroad, United States Wheat and Cotton Loans, Agencies' Commissions and allowances."

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

(5) Balance due to errors and omissions.

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 statement for 1934 reproduced above, on the other hand, shows a surplus due to errors and omissions of 191 million standard dollars. The net export of silver, recorded at 14 million standard dollars in 1933, is estimated to have risen to 280 million in 1934. 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.

Attention should be paid to the incompleteness of the information derived from the Chinese trade returns. The figures for trade in merchandise and precious metals refer to Chinese maritime ports only; further, exports to and imports from Manchuria are excluded. Judging from Manchurian statistics, the trade with Manchuria resulted in 1933 in an export surplus of about 5 million standard dollars, but in 1934 in an import surplus of the same magnitude.

In this connection, it may be interesting to note that in 1932 and 1933 there was a substantial flight of capital from Manchuria to China proper. According to information derived from a private source ⁽¹⁾, the remittances of funds from Manchuria to China proper, and from China proper to Manchuria, were as follows:

	Manchurian yuans (000,000's) ⁽²⁾	
	1932	1933
Remittances to China	203	225
Remittances from China	86	141
Excess remittances to China	117	84

It is stated, however, that since 1933 the withdrawal of Chinese capital has practically ceased and that funds are again returning to Manchuria.

Balance of payments of Manchuria.

The following statement of the balance of payments of *Manchuria and the Kwantung Province* in 1933 and 1934 has been compiled jointly by the South Manchurian Railway Company and local authorities. It would appear that remittances to and from Chinese immigrants (see above) are not accounted for in this statement.

Goods, services and gold.

Items	Yuan (000,000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1933	1934	1933	1934
I. Merchandise ⁽³⁾				
1. Merchandise proper (including copper and nickel coin)	448.78	450.33	515.86	593.92
2. Silver coin and bullion	1.19	0.10	6.08	—
3. Adjustment of items 1-2	3.55	3.04	45.24	58.73
Carried forward	453.52	453.47	567.18	652.65

(1) John R. Stewart: "Foreign Investments in Manchuria", published in *Far Eastern Survey* (Fortnightly Research Service, American Council, Institute of Pacific Relations, New York), No. 11, June 1935.

(2) The exchange value of the Manchurian yuan in 1933 and 1934 was approximately U.S. gold \$0.201 and 0.194 respectively (according to the former dollar parity).

(3) In the original statement, the total of merchandise and gold is given in one item as "Foreign trade". In the above table, the trade in merchandise proper, silver and gold is specified in items 1, 2 and 3, according to trade returns, and the difference between these items and the total just mentioned is entered as "adjustment" against item 3.

Items	Yuan (000,000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1933	1934	1933	1934
Brought forward . . .	453.52	453.47	567.18	652.65
II. Interest and dividends.				
4. Interest and dividends	16.56	10.11	61.06	60.74
5. Business profits derived from operations abroad	1.20	0.56	6.23	5.58
III. Other services.				
6. Shipping freights	16.72	18.51	5.27	5.82
7. Insurance	4.60	4.48	11.77	12.62
8. Tourists' expenditure	105.67	75.30	4.62	4.29
9. Various services	—	—	37.43	40.12
10. Government expenditure n. e. i.	—	—	1.60	3.19
11. Other items	2.85	3.12	3.68	2.64
IV. Gold.				
12. Gold coin and bullion	—	—	—	—
Total	601.12	565.55	698.84	787.65
Deficit (—)	— 97.72	— 222.10		

Capital items.

Items	Yuan (000 000's)			
	Inward or credit capital movement		Outward or debit capital movement	
	1933	1934	1933	1934
1. New investments by foreigners in the country and by nationals abroad	298.08	334.40	36.90	40.58
2. Liquidation of outstanding investments ("Collection of capital")	32.17	35.00	180.47	6.98
Total	330.25	369.40	217.37	47.56
Net inward capital movement	+ 112.88	+ 321.84		

SUMMARY TABLE.

	Yuan (000,000's)						
	Goods, services and gold					Capital items	All items (1)
	Merchandise	Interest and dividends	Other services	Gold	Total		
1933 Credit	453.52	17.76	129.84	—	601.12	330.25	931.37
Debit	567.18	67.29	64.37	—	698.84	217.37	916.21
Balance	— 113.66	— 49.53	+ 65.47	—	— 97.72	+ 112.88	+ 15.16
1934 Credit	453.47	10.67	101.41	—	565.55	369.40	934.95
Debit	652.65	66.32	68.68	—	787.65	47.56	835.21
Balance	— 199.18	— 55.65	+ 32.73	—	— 222.10	+ 321.84	+ 99.74

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

CURAÇAO

Figures for a number of items in the balance of payments of Curaçao in 1934 have been supplied by the Netherlands Government and are set out below together with those for 1931-1933 published last year.

Goods, services and gold.

Items	Gulden (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	343,000	183,000	194,000	161,320	248,000	141,000	150,000	154,807
2. Contraband	8	6	4	2	3	2	3	5
II. Interest and dividends.								
3. Interest on intergovernmental debts	—	—	—	—	160	124	86	90
4. Other interest and dividends on long-term capital.	265	186	135	200	—	—	—	—
III. Other services.								
5. Shipping freights :								
(a) ordinary freights	—	—	—	—	151	23	26	20
(b) charter money	—	—	—	—		72	78	78
(c) passage money	—	—	—	—		40	42	45
6. Port fees	632	617	791	801	22	23	30	30
7. Post, telegraph and telephone	602	477	475	539	202	262	460	511
8. Immigrants' and emigrants' funds	80	45	25	30	—	—	—	—
9. Immigrants' and emigrants' remittances	53	32	16	18	130	100	100	100
10. Tourists' expenditure	350	320	380	360	100	30	50	150
11. Government receipts and expenditure	1,144	—	—	—	140	143	154	161
12. "Films"	—	—	—	—	—	211	300	350
13. Other items	145	80	65	36	—	—	—	—
IV. Gold.								
14. Gold coin and bullion	6,759	75	2,546	723	6,400	300	2,598	606

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

CYPRUS

The following table reproduces the information concerning the international accounts of Cyprus contained in the last two reports by the Comptroller of Customs and Inland Revenue ⁽¹⁾.

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

Items	£ ('000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1933	1934	1933	1934
<i>I. Merchandise.</i>				
1. Merchandise as recorded (general imports, exports of domestic produce plus re-exports, including ships' stores)	890	1,080	1,257	1,419
2. Exporters' profit, not included in the recorded export value (estimated at 5 %)	45	54	—	—
<i>II. Interest and dividends, plus amortisation of the public debt.</i>				
3. Payments for the service of the public debt.	—	—	25	25
4. Persons living on incomes from abroad	15	20	—	—
<i>III. Other services.</i>				
5. Freight on Cyprus produce carried on Cypriot vessels and paid by consignees abroad.	6	8	—	—
6. Commissions and fees paid to agents for foreign insurance, shipping and other companies	5	5	—	—
7. Expenditure of the crews of foreign ships.	15	15	—	—
8. Tourists' expenditure ⁽²⁾ :				
(a) "visitors"	120	120	—	—
(b) "tourists"	8	6	—	—
(c) "boats for tourists and visitors"	2	2	—	—
9. Amounts paid from Imperial funds to British troops stationed in Cyprus.	12	12	—	—
10. Expenditure of the British navy on its summer visits	8	8	—	—
11. Expenditure for Imperial defence.	—	—	10	10
12. Remittances from emigrants	40	80	—	—
13. Various private remittances abroad ⁽³⁾	—	—	100	140
Carried forward	1,166	1,410	1,392	1,594

(1) Cyprus : Statistics of Imports, Exports and Shipping, also Currency, Banking, Weights and Measures, with a Report by the Comptroller of Customs and Inland Revenue, for the year ended 31st December, 1933 ; ditto, for the year ended 31st December, 1934.

(2) As foreign "tourists" (item 8b) are reckoned persons who landed for the day. They numbered 8,000 in 1933 and 6,000 in 1934, and are estimated to have spent £1 each on food, motor-cars and the purchase of local material. The "visitors" considered in item 8a numbered 8,000 in each year and are reckoned to have spent £15 each.

(3) For the education of children abroad, for investment abroad, funds brought out by persons on leave and by emigrants, insurance premia and payments to pensioners living abroad.

Items	£ (000's)			
	Inward or credit movements (Exports)		Outward or debit movements (Imports)	
	1933	1934	1933	1934
Brought forward . . .	1,166	1,410	1,392	1,594
IV. Gold.				
14. Gold bullion	—	—	—	—
15. Gold specie ⁽¹⁾	9	11	—	—
Total	1,175	1,421	1,392	1,594
Surplus (+) or deficit (—) on account of :				
(a) goods and services	— 226	— 184		
(b) gold	+ 9	+ 11		
(c) goods, services and gold	— 217	— 173		

Capital items (excluding amortisation of the public debt).

Items	£ (000's)			
	Inward or credit capital movement		Outward or debit capital movement	
	1933	1934	1933	1934
1. Purchase of land by Jewish and other settlers	20	40	—	—
2. Expenditure, by mining and other companies, incurred on experimental and constructional work	50	100	—	—
3. Expenditure for Famagusta Harbour extension and new roads, paid from loan funds :				
(a) imports	50	10	—	—
(b) local labour and local materials	50	20	—	—
Total inward capital movement	170	170		

SUMMARY TABLE.

		£ (000's)						
		Goods, services and gold ⁽²⁾					Capital items ⁽²⁾	All items
		Merchandise	Interest and dividends ⁽²⁾	Other services	Gold	Total		
1933	Credit . . .	935	15	216	9	1,175	170	1,345
	Debit . . .	1,257	25	110	—	1,392	—	1,392
	Balance . . .	— 322	— 10	+ 106	+ 9	— 217	+ 170	⁽³⁾ — 47
1934	Credit . . .	1,134	20	256	11	1,421	170	1,591
	Debit . . .	1,419	25	150	—	1,594	—	1,594
	Balance . . .	— 285	— 5	+ 106	+ 11	— 173	+ 170	⁽³⁾ — 3

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

(2) Amortisation of the public debt is included with interest and dividends.

(3) Balance due to errors and omissions.

CZECHOSLOVAKIA

A statement of the balance of payments of Czechoslovakia in 1934 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 1930-1933 which appeared in last year's edition of this publication.

Goods, services and gold.

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
<i>I. Merchandise.</i>										
1. Merchandise	17,463	13,109	7,343	5,853	7,280	15,684	11,736	7,487	5,832	6,382
<i>II. Interest and dividends.</i>										
2. Interest on intergovernmental debts	39	38	35	33	27					
3. Interest on other Government debts	—	—	—	—	—	431	281	232	188	143
4. Interest on municipal debts	—	—	—	—	—	38	36	31	27	23
5. Yield of securities	341	383	336	250	200	180	177	100	100	80
6. Interest on the current accounts of banks	150	113	64	41	32	61	43	32	23	16
7. Yield of foreign-owned real estate	—	—	—	—	—	330	300	280	280	280
8. Other interest and dividends	56	57	47	41	39	118	110	88	77	87
<i>III. Other services.</i>										
9. Shipping freights (river traffic)	48	38	32	41	36	15	18	9	7	8
10. Port fees	1	2	1	1	1	6	5	4	4	4
11. Railway freight for goods in transit	435	348	216	140	133	21	17	—	—	—
12. Agency commissions	248	199	108	105	109	514	437	230	190	240
13. Insurance	—	—	—	5	—	10	58	40	—	6
14. Post, telegraph and teloph.	—	—	—	—	—	28	21	14	15	15
15. Emigrants' funds, etc. :										
(a) travelling costs of emigrants	—	—	—	—	—	24	5	2	2	2
(b) personal cash of emigrants leaving or returning	—	—	—	—	—	16	5	3	2	5
16. Emigrants' remittances	532	384	264	177	135	—	—	—	—	—
17. Donations	3	3	2	2	1	22	16	15	16	16
Carried forward	19,316	14,674	8,448	6,689	7,993	17,498	13,265	8,567	6,763	7,307

(1) Vol. 1935, No. 60 (Series B, No. 5).

CZECHOSLOVAKIA

Items	Kč (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
Brought forward . .	19,316	14,674	8,448	6,689	7,993	17,498	13,265	8,567	6,763	7,307
18. Tourists' expenditure . .	795	580	420	288	475	700	760	420	167	223
19. Diplomatic and consular representation	36	36	37	38	38	88	81	79	64	62
20. Fees collected by legations and consulates	14	11	7	6	6	8	8	7	7	7
21. Contribution to interna- tional institutions	—	—	—	—	—	6	7	6	9	8
22. Import of electric power . .	—	—	—	—	—	20	18	16	7	6
23. Cinematogr. film royalties	5	4	3	6	6	90	110	52	27	15
24. Patent royalties and taxes	22	25	25	30	30	60	65	60	60	80
IV. Gold.										
25. Gold coin and bullion . .	11	40	58	77	11	31	65	671	319	33
26. Changes in earmarked gold	—	—	554	244	—	283	104	—	—	487
Total	20,199	15,370	9,552	7,378	8,559	18,784	14,483	9,878	7,423	8,228
Surplus (+) or deficit (—) on account of :										
(a) goods and services . .	+1,718	+1,016	— 267	— 47	+ 840					
(b) gold	— 303	— 129	— 59	+ 2	— 509					
(c) goods, services and gold	+1,415	+ 887	— 326	— 45	+ 331					

Capital items.

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
I. Long-term operations.										
1. Amortisation receipts and payments :										
(a) by the Government . .	15	30	33	37	31	62	48	27	23	27
(b) by municipalities . . .	—	—	—	—	—	10	11	9	11	9
(c) by industries and banks	720	235	230	108	49	510	147	97	206	81
2. Payments through the Cze- choslovak clearing-house	9	4	2	2	1	7	1	1	1	301
3. Purchases and sales :										
(a) of real estate in the country	—	—	—	—	—	120	100	80	80	80
(b) of securities	1,307	906	155	276	285	1,632	1,154	104	78	88
4. New loans raised and granted :										
(a) by the Government . .	—	—	798	—	—	—	—	—	—	—
(b) by industries and banks	939	68	184	103	30	84	309	46	9	75
5. Change in participation in foreign enterprises	—	4	103	84	—	319	2	22	—	206
Carried forward	2,990	1,247	1,505	610	396	2,744	1,772	386	408	867

Items	Kč (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
Brought forward	2,990	1,247	1,505	610	396	2,744	1,772	388	408	867
II. Short-term operations.										
6. Change in current accounts of banks with foreign cor- respondents :										
(a) debts	—	—	—	—	—	469	826	420	33	11
(b) claims	—	(1)2,500	14	83	516	383	—	—	—	—
7. Change in other short-term debts and claims of in- dustries and banks :										
(a) debts	877	273	57	73	5	563	580	403	71	200
(b) claims	3	42	20	86	28	27	32	93	12	50
Total	3,870	4,062	1,596	852	945	4,186	3,210	1,302	524	1,128
Net inward (+) or outward (—) movement of capital	— 316	+ 852	+ 294	+ 328	— 183					

SUMMARY TABLE.

	Kč (000,000's)								
	Goods, services and gold					Capital items			All items (²)
	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	— 314	+ 100	+ 64	+ 1,925	— 298	— 1,006	— 1,304	+ 321
1927 Balance	+ 2,172	— 697	+ 591	— 94	+ 1,972	— 2,058	— 258	— 2,316	— 344
1928 Balance	+ 2,023	— 571	+ 612	— 159	+ 1,905	— 1,718	— 185	— 1,903	+ 2
1929 Balance	+ 520	— 361	+ 722	— 124	+ 757	— 1,176	+ 332	— 844	— 87
1930 Balance	+ 1,779	— 572	+ 511	— 303	+ 1,415	+ 246	— 562	— 316	+ 1,099
1931 Balance	+ 1,373	— 356	— 1	— 129	+ 887	— 525	+ 1,377	+ 852	+ 1,739
1932 Credit	7,343	482	1,115	612	9,552	1,505	91	1,596	11,148
Debit	7,487	763	957	671	9,878	386	916	1,302	11,180
Balance	— 144	— 281	+ 158	— 59	— 326	+ 1,119	— 825	+ 294	— 32
1933 Credit	5,853	365	839	321	7,378	610	242	852	8,230
Debit	5,832	695	577	319	7,423	408	116	524	7,947
Balance	+ 21	— 330	+ 262	+ 2	— 45	+ 202	+ 126	+ 328	+ 283
1934 Credit	7,280	298	970	11	8,559	396	549	945	9,504
Debit	6,382	629	697	520	8,228	867	261	1,128	9,356
Balance	+ 898	— 331	+ 273	— 509	+ 331	— 471	+ 288	— 183	+ 148

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

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

Changes in outstanding merchandise credits are not recorded in the capital account, a fact which may explain part of the discrepancy shown in the last column of the Summary Table. A special reason for the recorded excess of credit items in 1934 is indicated by the Statistical Office of Czechoslovakia : part of the expenditure of foreign visitors in Czechoslovakia may have been met by amounts received by them in liquidation of their assets in that country, but not recorded in the capital account.

The methods employed in compiling the figures were summarised in the 1927 issue of this volume (1), and details of the calculation of emigrants' remittances and tourists' expenditure were given in the three subsequent issues.

Improved methods for the calculation of tourist expenditure were employed in 1934. In particular, statistics with reference to the number of tourists passing the frontier were utilised for the first time. The number of foreign visitors to watering-places rose by 24%, and their expenditure is estimated at 176 million Kč, against 141 million in 1933. Foreign students in Prague numbered 67,000, against 64,000 in 1933; the number of other visitors to Prague fell from 15,000 to 13,000. The total expenditure of visitors to Prague is estimated at 33 million Kč in 1934. The number of tourists elsewhere in Czechoslovakia was lower than in 1933 and their expenditure is estimated to have fallen from some 70 to 65 million Kč. Travelling costs of foreign visitors are estimated at 49 million Kč. Finally, persons only passing through Czechoslovak territory and border visitors, who passed together 2,700,000 nights in the country, are estimated to have spent 150 million Kč. The total expenditure by foreign visitors was thus about 475 million Kč.

Czechoslovak tourists (in the narrow sense of the word) visiting foreign countries in 1934 numbered 140,000 and passed 890,000 nights abroad. Their expenditure is estimated at 170 million Kč. Czechoslovaks, other than tourists, going abroad passed 450,000 nights there and are estimated to have spent 45 million Kč. The total expenditure thus calculated is close to the amount of foreign currency the purchase of which was authorised for tourists' purposes (the amount authorised was 230 million Kč for tourists and emigrants; of this amount, some 7 million Kč were taken out by emigrants).

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 1930 to 1934 is estimated as follows :

(1) *Memorandum on International Trade and Balances of Payments 1913-1927*, Volume I (Series of publications : 1928.11.53/1), page 82.

CZECHOSLOVAKIA

81

<i>Liabilities.</i>	Kč (000,000 ^a)				
	1930	1931	1932	1933	1934
Government debt	8,406	8,344	8,838	7,452	8,234
Municipal debt	486	412	397	297	311
Private debts :					
(a) long-term debts of industries and banks . .	1,498	1,193	1,275	1,153	1,124
(b) foreign participation in national enterprises and other foreign direct investments . . .	1,156	1,277	1,239	1,277	1,220
(c) short-term: credits received by industries and banks	973	665	323	302	124
banks' foreign correspondents	2,003	1,178	757	724	713
Total	14,522	13,069	12,829	11,205	11,726
 <i>Assets.</i>					
Assets of the Czechoslovak Government abroad . .	569	536	503	465	435
Private assets :					
(a) long-term loans	841	913	732	636	561
(b) participation in foreign enterprises and other direct investments abroad	842	855	749	688	835
(c) short-term: credits granted by industries and banks	44	34	107	31	37
banks' foreign correspondents	4,626	1,974	1,960	1,877	1,362
Total	6,922	4,312	4,051	3,697	3,230
Net indebtedness	7,600	8,757	8,778	7,508	8,496

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

DENMARK

The Danish Government has supplied a statement of the international balance of payments of Denmark in 1934, which is set out below together with the estimates for 1931 to 1933 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	1,330	1,137	1,213	1,233	1,465	1,142	1,266	1,353
II. Interest and dividends.								
2. Interest on intergovernmental debts	—	—	—	—	—	—	—	—
3. Interest on other public debts	—	—	—	—	60	70	70	80
4. Other interest and dividends on long-term capital	12	12	13	15	20	18	16	30
5. Interest on short-term capital	20	20	20	15	22	18	19	—
III. Other services.								
6. Shipping ⁽¹⁾ :								
(a) ordinary freights	130	133	164	168	—	—	—	—
(b) charter money ⁽²⁾	13	9	9	23	10	1	1	—
(c) passenger money (approximately)	10	10	10	5	—	—	—	—
7. Ships' stores and bunkers, and port fees	42	50	57	55	53	53	64	75
8. Commissions, insurance, brokerage	15	10	15	20	10	10	10	10
9. Post, telegraph and telephone	3	3	3	3	5	5	5	3
10. Immigrants' and emigrants' funds and remittances	10	10	10	10	5	5	5	10
11. Tourists' expenditure ⁽³⁾	10	10	15	20	20	20	25	20
12. Diplomatic and similar expenditure	5	5	5	3	4	4	5	3
IV. Gold.								
13. Gold coin and bullion	28	20	—	—	—	—	—	—
Total	1,628	1,429	1,534	1,555	1,674	1,346	1,486	1,584
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 74	+ 63	+ 48	— 20				
(b) gold	+ 28	+ 20	—	—				
(c) goods, services and gold	— 46	+ 83	+ 48	— 20				

(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 40 million Kroner in 1931, 35 million in 1932 and 40 million in 1933. 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 60 million Kroner in 1931, 65 million in 1932 and 60 million in 1933.

(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).

(3) Passenger fares paid by national tourists to foreign ships are excluded (included with item 6).

Capital items.

Items	Kroner (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergovernmental debts	—	—	—	—	—	—	—	—
(b) of other public debts	—	—	—	—	35	40	45	35
(c) of other debts	—	—	—	—	5	5	5	5
2. Purchases and sales of :								
(a) domestic securities	75	49	46	38	75	42	52	28
(b) foreign securities	20	6	10	10	12	5	10	9
3. New capital issues :								
(a) Government and municipal	—	—	—	—	—	—	—	—
(b) other	8	—	—	—	—	—	—	—
4. Other long-term investments	—	—	—	10	—	—	—	15
<i>II. Short-term operations.</i>								
5. Change in short-term debts	(1) 140	—	4	60	—	62	—	—
6. Change in short-term assets	—	5	—	5	—	—	21	—
Total	243	60	60	123	127	154	133	92
Net inward (+) or outward (—) movement of capital	+ 116	— 95	— 73	+ 31				

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	—	(2) + 4
1929 Balance	— 82	— 63	+ 179	—	+ 34	— 25	— 10	— 35	(3) — 1
1930 Balance	— 117	— 51	+ 149	—	— 19	— 10	+ 18	+ 8	(2) — 11
1931 Balance	— 135	— 70	+ 131	+ 28	— 46	— 24	+ 140	+ 116	(2) + 70
1932 Credit	1,137	32	240	20	1,429	55	5	60	1,489
Debit	1,142	106	98	—	1,346	92	63	154	1,500
Balance	— 5	— 74	+ 142	+ 20	+ 83	— 37	— 57	— 94	(2) — 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	65	123	1,678
Debit	1,353	110	121	—	1,584	92	—	92	1,676
Balance	— 120	— 95	+ 186	—	— 29	— 34	+ 65	+ 31	(3) + 2

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

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

(3) Balance due to errors and omissions.

It will be noted that, even in the statements for 1926-1934, which include short-term capital operations, a perfect balance is not obtained. From the available information, it is not possible to state whether this is due to the inadequacy of the data relative to the credit or the debit items of the account, or whether both totals require some adjustment. Were the information available complete, the account for each year would, of course, balance exactly.

Balance of international indebtedness.

Information for this purpose is collected annually by the Danish Statistical Department from public authorities, financial institutions, commercial companies and private business men. The number of companies and private individuals questioned in 1934 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	— 930	— 930
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	1,797	431	290	416	— 1,522	— 742

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:					
	1929	1930	1931	1932	1933	1934
<i>Liabilities.</i>						
1. Danish bonds, etc., held abroad :						
(a) Danish State bonds	623	610	835	904	800	849
(b) Municipal debt	319	319	406	435	430	453
(c) State Housing Fund bonds						
(d) Mortgage-Bank bonds	93	94	111	141	157	175
(e) other Danish securities (1)	300	310	330	320	320	320
Carried forward	1,335	1,333	1,682	1,800	1,707	1,797

(1) For footnote, see following page.

	Kroner (000,000's) at the end of :					
	1929	1930	1931	1932	1933	1934
Brought forward	1,335	1,333	1,682	1,800	1,707	1,797
2. Floating debt ⁽²⁾ of :						
(a) banks	125	142	107	140	142	189
(b) other private enterprises and individuals	270	240	322	227	229	242
Total liabilities	1,730	1,715	2,111	2,167	2,078	2,228
<i>Assets.</i>						
3. Foreign bonds, etc., held in Denmark ⁽¹⁾ .	225	235	255	255	275	290
4. Floating assets ⁽²⁾ of :						
(a) banks	250	240	105	111	120	94
(b) other private enterprises and individuals	295	280	300	289	301	322
Total assets	770	755	660	655	696	706

A distribution of the floating debts and assets between different foreign currencies at the end of 1932, 1933 and 1934 is given below.

At the end of the year	Amounts converted into Danish Kroner (000,000's)									Total
	£	§	RM	French francs	Swedish kronor	Gulden	Swiss francs	Other foreign currencies	Danish Kroner	
<i>Debts</i> 1932	109.0	63.4	9.8	10.0	8.9	21.1	27.5	6.7	98.2	⁽³⁾ 354.6
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	35.1	9.6	90.3	431.2
<i>Assets</i> 1932	143.8	47.1	27.0	18.4	14.4	13.5	5.5	30.8	88.7	⁽⁴⁾ 389.2
1933	182.7	24.5	30.1	18.5	26.3	9.1	4.2	35.0	90.5	420.9
1934	148.9	22.2	39.7	24.1	21.9	18.1	4.0	31.0	106.4	416.3

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

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

(3) The revised total is 367 million Kroner.

(4) The revised total is 400 million Kroner.

ESTONIA

A statement of the balance of international payments of Estonia in the year 1934, 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 1931-1933 which appeared in the preceding edition of this publication.

The Summary Table covers the period 1925-1934.

Goods, services and gold.

Items	Kr. (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	71.0	42.6	45.6	69.0	61.2	36.8	39.0	55.3
2. Adjustment on account of ships sold and bought	—	—	2.4	0.2	0.6	0.5	0.6	0.5
II. Interest and dividends.								
3. Interest on intergov. debts	—	—	—	—	1.0	1.8	2.0	1.8
4. Interest on other public debts	—	—	—	—	2.4	1.5	0.5	0.5
5. Other interest and dividends on long- and short-term capital	0.9	0.5	0.5	0.5	2.5	2.4	2.7	2.7
III. Other services.								
6. Shipping freights	8.8	7.7	9.1	10.3	—	—	—	—
7. Port fees and shipping expenditure	0.6	0.4	0.5	1.1	5.6	5.2	6.2	7.0
8. Railway earnings and expenditure ⁽²⁾ :								
(a) transit	0.8	0.4	0.1	—	—	—	—	—
(b) other	1.0	0.5	0.3	0.1	0.2	0.2	0.1	0.2
9. Insurance	1.7	1.8	1.3	1.7	2.1	2.1	1.8	1.7
10. Post, telegraph and telephone ⁽³⁾	0.7	0.3	0.3	0.4	0.4	0.6	0.3	0.2
11. Immigrants' and emigrants' funds	0.6	0.6	0.1	0.1	0.5	0.2	0.2	0.2
12. Tourists' and students' expenditure	3.7	2.5	2.5	2.8	3.3	2.9	2.7	3.0
13. Diplomatic and similar expenditure	1.1	1.0	1.0	1.0	0.6	0.5	0.4	0.5
14. Contributions to international institutions	—	—	—	—	0.1	0.1	0.1	0.1
15. Other Government receipts and expen- diture	0.1	0.1	0.1	0.1	0.7	0.6	0.4	2.5
16. Miscellaneous personal services	—	—	—	—	—	—	0.1	—
17. Shipping repairs	0.1	0.1	—	—	—	—	—	—
18. Cinematograph film royalties	—	—	—	—	0.1	0.1	0.1	0.1
IV. Gold.								
19. Gold coin and bullion	0.1	0.5	—	—	—	0.1	—	—
Total	91.2	59.0	63.8	87.3	81.3	55.6	57.2	76.3
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 9.8	+ 3.0	+ 6.6	+11.0				
(b) gold	+ 0.1	+ 0.4	—	—				
(c) goods, services and gold	+ 9.9	+ 3.4	+ 6.6	+11.0				

(1) Published in the *Eesti Statistika* for July-August 1935 (No. 164(7)-165(8)).

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

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

Known capital items.

Items	Kr. (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergov. debts	—	—	—	—	0.1	0.1	—	—
(b) of other public debts.	—	—	—	—	0.5	0.2	0.4	0.3
2. Repurchase of bonds of the League of Nations Loan	—	—	—	—	0.2	0.2	—	0.3
<i>II. Short-term operations.</i>								
3. Change in the foreign assets and debts of :								
(a) the Bank of Estonia	7.8	2.1	—	—	—	—	3.6	12.0
(b) other banks	—	0.1	—	—	5.5	—	4.3	0.6
4. Adjustment of item 3: change due to the depreciation of sterling ⁽¹⁾	—	—	—	—	7.1	—	—	—
5. Increase in Government assets abroad	—	—	—	—	—	—	2.2	—
Total	7.8	2.2	—	—	13.4	0.5	10.5	13.2
Net inward (+) or outward (—) movement of capital	— 5.6	+ 1.7	— 10.5	— 13.2				

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	⁽²⁾ — 1.2
1926 Balance	+ 1.0	— 4.4	+ 4.7	—	+ 1.3	+ 2.8	.	+ 2.8	⁽²⁾ + 4.1
1927 Balance	+ 8.7	— 6.6	+ 4.2	—	+ 6.3	⁽³⁾ + 3.0	.	+ 3.0	⁽²⁾ + 9.3
1928 Balance	— 5.3	— 7.7	+ 5.9	+ 0.1	— 7.0	+ 2.5	+ 9.2	+ 11.7	⁽⁴⁾ + 4.7
1929 Balance	— 6.7	— 5.9	+ 3.5	+ 0.1	— 9.0	— 0.7	+ 6.2	+ 5.5	⁽⁴⁾ — 3.5
1930 Balance	— 3.5	— 6.5	+ 4.4	—	— 5.6	+ 6.4	+ 1.8	+ 8.2	⁽⁴⁾ + 2.6
1931 Balance	+ 9.2	— 5.0	+ 5.6	+ 0.1	+ 9.9	— 0.8	— 4.8	— 5.6	⁽⁴⁾ + 4.3
1932 Credit	42.6	0.5	15.4	0.5	59.0	—	2.2	2.2	61.2
Debit	37.3	5.7	12.5	0.1	55.5	0.5	—	0.5	56.0
Balance	+ 5.3	— 5.2	+ 2.9	+ 0.4	+ 3.4	— 0.5	+ 2.2	+ 1.7	⁽⁴⁾ + 6.1
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	⁽⁴⁾ — 3.9
1934 Credit	69.2	0.5	17.6	—	87.3	—	—	—	87.3
Debit	55.8	5.0	15.5	—	76.3	0.6	12.6	13.2	89.5
Balance	+ 13.4	— 4.5	+ 2.1	—	+ 11.0	— 0.6	— 12.6	— 13.2	⁽⁴⁾ — 2.2

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

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

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

(4) Balance due to errors and omissions.

It will be noted that a perfect balance is not obtained, a fact which must be attributed largely to the omission in the years 1925-1927 of short-term capital movements and in the following years of private long-term capital transactions, as well as certain short-term operations, such as the hoarding of foreign currency notes. The small residual debit item for 1934 is attributed to the recurrence into circulation of hoarded foreign currency notes, contraband exports, etc.

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)	
(i) League of Nations Loan :	1933	1934
British <i>tranche</i>	1,000	840
United States <i>tranche</i>	997	951
(ii) Vickers Loan	9	9
(iii) Commercial credit granted by Sweden	36	25
(iv) Debt of the Match Monopoly (Sweden)	459	432
(v) Commercial credit for the purchase of railway material	—	32
Total	2,501	2,289

Freights. On the basis of information collected concerning the gross freight earnings in 1934 of the bulk of the merchant marine, it was estimated that the average earning per registered ton was 117 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 (100,000 kr.).

The expenses of Estonian ships in foreign ports (item 7, debit) were reckoned at 68.1% of the gross earnings in the same year.

Tourists' expenditure. In estimating the amounts entered against item 12 for 1934, 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. 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.

Government expenditure. The amount entered on the debit side against item 15 includes various purchases by the Government (in 1934, the Department of Defence, 2,443,900 kr.), etc.

Capital items.

Amortisation of public debts other than the League of Nations Loan (item 2) in 1934 comprises 36,700 kr. on account of the Vickers Loan, 238,550 kr. in repayment of credit for the purchase of railway material, and 75,163 kr. on account of commercial credit granted by Sweden.

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			
	1931	1932	1933	1934
<i>Liabilities.</i>				
Intergovernmental debts	75.4	78.4	85.3	92.1
League of Nations Loan	22.9	22.3	25.0	25.5
Other Government debts ⁽¹⁾	9.1	8.8	8.5	8.3
Foreign long-term investments in enterprises and banks.	28	27	32	32
Real estate owned by foreigners . . . . .	.	2	2	2
Net foreign short-term debts of private banks	—	—	1.9	1.3
Total . . . . .	.	138.5	154.7	161.2
<i>Assets.</i>				
Bonds of the League of Nations Loan held in Estonia . . . . .	.	3	4.5	4.8
Foreign assets of :				
(a) the Bank of Estonia	22.4	20.3	23.9	35.9
(b) other banks	5.9	4.0	—	—
Long-term investments and deposits abroad . . . . .	.	15	20	20
Real estate abroad . . . . .	.	5	7	7
Amount received on account of war-ships sold . . . . .	.	.	2.2	2.2
Total . . . . .	.	47.3	57.6	69.9
Net indebtedness on account of the above items . . . . .	.	91.2	97.1	91.3

As no new information with reference to long-term investments abroad was available when drawing up the statement for 1934, the figures for 1933 were repeated in the column for 1934.

(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 1934 have been supplied by the Finnish Government and are set out below, together with the statements for 1931-1933 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	4,458	4,630	5,300	6,230	3,457	3,500	3,930	4,779
2. Addition to exports (loading costs)	20	30	30	15	—	—	—	—
3. Contraband	—	—	—	—	40	30	30	5
II. Interest and dividends.								
4. Interest on intergovernmental debts	—	—	—	—	—	—	—	—
5. Interest on other public debts	—	—	—	—	254	362	335	260
6. Other interest on long-term capital	—	—	—	—	142	170	180	150
7. Interest on short-term capital	30	30	20	25	70	81	35	40
III. Other services.								
8. Shipping freights (net receipts)	260	300	310	385	—	—	—	—
9. Port fees	50	50	60	70	—	—	—	—
10. Other transport fees: included with item 12.	—	—	—	—	—	—	—	—
11. Insurance	145	145	130	140	130	120	120	150
12. Post, telegraph and telephone	35	30	25	10	25	20	20	10
13. Emigrants' and sailors' remittances	120	220	150	100	30	10	15	10
14. Tourists' expenditure	190	190	170	210	160	140	160	190
15. Diplomatic and similar expenditure	20	20	15	15	24	31	31	31
16. Other Government expenditure	—	—	—	—	3	4	4	4
IV. Gold. ⁽¹⁾								
17. Gold bullion	(²)	(²)	(²)	(²)	8	—	—	1
Total	5,328	5,645	6,210	7,200	4,343	4,468	4,800	5,630
Surplus (+) or deficit (—) on account of:								
(a) goods and services	+ 993	+1,177	+1,350	+1,571				
(b) gold ⁽¹⁾	— 8	—	—	—				
(c) goods, services and gold	+ 985	+1,177	+1,350	+1,570				

(1) Gold bullion only (gold coin is included with merchandise).
(2) 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 Credit	4,660	30	955	—	5,645
Debit	3,530	613	325	—	4,468
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

The above statement refers to transactions in goods, services and gold only. 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. The following data refer to the capital movement in 1934 (2) (for earlier years, reference should be made to the preceding issues of this publication) :

" New bond loans were negotiated abroad to a value of about 200 million markkaa. Besides, medium-term credits were taken up to an amount of 100 million markkaa. On the other hand, at least 800 million markkaa, or possibly slightly more, were employed for regular redemption and for sinking fund purchases of bonds from abroad. Finland's funded (or medium-term) foreign debt was thus reduced last year by at least 500 million markkaa. With regard to short-term debt, the amount is estimated to have decreased by about 340 million markkaa. In addition, owing to the favourable balance of payments, short-term investments and other foreign balances increased by about 570 million markkaa. Altogether these items represent a net capital movement of 1,410 million markkaa, by which Finland's net foreign indebtedness was reduced."

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.

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

(2) Cf. Bank of Finland, *Monthly Bulletin*, No. 8 (August), 1935. Similar information is contained in *Tilastokatsaus* - *Statistiska Översikten*, issued by the Statistical Central Bureau, No. 8 (August), 1935.

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. The gross receipts of the Finnish merchant marine in foreign trade in 1932 amounted to 455 million markkaa, of which 410 million on account of freights, 22 million on account of passenger fares, 22 million on account of time charter traffic and 1 million on account of postal shipments. The gross earnings in traffic between Finland and foreign countries in the same year amounted to 318 million markkaa and those between foreign ports accordingly to 137 million markkaa.

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 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 and 1934 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 1934 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	June 1935
Net long-term indebtedness	4,510	5,470	8,090	7,530	5,810	5,500	5,300
Short-term debts	4,280	3,560	2,200	1,568	1,833	1,500	1,565
Short-term assets	1,180	1,400	1,110	878	1,884	2,450	2,128
Net short-term debts (-) or assets (+)	- 3,100	- 2,160	- 1,090	- 690	+ 51	+ 950	+ 563

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

Issued by :	Million markkaa at the end of		
	1933	1934	June 1935
the Government	2,915	2,760	2,855
municipalities	1,105	1,100	863
financial institutions	2,598	2,290	2,248
industry	142	150	143
others	42	40	39
Total	6,802	6,349	6,148

(1) Cf. *Ab. Nordiska Föreningsbanken "Unitas", Quarterly Review*, No. 3 (August), 1935.

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 movement of short-term debts and assets between the end of 1934 and of June 1935 is affected by the seasonal drop in Finnish exports during the early part of the year. The following figures show the distribution of short-term debts and assets at the middle of 1934 and 1935 :

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

FRANCE

In the absence of official estimates of the balance of payments of France, the private estimate for 1934 by MM. Léonard Rist and Philippe Schwob, published in the *Revue d'économie politique* (1), is set out below together with the estimates for 1931 to 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 information supplied by the authors. For these reasons the figures differ somewhat from those given in the *Revue d'économie politique*.

Goods, services and gold (3).

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise trade of France with countries other than French oversea territories	23,314	13,546	12,507	12,339	36,064	23,634	21,746	17,289
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	—	500	—	—	1,350
II. Interest and dividends (5).								
4. Service of Government loans floated abroad and interest on other commercial debts	—	—	—	—	650	500	250	150
5. Service of inter-allied debts :								
(a) payments to U.S.A.	—	—	—	—	510	—	—	—
(b) payments to U.K.	—	—	—	—	770	—	—	—
Carried forward	23,314	13,546	12,748	12,339	38,494	24,134	21,996	19,239

(1) Vol. 1935, page 616.

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

(3) Including amortisation of certain public debts.

(4) Estimated by the authors.

Items	Francs (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	23,314	13,546	12,748	12,339	38,494	24,134	21,996	19,239
6. Interest and dividends received on account of :								
(a) investments abroad by French nationals	3,200	1,550	1,650		—	—	—	—
(b) investments abroad by foreigners living permanently in France	400	(1) 250		2,950	—	—	—	—
(c) foreign short-term assets of the Bank of France and the Treasury	700	263	450		—	—	—	—
7. Interest and dividends paid (excl. Government payments)	—	—	—	—	300	400	(2)	300
III. Other services.								
8. Shipping income	(3) 2,400	(3) 2,000	(3) 1,600	2,150	—	—	—	—
9. Deduct earnings in traffic between France and French oversea territories	(3) —	(3) —	(3) —	— 850	—	—	—	—
10. Revenue from transit	300	200	500	200	—	—	—	—
11. Insurance (net)	—	—	—	100	—	—	—	—
12. Foreign workers	—	—	—	—	1,800	1,200	800	1,000
13. Tourists' expenditure	6,000	3,000	3,000	2,500	(4)	(5)	(5)	(4)
14. Reparations in cash and in kind (6)	2,600	—	—	—	—	—	—	—
IV. Gold.								
15. Trade of France in gold coin and bullion with countries other than French oversea territories	3,213	2,424	11,313	12,737	21,717	23,463	17,431	6,509
16. 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	—				8,500
17. Adjustment of items 15 and 16	—	—	—	772	—	—	—	—
Total	42,127	25,783	39,449	32,898	62,311	49,197	40,227	35,548
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 1,680	— 4,925	— 2,848	— 1,150				
(b) gold	— 18,504	— 18,489	+ 2,070	— 1,500				
(c) goods, services and gold.	— 20,184	— 23,414	— 778	— 2,650				

(1) This figure is admittedly too low.

(2) Deducted from the receipts entered against item 6b-c.

(3) The figures for the shipping income shown against item 8 for 1931, 1932 and 1933 represent the net amount (after deduction of earnings which, for 1934, are shown against item 9).

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

(5) 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 6a. The amount in question is given at 500 million francs in 1932.

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

Known capital items.

Items	Francs (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
1. Known amortisation payments	—	—	—	—	770	2,125	.	200
2. Amortisation receipts :								
(a) from the Bank of England	—	1,863	—	—	—	—	—	—
(b) from the British Treasury	—	5,000	—	—	—	—	—	—
3. Repurchases of domestic bonds	—	—	—	—	1,500	.	.	.
4. New capital issues :								
(a) Government and municipal	—	—	—	—	3,375	1,645	400	—
(b) other bond issues	—	—	—	300	350	—	—	—
5. Miscellaneous credits received	—	—	200	—	—	—	—	—
6. Miscellaneous credits granted :								
(a) by the French Government to foreign governments	—	—	—	—	1,083	—	—	—
(b) by the Bank of France to foreign issuing banks	—	—	—	—	3,766	—	—	—
(c) by a bank syndicate to the Treasury of the United Kingdom	—	—	—	—	2,500	—	—	—
(d) by banks to the Belgian Government	—	—	—	—	—	—	900	—
7. Change in the floating assets in foreign currency of :								
(a) the Bank of France	(1)3,250	16,378	3,395	184	—	—	—	—
(b) the Government	3,100	1,466	237	.	—	—	—	—

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

	Francs (000,000's)				
	Merchandise	Interest and dividends	Other services	Gold	Total
1927 Balance	+ 108	+ 12,222 (2)		+ 525	+ 12,855
1928 Balance	— 3,299	+ 15,804 (2)		— 6,473	+ 6,032
1929 Balance	— 11,107	+ 19,193 (2)		— 8,589	— 503
1930 Balance	— 12,913	+ 18,074 (2)		— 11,729	— 6,568
1931 Balance	— 13,250	+ 11,570 (2)		— 18,504	— 20,184
1932 Credit	13,546	2,063	5,200	4,974	25,783
Debit	23,634	900	1,200	23,463	49,197
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	12,339	2,950	4,100	13,509	32,898
Debit	19,089	450	1,000	15,009	35,548
Balance	— 6,750	+ 2,500	+ 3,100	— 1,500	— 2,650

As the capital movement is only incompletely known, no totals have been given for the capital items specified in the detailed table. The surplus (or deficit) calculated on account of goods, services and gold does not correspond closely to the export (or import) of capital during each year, for the Government payments on account of the

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

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

service of foreign debt have not been strictly divided into interest and amortisation. Thus the amounts entered against item 4 of the account for goods, services and gold include amortisation of the loans considered, and item 5 shows the total service of war debts to the United States and the United Kingdom. Since 1932, no more payments on account of war debts were made.

According to the above tables, the transactions in goods and services show a debit balance for 1934 of 1,150 million francs and those for gold a debit balance of 1,500 million. There should therefore have been a net capital import of 2,650 million francs. The few operations known and entered in the statement show an import of 284 million only. If the figures are exact, there should have been an unrecorded capital import of about 2,400 million francs in 1934. The authors of the statement point out that the fluctuations in the rate of the pound sterling and the uncertainty as to the monetary policy of the United States must have induced French capitalists to repatriate some of their investments abroad, and also that there must have been a fairly large influx of foreign capital, chiefly from the gold-bloc countries, due either to the export of capital from Italy and Belgium in consequence of the monetary apprehensions manifested in those countries or to investments made by capitalists of other countries tempted by the higher interest rate in France, the low quotation for shares and the high yield on bonds, more particularly short- and medium-term Treasury bonds.

Goods, services and gold.

Merchandise. The figures entered against item 1 refer to the special trade of France with foreign countries as shown in the French commercial statistics. France's trade with her colonies, which has been deducted from the total foreign trade of the country, amounted in 1934 to 5,800 million francs for imports and 5,500 million for exports. As the figures taken from the trade returns of the various colonies show a balance on the opposite side (the exports of all the colonies to France being 5,600 million francs and imports from France to the colonies 6,400 million), the compilers of the statement consider that the distribution as between colonies and foreign countries in the French statistics is inaccurate and that the figure of the trade deficit with foreign countries should be corrected to 5,400 million francs. The figure of 450 million has therefore been entered on the debit side against item 2.

The trade of the French colonies with foreign countries in 1934 has been calculated according to the returns available as follows : imports 3,050 million francs, exports 1,700 million, the difference being shown against item 3.

Interest and dividends. The debt service of the French Government, departments, cities and railways in foreign currency represents about 600 million francs. As the result of repurchases, however, the bulk of the French stocks issued abroad belongs either to the Caisse des Dépôts or to French companies or French nationals. The amount of interest actually paid abroad is estimated at 150 million francs only (item 4).

The income earned on French investments abroad (item 6a) must admittedly have substantially increased in 1934, as a result of the capital exported at the beginning of the year, the increased dividends paid by many companies in England, America and South Africa, and the improved credit of certain countries, like the Argentine and Australia, which has facilitated investments in the bonds of those States. The total yield from foreign investments is estimated at 2,000-2,500 million francs at least. The corresponding figure for 1933, computed on the basis of income-tax statistics, is about 1,650 million francs (the provisional figure given in the 1933 edition was 1,550 million), 1,100 million francs being interest on Government securities and 550 million on unlisted securities.

The amount of income received by foreigners living in France (item 6b) is estimated at "several hundred million francs". It is stated that the Bank of France has received about 50 million francs in respect of advances made to foreign central banks against gold bullion.

The total of the above three items is calculated to be 2,950 million francs.

Shipping (items 8 and 9). The tonnage of French vessels represented 27.3 % of the total tonnage entering and leaving French harbours in 1934. On this basis, and allowing for foreign vessels calling without unloading goods, the French share in the total quantity of goods loaded and unloaded has been estimated at 30%, or about 13 million tons. The average freight rate, based on a comparison of various data, being taken at 150 francs per ton, the gross revenue amounts to a little under 2 milliard francs, to which must be added the earnings of French vessels trading between the French colonies and foreign countries. After deducting the revenue earned on shipping traffic between France and her colonies, which represents between 800 and 900 million francs (the figure of 850 million was entered in the table opposite item 9), the net income of the French mercantile marine is estimated at about 1,300 million francs.

Revenue from transit (item 10). The tonnage transported in transit was substantially the same in 1934 as in 1933, or about 3 million tons. The earnings from such transport (200 million francs) have been computed on the basis of an average receipt of about 70 francs per ton, the figure supplied by one of the big railway companies. The average revenue was probably higher in the case of goods sent by rail and lower in the case of goods sent by road or waterway.

Insurance. In the case of insurance properly so called, the premia paid by France to foreign countries and the premia received from foreign countries are supposed to offset one another. The figure entered against item 11 represents the difference between the amount of premia charged on reinsurance policies — between 300 and 500 million francs — and the amount of claims paid for losses.

Foreign workers (item 12). The number of foreign labourers working in France continued to decrease in 1934. It is reckoned at 750,000; many of these have been settled in France for a long time and probably send no more remittances to their home country. Although increased unemployment should have led to a reduction in the amounts sent by certain workmen to their native country, the statistics of international money orders, as confirmed by various cross-checks, show that the balance of remittances between France and the countries supplying labour, except Italy, has not varied between 1933 and 1934. In the case of Italy there has been a large increase in the amounts sent from France, attributed to the shortage of foreign exchange in Italy and the more precarious situation of the working classes in that country. As Italian labourers form the largest contingent of foreigners working in France, the amount in respect of this item has been increased from 800 million to 1 milliard francs.

Tourists' expenditure (item 13). Foreign tourists in France numbered 944,400 in 1932, 945,000 in 1933 and 930,000 in 1934. Their expenditure was estimated at 3 million francs in 1932 and 1933. On the other hand, the amount spent by French tourists abroad — estimated at 500 million francs in 1932 — was not included in the balance of payments returns in 1932 and 1933, as it was more than offset by the interest and dividends which were received direct by French investors abroad and did not come under the control of the fiscal authorities. In view, partly, of the lower cost of rooms and food in France and, partly, of the larger number of French tourists abroad — one million in 1934 — the National Economic Council, in its report on *Le tourisme*,

le thermalisme et le climatisme, considers that the favourable balance of the tourist traffic must have fallen in 1934 to 2,500 million francs. This figure has been entered in the table.

Gold. French commerce in gold with foreign countries resulted in 1934 in an excess of exports amounting to 6,228 million francs (item 15). Simultaneously, the metallic reserve of the Bank of France rose by 5,025 million francs as a result of purchases of gold deposited in France for foreign account amounting to about 8,500 million francs (item 16), of which 7,500-8,000 million from the British Exchange Equalisation Fund and some hundreds of millions from the central banks of the gold-bloc countries. The difference between the total of these purchases and the increase in the monetary reserve of the Bank of France is thought to correspond to the actual exports of gold necessitated by international arbitrage transactions. The surplus exports recorded, amounting to 2,728 million francs, would represent gold taken from stocks hoarded in France and sent abroad on deposit and would therefore mean a mere material transfer not affecting the balance of payments. This amount, however, has not been shown in the table as a deduction from recorded exports owing to the impossibility of tracing the further transactions — sale abroad or repatriation — which might be made with it. The net increase in the total gold stock — Bank of France and private persons — of France, due to the operations shown in items 15 and 16, would be 2,272 million francs. On examining its effect on the final balance, however, this figure seemed to the compilers of the report excessive and they fixed it at 1,500 million francs only. The difference of 772 million has been credited to item 17.

Known capital items. The capital transactions recorded in the table for 1934 show on the credit side the issue of 60 million Swiss francs (300 million French francs) of 4-year B "Bons de Caisse" of the State Railways (item 4*b*) and the sale by the Bank of France of foreign exchange for an amount of 184 million francs (item 7*a*). Sales of foreign exchange by the Treasury are unknown but are probably not large, as its holdings were less than 300 million francs at the end of 1933.

The only figure on the debit side (item 1) relates to the repayment on November 1st, at the gold dollar parity, of the loans totalling \$45 million (1,150 million francs) of the three cities and the simultaneous repayment of the balance of the 6% 1922 loan in Swiss francs of the Paris-Orléans Company (about 100 million French francs). The figure shown in the table for these capital payments is only 200 million francs, as almost all of the former of these loans was held in French hands.

The table does not show either the short-term credit of 100 million florins opened for the French Treasury by Amsterdam banks, which was repaid during the year, or the issue of 140 million Swiss francs of 2-year A "Bons de Caisse" of the State Railways designed to repay an equivalent amount of bonds which had matured.

No mention is made either of two 5½% 1934 and 5% 1934 Belgian loans the proceeds of which were used for consolidating credits previously given by French banks and for converting earlier loans.

GERMANY

At the moment of sending this volume to be printed, no official statement of the balance of payments of Germany during the whole of 1934 has appeared. A condensed preliminary statement, referring to the first eleven months of the year, has, however, been published by the Statistisches Reichsamt, together with the corresponding figures for 1933 (1). This information is reproduced below. The figures for 1933 are rounded off to the nearest ten, and for 1934 to the nearest fifty, million Reichsmarks.

	Credit (+) or debit (—) balances in Reichsmarks (000,000's)	
	1933	Jan.-Nov. 1934
1. Trade (2)	+ 670	— 250
2. Services	+ 230	+ 250
3. Interest	— 700	— 450
4. Reparations (2)	— 150	— 100
Total goods and services	+ 50	— 550
5. Reduction of gold and foreign assets reserves of the banks of issue (4)	+ 530	+ 300
6. Amortisation of loans	— 250	— 150
7. Increase in foreign claims on the Conversion Fund	+ 100	+ 150
8. Other known capital movements	— 350	—
9. Unexplained balance	— 80	+ 250

It is pointed out that, during the first eleven months of 1934, about 400 million Reichsmarks of foreign claims on Germany arising from transactions in goods and services could not be transferred but remained as assets in Germany. In the above table, the amounts in question appear partly as increase in foreign claims on the Conversion Fund, partly as unexplained balance.

With the aid of the figures supplied, the summary table concerning the balance of payments of Germany given in the preceding issues of this publication has been completed with balances for January-November 1934. The figures shown as undefinable capital items in this table represent simply book-keeping entries, by means of which the balances of the capital items have been adjusted to those on account of goods, services and gold. They include allowances for errors and omissions in the whole account. The service of the Dawes Loan and two-thirds of the service of the Young Loan are not shown as interest and capital movements, but are entered, together with reparations proper, in the group "Other services".

(1) Cf. *Wirtschaft und Statistik*, No. 1, 1935, page 15.
 (2) The recorded trade figures were, in million Reichsmarks :

	1933		Jan.-Nov. 1934	
	Imports	Exports	Imports	Exports
Merchandise and silver	4,245	4,908	4,076	3,830
Gold	265	797	252	481

The figures entered against item 1 in the above table include gold only in so far as the recorded net export of gold exceeded the reduction in the gold reserves of the banks of issue included in item 5.

(3) Mainly service of the Dawes and Young Loans.
 (4) The exact figures are, in million Reichsmarks :

	1933	Jan.-Nov. 1934
Reduction of gold reserve	— 420	— 307
Reduction of foreign assets reserve	— 105	— 5

SUMMARY TABLE.

	Reichsmarks (000,000's)									
	Goods, services and gold					Capital items				All items
	Mer- chandise	Interest and di- vidends	Other services	Gold	Total	Long- term	Short- term	Undefin- able	Total	
1924 Balance	- 1,848	+ 159	- 12	- 253	- 1,954	+ 1,000	+ 541	+ 413	+ 1,954	—
1925 Balance	- 2,362	- 6	636	- 519	- 3,523	+ 1,214	+ 605	+ 1,704	+ 3,523	—
1926 Balance	+ 817	- 173	- 742	- 641	- 739	+ 1,454	+ 201	- 916	+ 739	—
1927 Balance	- 2,890	- 345	- 1,018	- 99	- 4,352	+ 1,778	+ 2,264	+ 310	+ 4,352	—
1928 Balance	- 1,250	- 563	- 1,323	- 922	- 4,058	+ 1,788	+ 1,270	+ 1,000	+ 4,058	—
1929 Balance	+ 31	- 800	- 1,630	+ 376	- 2,023	+ 660	+ 484	+ 879	+ 2,023	—
1930 Balance	+ 1,644	- 1,000	- 1,173	- 13	- 542	+ 1,119	+ 169	- 746	+ 542	—
1931 Credit	9,637	300	1,056	1,520	12,513	1,135	3,109	—	4,244	16,757
Debit	6,779	1,500	1,599	369	10,247	955	2,205	3,350	6,510	16,757
Balance	+ 2,858	- 1,200	- 543	+ 1,151	+ 2,266	+ 180	+ 904	- 3,350	- 2,266	—
1932 Credit	2,778	200	763	500	7,241	300	329	236	865	8,106
Debit	4,724	1,100	665	318	6,807	286	1,013	—	1,299	8,106
Balance	+ 1,054	- 900	+ 98	+ 182	+ 434	+ 14	- 684	+ 236	- 434	—
1933 Credit	4,910	150	645	798	6,503	200	909	—	1,109	7,612
Debit	4,249	850	569	365	6,033	250	1,250	79	1,579	7,612
Balance	+ 661	- 700	+ 76	+ 433	+ 470	- 50	- 341	- 79	- 470	—
Jan.-Nov. 1934. . .										
Balance	- 250	- 450	+ 150	+ 300	- 250	- 150	+ 150	+ 250	+ 250	—

Balance of payments by countries.

The table on the following pages gives a division of the German balance of payments by countries or groups of countries in the years 1928-1933 (1). The groups of items recorded in this table differ slightly from those in the summary table given above; thus silver is not included with merchandise, but grouped with gold under the heading "Precious metals"; further, reparations are separated from services and shown as a special item. Only "known" capital items have been divided by countries; the balance shown for each year in the last column against "Total known items" thus represents the group shown as "Capital movement, undefinable" in the summary table. Part of the balances for the groups of items could not be divided by countries; in particular this is true of maritime and transit freights and short-term capital movements. These indivisible amounts have been entered in a special column (the last but one).

The last line for each year gives rough estimates (in italic figures) of the division of all items (including "Capital items, undefinable") with the exception of maritime and transit freights. The amounts shown on these lines as indivisible accordingly represent only such freights.

(1) Source: *Sonderheft No. 14 to Wirtschaft und Statistik*, Vol. 1934. In that publication, the division by countries is given in greater detail.

GERMANY : BALANCE OF PAYMENTS BY COUNTRIES.
Inward (+) or outward (—) balances in Reichsmarks (000,000's).

Year and groups of items	United Kingdom	France	Italy	Other countries in W. and N. Europe	Danubian and Balkan countries	Poland, Balkan States and Finland	Russia (U.S.S.R.)	U.S.A.	Canada	Japan	Other countries overseas	Amounts not divisible	Total
1928													
Merchandise proper	+ 297	— 47	+ 79	+ 880	+ 372	+ 222	+ 25	—1,220	— 307	+ 173	—2,475	+ 772	— 1,238
Interest	— 80	— 40	—	— 300	+ 35	+ 15	+ 10	— 375	(¹)	(¹)	+ 172	(¹)	— 563
Services proper	— 23	— 42	— 40	— 109	— 72	— 60	— 3	+ 32	— 4	— 4	— 168	+ 1,112	+ 619
Reparations	— 449	— 957	— 144	— 138	— 91	— 1	—	+ 139	—	+ 10	—	— 61	— 1,990
Total current items	— 255	—1,086	— 105	+ 333	+ 244	+ 176	+ 32	—1,711	— 311	+ 159	—2,471	+ 1,823	— 3,172
Precious metals	— 398	— 8	+ 5	— 36	—	+ 1	— 345	+ 128	—	—	— 27	—	— 934
Loans	+ 177	—	—	+ 237	—	—	—	+ 942	—	—	—	—	+ 1,356
Other known capital movement	—	—	—	—	—	—	—	+ 174	—	—	—	—	+ 1,750
Total known capital movement	+ 177	—	—	+ 237	—	—	—	+ 1,116	—	—	—	+ 1,576	+ 3,106
Total known items	— 476	—1,094	— 100	+ 534	+ 244	+ 177	— 313	— 721	— 311	+ 159	—2,498	+ 3,309 ⁽²⁾	— 1,000
All items, rough estimate	+ 500	—1,000	— 100	+ 1,500	+ 100	+ 100	— 300	+ 1,000	— 300	+ 100	—2,500	(³) + 900	± 0
1929													
Merchandise proper	+ 450	+ 293	+ 160	+ 1,395	+ 486	+ 141	— 72	— 799	— 219	+ 202	—1,991	— 2	+ 44
Interest	— 110	— 50	—	— 400	+ 30	+ 15	+ 10	— 485	(¹)	(¹)	+ 190	(¹)	— 800
Services proper	— 19	— 44	— 48	— 111	— 63	— 64	— 3	+ 77	— 4	— 4	— 167	+ 1,154	+ 704
Reparations	— 454	—1,300	— 177	— 174	— 141	—	—	+ 157	—	+ 23	—	+ 89	— 2,337
Total current items	— 133	—1,101	— 65	+ 710	+ 312	+ 92	— 65	—1,364	— 223	+ 175	—1,968	+ 1,241	— 2,389
Precious metals	— 327	+ 544	+ 5	+ 155	+ 2	—	— 1	+ 177	—	—	— 133	—	+ 422
Loans	+ 43	—	—	+ 82	—	—	—	+ 122	—	—	—	—	+ 247
Other known capital movement	+ 40	—	—	+ 15	—	—	—	+ 585	—	—	—	—	+ 841
Total known capital movement	+ 83	—	—	+ 97	—	—	—	+ 707	—	—	—	+ 201	+ 1,088
Total known items	— 377	— 557	— 60	+ 962	+ 314	+ 92	— 66	— 480	— 223	+ 175	—2,101	+ 1,442 ⁽²⁾	— 879
All items, rough estimate	± 0	— 500	± 0	+ 1,200	+ 300	+ 100	± 0	± 0	— 200	+ 200	—2,100	(³) + 1,000	± 0
1930													
Merchandise proper	+ 587	+ 631	+ 119	+ 1,775	+ 295	+ 121	— 7	— 621	— 62	+ 152	—1,339	— 5	+ 1,646
Interest	— 130	— 60	— 5	— 465	+ 25	+ 10	+ 10	— 575	(¹)	(¹)	+ 190	(¹)	— 1,000
Services proper	— 3	— 25	— 44	— 81	— 37	— 36	— 3	+ 90	— 4	— 4	— 128	+ 773	+ 498
Reparations	— 320	— 932	— 140	— 104	— 104	— 1	—	+ 105	—	+ 14	—	+ 74	— 1,706
Total current items	+ 134	— 386	— 70	+ 1,065	+ 179	+ 94	—	—1,211	— 66	+ 134	—1,277	+ 842	— 562
Precious metals	— 283	+ 352	+ 5	+ 38	+ 1	— 18	—	— 5	—	—	— 38	—	+ 52
Loans	— 10	—	—	+ 819	—	—	—	+ 266	—	—	—	—	+ 1,075
Other known capital movement	—	—	—	+ 81	—	—	—	+ 1,363	—	—	—	—	+ 181
Total known capital movement	— 10	—	—	+ 900	—	—	—	+ 1,629	—	—	—	— 1,263	+ 1,256
Total known items	— 159	— 34	— 65	+ 2,003	+ 180	+ 76	± 0	+ 413	— 66	+ 134	—1,315	— 421 ⁽²⁾	+ 746
All items, rough estimate	— 400	± 0	— 100	+ 1,000	+ 100	± 0	— 100	± 0	— 100	+ 100	—1,300	(³) + 800	± 0

Year and groups of items	United Kingdom	France	Italy	Other countries in W. and N. Europe	Danubian and Balkan countries	Poland, Balkan States and Finland	Russia (U.S.S.R.)	U.S.A.	Canada	Japan	Other countries overseas	Amounts not divisible	Total
1931													
Merchandise proper	+ 685	+ 493	+ 72	+ 1,767	+ 380	+ 130	+ 460	- 303	- 52	+ 114	- 868	+ 9	+ 2,887
Interest	- 150	- 60	- 10	- 525	+ 5	+ 10	+ 10	- 620	(1)	(1)	+ 140	(1)	- 1,200
Services proper	- 3	- 18	- 26	- 61	- 29	- 28	- 2	+ 74	- 3	- 3	+ 91	+ 625	+ 435
Reparations	- 209	- 449	- 89	- 100	- 50	-	-	+ 84	-	+ 7	-	-	+ 988
Total current items	+ 323	- 34	- 53	+ 1,081	+ 306	+ 112	+ 468	- 933	- 55	+ 104	- 819	+ 634	+ 1,134
Precious metals	+ 134	+ 424	+ 4	+ 573	+ 5	+ 1	- 247	+ 142	-	-	- 29	-	+ 1,007
Loans	- 5	-	-	+ 267	-	-	-	+ 119	-	-	-	-	+ 143
Other known capital movement	+ 105	+ 105	-	+ 117	-	-	-	+ 428	-	-	-	+ 311	+ 1,066
Total known capital movement.	+ 100	+ 105	-	+ 384	-	-	-	+ 309	-	-	-	+ 311	+ 1,209
Total known items	+ 557	+ 495	- 49	+ 2,038	+ 311	+ 113	+ 221	- 482	- 55	+ 104	- 848	+ 945	(2) + 3,350
All items, rough estimate . . .	- 500	+ 500	± 0	+ 600	+ 300	+ 100	+ 200	- 900	- 100	+ 100	- 900	(3) + 600	± 0
1932													
Merchandise proper	+ 190	+ 293	+ 42	+ 1,044	+ 170	+ 28	+ 355	- 311	- 31	+ 61	- 766	+ 4	+ 1,079
Interest	- 120	- 45	- 5	- 370	-	-	+ 10	- 460	(1)	(1)	+ 90	(1)	- 900
Services proper	- 6	- 15	- 26	- 39	- 40	- 23	- 2	+ 53	- 2	- 2	+ 76	+ 443	+ 265
Reparations	- 26	- 22	- 3	- 47	- 3	-	-	+ 59	-	-	-	-	+ 160
Total current items	+ 38	+ 211	+ 8	+ 588	+ 127	+ 5	+ 363	- 777	- 33	+ 59	- 752	+ 447	+ 284
Precious metals	- 6	+ 158	+ 4	+ 117	+ 25	-	- 204	+ 7	-	-	+ 5	-	+ 82
Loans	- 10	-	-	- 31	-	-	-	+ 95	-	-	-	-	+ 136
Other known capital movement	-	-	-	-	-	-	-	-	-	-	-	-	+ 466
Total known capital movement.	- 10	-	-	- 31	-	-	-	+ 95	-	-	-	- 466	- 602
Total known items	+ 22	+ 369	+ 12	+ 674	+ 152	+ 5	+ 159	- 879	- 33	+ 59	- 757	- 19	(2) - 236
All items, rough estimate . . .	- 200	+ 400	± 0	+ 600	+ 200	± 0	+ 200	- 1,000	± 0	± 0	- 700	(3) + 500	± 0
1933													
Merchandise proper	+ 170	+ 211	+ 61	+ 926	+ 59	+ 9	+ 88	- 238	- 52	+ 60	- 624	- 11	+ 659
Interest	- 95	- 35	- 5	- 330	-	-	+ 10	- 320	(1)	(1)	+ 76	(1)	- 700
Services proper	- 4	- 13	- 25	- 35	- 17	- 20	- 2	+ 18	- 2	- 2	+ 69	+ 403	+ 232
Reparations	- 22	- 21	- 3	- 49	-	-	-	+ 54	-	-	-	-	+ 149
Total current items	+ 49	+ 142	+ 28	+ 512	+ 42	- 11	+ 96	- 594	- 54	+ 58	- 618	+ 392	+ 42
Precious metals	+ 176	+ 275	+ 4	+ 178	+ 4	+ 1	- 202	+ 8	-	-	+ 1	-	+ 427
Loans	- 25	- 7	- 2	- 85	- 1	-	-	+ 130	-	-	-	-	+ 250
Other known capital movement	- 90	- 90	-	- 90	-	-	-	+ 246	-	-	-	+ 376	- 140
Total known capital movement.	- 115	- 97	- 2	- 175	- 1	-	-	+ 376	-	-	-	+ 376	- 390
Total known items	+ 110	+ 320	+ 30	+ 515	+ 45	- 10	- 106	- 978	- 54	+ 58	- 619	+ 768	(2) + 79
All items, rough estimate . . .	+ 100	+ 300	± 0	+ 600	+ 100	± 0	- 100	- 800	- 100	+ 100	- 600	(3) + 400	± 0

(1) Included in "Other countries overseas".

(2) "Undefinable capital items".

(3) Maritime and transit freights.

GREECE

An estimate of the balance of payments of Greece in 1934 has been supplied by the Bank of Greece ⁽¹⁾ and is reproduced below after slight rearrangement of the items, together with the figures for 1931-1933 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise	11,118	7,173	6,384	6,213	23,348	13,400	9,895	9,984
<i>II. Interest and dividends (including amortisation of the public debt).</i>								
2. Service of public debt ⁽²⁾	833	729	184	201	4,960	1,213	798	1,493
3. Interest and dividends on foreign investments in Greece	—	—	—	—	758	399	1,704	991
4. Interest received on account of the short-term foreign assets of:								
(a) the Bank of Greece	137	35	13	4	—	—	—	—
(b) other banks	—	29	9	17	—	—	—	—
5. Interest on account of Greek investments abroad	1,523	1,439	1,438	1,190	—	—	—	—
<i>III. Other services.</i>								
6. Shipping income (net)	1,205	904	759	991	—	—	—	—
7. Insurance premiums	—	—	—	—	238	34	34	40
8. Emigrants' remittances	7,084	2,877	3,076	1,804	—	—	—	—
9. Tourists' expenditure ⁽³⁾	998	854	2,061	1,190	981	308	222	270
10. Reparations, etc.	962	—	80	—	—	—	—	—
11. Government receipts and expenditure	—	—	—	174	1,144	1,061	728	263
Total	23,860	14,040	14,004	11,784	31,429	16,415	13,381	13,041
Surplus (+) or deficit (—) on account of goods and services	—7,569	—2,375	+ 623	—1,257				

(1) Cf. *The Economic Situation in Greece and the Bank of Greece in 1931*; ditto in 1932; ditto in 1933; ditto in 1934; Reports read by M. E. J. Tsouderos, Governor of the Bank of Greece, before the general meetings of shareholders held on April 20th, 1932, February 15th, 1933, February 14th, 1934, and February 14th, 1935. The figures for 1934 given in the above table differ slightly from those published in the last-mentioned report, which are only provisional.

(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			
	1931	1932	1933	1934	1931	1932	1933	1934
1. Repurchase of national securities.	—	—	—	—	914	—	—	99
2. "Foreign assistance":								
(a) through the Bank of Greece .	2,653	49	—	—	—	—	—	—
(b) through market	4,700	—	—	—	—	—	—	—
(c) "unascertained"	—	677	—	—	—	—	—	—
3. Change in the gold and foreign currency reserve of the Bank of Greece	2,018	2,318	—	—	—	—	2,637	66
4. "Banking credits"	685	—	—	36	1,573	669	32	—
5. Decrease in the foreign currency holdings of the banks	—	—	316	397	—	—	—	—
6. Repayment of old commercial debts	—	—	—	—	—	—	634	847
7. "Repatriation of Greek capital" . .	—	—	2,364	912	—	—	—	—
8. Reduction of assets in clearing accounts	—	—	—	924	—	—	—	—
Total	10,056	3,044	2,680	2,269	2,487	669	3,303	1,012
Net inward (+) or outward (—) movement of capital	+ 7,569	+ 2,375	— 623	+ 1,257				

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 Credit . . .	7,173	2,232	4,635	14,040	3,044	17,084
Debit . . .	13,400	1,612	1,403	16,415	669	17,084
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	—

(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 2c (unascertained foreign assistance), and in 1933 and 1934, either the former of the two items now mentioned or capital item 7 (repatriation of Greek capital).

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. The gross and net earnings on account of shipping in foreign traffic in 1932, 1933 and 1934 are estimated to have been as follows :

	£(000's) sterling		
	1932	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.

HAITI

Estimates of the items relating to goods, services and gold in the balance of payments of Haiti during the financial years (October 1st to September 30th) 1931-32, 1932-33 and 1933-34 have been supplied by the Government of that country and are reproduced below.

Goods, services and gold.

Items	Gourdes (000's) (1)					
	Inward or credit movements (Exports)			Outward or debit movements (Imports)		
	1931-32	1932-33	1933-34	1931-32	1932-33	1933-34
<i>I. Merchandise.</i>						
1. Merchandise	36,100	46,650	51,550	37,300	38,330	45,680
2. Contraband	200	200	200	1,300	600	200
<i>II. Interest and dividends.</i>						
3. Interest on Government debts	—	—	—	4,000	3,500	3,260
4. Interest on Government deposits abroad	800	730	760	—	—	—
5. Other interest and dividends	400	600	900	500	1,000	1,000
<i>III. Other services.</i>						
6. Foreign shipping between domestic ports	—	—	—	390	390	300
7. Port expenditure of foreign ships	780	850	900	—	—	—
8. Other transport fees	50	70	80	—	—	—
9. Insurance	—	—	—	150	150	150
10. Post, telegraph and telephone	—	—	—	240	240	260
11. Immigranis' and emigrants' funds	10	20	20	20	20	20
12. Money gifts	250	250	250	20	20	20
13. Tourists' expenditure (2)	60	100	200	300	500	800
14. Diplomatic and similar expenditure abroad	—	—	—	400	450	450
15. Other Government expenditure abroad	—	—	—	90	160	400
16. Expenditure of foreign governments in Haiti :						
(a) United States	3,700	3,000	2,600	—	—	—
(b) other governments	300	300	320	—	—	—
17. Fees, etc., paid to legations and consulates (3)	80	120	120	350	350	360
18. Miscellaneous personal services	100	100	100	10	10	10
19. Receipts on account of trade-marks, patent royalties, advertising	20	20	30	—	—	—
<i>IV. Gold.</i>						
20. Gold coin and bullion	—	—	—	—	—	—
Total	42,850	53,010	58,030	45,070	45,720	52,910
Surplus (+) or deficit (—)	— 2,220	+ 7,290	+ 5,120			

(1) The gourde equals one-fifth of the United States dollar.

(2) The debit figures include remittances from members of the military forces and other foreigners in Haiti.

(3) The debit figures include payments for subscriptions to foreign Press.

SUMMARY TABLE.

	Gourdes (000's)				
	Merchandise	Interest and dividends	Other services	Gold	Total
1931-32 Credit	36,300	1,200	5,350	—	42,850
Debit	38,600	4,500	1,970	—	45,070
Balance	— 2,300	— 3,300	+ 3,380	—	— 2,220
1932-33 Credit	46,850	1,330	4,830	—	53,010
Debit	38,930	4,500	2,290	—	45,720
Balance	+ 7,920	— 3,170	+ 2,540	—	+ 7,290
1933-34 Credit	51,750	1,660	4,620	—	58,030
Debit	45,880	4,260	2,770	—	52,910
Balance	+ 5,870	— 2,600	+ 1,850	—	+ 5,120

The bulk of the items, it is stated, could be estimated with considerable accuracy on the basis of official statistics or other information. The evaluation of the yield of private investments abroad and foreign private investments in Haiti, the expenditure of national tourists abroad and remittances abroad from foreigners in Haiti, as well as certain other outward payments, met with greater difficulties; the figures for the respective items were established "by observation of the effect of different combinations of figures upon the final balance and by studying such figures as were available with reference to the movement of capital and the balance of international indebtedness".

Merchandise. The figures for contraband imports (item 2, debit) include an estimate of the considerable smuggling operations which were detected in February 1933.

Interest and dividends. The receipts entered against item 4 represent the interest on account of Haitian Government securities deposited by the Government with the National City Bank of New York (amounts offsetting the outward payments entered against item 3), plus the interest received by the Government on its cash deposits abroad.

The outward payments against item 5 were estimated on the basis of taxation reports and data concerning the capital of foreign firms operating in Haiti.

Other services. The amounts earned by foreign ships in trade between domestic ports (item 6) were estimated on the basis of taxation records for the shipping agents.

The amounts entered against item 7 include, besides port and other fees officially recorded, an estimate of bunkers and stores purchased by foreign ships.

The earnings of insurance companies (item 8) were estimated on the basis of taxation records and other information.

The amounts entered against item 11 were estimated on the basis of the recorded number of immigrants and emigrants and assumed averages of funds per head.

The credit figures against item 12 represent mainly receipts of the Red Cross, churches, etc.

The income from foreign tourists (item 13, credit) was estimated on the basis of data concerning the number of foreign visitors arriving, as well as information supplied by hotels, shipping agents and the Haitian Tourist Bureau. The debit figures against the same item include remittances from foreigners in Haiti.

The expenditure of the United States Government in Haiti includes, besides that of the United States legation and consulates, the amounts spent by American troops (the troops were withdrawn from August 1934).

INDIA

The following statement of the estimated balance of payments of British India for the commercial year 1934-35 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)			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
<i>I. Merchandise.</i>								
1. Merchandise	1,630.4	1,370.1	1,535.1	1,606.7	1,350.3	1,366.5	1,223.2	1,432.5
2. Adjustments on account of :								
(a) land-frontier trade . . .	110.0	90.0	100.0	100.0	100.0	80.0	80.0	90.0
(b) wrong valuation	—	—	—	—	67.5	68.3	61.0	71.6
<i>II. Interest and dividends.</i>								
3. Interest and dividends on long-term capital	9.7	6.3	4.5	14.9	(1)360.1	(1)353.0	(1)345.0	(1)341.0
4. Interest on short-term capital .	2.8	2.6	1.3	1.0				
<i>III. Other services.</i>								
5. Port fees	24.0	22.5	23.0	30.0	—	—	—	—
6. Commissions, insurance, brokerage	—	—	—	—	10.0	10.0	10.0	10.0
7. Post, telegraph and telephone .	—	—	—	—	1.0	1.2	0.9	0.8
8. Tourists, diplomatic expenditure, etc. (net) (2)	—	—	—	—	40.0	40.0	40.0	40.0
9. Reparations in cash	0.8	—	—	—	—	—	—	—
10. Other Government receipts and expenditure	90.8	88.3	131.9	101.7	244.0	221.2	225.9	220.3
<i>IV. Gold.</i>								
11. Gold coin and bullion	607.7	668.4	581.5	532.6	28.0	13.2	11.0	7.2
Total	2,476.2	2,248.2	2,377.3	2,386.0	2,200.9	2,153.4	1,997.0	2,213.4
Surplus (+) or deficit (—) on account of :								
(a) goods and services	—304.4	—560.4	—190.2	—351.9				
(b) gold	+ 579.7	+ 655.2	+ 570.5	+ 525.4				
(c) goods, services and gold .	+ 275.3	+ 94.8	+ 380.3	+ 173.5				

(1) Of which on Government account, 201.7, 199.1, 191.4 and 189.1 during the four respective years.
(2) Including funds and remittances of emigrants and immigrants and certain other items.

Capital items.

Items	Rupees (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
<i>I. Long-term operations.</i>								
1. Amortisation of Government debts	—	—	—	—	21.4	22.0	22.8	23.5
2. Purchases and sales :								
(a) of real estate abroad	—	—	—	—	—	—	—	—
(b) of domestic securities	0.6	—	—	3.2	219.1	124.6	228.6	100.3
(c) of foreign securities	181.3	—	—	1.3	—	46.3	218.0	—
3. New Government and municipal issues	174.4	126.2	252.3	30.9	—	—	—	—
4. Other long-term investments	1.8	1.7	1.6	1.7	—	—	—	—
<i>II. Short-term operations.</i>								
5. Net change in Government short-term debt abroad	—	—	—	—	54.2	—	—	—
6. Net change in Government short-term assets abroad	—	—	—	—	32.6	81.5	96.2	105.6
7. Change in other short-term debts and assets (1)	—	51.7	—	18.8	306.1	—	68.6	—
Total	358.1	179.6	253.9	55.9	633.4	274.4	634.2	229.4
Net outward (—) movement of capital	—275.3	—94.8	—380.3	—173.5				

SUMMARY TABLE.

	Rupees (000,000's)								
	Goods, services and gold					Capital items			All items
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term (1)	Total	
1923-24 Balance	+1,105.3	—323.7	—433.0	—202.1	+56.5	+221.0	—277.5	—56.5	—
1924-25 Balance	+1,176.6	—317.8	—333.7	—738.8	—213.7	—122.5	+336.2	+213.7	—
1925-26 Balance	+1,190.5	—289.9	—364.8	—348.6	+187.2	—165.3	—21.9	—187.2	—
1926-27 Balance	+351.0	—297.8	—347.2	—194.0	—488.0	+383.8	+104.2	+488.0	—
1927-28 Balance	+513.4	—314.4	—347.0	—181.0	—329.0	+146.8	+182.2	+329.0	—
1928-29 Balance	+665.0	—324.7	—312.2	—212.0	—183.9	+5.2	+178.7	+183.9	—
1929-30 Balance	+538.1	—316.0	—180.1	—142.2	—100.2	+133.2	—33.0	+100.2	—
1930-31 Balance	+371.3	—335.8	—159.1	—127.6	—251.2	+432.2	—181.0	+251.2	—
1931-32 Balance	+222.6	—347.6	—179.4	+579.7	+275.3	+117.6	—392.9	—275.3	—

(1) Interpolated as balancing accounts (in the original statement, capital item 7 is not given).

SUMMARY TABLE (concluded).

		Rupees (000,000's)								
		Goods, services and gold					Capital items			All items
		Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term (1)	Total	
1932-33	Credit .	1,460.1	8.9	110.8	668.4	2,248.2	127.9	51.7	179.6	2,427.8
	Debit .	1,514.8	353.0	272.4	13.2	2,153.4	192.9	81.5	274.4	2,427.8
	Balance	— 54.7	— 314.1	— 161.6	+ 655.2	+ 94.8	— 65.0	— 29.8	— 94.8	—
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	164.8	634.2	2,631.2
	Balance	+ 270.9	— 339.2	— 121.9	+ 570.5	+ 380.3	— 215.5	— 164.8	— 330.3	—
1934-35	Credit .	1,706.7	15.9	131.7	532.6	2,386.9	37.1	18.8	55.9	2,442.0
	Debit .	1,594.1	341.0	271.1	7.2	2,213.4	123.8	105.6	229.4	2,442.0
	Balance	+ 112.6	— 325.1	— 139.4	+ 525.4	+ 173.5	— 86.7	— 86.8	— 173.5	—

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

The transactions in England have been converted into rupees at the rates of 1s. 5²⁹/₃₂d. in 1931-32, 1s. 6¹/₁₆d. in 1932-33, 1s. 6d. in 1933-34 and 1s. 6¹/₁₆d. in 1934-35 — 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 of the gold standard reserve balance in long-term securities in London. Item 4 represents the interest on investments of Government treasury and reserve balances in British treasury bills.

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.

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 10) represent expenditure in England after excluding interest charges (items 3 and 4).

(1) Interpolated as balancing accounts (in the original statement, capital item 7 is not given).

Capital items.

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

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

	Rupees (000,000's)			
	1931-32	1932-33	1933-34	1934-35
1. Value of Government rupee securities retransferred from London to India	(¹) 215.2	1.3	1.1	—
2. Sinking Fund purchases on account of Government of India sterling loans	3.9	2.6	2.7	2.7
3. Repayment of railway companies' stocks, the liability for which was taken over by the Government on purchase of the railways . .	—	—	—	—
4. Repayment of 6% India Bonds 1932-33, 1933-34 and 1933-35	—	120.7	167.7	0.1
5. Cost price of India stocks and bonds purchased but not cancelled	—	—	57.1	97.5

Item 2*c* shows the difference between the amount invested by the Government of India in securities of the British Government at the beginning and at the end of the year, on account of the reserve balance in London.

Item 3 shows the net proceeds from loans floated in England and from the issue of India bills abroad (in 1933-34 two new sterling loans were floated).

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

Short-term capital operations. The figure entered against item 5 represents the net discharge of short-term loans obtained in England by the Government. The sums entered against item 6 represent the difference between the balances of British treasury bills held by the Government as part of the treasury and reserve balances in London at the beginning and at the end of the year.

The amounts under item 7 are interpolated as balancing accounts.

International indebtedness.

The foreign liabilities of the Government of India (including sterling loans, railway annuities, liability assumed by the Government of India in respect of British Government 5% War Loan, 1929-47, etc., but excluding rupee securities held by foreigners) fell from £387.8 million on March 31st, 1931, to £379.6 million on March 31st, 1932, and £379.0 million on March 31st, 1933, and rose to £383.7 million on March 31st, 1934, and £385.0 million on March 31st, 1935.

The assets of the Government on account of treasury and reserve balances held in London on these dates amounted to £39.7, £28.7, £38.3, £66.1 and £81.1 million respectively. No information is available concerning private assets and liabilities abroad.

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

IRAQ

A statement of the balance of payments of Iraq in the financial year April 1st, 1933, to March 31st, 1934, 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. The Summary Table comprises the period from 1926-27 to 1933-34.

Goods, services and gold.

Items	Dinars (000's) (1)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
<i>I. Merchandise.</i>								
1. Merchandise, including silver bul- lion (2), as recorded	2,731	2,766	2,050	2,448	5,354	4,798	6,240	6,009
2. Adjustment for overvaluation of imports	—	—	—	—	121	107	130	139
3. Contraband	27	28	20	24	174	165	177	247
<i>II. Interest and dividends.</i>								
4. Interest on Government debts : (a) Dredging Loan	—	—	—	—	26	25	12	2
(b) Port of Basrah and Railway Loans	—	—	—	—	21	20	19	18
5. Interest on domestic capital invested abroad	100	80	65	61	—	—	—	—
6. Profits of foreign firms working in Iraq	—	—	—	—	244	214	456	386
7. Interest on short-term capital in- vested in Iraq	—	—	—	—	7	7	8	5
<i>III. Other services.</i>								
8. Port dues	156	140	142	156	—	—	—	—
9. Dredging dues	218	274	265	303	—	—	—	—
10. Transport fees	122	115	96	160	—	—	—	—
11. Commissions, brokerage : (a) profits on account of transit trade	122	116	97	226	—	—	—	—
(b) profits on account of export trade	137	138	103	144	—	—	—	—
12. Post and telegraph	26	31	22	20	39	49	24	42
13. Emigrants' remittances, etc. : (a) remittances from Iraqis abroad	10	10	10	10	—	—	—	—
(b) charitable and educational funds	25	25	25	26	—	—	—	—
(c) private remittances for or by foreign officials	—	—	—	—	106	105	79	84
14. Pension contributions to foreign offi- cials	—	—	—	—	70	100	93	87
15. Tourists' expenditure	188	100	103	119	299	229	231	232
Carried forward	3,862	3,823	2,998	3,687	6,219	5,605	7,209	6,973

(1) One Iraq 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.

Items	Dinars (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
Brought forward	3,862	3,823	2,998	3,687	6,219	5,605	7,209	6,973
16. Expenditure of Iraqi students and missions abroad	—	—	—	—	30	35	20	35
17. Disbursement by British forces in Iraq	720	690	612	520	—	—	—	—
18. Expenditure of foreign archaeological expeditions in Iraq	47	50	50	15	—	—	—	—
19. Expenditure in Iraq by the Persian Gulf Lighting Service	10	10	12	13	—	—	—	—
20. Diplomatic expenditure	62	63	64	68	14	22	40	51
21. Government receipts from abroad: (a) British Government contribution to Iraq army	60	60	31	—	—	—	—	—
(b) oil royalties	—	863	855	536	—	—	—	—
22. Other items	—	—	—	—	25	25	35	25
IV. Gold.								
23. Gold coin and bullion, as recorded	562	1,044	810	707	5	2	2	16
Total	5,323	6,603	5,232	5,552	6,293	5,689	7,306	7,100
Surplus (+) or deficit (—) on account of:								
(a) goods and services	— 1,527	— 128	— 2,882	— 2,239				
(b) gold	+ 557	+ 1,042	+ 808	+ 691				
(c) goods, services and gold	— 970	+ 914	— 2,074	— 1,548				

Capital items.

Items	Dinars (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
I. Long-term operations.								
1. Amortisation of Government foreign debts:								
(a) Ottoman Public Debt	—	—	—	—	67	66	64	64
(b) Dredging Loan	—	—	—	—	40	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	405	78	1,199	1,061	—	—	—	—
(b) local expenditure of investors	300	200	332	718	—	—	—	—
II. Known short-term operations.								
3. Currency notes and coin other than gold, imported and exported ⁽¹⁾	502	359	—	—	344	1,153	—	—
4. Known change in short-term assets and debts abroad	—	—	—	94	—	—	200	466
Total	1,207	637	1,531	1,873	469	1,362	452	645
Net inward (+) or outward (—) movement of capital	+ 738	— 725	+ 1,079	+ 1,228				

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

SUMMARY TABLE.

	Dinars (000's)								
	Goods, services and gold					Capital items			All items (?)
	Merchan- dise	Interest and di- vidends	Other services	Gold	Total	Long- term	Short- term (1)	Total	
1926-27 Balance . .	- 4,008	+ 76	+ 2,467	+ 542	- 923	+ 472	+ 211	+ 683	- 240
1927-28 Balance . .	- 3,236	+ 51	+ 1,853	+ 242	- 1,090	- 73	+ 118	+ 45	- 1,045
1928-29 Balance . .	- 3,048	+ 24	+ 1,567	+ 554	- 903	+ 417	+ 344	+ 761	- 142
1929-30 Balance . .	- 3,353	- 50	+ 1,488	+ 598	- 1,317	+ 286	+ 310	+ 596	- 721
1930-31 Balance . .	- 2,649	- 198	+ 1,320	+ 557	- 970	+ 580	+ 158	+ 738	- 232
1931-32 Credit . . .	2,794	80	2,685	1,044	6,603	278	359	637	7,240
Debit . . .	4,856	266	565	2	5,689	209	1,153	1,362	7,051
Balance . .	- 2,062	- 186	+ 2,120	+ 1,042	+ 914	+ 69	- 794	- 725	+ 189
1932-33 Credit . . .	2,070	65	2,287	810	5,232	1,531	-	1,531	6,763
Debit . . .	6,287	495	522	2	7,306	252	200	452	7,758
Balance . .	- 4,217	- 430	+ 1,765	+ 808	- 2,074	+ 1,279	- 200	+ 1,079	- 995
1933-34 Credit . . .	2,472	61	2,312	707	5,552	1,779	94	1,873	7,425
Debit . . .	6,117	411	556	16	7,100	179	466	645	7,745
Balance . .	- 3,645	- 350	+ 1,756	+ 691	- 1,548	+ 1,600	- 372	+ 1,228	- 320

As the last column of the Summary Table indicates, the recorded items show, in seven of the eight years given, an excess of outward payments — a fact suggesting that the inward movements were, in fact, somewhat greater than recorded.

The information concerning short-term capital movements is admitted to be incomplete. The amounts included in this group during the years 1926-27 to 1931-32 represent only the imports and exports of currency notes and coin other than gold (capital item 3). In the case of other countries, silver coin is grouped with merchandise ; in Iraq, however, where the bulk of the coins imported and exported was in Indian currency, which was in circulation up to March 31st, 1932, the coin question had a position similar to that of currency notes, and the movement of both coin and currency notes has, for these years, been included in the capital account. In the statements for the subsequent years, the recorded import and export of silver coin have been omitted altogether. It is stated that in 1933-34 the export of silver coin consisted mainly of rupees repatriated on behalf of the Iraq Currency Board and that the yield of this export is kept by the Board in London as a reserve for Iraq currency ; the import of silver coin, on the other hand, represented the insured value of Iraq currency, imported on behalf of the Currency Board and paid for by that Board out of its proceeds in London.

The Currency Board operations resulted in 1932-33 and 1933-34 in an increase in short-term assets held abroad of 200,000 and 385,000 dinars respectively. These amounts have been entered against capital item 4 ; in 1933-34, account was taken, in

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

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

addition, of the change in the foreign short-term assets and debts of the banks operating in Iraq.

It is stated that the omission of figures of this kind for other years must not be over-estimated, since "short-term credit operations play only a small part in the financial life of Iraq and it is believed that the short-term debts and assets of Iraq had been fairly constant in amount".

The amount entered against capital item 2a represents the value of capital goods imported by the 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.

IRISH FREE STATE

The Government of the Irish Free State has supplied an official statement for 1933 which is reproduced below together with the estimates for the years 1930 to 1932 published last year.

Goods, services and gold.

Items	£ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930	1931	1932	1933	1930	1931	1932	1933
<i>I. Merchandise.</i>								
1. Merchandise	45,856	37,179	25,920	19,757	56,791	50,527	41,496	35,876
2. Contraband	—	—	—	—	1	1	1	1
<i>II. Interest and dividends.</i>								
3. Interest on long-term capital, and dividends	11,300	10,500	10,100	9,000	5,944	6,000	5,740	5,200
<i>III. Other services.</i>								
4. Port fees	202	190	191	188	—	—	—	—
5. Post	40	—	91	111	—	133	190	186
6. Emigrants' funds	—	—	—	—	700	60	36	40
7. Emigrants' remittances ⁽¹⁾	2,261	4,000	4,000	3,000	—	—	—	—
8. Foreign tourists' expenditure	800	400	450	450	—	—	(²) 8	—
9. Diplomatic and similar expenditure	85	90	90	78	55	56	58	62
10. Other Government receipts and expenditure	42	19	50	39	—	—	—	—
11. Payments abroad in respect of pensions	—	—	—	—	156	137	394	156
12. Receipts from the United Kingdom	3,170	5,800	6,592	5,864	—	—	—	—
13. Repayments of British expenditure on Free State services (Royal Irish Constabulary pensions, etc.)	—	—	—	—	1,338	—	—	—
<i>IV. Gold.</i>								
14. Gold coin and bullion	67	39	59	1	—	—	—	—

(1) It is stated that the credit figure for 1930 may be too low.

(2) This figure represents only the expenditure of University students abroad and fees paid to external University professors for services as examiners.

Capital items.

Items	£ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1930	1931	1932	1933 ⁽¹⁾	1930	1931	1932	1933 ⁽¹⁾
<i>I. Long-term operations.</i>								
1. Amortisation :								
(a) of intergovernmental debts	—	—	—		—	10	250	
(b) of other public debts . . .	—	—	—		4,001	3,990	551	
2. Repurchase of national securities	—	—	—		312	—	—	
3. New capital issues (Government and municipal)	—	—	—		—	—	—	
4. Receipts from the United Kingdom in respect of British Savings Bank withdrawal warrants cashed in the Free State	456	.	.		—	—	—	

No totals are shown in the tables, as information is lacking concerning a number of the "invisible" items of the balance, such as the expenditure by Irish tourists abroad and the expenditure in the Irish Free State by visitors from countries other than the United States, the amount paid out as film royalties, expenditure in the Irish Free State by commercial agents and revenue from abroad on account of advertisements.

Goods, services and gold.

Interest and dividends (item 3). The figures for interest and dividends are calculated by the Revenue Commissioners from taxation returns; they must, it is stated, be regarded as mere approximations.

Tourists' expenditure (item 8). The figure entered on the credit side for 1932 is stated to represent only expenditure by United States tourists (£400,000) and by foreign University students (£50,000).

Government receipts and expenditure, etc. The amount entered on the credit side against item 10 for 1933 is stated to represent receipts on account of patents and of National Health Insurance work for the British Government. That entered against item 12 comprises pensions paid by the British Government to Irish Free State residents, an estimate of the net foreign proceeds of the Irish Hospitals Sweepstakes and the amount expended on the upkeep of lighthouses and buoys, etc., by the Irish Lights Service, which is conducted by the British Government. The Government expenditure abroad (item 10-11, debit) in the same year consists chiefly of pensions paid abroad and contribution to the League of Nations.

(1) No information has been furnished for 1933.

JAPAN

A statement of the balance of payments of Japan — including Chosen (Korea) and Taiwan (Formosa) — in 1933, arranged according to the League of Nations scheme, has been supplied by the Japanese Government and is set out below, together with those for 1930-1932 published in the preceding issue.

Goods, services and gold.

Items	Yen (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930	1931	1932	1933	1930	1931	1932	1933
<i>I. Merchandise.</i>								
1. Merchandise :								
(a) Japan proper	1,472.3	1,148.6	1,418.7	1,868.7	1,546.7	1,237.8	1,431.6	1,917.3
(b) Chosen	25.9	12.8	29.2	52.8	89.1	53.0	61.8	64.4
(c) Taiwan	22.8	19.4	18.0	17.7	45.1	30.9	31.0	35.5
2. Adjustment of item 1 :								
(a) ships' stores purchased by foreign ships	9.0	6.5	7.2	9.8	—	—	—	—
(b) other items	17.8	11.4	18.6	17.0	21.6	19.1	24.1	28.7
<i>II. Interest and dividends.</i>								
3. Interest on public debts	11.0	9.9	9.9	13.8	64.3	55.0	58.0	70.6
4. Yield of other long-term capital :								
(a) interest	73.2	62.4	3.6	4.6	42.7	38.1	39.7	40.6
(b) dividends, profits			68.6	71.2			20.8	22.4
5. Interest on short-term capital	6.5	3.9	5.1	3.0	8.9	6.7	6.5	10.0
<i>III. Other services.</i>								
6. Shipping freights (1) :								
(a) ordinary freights	161.0	140.2	154.5	196.7	—	—	—	—
(b) charter money	4.0	2.2	1.6	0.5	0.3	0.6	1.7	2.9
(c) passage money	16.8	13.9	12.7	15.4	—	—	—	—
7. Port fees	3.2	3.9	5.0	5.3	40.9	40.5	49.3	63.1
8. Other transport fees	(2)	(2)	(2)	(2)	—	—	—	—
9. Commissions, insurance, brokerage	116.2	108.8	117.3	117.6	115.9	105.9	108.4	108.9
10. Post, telegraph and telephone	0.8	1.5	1.2	1.6	5.6	4.6	5.3	5.5
Carried forward	1,940.5	1,545.4	1,871.2	2,395.7	1,981.1	1,592.2	1,838.2	2,369.9

(1) Maritime freight on goods imported in national ships, which is included on the credit side against this item and also in Group I of imports (debit), amounted to 69.5 million yen in 1930, 58.8 million 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)			
	1930	1931	1932	1933	1930	1931	1932	1933
Brought forward	1,940.5	1,545.4	1,871.2	2,395.7	1,981.1	1,592.2	1,838.2	2,369.9
11. Immigrants' and emigrants' funds	49.0	42.7	98.4	110.3	3.5	3.0	3.9	5.6
12. Immigrants' and emigrants' remittances	35.1	27.7	39.9	50.9	39.7	34.4	29.6	57.0
13. Tourists' expenditure	4.6	4.5	6.6	6.9	9.8	9.9	9.6	10.6
14. Diplomatic and similar expenditure	6.7	2.0	—	—	—	—	—	—
15. Reparation receipts in cash	2.5	1.2	—	—	—	—	—	—
16. Counter-value of reparations in kind included in merchandise imports above	5.9	2.9	3.7	5.6	24.4	33.3	83.9	122.5
17. Other Government receipts and expenditure	1.5	1.0	23.6	34.9	14.6	12.1	21.8	29.3
18. Other services								
IV. Gold.								
19. Gold coin and bullion :								
(a) Japan proper	308.6	419.9	112.7	20.9	9.0	9.0	—	—
(b) Chosen	—	—	—	—	11.4	21.6	0.7	—
(c) Taiwan	—	—	—	—	1.5	1.1	—	—
20. Adjustment of item 19	—	—	—	13.8	—	—	—	—
Total	2,354.4	2,047.3	2,156.1	2,639.0	2,095.0	1,716.6	1,987.7	2,594.9
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 27.3	— 57.5	+ 56.4	+ 9.4				
(b) gold	+ 286.7	+ 388.2	+ 112.0	+ 34.7				
(c) goods, services and gold	+ 259.4	+ 330.7	+ 168.4	+ 44.1				

Capital items.

Items	Yen (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1930	1931	1932	1933	1930	1931	1932	1933
I. Long-term operations.								
1. Amortisation :								
(a) of public debts	5.6	23.8	—	—	6.1	97.9	57.1	24.6
(b) of other debts	35.1	44.3	31.1	151.4	9.8	12.4	52.8	45.4
2. Purchases and sales :								
(a) of domestic securities	109.8	74.5	8.0	84.4	168.7	231.5	70.9	13.8
(b) of foreign securities	108.9	218.8	74.9	22.8	193.2	225.1	4.8	37.0
3. New capital issues :								
(a) Government and municipal	102.5	—	—	—	—	—	—	—
(b) other	—	49.7	—	—	—	—	—	—
4. Other long-term investments	—	—	—	—	76.1	78.1	96.2	178.8
II. Short-term operations.								
5. Change in short-term debts	—	1.3	67.7	20.0	221.4	—	—	—
6. Change in short-term assets	18.0	—	—	—	—	81.3	229.3	225.2
Total	379.9	412.4	181.7	278.6	675.3	726.3	511.1	524.8
Net outward (—) movement of capital	— 295.4	— 313.9	— 329.4	— 246.2				

SUMMARY TABLE.

		Yen (000,000's)								
		Goods, services and gold					Capital items			All items (²)
		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	(¹) + 309.8	+ 547.8	—
1925	Balance	- 361.6	- 10.5	+ 170.6	+ 21.9	-179.6	+ 63.9	(¹) + 115.7	+ 179.6	—
1926	Balance	- 439.0	- 17.5	+ 154.1	+ 31.7	-270.7	+ 36.9	(¹) + 233.8	+ 270.7	—
1927	Balance	- 283.0	- 3.2	+ 145.0	+ 36.0	-105.2	—	+ 172.7	+ 46.5	-58.7
1928	Balance	- 323.4	- 24.0	+ 174.8	— 0.4	-173.0	+ 53.4	+ 63.1	+ 116.6	-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	Credit	1,198.7	76.2	352.5	419.9	2,047.3	411.1	1.3	412.4	2,459.7
	Debit	1,340.8	99.8	244.3	31.7	1,716.6	645.0	81.3	726.3	2,442.9
	Balance	- 142.1	- 23.6	+ 108.2	+ 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	+ 151.0	+ 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

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.

Balance of payments in 1934 (provisional figures).

After the above tables were prepared, a preliminary official estimate of the "invisible" items in the balance of payments of Japan in 1934 became available. By combining the figures in question with those for the recorded trade in merchandise and gold, and assuming that the amounts to be added in

(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.

adjustment of merchandise trade remained the same as in 1933, the following statement of the balance of payments in 1934 may be established :

Goods, services and gold :	Credit	Yen (000,000's)		Balance
		Debit		
I. Merchandise	2,297	2,430		— 133
II. Interest and dividends	} 778	134	}	+ 203
III. Other services		441		
IV. Gold	—	—		—
Total	3,075	3,005		+ 70
Capital items ("Extraordinary receipts and payments")	197	407		— 210
All items	3,272	3,412		— 140

The figures for the capital items in this estimate would appear not to be comparable with those given for earlier years in the statement on the preceding pages.

Proposed changes in trade returns affecting balance of payments accounts. (1)

Press reports indicate that, in order to have a more accurate basis for the calculation of the balance of payments accounts, the Japanese Ministry of Finance has planned to make the following changes in Japanese trade returns :

1. The elimination from imports of the "North Sea" fishing catch, which aggregates from 20 to 30 million yen annually. As this item does not involve payments abroad, it will in future be regarded as domestic merchandise.
2. Petroleum receipts from Saghalien, valued at from 5 to 6 million yen annually, have in the past been classified as imports. This item will be eliminated for the reason mentioned above.
3. The question of the elimination from exports of canned food produced on floating factories and shipped abroad without being brought to Japan is also being considered.

Holdings of foreign securities and deposits.

Figures have been published with reference to the amount of Japanese-owned foreign-currency securities and deposits as revealed by reports submitted to the Japanese Finance Ministry in connection with the Foreign Exchange Control Law of May 1st, 1933. The following table shows the foreign assets in this form :

Foreign securities :	Yen (000,000's)		
	July 1st, 1932	October 1st, 1933	October 1st, 1934
Government bonds	205.0	240.4	205.9
Municipal bonds	13.0	13.3	25.7
Debentures	29.5	26.5	26.2
Shares	104.4	78.8	92.6
Total foreign securities	351.9	350.0	350.4
Deposits in foreign currencies	309.8	242.9	222.6
Loans made in foreign currencies	135.0	142.1	136.8
Total (securities, deposits and loans)	796.7	744.0	709.8

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

Holdings of Japanese securities in foreign currencies :	Yen (000,000's)		
	July 1st, 1932	October 1st, 1933	October 1st, 1934
Government bonds	674.8	548.3	557.1
Municipal bonds	55.8	40.5	54.7
Debentures	151.1	114.3	127.1
Total	881.7	703.1	738.9

(1) Cf. *Far Eastern Financial Notes* (issued by the United States Department of Commerce) for July 3rd, 1935.

New Japanese investments in Manchuria.

According to an announcement in the Japanese Diet, new Japanese capital investments in Manchuria amounted to 119 million yen in 1932, 118 million in 1933 and 244 million in 1934.

According to Japanese Press reports (1), M. N. Kikumoto, Chairman of the Mitsui Bank and head of a Mission of Japanese bankers who went to Manchuria in 1935, stated on May 7th of that year that, from September 1931 up to that date, 117 Japanese business firms with a paid-up capital of 323 million yen had been established in Manchuria and that during the same period Japanese banks had advanced funds to the Manchurian authorities — through the South Manchuria Railway Company — totalling 345 million yen. Besides this sum, the banks had invested 30 million yen in Manchukuo Foundation bonds, issued in August 1932, 10 million yen in Hsingkin and Harbin municipal bonds, issued in August 1934, and 30 million yen in bonds issued in connection with the transfer of the Chinese Eastern Railway to the Manchukuo Government. The total amount involved in that transfer is 180 million yen and has to be disposed of before March 23rd, 1938.

(1) *Cf. Far Eastern Financial Notes* for May 19th and June 19th, 1935.

LATVIA

A statement of the balance of payments of Latvia in 1934 has been supplied by the Latvian Government, and more detailed information concerning the capital movement during the years 1932-1934 has been published by the Latvian Bureau of Statistics (1). This information is reproduced below, together with the data concerning transactions in goods and services during the years 1931-1933 published last year.

Goods, services and gold.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	163.8	96.5	81.5	85.3	176.6	84.5	91.1	94.8
2. Adjustment for:								
(a) ships sold and purchased	—	0.3	0.3	0.4	0.1	0.6	0.5	0.2
(b) various items	5.8	2.8	2.9	3.1	0.5	0.2	0.2	0.5
(c) ships' stores exported .	4.3	2.5	2.7	3.3	—	—	—	—
II. Interest and dividends.								
3. Interest on public debts (2) . .	—	—	—	—	1.9	2.4	1.4	0.7
4. Other interest and dividends .	2.6	2.0	0.7	0.4	6.6	4.9	3.4	3.4
III. Other services.								
5. Shipping freights	(3) 5.4	13.9	14.4	12.0	—	—	—	—
6. Port fees, etc.	0.5	0.5	0.5	(4)	(5)	10.7	10.3	8.6
7. Other transport fees:								
(a) for goods in transit (5) .		4.8	3.0	2.9	—	—	—	—
(b) for passengers, repairs, wagon hire, etc.	8.3	0.2	0.2	0.2	—	0.9	0.8	0.8
8. Insurance, commissions	3.9	3.5	2.7	3.8	4.1	4.2	4.2	3.9
9. Post, telegraph and telephone	1.3	0.9	0.3	0.4	1.1	1.0	0.5	0.5
10. Funds of foreign seasonal workers	—	—	—	—	3.3	2.5	1.6	2.5
11. Emigrants' remittances	4.5	2.2	2.0	1.5	—	—	—	—
12. Latvian students abroad	—	—	—	—	4.0	2.0	1.5	1.3
13. Tourists' expenditure, etc.:								
(a) Russian emigrants pass- ing through Latvia	0.1	0.1	0.1	—	—	—	—	—
(b) tourists and travellers . .	16.0	8.0	6.5	6.4	14.2	4.0	4.0	3.8
Carried forward	216.5	138.2	117.8	119.7	212.4	117.9	119.5	121.0

(1) Cf. *Bulletin mensuel*, September 1935.
(2) Interest on the loan granted by the Swedish Match Company. Interest on interallied debts is included with amortisation, capital item 1.
(3) The shipping income is shown net against item 5 for 1931.
(4) Included with item 2 c.
(5) Including earnings on account of sawing of Russian and Polish wood in transit.

Items	Lats (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	216.5	138.2	117.8	119.7	212.4	117.9	119.5	121.0
14. Diplomatic and similar expenditure	4.8	4.0	4.0	4.0	1.7	1.4	1.3	1.4
15. Other Government receipts	0.6	0.5	0.5	0.4	—	—	—	—
16. Cinematograph film licences	—	0.2	0.3	0.5	—	0.3	0.3	0.4
17. Other items	—	—	—	0.1	—	0.5	0.7	0.2
IV. Gold.								
18. Gold coin and bullion as recorded	—	—	—	—	0.5	0.1	0.1	—
19. Change in the gold reserve of the Bank of Latvia (1)	—	—	—	—	—	4.1	9.3	1.4
Total	221.9	142.9	122.6	124.7	214.6	124.3	131.2	124.4
Surplus (+) or deficit (—) on account of:								
(a) goods and services	+ 7.8	+ 22.8	+ 0.8	+ 1.7				
(b) gold	— 0.5	— 4.2	— 9.4	— 1.4				
(c) goods, services and gold	+ 7.3	+ 18.6	— 8.6	+ 0.3				

Capital items. (2)

Items	Lats (000,000's)					
	Inward or credit capital movements			Outward or debit capital movements		
	1932	1933	1934	1932	1933	1934
I. Long-term operations.						
1. Amortisation of Government debts	—	—	—	0.1	0.1	0.1
2. Sale of real estate	0.4	0.2	0.3	—	—	—
3. Change in foreign investments in Latvian companies	—	—	—	2.7	5.1	2.2
II. Short-term operations.						
4. Change in short-term foreign liabilities:						
(a) of Government bodies	—	4.6	1.3	1.3	—	—
(b) of the Bank of Latvia	7.0	—	—	—	0.4	3.1
(c) of credit institutes and joint-stock companies	—	—	—	26.7	14.8	3.6
(d) miscellaneous	—	0.6	3.8	—	—	—
5. Change in short-term foreign assets (3)						
(a) of Government bodies	—	2.4	—	1.2	—	0.7
(b) of the Bank of Latvia and the Government	2.9	9.3	—	—	—	0.3
(c) of credit institutes and joint-stock companies	6.9	2.4	3.9	—	—	—
6. Change in foreign currency holdings in the country	4.8	8.2	0.9	—	—	—
Total	22.0	27.7	10.2	32.0	20.4	10.0
Net inward (+) or outward (—) capital movement	— 10.0	+ 7.3	+ 0.2			

(1) The inclusion in the account of the increase in the gold reserve of the Bank of Latvia from 1932 suggests that this increase is due either to imports not recorded in trade returns or to earmarking operations. No figure has been entered for 1931, for reasons indicated in the text.

(2) For capital movements in 1931, see last year's edition.

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

SUMMARY TABLE.

	Lats (000,000's)								
	Goods, services and gold					Capital items			All items (¹)
	Mer- chandise	Interest and divi- dends	Other services	Gold	Total	Long- term	Short- term	Total	
1920 Balance . . .	- 25.6	—	+ 19.4	(²)	- 6.2	.	.	.	.
1921 Balance . . .	- 32.5	- 0.5	+ 32.2	(²)	- 0.8	.	.	.	.
1922 Balance . . .	+ 17.9	- 1.2	+ 27.3	(²)	+ 44.0	.	.	.	.
1923 Balance . . .	- 18.3	+ 0.7	+ 34.7	(²)	+ 17.1	.	.	.	.
1924 Balance . . .	- 59.4	- 0.7	+ 31.2	- 1.8	- 30.7	+ 12.8	+ 21.8	+ 34.6	+ 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	- 6.9	+ 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 Credit . . .	102.1	2.0	38.8	—	142.9	0.4	21.6	22.0	164.9
Debit . . .	85.3	7.3	27.5	4.2	124.3	2.8	29.2	32.0	156.3
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	5.2	15.2	20.4	151.6
Balance . . .	- 4.4	- 4.1	+ 9.3	- 9.4	- 8.6	- 5.0	+ 12.3	+ 7.3	- 1.3
1934 Credit . . .	92.1	0.4	32.2	—	124.7	0.3	9.9	10.2	134.9
Debit . . .	95.5	4.1	23.4	1.4	124.4	2.3	7.7	10.0	134.4
Balance . . .	- 3.4	- 3.7	+ 8.8	- 1.4	+ 0.3	- 2.0	+ 2.2	+ 0.2	+ 0.5

The Summary Table comprises the years 1920-1934. 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).

Goods, services and gold.

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

Other services. The amount entered against item 7 *a* for 1934 represents transport charges, 1.2 million lats, receipts of sawing mills on account of sawing and sale of foreign timber, 1.3 million lats, and miscellaneous expenditure of Russian institutions and enterprises in connection with the transit of goods to and from the U.S.S.R., 0.5 million lats.

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

Of the amount entered for 1934 on the credit side against item 8, 3.1 million lats refer to operations of insurance companies. The whole amount entered on the debit side refers to such operations.

The figure entered against item 10 for 1934 represents the savings of Lithuanian and Polish seasonal workers, 2.1 million lats, and of foreign specialists in Latvian industries, 0.4 million lats.

It is stated that the expenditure of foreign tourists in 1934 was possibly smaller than the amount entered against item 13 *b*.

Gold. The statements from 1932 include the changes in the gold reserve of the Bank of Latvia (item 19). 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 following information refers to the movement of short-term capital in 1934 : item 4 *a* shows the increase in debts on account of purchases by the railway administration for the construction of new railway lines ; item 4 *b* the reduction in debts of the Bank of Latvia to foreign correspondents ; item 4 *c* the reduction in the foreign debts of credit institutes from 10.1 to 7.9 million lats, and of joint-stock companies from 78.3 to 77 million lats ; item 4 *d* the surplus in Latvian clearing account with France during the year.

LITHUANIA

A statement of the balance of payments of Lithuania for the year 1934 has been supplied by the Lithuanian Government and is set out below, together with the figures for 1931-1933 published last year.

Goods, services and gold.

Items	Litas (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise (special trade)	273.1	189.1	180.2	147.2	278.0	166.8	142.1	138.6
2. Adjustments:								
(a) goods excluded from trade re- turns ⁽¹⁾	—	—	—	—	11.1	—	—	8.0
(b) export freights included in trade returns	—14.2	—7.0	—5.0	—5.0	—	—	—	—
(c) other forms of inexact valuation	—13.6	—	—	—	—	—	—	—
3. Contraband ⁽²⁾	0.1	1.1	1.7	3.2	4.3	5.3	5.5	4.0
<i>II. Interest and dividends.</i>								
4. Interest on intergov. debts paid to:								
(a) U. S. A.	—	—	—	—	1.3	0.9	0.1	—
(b) France and U. K.	—	—	—	—	0.2	—	—	—
5. Interest on other public debts	—	—	—	—	4.5	2.6	2.0	3.1
6. Yield of other long-term capital:								
(a) interest	1.0	1.2	1.0	0.6	3.0	2.8	1.5	1.0
(b) dividends	—	—	—	1.0	2.7	2.4	1.6	0.9
7. Interest on short-term capital	1.8	0.6	1.0	0.6	1.2	0.9	⁽³⁾ 0.9	0.2
<i>III. Other services.</i>								
8. Shipping freights	—	—	0.6	0.5	0.1	0.1	0.1	0.1
9. Port fees	0.3	0.3	0.4	0.5	0.1	0.1	0.5	0.4
10. Other transport fees	11.6	4.0	1.0	1.0	0.6	0.6	1.1	0.6
11. Insurance	6.7	5.2	4.7	3.5	6.9	—	—	—
12. Commissions	0.3	—	0.5	0.5	0.1	6.6	5.9	5.4
13. Post, telegraph and telephone	1.5	1.1	1.2	0.9	0.3	0.1	0.5	0.1
14. Emigrants' funds	0.9	1.6	1.5	0.8	7.0	4.6	0.3	0.2
15. Emigrants' remittances	32.1	29.6	17.2	16.3	2.5	2.5	3.1	3.5
Carried forward	301.6	226.8	186.0	171.6	323.9	196.3	170.6	167.6

(1) In 1934, Government imports not recorded in import returns.
(2) The credit figures include fish sold directly from fishing-grounds.
(3) Of which 0.1 million paid by the Treasury.

Items	Litas (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	301.6	226.8	186.0	171.6	323.9	196.3	170.6	167.6
16. Tourists' expenditure	11.1	10.8	8.3	8.8	19.6	14.9	10.9	6.2
17. Diplomatic and similar expenditure	2.7	2.2	2.2	2.0	3.9	3.1	3.1	3.0
18. Receipts of Lithuanian legations and consulates abroad	0.9	0.8	0.8	0.7	—	—	—	—
19. Contributions to international institu- tions	—	—	—	—	0.2	0.2	0.3	0.3
20. Pensions, annuities and subventions	0.7	0.7	0.6	0.6	—	—	—	0.1
21. Printing of bank notes abroad	—	—	—	—	0.3	0.4	—	—
22. Subscription to foreign Press, etc.	—	—	—	—	0.4	0.3	0.2	0.2
IV. Gold.								
23. Gold coin and bullion	—	—	—	—	—	0.1	0.1	0.1
24. Change in amounts of gold deposited abroad	—	—	—	—	10.6	—	2.5	—
Total	317.0	241.3	197.9	183.4	358.9	215.3	187.7	177.5
Surplus (+) or deficit (—) on account of:								
(a) goods and services	—31.3	+26.1	+12.8	+ 6.0				
(b) gold	—10.6	— 0.1	— 2.6	— 0.1				
(c) goods, services and gold	—41.9	+26.0	+10.2	+ 5.9				

Capital items.

Items	Litas (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 intergov. debts	—	—	—	—	4.5	—	—	—
(b) of other gov. debts	—	—	—	—	4.1	6.3	4.6	4.6
(c) of municipal debts	—	—	—	—	0.4	0.5	0.3	0.4
(d) of other debts	—	—	—	—	1.4	3.8	5.1	3.0
2. Purchases and sales:								
(a) of real estate abroad	—	—	—	—	0.1	—	—	—
(b) of real estate in the country	—	0.1	0.1	0.1	—	—	—	—
(c) of securities	(¹)0.7	(¹)0.5	(¹)0.1	(¹)0.4	(²)0.8	(²)0.7	(²)0.7	(²)0.1
3. New capital issues (Government)	29.6	13.1	1.0	3.3	—	—	—	—
4. Participation in new capital issues	—	—	0.8	—	—	—	—	—
5. Other long-term investments	5.1	4.3	3.0	1.8	—	—	6.0	9.9
II. Short-term operations.								
6. Change in short-term debts	—	—	0.5	—	45.5	44.1	—	0.2
7. Change in Lithuanian holdings of foreign bills (³)	1.0	—	1.4	—	—	—	—	—
8. Change in other short-term assets	55.3	15.6	—	6.8	—	—	—	—
Total	91.7	33.6	6.9	12.4	56.8	55.4	16.7	18.2
Net inward (+) or outward (—) movement of capital	+34.9	—21.8	— 9.8	— 5.8				

(1) Of which national securities, 0.1 in 1931, 0.3 in 1932, 0 in 1933 and 0.3 in 1934.

(2) Of which national securities, 0.2 in 1931, 0.2 in 1932, 0.6 in 1933 and 0 in 1934.

(3) Held by the Bank of Lithuania.

SUMMARY TABLE.

		Litas (000,000's)								All items (¹)
		Goods, services and gold					Capital items			
		Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1924	Balance . .	+ 50.6	- 2.0	+ 37.5	—	+ 86.1	- 1.2	- 24.9	- 26.1	+ 60.0
1925	Balance . .	- 23.1	- 3.3	+ 37.1	—	+ 10.7	- 2.5	+ 27.7	+ 25.2	+ 35.9
1926	Balance . .	- 0.8	- 3.3	+ 30.0	+ 0.2	+ 26.1	- 2.0	- 16.3	- 18.3	+ 7.8
1927	Balance . .	- 26.5	- 1.8	+ 38.5	- 1.8	+ 8.4	+ 12.0	- 19.2	- 7.2	+ 1.2
1928	Balance . .	- 42.1	- 2.2	+ 41.6	- 2.2	- 4.9	+ 2.5	+ 15.0	+ 17.5	+ 12.6
1929	Balance . .	+ 13.5	- 5.0	+ 40.8	- 0.9	+ 48.4	+ 6.9	- 43.5	- 36.6	+ 11.8
1930	Balance . .	- 10.9	- 9.7	+ 23.2	- 4.1	- 1.5	+ 19.7	- 0.9	+ 18.8	+ 17.3
1931	Balance . .	- 48.0	- 10.1	+ 26.8	- 10.6	- 41.9	+ 24.1	+ 10.8	+ 34.9	- 7.0
1932	Credit . .	183.2	1.8	56.3	—	241.3	18.0	15.6	33.6	274.9
	Debit . .	172.1	9.6	33.5	0.1	215.3	11.3	44.1	55.4	270.7
	Balance . .	+ 11.1	- 7.8	+ 22.8	- 0.1	+ 26.0	+ 6.7	- 28.5	- 21.8	+ 4.2
1933	Credit . .	156.9	2.0	39.0	—	197.9	5.0	1.9	6.9	204.8
	Debit . .	147.6	6.1	31.4	2.6	187.7	16.7	—	16.7	204.4
	Balance . .	+ 9.3	- 4.1	+ 7.6	- 2.6	+ 10.2	- 11.7	+ 1.9	- 9.8	+ 0.4
1934	Credit . .	145.4	2.2	35.8	—	183.4	5.6	6.8	12.4	195.8
	Debit . .	150.6	5.2	21.6	0.1	177.5	18.0	0.2	18.2	195.7
	Balance . .	- 5.2	- 3.0	+ 14.2	- 0.1	+ 5.9	- 12.4	+ 6.6	- 5.8	+ 0.1

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

Goods, services and gold.

Merchandise. The value of goods sold c.i.f. foreign destination is sometimes declared by the exporters at the invoice value instead of f.o.b. Lithuanian port. A deduction has accordingly been made from the recorded export value (item 2 b).

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

Interest and dividends. Of the amount entered for 1934 against item 5, 2.5 million litas represent interest on Government debts and 0.6 million litas interest on municipal loans.

Emigrants funds (item 15). The amounts shown on the credit side represent exclusively funds brought in by returning emigrants.

Tourists' expenditure (item 16). The amounts entered against this item are calculated on the basis of the known number of tourists of different categories, as shown in the following table, and estimated average rates of expenditure per head within each category. The number of Lithuanian tourists abroad is assumed to have equalled the number of passport visas issued to Lithuanian subjects.

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

Category	Number of visitors				Total expenditure in litas (000,000 ^a)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>Foreign tourists in Lithuania :</i>								
Persons taking a cure	14,413	14,837	11,200	15,000	5.8	4.4	3.9	5.2
Lithuanians living in U. S. A. on visit	972	1,272	650	450	2.9	3.8	2.0	0.9
Various other visitors	24,613	28,053	16,000	14,600	2.4	2.6	2.4	2.2
Crew of foreign ships . . . . .	.	.	.	.	.	.	.	0.2
Total	39,998	42,162	27,850	30,050	11.1	10.8	8.3	8.5
<i>Lithuanian tourists abroad :</i>								
Persons reposing or taking a cure	2,636	2,082	1,793	1,600	3.9	2.4	2.2	1.6
Excursionists	4,265	5,701	3,310	2,000	2.6	3.4	1.2	0.6
Students	1,580	1,467	1,161	700	6.3	3.7	2.9	1.4
Officials	1,180	864	980	1,100	0.9	0.7	0.8	0.7
Workmen	14,672	109	106	6,500	5.9	0.1	—	1.9
Others		11,668	8,588			4.6	3.8	
Total	24,333	21,891	15,938	11,900	19.6	14.9	10.9	6.2

Capital items.

Long-term operations. The amount entered on the debit side against item 5 in 1934 refers to funds invested in Palestine (8.4 million litas) and long-term deposits with foreign banks.

Short-term operations. The data supplied for the years 1924-1927 refer entirely to transactions of the Bank of Lithuania. For the years 1928-1934, however, the fluctuations in short-term debts and assets of other important domestic banks and undertakings have been included in the amounts shown against items 6 and 8. The amounts entered against these two items for 1932, 1933 and 1934 are composed as follows :

	1932	Increase (+) or decrease (-) Lit. (000,000 ^a)	
		1933	1934
Item 6 (Change in short-term debts) :			
Treasury	— 0.8	— 1.4	} — 0.2
Bank of Lithuania : due to foreign correspondents	— 1.8	+ 0.4	
Other banks :			
amounts due to foreign correspondents and liabilities			
on account of foreign bills of exchange		+ 2.6	
debts for the account of private enterprises	— 2.4	— 0.1	
foreign deposits			
Enterprises	(¹)— 39.1	— 1.0	
Total	— 44.1	+ 0.5	
Item 8 (Change in other short-term assets) :			
Bank of Lithuania :			
holdings of foreign means of payment ("devises")	— 18.3	— 0.9	—
due from foreign correspondents		+ 1.7	— 7.0
Other banks :			
holdings of foreign means of payment ("devises")	+ 1.4	— 0.5	—
due from foreign correspondents		— 0.1	— 0.9
Enterprises : deposits with foreign banks	+ 1.3	— 0.2	+ 1.1
Total	— 15.6	+ 0	— 6.8

(1) Of which repayment of merchandise credits; 35 million litas.

International indebtedness.

The following details have been supplied with regard to the international indebtedness of Lithuania in recent years.

	Litas (000,000's) at the end of			
	1931	1932	1933	1934
<i>Liabilities.</i>				
1. Intergovernmental debts	65.2	67.2	46.7	43.7
2. Lithuanian Government bonds held abroad	81.0	89.4	75.7	54.1
3. Lithuanian municipal bonds held abroad	0.2	0.2	0.2	7.3
4. Foreign-owned real estate	(1) 72.9	(1) 75.8	(1) 73.8	(1) 76.9
5. Private long-term debts				
6. Foreign participation in Lithuanian enterprises				
7. Floating foreign debt :				
(a) of the central Government and local authorities	4.1	2.9	1.1	0.7
(b) of banks : on account of current account deposits of foreign correspondents	13.1	6.3	9.0	8.4
(c) of banks : other	—	(2) 3.7	(2) 3.9	(2) 4.6
(d) of other private enterprises	7.1	8.0	7.0	6.8
Total liabilities	243.6	253.5	217.4	202.5
<i>Assets.</i>				
8. Foreign securities held in Lithuania	0.8	—	—	—
9. Foreign real estate owned by Lithuanians	4.3	4.1	3.8	8.2
10. Other long-term assets (participation in foreign enterprises and other direct investments abroad)	4.0	2.8	2.8	2.9
11. Floating foreign assets :				
(a) of the central Government and local authorities	—	—	—	—
(b) of banks :				
deposits on current account with foreign correspondents	29.0	17.4	18.1	9.2
bills of exchange payable abroad	5.4	3.5	2.1	3.1
gold deposited abroad by the Bank of Lithuania	49.6	48.4	50.9	50.8
cash holdings of foreign currency (all banks)	—	3.1	1.7	1.7
(c) of other enterprises	4.3	5.6	5.4	6.5
Total assets	97.4	84.9	84.8	82.4
Net liabilities	146.2	168.6	132.6	120.1

The following figures (3) show the division by creditor countries of the long-term foreign liabilities outstanding at the end of 1933.

Country	Litas (000,000's)			Country	Litas (000,000's)		
	Public foreign debt	Shares held abroad	Foreign private debt		Public foreign debt	Shares held abroad	Foreign private debt
Belgium	2.6	11.2	5.9	France	(5) 2.3	—	—
Denmark	6.4	0.1	0.1	Sweden	45.0	5.9	13.8
Estonia	—	0.1	0.1	Switzerland	—	0.7	0.5
Iran	—	0.3	—	U. S. A.	(6) 55.4	3.0	1.5
Latvia	—	1.8	1.5	Germany	(7) 8.5	7.2	2.9
Netherlands	—	1.7	1.6				
United Kingd.	(4) 2.2	7.3	6.6	Total	122.4	39.3	34.6

(1) According to the *Annuaire statistique de la Lithuanie, Année 1934*, the foreign participation in the share capital of Lithuanian enterprises was 38.8, 40.5, 39.3 and 48.6 million litas respectively at the end of 1931, 1932, 1933 and 1934.

(2) Of which on account of foreign bills of exchange, 0.3 at the end of 1932, 0.6 at the end of 1933 and 1.0 at the end of 1934.

(3) Derived from a communication (No. 2, 1935) from the Lithuanian Telegraph Agency ("Eltis") Service; published in an article by M. Pranas Tamosaitis in *Tautos Utkis* for November 1934.

(4) Of which 1.1 inter-allied and 0.1 municipal debt.

(5) Inter-allied debt.

(6) Of which 43.2 inter-allied debt.

(7) Municipal debt.

NETHERLANDS

Data concerning a number of items in the balance of payments of the Netherlands for 1934 have been supplied by the Government of that country and are reproduced below, together with the figures for 1931-1933 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
I. Merchandise.								
1. Merchandise	1,316	850	727	713	1,896	1,306	1,214	1,046
2. Adjustment for :								
(a) goods sent by post (excl. diamonds)	.	.	12	9	.	.	29	23
(b) diamonds . . . . .	.	.	16	14	.	.	12	11
(c) fishery products sold from fishing grounds and bought from foreign vessels	—	—	—	—	1	1	1	1
II. Interest and dividends.								
3. Interest received on intergovernmental debts	10	11	11	17	—	—	—	—
4. Interest paid on Government debts	—	—	—	—	1	—	—	—
5. Yield of securities (interest and dividends): recorded receipts and payments through certain banks ⁽¹⁾	183	148	107	81	72	63	45	48
6. Yield of direct investments in property . . . . .	.	.	.	.	29	23	21	19
7. Interest on short-term capital ⁽²⁾	44	26	20	17	19	11	7	6
III. Other services.								
8. Shipping freights (net income) ⁽³⁾	133	91	72	72	—	—	—	—
9. Receipts on account of transshipment, port fees received, repair of ships, Rhine traffic	62	41	47	49	—	—	—	—
10. Bank commissions (incomplete data)	10	8	3	3	1	1	—	—
11. Post, telegraph and telephone	7	7	7	6	7	6	6	6
12. Tourists' expenditure	9	7	5	4	33	30	30	34
13. Pensions, salaries, etc. :								
(a) paid by the Governments of the Netherlands Indies, Surinam and Curaçao	27	27	30	28	—	—	—	—
(b) paid by private concerns ⁽⁴⁾	27	23	21	21	—	—	—	—

(1) Figures for 23 banks in 1931 and 1932, and 22 banks in 1933 and 1934.

(2) Figures for 23 banks in 1931 and 1932, and 22 banks in 1933 and 1934; the amounts for 1931, 1932 and 1933 include discounts, and those 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
14. Emigrants' remittances (from the Netherlands Indies)	8	6	5	4	—	—	—	—
15. Net expenditure in the Netherlands by the Government of the Netherlands Indies on account of items not mentioned elsewhere . . . . .	.	47	28	12	.	—	—	—
16. Government assistance to Dutch nationals abroad	—	—	—	—	1	3	4	3
17. Government receipts and expenditure	2	1	—	—	9	8	7	7
IV. Gold.								
18. Gold coin and bullion	111	352	697	305	605	641	530	124
19. Gold sent by post . . . . .	.	.	11	7	.	.	87	41
20. Earmarking transactions by the Netherlands Bank	166	190	34	84	238	82	37	109

Capital items.

Items	Gulden (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
1. Amortisation of intergovernmental debts	8	6	6	9	—	—	—	—
2. Amortisation of other Government debts	—	—	—	—	—	9	—	—
3. Private amortisation receipts and payments	(1) 53	(1) 39	(2) 63	(2) 15	(1) 22	(1) 12	(2) 11	(2) 8
4. Purchases and sales of securities through certain banks	(3)444	(3)303	(1)310	(1)248	(2)483	(2)344	(1)293	(1)302
5. New capital issues raised abroad	12	—	—	—	—	—	—	—
6. New capital issues in the Netherlands for the account of :								
(a) the Government of the Netherlands Indies	—	—	—	—	95	102	—	140
(b) other borrowers in the Netherlands Indies	—	—	—	—	2	—	—	—
(c) "foreign" governments	—	—	—	—	17	8	—	—
(d) other borrowers in "foreign" countries	—	—	—	—	19	15	—	—
7. Payments to pension funds in the Netherlands by :								
(a) colonial governments, etc.	12	10	8	9	—	—	—	—
(b) private concerns	9	9	9	9	—	—	—	—
8. Government expenditure on account of long-term loans to the Government of the Netherlands Indies	—	—	—	—	—	—	115	—
9. 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	—	—	—	—	—	—	—	—
10. Long-term investments abroad not mentioned elsewhere	—	—	—	106	56	77	9	—
11. Known movement of :								
(a) short-term foreign debts	(2) 11	(2) 41	(2) 37	(2) 17	(3)240	(2) 55	(2) 79	(2)107
(b) short-term assets abroad	(2)651	(2)110	(2)170	(2) 70	(3) 7	(3) 19	(2) 35	(2) 8

(1) Figures for 23 banks.
(2) Figures for 22 banks.
(3) Figures for 24 banks.

In view of the magnitude of the amounts entered on the debit side against capital item 11 *a* for 1931 and on the credit side against item 11 *b* for the same year, it is believed that these amounts represent the movement of the respective debts and assets without eliminating changes due to the depreciation of foreign exchange rates. The amounts entered for the following years represent only changes resulting from business transactions.

Owing to the incompleteness of the information available, no totals are shown. For details concerning the compilation of the various estimates, reference should be made to the *Maandschrift* of the Dutch Central Bureau of Statistics. (1)

International indebtedness.

The following details are available concerning certain items in the balance of outstanding indebtedness of the Netherlands. Private long-term investments are not included. As the figures for the floating debts and assets refer to 24 banks at the end of 1931 and 1932 and 23 banks at the end of 1933 and 1934, they are not wholly comparable.

	Gulden (000,000's) at the end of			
	1931	1932	1933	1934
<i>Liabilities.</i>				
1. Liabilities on account of intergovernmental debts	—	—	—	—
2. Floating foreign debt of 24 Dutch banks in 1931 and 1932 and 23 in 1933 and 1934 : (2)				
(a) current account deposits of foreign correspondents . . .	69	107	68	59
(b) liabilities on account of bills of exchange	30	13	12	8
(c) other liabilities	301	307	265	236
<i>Assets.</i>				
3. Claims on account of long-term intergovernmental debts :				
(a) on "foreign" countries		37	34	29
(b) on the Netherlands Indies		29	141	136
4. Claims on account of short-term intergovernmental debts :				
(a) on "foreign" countries		86	86	98
(b) on the Netherlands Indies		230	241	125
(c) on Surinam and Curaçao		20	18	16
5. Floating assets abroad of 24 Dutch banks in 1931 and 1932 and 23 in 1933 and 1934 : (2)				
(a) deposits on current account with foreign correspondents	188	190	118	116
(b) assets on account of foreign bills of exchange	159	120	44	47
(c) other assets	396	341	316	258

For 1933 and 1934, more complete information concerning floating debts and assets is available. The following figures refer to 41 banks in 1933 and 44 in 1934, including the Netherlands Bank and the branch of the Java Bank in Amsterdam :

(1) Vol. 1935, No. 10.

(2) Including the Netherlands Bank.

NETHERLANDS INDIES

An official statement of the balance of payments of the Netherlands Indies for 1934 is shown below together with the statements for 1930-1933 given in the previous edition of this volume. Certain of the figures for the years up to 1933 have been revised; those for 1934 are provisional.

Goods, services and gold.

Items	Gulden (000,000's)									
	Inward or credit movements (Exports)					Outward or debit movements (Imports)				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
I. Merchandise.										
1. Merchandise, as recorded	1,186	774	567	489	524	919	607	401	331	298
2. Adjustments of item 1 on account of :										
(a) export duty	9	4	2	2	(1) 15	—	—	—	—	—
(b) statistical duty	3	2	1	1	1	—	—	—	—	—
(c) purchases of ships	—	—	—	—	—	13	7	—	—	—
II. Interest and dividends. (2)										
3. Int. and div. received by the Govt.	11	6	7	6	7	—	—	—	—	—
4. Interest paid abroad	—	—	—	—	—	81	89	90	95	98
5. Dividends paid abroad by :										
(a) planting companies (including profits of private estates)	—	—	—	—	—	97	17	—	—	—
(b) other companies	—	—	—	—	—	90	45	31	26	26
6. Trade profits of individuals	—	—	—	—	—	2	2	—	—	—
III. Other services.										
7. Tourists' expenditure :										
(a) passenger fares	—	—	—	—	—	29	25	17	13	12
(b) other	5	5	3	3	3	54	34	16	12	12
8. Remittances to relatives abroad	—	—	—	—	—	12	10	8	7	6
9. Government expenditure n.e.i.	—	—	—	—	—	16	15	10	9	8
10. Administration expenditure abroad, including <i>tantièmes</i>	—	—	—	—	—	24	20	16	14	14
11. Pensions paid abroad	—	—	—	—	—	28	31	34	36	34
IV. Gold.										
12. Gold coin and bullion :										
(a) imports	—	—	—	—	—	3	3	9	—	2
(b) exports, divided into :										
gold from domestic mines	5	5	6	4	4	—	—	—	—	—
other gold	—	39	40	32	24	—	—	—	—	—
13. Adjustment of item 12a (3)	—	—	—	—	—	—	—	9	—	—
Total	1,219	835	626	537	578	1,368	905	623	543	510
Surplus (+) or deficit (—) on account of :										
(a) goods and services	—151	—111	—43	—42	+42	—	—	—	—	—
(b) gold	+2	+41	+46	+36	+26	—	—	—	—	—
(c) goods, services and gold	—149	—70	+3	—6	+68	—	—	—	—	—

(1) Of which 12 million gulden representing extraordinary export duty on native rubber.

(2) Non-distributed profits earned by foreign-owned enterprises in the country and reinvested there are excluded from the outward payments of interest and dividends as well as from the inward capital movement as recorded.

(3) The amount entered against item 12a for 1932 represents the import of gold in transit which, for technical reasons, was not included in export returns when forwarded abroad.

Capital items. (1)

Items	Gulden (000,000's)									
	Inward or credit capital movement					Outward or debit capital movement				
	1930	1931	1932	1933	1934	1930	1931	1932	1933	1934
<i>I. Long-term operations.</i>										
1. Amortisation :										
(a) of Government debt	—	—	—	—	—	43	33	47	58	45
(b) of other debts	—	—	—	—	—	25	15	10	6	4
2. Purchases of dom. securities abroad	—	—	—	—	—	—	—	—	—	—
3. Remittances on account of pension funds and life insurance premia .	—	—	—	—	—	33	21	19	17	13
4. New foreign long-term investments	180	103	104	115	151	—	—	—	—	—
<i>II. Short-term operations.</i>										
5. Recorded changes in short-term assets and debts of the Government . . .	.	46	86	13	—	.	—	—	—	129
6. Estimated net movement of other short-term capital . . . . .	.	.	—	2	.	.	.	65	—	.
Total	180	149	190	130	151	101	69	141	81	191
Net inward (+) or outward (—) movement of capital	+79	+80	+49	+49	—40					

SUMMARY TABLE.

	Gulden (000,000's)								
	Goods, services and gold					Capital items (1)			All items
	Merchandise	Interest and dividends (1)	Other services	Gold	Total	Long-term	Short-term	Total	
1925 Balance . .	+ 974	— 359	— 136	— 14	+ 465	— 18	— 198	— 216	(2) + 249
1926 Balance . .	+ 700	— 408	— 160	— 21	+ 111	— 56	+ 79	+ 23	(2) + 134
1927 Balance . .	+ 746	— 372	— 216	— 16	+ 142	— 07	+ 5	— 62	(2) + 80
1928 Balance . .	+ 573	— 355	— 201	— 15	+ 2	— 13	— 6	— 19	(2) — 17
1929 Balance . .	+ 336	— 316	— 175	— 10	— 165	— 62	+ 141	+ 79	(2) — 86
1930 Balance . .	+ 266	— 259	— 158	+ 2	— 149	+ 79	.	+ 79	(2) — 70
1931 Balance . .	+ 166	— 147	— 130	+ 41	— 70	+ 34	+ 46	+ 80	(2) + 10
1932 Credit . .	570	7	3	46	626	104	86	190	816
Debit . .	401	121	101	—	623	76	65	141	764
Balance . .	+ 169	— 114	— 98	+ 46	+ 3	+ 28	+ 21	+ 49	(2) + 62
1933 Credit . .	492	6	3	36	537	115	15	130	667
Debit . .	331	121	91	—	543	81	—	81	624
Balance . .	+ 161	— 115	— 88	+ 36	— 6	+ 34	+ 15	+ 49	(2) + 43
1934 Credit . .	540	7	3	28	578	151	.	151	729
Debit . .	298	124	86	2	510	62	129	191	701
Balance . .	+ 242	— 117	— 83	+ 26	+ 68	+ 89	— 129	— 40	(2) + 28

(1) Non-distributed profits earned by foreign-owned enterprises in the country and reinvested there are excluded from the outward payments of interest and dividends as well as from the inward capital movement as recorded.

(2) Balance due to errors and omissions.

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

It will be noted that a perfect balance is not obtained, a fact which is due partly to the incomplete record of capital movements. For 1930, no information is available with regard to the changes in short-term assets and debts; that for the years 1931 to 1934 refers only to the Government debt on balance with the Dutch Colonial Department. The figures for the movement of other short-term capital (*cf.* capital item 6) in 1932 and 1933 are not given in the table of the official statement received, but have been calculated from indications in the explanatory note attached thereto.

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

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

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

In the statement published in the 1933 issue, the recorded trade in silver coin was deducted from the figures for merchandise, in view of the fact that a large proportion of this trade represented silver coin withdrawn from circulation and new coin substituted therefor. In the present volume, the trade in silver coin has again been included, since it has been explained that a portion of the exports has been employed for amortisation payments.

The division of gold exports into "gold from domestic mines" and "other gold" introduced this year in the table (*cf.* item 12*b* of the account for "Goods, services and gold") may be made also for the years 1925-1929 (2):

	Gulden (000,000's)				
	1925	1926	1927	1928	1929
Gold exports :					
gold from domestic mines	6	4	5	4	4
other gold	2	4	2	1	1

(1) Series of publications : 1930, II, 54 II.

(2) *Cf.* *Economisch Weekblad* for April 19th, 1935.

NEW ZEALAND

An estimate of the balance of payments of New Zealand for the fiscal year ending March 31st, 1934, 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)			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
I. Merchandise.								
1. Merchandise	36,876	30,469	31,683	36,067	37,771	22,565	22,171	21,555
2. Adjustment for wrong valuation	—	—	—	—	342	204	500	490
II. Interest and dividends.								
3. Interest on intergovernmental debts	8	8	7	7	—	—	—	—
4. Interest on :								
(a) Govt. debt	—	—	—	—	7,065	6,670	5,935	7,100
(b) local bodies' debt	—	—	—	—	1,305	1,235	1,165	
5. Other interest and dividends on long-term capital (1)	234	239	162	140	1,000	800	800	900
III. Other services.								
6. Shipping income :								
(a) freights (2)	220	150	170	165	—	—	—	—
(b) passage money	450	250	200	253	—	—	—	—
7. Port fees	823	620	610	627	—	—	—	—
8. Immigrants' and emigrants' funds	390	170	80	72	270	280	290	320
9. Tourists' expenditure	940	590	550	563	2,620	1,740	1,440	1,414
10. Diplomatic and similar expenditure	30	30	30	30	60	60	60	50
11. Reparations in cash	508	167	—	—	—	—	—	—
12. Other Government receipts and expenditure	134	143	276	273	849	922	711	370
IV. Gold.								
13. Gold coin and bullion	523	1,108	2,770	1,140	252	3	1	—
Total	40,936	33,914	36,538	39,337	51,534	34,479	33,073	32,209
Surplus (+) or deficit (—) on account of :								
(a) goods and services	-10,869	-1,648	+ 696	+ 5,988				
(b) gold	+ 271	+ 1,105	+ 2,769	+ 1,140				
(c) goods, services and gold	-10,598	- 543	+ 3,465	+ 7,128				

(1) The figures on the credit side represent interest received on account of Government investments alone.
(2) Maritime freight on imported goods, which is included in group I of imports, amounted to approximately £2,300,000 in 1931-32, £2,000,000 in 1932-33 and £2,400,000 in 1933-34. Of these amounts, about £90,000, £110,000 and £100,000 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			
	1930-31	1931-32	1932-33	1933-34	1930-31	1931-32	1932-33	1933-34
<i>I. Long-term operations.</i>								
1. Change in Government and local bodies' debt domiciled abroad	8,058	3,371	—	—	—	—	1,199	2,240
2. Change in Government holdings of foreign government bonds	—	1,500	7	5	—	—	—	967
<i>II. Short-term operations.</i>								
3. Net change in Government floating assets abroad . .	—	—	2,135	—	7	3,098	—	18,575
Total	8,058	4,871	2,142	5	7	3,098	1,199	21,782
Net inward (+) or outward (—) movement of capital on account of the above items . .	+ 8,051	+ 1,773	+ 943	— 21,777				

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 (°)	+ 9,921	— 8,687	— 391	+ 1,102	+ 1,945	—	—	+ 6,518	+ 8,463
1929-30 Balance	— 2,790	— 8,775	— 170	+ 1,087	— 10,648	— 2,445	+ 6,290	+ 3,845	— 6,803
1930-31 Credit	36,676	242	3,495	523	40,936	8,058	—	8,058	48,994
Debit	38,113	9,370	3,799	252	51,534	—	7	7	51,541
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

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) are those published in the trade returns (imports from Australia, recorded in Australian currency, having been converted into sterling) and 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 1930-31 and 1931-32 and 2½% for subsequent years 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.

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, 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			
	1931	1932	1933	1934
<i>Liabilities.</i>				
1. Intergovernmental debts	24,321	24,100	24,100	24,100
2. National securities domiciled abroad	160,509	162,097	162,902	160,662
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) . . .	204,830	206,197	207,002	204,762

Items	£(000's) sterling			
	1931	1932	1933	1934
<i>Assets.</i>				
4. Claims on account of intergovernmental debts . . .	165	165	139	136
5. Foreign securities held by the Government of New Zealand (on account of other foreign government and municipal debt)	2,786	1,286	1,279	2,241
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	(1) — 33	3,065	930	19,505
Total assets (excluding private floating assets)	7,935	9,533	7,365	26,899
Net liabilities	196,895	196,664	199,637	177,863

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 data for July 30th, 1934, December 31st, 1934, and June 24th, 1935, are reproduced below :

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

(1) Debt.

NORWAY

An estimate of the Norwegian balance of payments for the year 1934, compiled by the Central Statistical Office, has been supplied by the Norwegian Government and is set out below together with the statements for 1931-1933 which were published in the last edition of this volume. Certain figures for 1933 have been revised.

Goods, services and gold.

Items	Kroner (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise ⁽¹⁾	466	569	557	578	861	690	661	732
2. Whale oil sold from herding grounds	99	6	36	31	—	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest on intergovernmental debts	—	—	—	—	—	—	—	—
4. Interest on other public debts	6	4	3	3	52	65	62	56
5. Other interest and dividends on long-term capital	5	5	6	6	20	21	20	18
6. Interest on short-term capital	6	7	6	7	15	16	16	13
<i>III. Other services.</i>								
7. Shipping income :								
(a) ordinary freights and passage money	235	262	—	—	—	—	—	—
(b) charter money	129	116	377	400	—	—	—	—
8. Port fees	5	5	4	4	(²) 184	(²) 190	(²) 190	(²) 200
9. Expenses of whaling companies abroad	—	—	—	—	—	—	—	—
10. Other transport fees ⁽³⁾	19	17	13	13	19	8	8	8
11. Post, telegraph and telephone	1	2	1	1	—	—	—	—
12. Immigrants' and emigrants' remittances	13	14	7	5	—	—	—	—
13. Tourists' expenditure	30	30	30	34	(⁴)	(⁴)	(⁴)	(⁴)
14. Diplomatic and similar expenditure	—	—	—	—	—	—	—	—
15. Other items	5	5	13	7	3	3	3	3
<i>IV. Gold.</i>								
16. Gold coin and bullion	(⁶) 39	—	20	4	—	—	19	4
17. Change in earmarked gold	(⁶)	(⁶)	—	6	(⁶)	(⁶)	23	17
Total	1,058	1,042	1,073	1,099	1,164	1,004	1,015	1,063
Surplus (+) or deficit (—) on account of :								
(a) goods and services	— 145	+ 38	+ 80	+ 47				
(b) gold	+ 39	—	— 22	— 11				
(c) goods, services and gold	— 106	+ 38	+ 58	+ 36				

(1) The figures for 1933 and 1934 exclude the trade with Svalbard (Spitzbergen).
(2) Including 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) The gold exported in 1931 was held earmarked for the Bank of Norway at the end of the year and was thus offset by a corresponding increase in foreign assets (included in capital item 5).
(6) 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			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Long-term operations.</i>								
1. Purchases and sales:								
(a) of domestic securities . . .	42	31	26	9	(¹) 104	(¹) 34	(¹) 60	(¹) 24
(b) of foreign securities . . .	(²) 119	(²) 34	(²) 37	(²) 35	40	27	46	36
2. New capital issues:								
(a) Government and municipal	10	—	—	17	—	—	—	—
(b) other	—	—	—	22	—	—	—	—
3. Other long-term investments . . .	—	—	—	—	—	—	—	—
<i>II. Short-term operations.</i>								
4. Change in short-term debts . . .	109	—	—	—	—	76	84	25
5. Change in short-term assets(³) . .	—	4	56	—	22	—	—	48
Total	280	69	119	83	166	137	190	133
Net inward (+) or outward (—) movement of capital	+114	— 68	— 71	— 50				

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	(¹) — 35
1925 Balance	— 268	— 62	+ 249	—	— 81	+ 152	.	+ 152	(¹) + 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 Credit	575	16	451	—	1,042	65	4	69	1,111
Debit	690	102	212	—	1,004	61	76	137	1,141
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	464	10	1,099	83	—	83	1,182
Debit	732	87	223	21	1,063	60	73	133	1,196
Balance	— 123	— 71	+ 241	—11	+ 36	+ 23	— 73	— 50	(⁵) — 14

(1) Including amortisation payments.

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

(3) Cf. note (6) 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 1926-1934, 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 outgoing and receipts on account of commissions and insurance undertakings, etc., which, it is thought, probably roughly balance. Receipts from emigrants are omitted before 1926 and expenditure abroad by Norwegian tourists before 1927. Further, when calculating the movement of short-term capital, it has not been possible to eliminate certain changes in the floating assets and liabilities which do not result from international payments, e.g., losses and amounts written off.

Capital items.

The estimates of the long-term capital operations are based on information received from the larger banks, brokers, insurance and shipping companies, industrial concerns and certain municipalities.

Figures concerning the annual movement of short-term capital, 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 ⁽¹⁾ :

	Liabilities			Assets			Balance	
	Bonds and shares	Real estate	Floating indebtedness	Bonds and shares	Real estate	Floating assets	Kroner (000,000's)	Gold Kroner (000,000's)
	Market value in kroner (000,000's)							
April 30th, 1919 . . .	750	?	300	410	?	2,000	+ 1,360	+ 1,310
Sept. 30th, 1924 . . .	1,575	65	1,025	245	30	730	- 1,660	- 880
Dec. 31st, 1925 . . .	1,400	60	780	230	25	580	- 1,405	- 1,065
Dec. 31st, 1926 . . .	1,165	55	777	260	20	492	- 1,225	- 1,150
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

(1) For further details, see *Statistiske Meddelelser* (issued by the Norwegian Central Statistical Office), Nos. 4 and 5, 1935.

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				
	1930	1931	1932	1933	1934
<i>Liabilities.</i>					
1. Norwegian bonds and shares, held abroad :					
(a) State bonds	679	623	772	641	698
(b) municipal debt	213	218	212	198	201
(c) debt of certain banks (1)	160	149	158	156	182
(d) private bonds	143	144	142	105	137
(e) shares	290	225	247	244	212
2. National real estate owned by foreigners .	67	71	71	71	71
3. Floating debt :					
(a) official institutions (including the Bank of Norway)	8	25	24	14	19
(b) banks and brokers	167	131	115	108	88
(c) other private enterprises	554	682	623	556	546
Total liabilities	2,281	2,268	2,364	2,093	2,154
<i>Assets.</i>					
4. Foreign bonds and shares, held in Norway by :					
(a) official institutions (including the Bank of Norway)	33	10	8	7	8
(b) banks and brokers	73	25	25	25	22
(c) other private enterprises	136	133	135	140	152
5. Foreign real estate owned by Norwegians .	20	18	18	18	17
6. Floating assets of :					
(a) official institutions (including the Bank of Norway)	74	96	106	70	124
(b) banks and brokers	94	59	54	51	56
(c) other private enterprises	156	191	182	188	188
Total assets	586	532	528	499	567

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 1930 to 1934 to 103, 106, 111, 109 and 118 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 1932, 1933 and 1934 is given below :

Shares held in	Kr. (000,000's)			Shares held in	Kr. (000,000's)		
	1932	1933	1934		1932	1933	1934
France	80.9	78.3	55.5	Belgium	0.6	0.2	0.6
U.K.	32.4	34.5	33.0	Canada	16.0	15.5	18.2
Germany	4.9	4.8	5.4	Other countries	3.7	2.9	2.7
Sweden	29.2	33.2	30.4	Total market value	247.4	244.3	212.3
U.S.A.	24.0	36.9	34.7	Total face value	354.6	347.0	332.4
Denmark	15.2	3.2	3.3				
Switzerland	33.5	28.5	21.3				
Netherlands	7.0	6.3	7.2				

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 1933			End of 1934		
	Bonds	Shares	Total	Bonds	Shares	Total
United Kingdom	24.2	37.7	61.9	23.9	40.4	64.3
United States	10.2	5.7	15.9	10.8	6.6	17.4
Sweden	10.6	27.5	38.1	8.7	30.0	38.7
Switzerland	—	15.7	15.7	0.2	16.5	16.7
Germany	4.8	2.7	7.5	4.3	4.8	9.1
France	1.3	5.1	6.4	2.1	4.3	6.4
Finland	0.9	1.4	2.3	0.9	2.0	2.9
Denmark	4.8	1.2	6.0	5.3	1.5	6.8
Other countries	6.1	11.8	17.9	7.5	12.6	20.1
Total market value	62.9	108.8	171.7	63.7	118.7	182.4
Total face value	72.6	128.5	201.1	71.8	139.3	211.1

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)								
	£ sterling	\$ U.S.A.	Swedish kronor	Danish Kroner	French francs	Gulden	Other foreign currencies	Norwegian kroner	Total
<i>Debts</i>									
1931	340.2	80.5	103.3	13.4	21.1	62.4	19.9	184.1	824.9 ⁽¹⁾
1932	318.1	77.9	98.3	8.5	18.0	24.9	21.6	184.0	751.3 ⁽¹⁾
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
<i>Assets</i>									
1931	104.4	56.1	16.8	4.2	8.0	20.2	20.0	116.7	346.4
1932	118.7	63.9	16.4	3.0	7.2	5.9	29.1	97.6	341.8
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

The information concerning the changes in the floating assets and liabilities has been utilised for determining the short-term capital items in the balance of payments statements for 1926-1934. 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, but from 1933 inclusive, the variations in the amount of earmarked gold are shown separately against 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)				
	1930	1931	1932	1933	1934
Net increase (+) or decrease (—) in foreign long-term indebtedness	— 35	— 46	+ 172	— 191	+ 77
Net inward (+) or outward (—) movement of long-term capital	— 14	+ 27	+ 4	— 43	+ 23

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

(1) The revised totals for 1931 and 1932, as given in a preceding table, are 838 and 762.

PHILIPPINES

The following statement of the current items in the balance of payments of the Philippines in 1934, separating transactions with the United States from those with other countries, has been prepared by Mr. Bartlett Richards, American Trade Commissioner in Manila. The statement must, it is stated, be regarded as an estimate subject to revision.

Goods, services and gold.

Items	Pesos (000,000's)					
	Inward or credit movements			Outward or debit movements		
	From U.S.A.	From other countries	Total	To U.S.A.	To other countries	Total
<i>I. Merchandise.</i>						
1. Merchandise, as recorded	184.6	36.2	220.8	109.4	57.8	167.2
<i>II. Interest and dividends.</i>						
2. Interest and dividend remittances, etc.	9.0	2.0	11.0	40.0	20.0	60.0
<i>III. Other services.</i>						
3. Freight and insurance (net)	10.5	—	10.5	—	30.0	30.0
4. Immigrants' remittances, etc.	5.0	—	5.0	2.0	10.0	12.0
5. Tourists' expenditure	2.0	1.0	3.0	2.5	2.5	5.0
6. U.S. army and navy expenditure	24.0	—	24.0	—	—	—
7. Pensions	3.0	—	3.0	—	—	—
8. Excise taxes	1.0	—	1.0	—	—	—
<i>IV. Gold.</i>						
9. Gold, as recorded	11.7	—	11.7	—	—	—
10. Adjustment of item 9	11.8	—	11.8	—	—	—
Total	262.6	39.2	301.8	153.9	120.3	274.2
Surplus (+) or deficit (—) on account of the above items	+ 108.7	— 81.1	+ 27.6			

The surplus of 27.6 million pesos on account of the items given represents, it is stated, new investments abroad and the proceeds of exports held abroad, temporarily or permanently, as well as the reduction of long- and short-term indebtedness (principally the latter) accumulated in years when the net balance was less favourable. "The volume of trade indebtedness on account of imports from the United States has decreased considerably since 1930 or 1931. There is a steady investment of funds abroad, chiefly in the United States, due to the number of Americans (also a few Spaniards and other foreigners) receiving comparatively good incomes in the Philippines, who try to invest a part of their income at home in anticipation of

ultimate retirement. This export of capital does not build up Philippine investments abroad, as it probably will never return."

Merchandise. The figures represent general trade. Imports are shown at their value at the foreign port of shipment. Freight and insurance on imports is included in the debit figure entered against item 3.

Interest and dividends. The figure for interest and dividend remittances to the United States is largely based on an estimate of American investments in the Philippines in 1934. The remittances to other countries represent mainly dividends of the Tabacalera and a few other large companies, principally Spanish, profits by foreign banks and interest on Manila railroad bonds, held chiefly in England.

Freights. Item 3 includes freights and insurance payments on account of imports (*cf.* above). In the original statement, freights and insurance on account of exported goods (though not properly belonging to the account) have been included on both sides of the account in order to show the distribution of such payments between American and foreign shipping. The payments in question, which are not entered in the above table, amounted to 28.5 million pesos, of which 24.5 million were earned by the United States and 4 million by other countries.

Immigrants' remittances, etc. Receipts from the United States entered on the credit side against item 4 include remittances by Filipinos living in Hawaii or in the United States, by missionary societies, etc., and a small sum received for the upkeep of offices of American companies in the Philippines. Amounts sent to the United States, entered on the debit side, are largely made up of remittances by individuals to families in the United States. Remittances to other countries are chiefly from Chinese and Japanese living in the Islands.

Excise taxes. The amount entered against item 8 represents excise taxes (*e.g.*, on cigars) on which proceeds are regularly remitted from the United States to the Philippines.

Gold. In the original statement, gold exports are given at 23.5 million pesos. As the gold export recorded in trade returns (item 9) is only 11.7 million pesos, the remaining 11.8 million has been entered above in a special item (No. 10).

Foreign investments in the Philippines.

The United States investments in the Philippines at the end of 1933 have been officially estimated at \$157 million, of which \$92 million represent "direct" and \$65 million "portfolio" investments⁽¹⁾.

A report by the British Consul-General at Manila⁽²⁾ reproduces the following figures "which have been published and compiled at different times, and may serve as an approximate estimate" of the foreign investments in the Philippines:

	£(000,000's)
British interests	10
United States interests	51
Spanish interests	6
Japanese interests	5
Chinese interests	20

(1) *Cf.* the preceding issue of this publication, page 186.

(2) *Report on Economic Conditions in the Philippine Islands, 1933-1934* (Department of Overseas Trade; London, 1935).

“ The British total includes over £5 million in respect of Manila railroad bonds, also the local resources of two British banks, a lumber concession, import and export houses, etc. Some £22 million of the United States interests are said to be in Philippine bonds, largely held in the United States ; the balance includes real estate, mines, manufacturing interests, mercantile establishments, lumber concessions, etc. The Spanish figure is very low and seems to be an under-estimate ; presumably interests regarded as in any way ‘ Philippine ’ have been excluded.”

POLAND

Statements of the balance of payments of Poland in 1933 and 1934 and revised figures for the period 1924-1932 have been supplied by the Government of that country. The statements for the years 1931-1934 are set out in detail below; the Summary Table gives the balances of the main groups of items for the whole period available. ⁽¹⁾

Goods, services and gold.

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise (Poland and Danzig)	1,879.6	1,094.8	965.7	976	1,476.2	863.7	828.8	800
2. Adjustments of item 1 (foreign trade of Danzig, etc.) . . .	- 62.4	- 58.0	- 17.1	+ 6	+ 90.7	+ 26.4	+ 21.2	+ 32
3. Contraband		17.0				40.0		
<i>II. Interest and dividends.</i>								
4. Interest on public debts:								
(a) on Government debts . .	—	—	—	—	173.3 ⁽²⁾	103.9	89.0	
(b) on municipal debts . . .	—	—	—	—	14.6	17.0	13.0	81
5. Other interest and dividends on long-term capital	1.3	0.7	0.8		102.8	71.7	55.6	
6. Interest on short-term capital ⁽³⁾	24.4	14.4	12.6	8	152.4	107.5	68.8	87
<i>III. Other services.</i>								
7. Shipping income								
8. Port fees	20.8 ⁽⁴⁾	23.5	21.0					
9. Transport fees	189.7	137.2	131.3	122	9.8	10.6	8.6	
10. Post, telegraph and telephone	5.6	4.5	4.8		55.5	48.8	44.7	49
11. Reinsurance	13.7	13.3	17.4		3.5	4.2	3.6	
12. Immigrants' and emigrants' funds and remittances	274.3 ⁽⁵⁾	206.7	151.9		17.9	16.1	16.9	
13. Tourists' expenditure	55.7	46.7	31.4	226	18.3	8.4	17.8	
14. Accounts with Danzig (customs duties)	59.6	42.8	36.3		146.8	88.7	69.9	193
15. Other items	58.1	48.2	50.7		70.3	52.7	40.9	
Carried forward	2,520.4	1,591.8	1,406.8	1,338	2,448.1	1,547.3	1,326.0	1,242

(1) For detailed figures for the period 1924-1930, see *Statistique de la Pologne*, Série C, Fascicule 22.
(2) Interest on intergovernmental debts, included in this sum, amounted to about 7 million zloty.
(3) Including commissions.
(4) Of which, freights about 14, passenger fares about 6 and port fees about 2 million zloty.
(5) Of which, funds about 14 and remittances about 192 million zloty.

Items	Zloty (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	2,520.4	1,591.8	1,406.8	1,338	2,448.1	1,547.3	1,326.0	1,242
IV. Gold.								
16. Gold coin and bullion	0.1	223.5	81.8	4	24.2	145.3	93.2	51
17. Adjustment of item 16 (1)	—	—	22.8	(2)	36.5	91.9	60.9	(3)
Total	2,520.5	1,815.3	1,511.4	1,342	2,508.8	1,784.5	1,480.1	1,293
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 72.3	+ 44.5	+ 80.8	+ 96				
(b) gold	— 60.6	— 13.7	— 49.5	— 47				
(c) goods, services and gold	+ 11.7	+ 30.8	+ 31.3	+ 49				

Capital items.

Items	Zloty (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 Government debts	—	—	—	—	69.5	62.0	49.7	42
(b) of municipal debts	—	—	—	—	3.2	3.4	4.2	
(c) of other debts	—	—	—	—	22.2	21.1	12.5	9
2. New capital issues :								
(a) Government	228.0	6.2	3.1	11	—	—	—	—
(b) municipal	8.5	2.6	1.0		—	—	—	—
(c) other	96.4	35.5	19.6	2	—	—	—	—
3. Other long-term transactions	131.4	137.6	68.7	74	255.6	60.4	35.0	60
II. Short-term operations.								
4. Change in cash credits of Polish enterprises :								
(a) assets	70.4	24.6	20.2		22.4	22.7	17.4	
(b) debts	831.1	527.5	422.4	319	845.1	677.6	510.7	370
5. Change in banking credits :								
(a) assets	289.7	149.6	88.9		49.5	58.1	56.2	
(b) debts	171.2	37.7	50.2	69	410.3	146.4	94.8	50
6. Change in merchandise credits	22.9	223.1	—	(3)	231.3	106.6	28.6	(3)
7. Inter-banking transactions in securities	11.7	8.9	6.7	9	27.7	20.1	14.2	22
8. Other transactions	127.3	22.6	76.6	67	5.4	28.9	14.7	7
Total	1,988.6	1,175.9	757.4	551	1,992.2	1,207.3	838.0	560
Net outward movement of capital (—)	— 3.6	— 31.4	— 80.6	— 9				

(1) Including changes in the amount of gold earmarked abroad for the account of the Bank of Poland.

(2) Included in item 2.

(3) Included with items 5 and 8.

SUMMARY TABLE.

	Zloty (000,000's) (1)								All items (2)
	Goods, services and gold					Capital items			
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance*	+ 132.0	- 37.1	+ 119.9	- 39.8	+ 175.0	+ 33.9	+ 177.9	+ 211.8	+ 386.8
1924 Balance	- 460.3	- 113.6	+ 215.9	- 24.1	- 382.1	+ 137.3	+ 108.9	+ 245.2	- 136.9
1925 Balance	- 1,095.8	- 117.6	+ 186.4	- 94.6	- 1,121.6	+ 408.8	+ 647.9	+ 1,056.7	- 64.9
1926 Balance	+ 801.3	- 169.0	+ 176.9	+ 0.3	+ 809.5	- 56.4	- 127.7	- 184.1	+ 625.4
1927 Balance	- 417.5	- 229.5	+ 198.7	- 282.2	- 730.5	+ 618.6	- 13.3	+ 505.3	- 225.2
1928 Balance	- 988.0	- 284.5	+ 275.4	- 106.6	- 1,103.7	+ 219.3	+ 891.3	+ 1,110.6	+ 6.9
1929 Balance	- 461.9	- 380.0	+ 320.6	- 81.4	- 602.7	+ 41.9	+ 551.6	+ 593.5	- 9.2
1930 Balance	+ 67.6	- 450.9	+ 216.5	+ 141.0	- 25.8	+ 31.0	- 446.8	- 415.8	- 441.6
1931 Balance	+ 250.3	- 417.4	+ 239.4	- 60.6	+ 11.7	+ 113.8	- 117.4	- 3.6	+ 8.1
1932 Credit	1,053.8	15.1	522.9	223.5	1,815.3	181.9	994.0	1,175.9	2,991.2
Debit	930.1	300.1	317.1	237.2	1,784.5	146.9	1,060.4	1,207.3	2,991.8
Balance	+ 123.7	- 285.0	+ 205.8	- 13.7	+ 30.8	+ 35.0	- 66.4	- 31.4	- 0.6
1933 Credit	948.6	13.4	444.8	104.6	1,511.4	92.4	665.0	757.4	2,268.8
Debit	850.0	226.4	249.6	154.1	1,480.1	101.4	736.6	838.0	2,318.1
Balance	+ 98.6	- 213.0	+ 195.2	- 49.5	+ 31.3	- 9.0	- 71.6	- 80.6	- 49.3
1934 Credit	982	8	348	4	1,342	87	464	551	1,893
Debit	832	168	242	51	1,293	111	449	560	1,853
Balance	+ 150	- 160	+ 106	- 47	+ 49	- 24	+ 15	- 9	+ 40

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.

International indebtedness.

The following details with regard to the international indebtedness of Poland are available.

	Zloty (000,000's) at the end of		
	1931	1932	1933
<i>Liabilities.</i>			
A. Long-term credits.			
1. Foreign debt of the Government	4,570	4,514	3,544
2. Foreign debt of municipalities	266	261	217
3. Foreign debt of enterprises: bonds and mortgages	449	451	428
4. Foreign participation in Polish enterprises	1,985	2,050	2,054
5. Branches of foreign enterprises operating in Poland	322	301	305
Carried forward	7,592	7,577	6,548

(1) Throughout gold zloty of the new parity (introduced in October 1926).

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

(3) The figures for 1933 have not been revised.

	Zloty (000,000's) at the end of		
	1931	1932	1933
Brought forward	7,592	7,577	6,548
B. Short-term credits.			
6. Cash credits of Polish enterprises	1,884	1,730	1,540
7. Cash credits of branches of foreign enterprises, not raised with the head office	54	62	52
8. Banking credits	401	292	248
9. Merchandise credits	244	151	133
C. Miscellaneous liabilities	54	60	38
Total liabilities	10,229	9,872	8,559
<i>Assets.</i>			
A. Long-term credits.			
1. Government foreign assets	71	80	73
2. Polish participation in foreign enterprises	105	64	62
B. Short-term credits.			
3. Cash credits of Polish enterprises	14	13	10
4. Banking credits	142	127	94
5. Merchandise credits	301	139	150
C. Miscellaneous assets	233	167	109
Total assets	866	590	498

The 1931-1932 issue of this publication ⁽¹⁾ contained a division by countries of the long- and short-term debts and assets outstanding at the end of 1930. More recent complete statistics of this kind are not available, but the division by countries of outstanding banking credits (Liabilities, item 8, and Assets, item 4, in the above table) was as follows at the end of 1933 and on March 31st, 1935 : ⁽²⁾

	Zloty (000,000's)								
	Germany	France	U.S.S.R.	U. K.	U. S. A.	Danzig	Netherlands	Other countries	Total
<i>Liabilities.</i>									
31. XII. 1933	58.4	51.4	1.2	55.7	4.6	12.1	10.5	53.7	247.6
31. III. 1935	58.2	59.0	8.1	36.5	11.3	22.9	10.9	55.4	262.3
<i>Assets.</i>									
31. XII. 1933	19.5	10.0	11.2	6.9	11.1	16.0	3.4	16.1	94.2
31. III. 1935	15.3	13.4	14.3	10.8	8.5	15.6	3.8	10.7	92.4

(1) Series No. 1933.II.A.26.

(2) Source : *Informations statistiques de l'Office de statistique de la République polonaise*, for July 15th, 1935.

SIAM

A statement for the calendar year 1934 has been supplied by the Government of Siam and is given below together with those for the calendar year 1927 and the fiscal years ending March 31st, 1927 and 1933, 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)			
	1927	1926-27	1932-33	1934	1927	1926-27	1932-33	1934
<i>I. Merchandise.</i>								
1. Merchandise	281.9	240.0	127.6	152.3	196.6	176.0	89.5	95.5
2. Contraband . . . . .	.	.	.	1.0	.	.	.	0.5
<i>II. Interest and dividends.</i>								
3. Interest on public debts	—	—	—	—	7.1	7.5	6.2	4.6
4. Other interest and dividends . .	—	—	—	—	.	.	.	.
<i>III. Other services.</i>								
5. Port receipts . . . . .	.	.	.	0.2	—	—	—	—
6. Post, telegraph and telephone . .	—	—	—	—	0.3	—	—	—
7. Diplomatic and similar expenditure	—	—	—	—	1.0	1.2	0.5	0.4
8. Other Government expenditure . .	—	—	—	—	14.0	13.4	4.3	8.2
<i>IV. Gold.</i>								
9. Gold coin and bullion	—	—	24.9	13.3	3.2	9.8	—	0.1
Total	281.9	240.0	152.5	166.8	222.2	207.9	100.6	109.3
Surplus (+) on account of the above items	+ 59.7	+ 32.1	+ 51.9	+ 57.5				

Known capital item (long-term operations).

	Baht (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1927	1926-27	1932-33	1934	1927	1926-27	1932-33	1934
Amortisation of public debts	—	—	—	—	2.5	.	24.4	3.4

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
Exports	—	—	1.5	9.2	24.9	14.1
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

Capital items.

Items	Gulden (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Long-term operations.</i>								
1. Amortisation of public debts	—	—	—	—	104	106	108	108
2. Other long-term investments	—	—	—	—	—	—	—	—
<i>II. Known short-term operations.</i>								
3. Change in short-term public debts	666	239	—	377	—	—	261	—

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

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
Bonded public debt	2,010	1,906	1,800	1,692	1,584
Floating public debt	12,380	13,046	13,285	13,024	13,401
Total	14,390	14,952	15,085	14,716	14,985

(1) Thus, information concerning interest and dividends paid on account of foreign capital invested in Surinam, other than in Government loans, is only available for 1931 (*cf.* item 4, debit, of the account for Goods, services and gold).

SWEDEN

A statement of the balance of payments of Sweden in 1934 has been supplied by the Government of that country and is reproduced below, together with the data for 1931-1933 published last year. The 1932 and 1933 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise (special trade)	1,123	947	1,077	1,303	1,430	1,158	1,096	1,307
2. Adjustments of item 1:								
(a) warehouse trade	4	9	8	8	1	5	4	4
(b) re-exports and reimports	5	5	5	5	7	6	8	8
(c) miscellaneous imports	—	—	—	—	1	—	—	—
(d) fish exported direct from fishing grounds	3	3	3	3	—	—	—	—
<i>II. Interest and dividends.</i>								
3. Interest paid abroad on Swedish public debts	—	—	—	—	18	20	21	17
4. Other interest and dividends on long-term capital	85	149	(1) 102	(1) 86	76	10	4	5
5. Interest on short-term capital	23	19	13	16	20	10	12	13
<i>III. Other services.</i>								
6. Shipping:								
(a) ordinary freights	207	207	205	219	—	—	—	—
(b) charter money	16	17	16	15	—	—	—	—
(c) passage money	16	15	11	12	—	—	—	—
7. Port expenditure (including provisions).	16	15	15	18	100	115	112	119
8. Other transport fees (net)	2	1	2	3	—	—	—	—
9. Commissions	13	12	11	12	13	12	10	14
10. Post, telegraph and telephone	1	1	—	—	—	—	—	—
11. Immigrants' and emigrants' funds	2	2	1	1	—	1	1	1
12. Emigrants' remittances	26	35	20	12	1	1	1	1
13. Tourists' expenditure	37	35	38	38	35	31	35	41
14. Passage money paid by Swedes to national ships (2)	—	—	—	—	—	7	5	6
15. Diplomatic and similar expenditure	1	1	1	1	3	4	4	4
Carried forward	1,580	1,473	1,528	1,752	1,705	1,380	1,313	1,540

(1) Of which 13, dividends.

(2) Included also on the credit side against item 6 c.

Items	Kronor (000,000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	1,580	1,473	1,528	1,752	1,705	1,380	1,313	1,540
16. Cinematograph film royalties					4	3	3	5
17. Lottery tickets, subscriptions to foreign Press, etc.	3	2	2	2	1	3	2	3
<i>IV. Gold.</i>								
18. Gold coin and bullion	39	9	5	7	1	2	48	—
19. Change in earmarked gold	(¹)	(¹)	(¹)	71	(¹)	(¹)	(¹)	—
Total	1,622	1,484	1,535	1,832	1,711	1,388	1,366	1,548
Surplus (+) or deficit (—) on account of :								
(a) goods and services	—127	+ 89	+ 212	+ 206				
(b) gold	+ 38	+ 7	— 43	+ 78				
(c) goods, services and gold	— 89	+ 96	+ 169	+ 284				

Capital items.

Items	Kronor (000,000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Long-term operations.</i>								
1. Amortisation receipts (²)		25	18	16	2	2	2	—
2. Purchases and sales :								
(a) of real estate	—	—	—	—	—	2	—	—
(b) of domestic securities	149	65	49	33	128	49	72	39
(c) of foreign securities	194	154	123	110	120	66	62	167
3. New Government and municipal capital issues (in so far as not included with item 2)	—	—	—	—	360	—	—	—
4. Participation in new capital issues	132	—	—	—	—	—	—	—
5. Other long-term investments	—	—	—	—	5	3	1	1
<i>II. Short-term operations.</i>								
6. Change in short-term debts of enterprises other than banks	120	40	(³)116	12	117	93	32	120
7. Change in short-term assets :								
(a) of banks (net)(⁴)	153	—	—	—	—	167	374	117
(b) of other enterprises	43	86	67	32	9	93	26	53
Total	791	370	373	203	739	473	567	497
Net inward (+) or outward (—) movement of capital	+ 52	—103	—194	—294				

(1) Included with capital item 7 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 1930, 1931 and 1932, 110.6 at the end of 1933 and 66.1 at the end of 1934.

(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)								
	Goods, services and gold					Capital items			All items (1)
	Mer- chandise	Interest and dividends	Other services	Gold	Total	Long- term	Short- term	Total	
1923 Balance . . .	- 137	+ 3	+ 139	-	+ 5	- 34	+ 130	+ 96	+ 101
1924 Balance . . .	- 148	+ 6	+ 144	+ 36	+ 38	+ 80	- 66	+ 14	+ 52
1925 Balance . . .	- 88	+ 3	+ 162	- 2	+ 75	- 28	- 92	- 120	- 45
1926 Balance . . .	- 71	+ 7	+ 184	+ 2	+ 122	- 11	+ 39	+ 28	+ 150
1927 Balance . . .	+ 29	+ 19	+ 194	+ 1	+ 243	+ 51	- 142	- 91	+ 152
1928 Balance . . .	- 135	+ 25	+ 190	- 11	+ 69	- 179	+ 34	- 145	- 76
1929 Balance . . .	+ 37	+ 30	+ 210	- 11	+ 266	- 2	- 95	- 97	+ 169
1930 Balance . . .	- 116	+ 20	+ 194	-	+ 98	- 392	+ 79	- 313	- 215
1931 Balance . . .	- 304	- 6	+ 183	+ 38	- 89	- 138	+ 190	+ 52	- 37
1932 Credit . . .	964	168	343	9	1,484	244	126	370	1,854
Debit . . .	1,169	40	177	2	1,388	120	353	473	1,861
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 . . .	1,319	102	333	78	1,832	159	44	203	2,035
Debit . . .	1,319	35	194	-	1,548	207	290	497	2,045
Balance . . .	-	+ 67	+ 139	+ 78	+ 284	- 48	- 246	- 294	- 10

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 reduction in the amount of interest and dividends received on account of long-term investments (item 4, credit) in 1934, as well as in 1933, is stated to be due to the fall in the exchange value of the dollar and to the reduction in the interest transferred from Germany and other countries.

Freights. In the original statements for 1932-1934, 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 6c); the offsetting estimated payments by Swedes have been entered on the debit side against item 14.

Earnings on postal shipments have been excluded from 1932 inclusive, as they are taken into account when calculating the amounts entered against item 10.

The port expenditure abroad by Swedish ships in 1932-1934 has been calculated at 49.5% of the gross earnings, in accordance with the result of an enquiry now completed.

Item 7, credit, comprises the following amounts in 1933 and 1934 (in million kronor):

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

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

Commissions, etc. The amounts entered against item 9 do not include insurance premia and indemnities, as no enquiry concerning the insurance transactions with foreign countries has as yet been carried out.

Emigrants' remittances (item 12). Only receipts from North America are considered. Remittances proper are calculated at 15.8 million kronor in 1933 and 8 million in 1934, 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, 1.5 and 1.9 million kronor respectively, and inheritances, 3.1 and 2.3 million kronor. The amounts entered on the debit side refer to Nobel prizes, inheritances, etc.

Tourists' expenditure (item 13). The outward payments entered for 1932-1934, 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 and 31 million kronor during the three years in question), plus expenditure through travelling bureaux, shipping agencies, etc. (about 8, 9 and 10 million kronor respectively).

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 7a shows the changes in the net short-term assets of the Bank of Sweden and the commercial banks (see below), while items 6 and 7b show the changes in the short-term assets and debts of other enterprises.

International indebtedness.

Swedish Government bonds held abroad. According to the National Debt Office, (1) the amount of outstanding Swedish Government bonds held abroad, which was 251 million kronor at the end of 1929, rose to 307 million at the end of 1931 and 326 million at the end of 1932, but fell to 286 million at the end of 1934. 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 1933-34".

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

The movement of these assets, as shown in banking statistics, was entered against capital item 7a. 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.

Foreign bonds held in Sweden in 1933. The following information concerning the amount of foreign bonds held in Sweden in 1933 is derived from an enquiry carried out by Mr. S. K. Stockman, of the Swedish Board of Trade (²). The sums recorded represent the nominal amounts of the bonds and are, it is stated, generally to be regarded as minimum amounts.

The number of loans considered was 847 ; the nominal amount of the bonds outstanding at the end of 1933 was 1,326 million kronor if conversion is made according to the par value of the currencies concerned, and 1,411.7 million kronor if conversion is made according to rates prevailing on December 30th of that year. Four of the loans represented together almost half of the total amount :

	Kronor (000,000's) according to rates of par rates 30.XII.1933	
German Government 6% 1930 (the so-called Kreuger Loan)	387.9	397.3
Polish Government 6½% 1930	117.8	120.6
Roumanian Monopolies Institute 7% 1929	111.8	114.5
German Government 5% 1930 (the so-called Young Loan)	109.6	113.1
Total	727.1	745.5

The percentage shares of different debtor countries in the total amount outstanding, calculated according to exchange rates prevailing at the end of 1933 (1,411.7 million kronor), were as follows :

Germany	48.2	Greece	1.4
Roumania	11.6	Belgium	1.4
Poland	9.2	Austria	1.4
Denmark	9.2	Hungary	1.3
Norway	6.0	Lithuania	1.2
Finland	4.3	Other countries	3.3
Brazil	1.5	Total	100.0

Of the bonds, 63.4% were issued in United States dollars, 16.8% in Swedish kronor, 4.8% in pounds sterling, 4.7% in Dutch gulden, 3.6% in French francs, 2.2% in Reichsmarks and the remaining 4.5% in various other currencies.

The amount due by central Governments represented 73.5% of the total. The corresponding figure for provinces was 1.4%, for towns and municipalities, 4.3%, for banks and credit institutions, 12.9%, and for industry, communications, etc., 7.9%.

At the end of 1933, 297 loans, representing 581.8 million kronor if converted at par rates, and 631.5 million kronor if converted at current rates, were affected by defaults. One year later, this amount had risen to about 900 million kronor, or over half the total amount of the bonds outstanding.

The amount of interest due on the foreign bonds held in Sweden is estimated at 98.4 million kronor in 1933. Only 85.6 million kronor, however, is estimated to have been transferred in cash. About 12.5 million kronor was paid by means of scrips or deposits on blocked account in the debtor countries. German scrips received amounted to 8.5 million kronor, which were repurchased by Germany at a rate of 50% of the nominal value. A certain proportion of other scrips and blocked assets were also sold at varying rates.

(1) Net indebtedness.

(2) Cf. *Kommersiella Meddelanden* for December 15th, 1934, and January 15th, 1935.

SWITZERLAND

A previous issue of this publication ⁽¹⁾ contains estimates of the current items in the balance of payments of Switzerland in the years 1924-1926, prepared by the Swiss Bank Corporation. No more recent statements by that Corporation have appeared, but estimates of other origin have become available. Certain of these are reproduced below.

Estimate for 1928 by the Committee (*Vorort*) of the Swiss Association of Commerce and Industry ⁽²⁾.

In the following table, the classification of certain items as given in the original statement has been slightly modified. No figures are supplied with reference to capital movements.

<i>Goods, services and gold.</i>	Francs (000,000's)	
	Credit movements	Debit movements
I. Merchandise ⁽³⁾ .		
1. Merchandise (including silver) as recorded	2,147	2,661
2. Improvement trade	45	8
3. Contraband	50	50
II. Interest and dividends.		
4. Yield of investments of all kinds, including exchange profits	430	100
III. Other services.		
5. International transports	30	—
6. Trading profits	15	—
7. Banking commissions and stamp duties	47	7
8. Insurance transactions (calculated from the amount of premia received)	22	.
9. Tourists' expenditure	395	80
10. Savings of seasonal workers	—	8
11. Trade in electrical energy	21	.
IV. Gold ⁽⁴⁾ .		
12. Gold coin and bullion :		
(a) "forming part of the trade balance"	19	68
(b) other	1	25
Total	3,222	3,007
Surplus (+) or deficit (—) on account of :		
goods and services	+288	
gold	— 73	
goods, services and gold	+215	

Partial estimates for 1929 and 1930 by Professor G. Bachmann.

An article ⁽⁴⁾ published by Professor G. Bachmann and the report presented by him in his capacity of President of the Board of Directors of the Swiss National Bank at the general assembly of the Bank's shareholders on March 7th, 1931 ⁽⁵⁾, contain certain estimates of the principal current items in the balance of payments of Switzerland in 1929 and 1930. These estimates are summarised below, but all the qualifications with which the figures were originally presented are not reproduced.

(1) *Memorandum on International Trade and Balances of Payments, 1912-1926*, Vol. I (Series No. 1927.II.68³).

(2) Source: *Rapport sur le Commerce et l'Industrie de la Suisse en 1929*, publié par le *Vorort de l'Union suisse du Commerce et de l'Industrie*.

(3) The original statement groups merchandise proper with silver bullion and gold "forming part of the trade balance" ("gold not for payments"), but excludes specie and gold for payments from the account. The figures for "foreign trade" are thus given as: exports, 2,133 million francs; imports, 2,719 million francs. The corresponding final figures now available are 2,134 and 2,727 million francs respectively.

(4) "Die Schweiz als ein internationales Finanzentrum", included in *Die Schweiz, Ein nationales Jahrbuch, 1931* (Eugen Rentsch Verlag, Erlenbach-Zurich).

(5) Cf. *Bulletin mensuel* of the Swiss National Bank for March 1931.

Figures for 1929. Figures are given for the following items :

	Francs (000,000's)	
	Credit movements	Debit movements
Trade deficit (merchandise and bullion) (1)	—	679
Yield of Swiss holdings of foreign securities	300	—
Yield of foreign holdings of Swiss securities	—	60-100
Possible net income from investments in the form of partnerships not considered above	100-150	—
Net interest receipts on foreign assets of banks	50	—
Possible net earnings on insurance transactions (2)	25	—
Net annual income on account of tourists' expenditure	260-300	—

The second and third items in the above table were calculated at 5 % and 4 % respectively of the value of Swiss assets abroad and foreign assets in Switzerland, estimated as follows :

	Francs (000,000,000's)
Swiss assets abroad :	
Investments at the end of 1923	3.5
Capital issues publicly offered 1924-1928 (excluding conversion)	1
Direct investments, and purchases of foreign securities 1924-1928	1.5
Total	<u>6</u>
Foreign assets in Switzerland :	
Investments at the end of 1923	0.5
Purchases of Swiss securities 1923-1928	<u>1 — 2</u>
Total	1.5 — 2.5

Figures for 1930. The estimates for 1930 contained in Professor Bachmann's report at the assembly of holders of shares of the Swiss National Bank in 1931 are summarised below.

	Francs (000,000's)	
	Credit movements	Debit movements
Deficit on account of goods and bullion other than gold "for payments" (<i>i.e.</i> , "gold not forming part of the trade balance")	—	(3) 802
Gold "for payments"	5	100
Gold and silver specie (coin of the Latin Monetary Union)	57	2
Balance on account of contraband and export of electrical energy (adjusting the trade deficit, as resulting from the preceding items, to 800 million francs)	42	—
Balance of the yield of Swiss holdings of foreign securities (estimated at 6.5 milliard francs, of which 1.3 milliard on account of new capital issues other than for conversion since 1923) and of foreign holdings of Swiss securities (estimated at nearly half the Swiss holdings of foreign securities)	230	—
Possible net income on account of tourists' expenditure (assuming a reduction of 10-20 % on estimates of 282-296 million francs available for the two preceding years)	245	—
Miscellaneous services (commissions, insurance, transit trade, railway, post, telegraph and telephone payments, improvement trade) : the net receipts on account of these items is estimated to have been at least as large as during the preceding years, or	140	—

With reference to the long-term capital movement, it is stated that new capital issues for foreign account during the year amounted to 305 million francs, but that, if account be taken of dealings in outstanding securities and foreign participation in the new capital issues, Swiss investments in foreign securities during 1930 were less than foreign investments in Swiss securities.

(1) The total recorded movement of merchandise, bullion and specie was as follows (in million francs) :

	Imports	Exports
Merchandise and silver, bullion and specie	2,680	2,113
Gold, bullion and specie, "forming part of the trade balance"	56	21
Gold, bullion and specie, other	33	7

(2) Swiss receipts of insurance premia from abroad (except on account of reinsurance) totalled some 300 million francs in 1928, and foreign receipts from Switzerland 9 million francs. From these amounts, the estimated indemnities paid have to be deducted.

(3) Imports 1,763 million francs, exports 2,565 million francs ; of these amounts, gold bullion "forming part of the trade balance" represented 17 and 37 million francs respectively.

No figures are given with reference to the movement of short-term capital or interest received and paid on account of such capital. On the assumption that 30 % of the current loans and advances of the principal Swiss banks represented credits granted abroad, such credits (including balances with foreign banks and the portfolio of foreign bills) are estimated at some 3.1 milliard francs in 1930, or about the same amount as in 1929 ; the corresponding liabilities of Swiss banks are estimated at 2.1 milliard francs on the assumption that 80 % of the amounts due to banking correspondents, 30 % of their current account liabilities and 50 % of their draft and acceptance liabilities constituted sight liabilities abroad.

It is pointed out that, " without attempting to estimate investments of capital by insurance companies, financial establishments and holdings, and the yield of same, it may nevertheless be assumed that they constitute an active factor in the balance of accounts and are sufficient, together with the surplus of short-term investments made by the principal Swiss banks, to cover the deficit in the trade balance ; this balance, in fact, could not be compensated in any other way ".

Data collected through the Swiss Statistical Society.

The Swiss Statistical Society devoted its annual meeting of May 31st, 1935, largely to the question of the Swiss balance of payments. No complete statement of that balance was supplied at the meeting, but estimates of inward and outward payments on account of important items in the account were brought to light. Part of this information is reproduced below. For further details and for information concerning the various theoretical and practical problems discussed at the meeting, reference should be made to the Minutes of the proceedings (1).

Merchandise. The improvement and repair trade is included in the recorded trade figures from 1933 inclusive. In that year, imports on this account amounted to 80 million francs and exports to 98.5 million francs (information supplied by M. K. Acklin, head of the Swiss trade statistics).

The recorded value of Swiss imports of solid fuel in 1934 is, it was stated by Dr. W. Hotz, over-estimated by at least 10 million francs (M. Acklin agreed that the recorded value was too high).

Interest and dividends. The following summary of various estimates of Swiss receipts and payments on account of interest and dividends was given.

Estimated by	Year	Nature	Francs (000,000's)	
			Receipts	Payments
Dr. Traugott Geering	1913	Interest and dividends	210-225	60
		Profit of enterprises	160-200	50
	1918/19	Interest and dividends	350-400	
Dr. Zollinger	1920	Interest and dividends	80	
	1912/13	Interest and securities including advances and participation in syndicates	114	45
Dr. Fahrliänder	1912/13	Interest on foreign mortgages	7	
	1913	Profit of enterprises	160-200	
Dr. Landmann	1914	Interest on securities	210-225	60
		Profit of foreign business establishments	160-200	
P. Jaberg	1918	Interest on securities (net)	225	
	1923	Yield from investments abroad	145	
Dr. Wyler	1924	Yield from investments abroad	104	
Swiss Bank Corporation Committee (<i>Vorort</i>) of the Swiss Association of Commerce and Industry	1926	Interest and dividends	440-450	120
Dr. G. Bachmann	1928	Yield from investments of all kinds	430	100
	1929	Yield of foreign assets and debts	300	60-100
		Income from participation in foreign undertakings with unnegotiable shares (including partnerships and loans), net	100-150	

The Swiss Bank Corporation, in its *Bulletin* for January 1934, estimated that the yield of capital accruing to Switzerland from abroad did not reach 200 million francs in 1932 and 1933.

From the beginning of August 1934 to April 1935, 56 million francs were paid as interest to Swiss creditors through the German-Swiss clearing. Interest on Swiss standstill credits to Germany, not included in the amount mentioned, amounted to 36 million francs in 1934 (figures communicated by Dr. G. Ackermann).

Income on account of transit trade. The trading profits on account of Swiss transit trade (commissions, profits, etc.), as well as the portion of that income representing current expenditure by the concerns carrying on such trade, have been calculated by Professor F. Mangold as follows (2) :

(1) Cf. *Journal de statistique et revue économique suisse*, 1935, Vol. II.
 (2) The figures were communicated by M. C. J. Steiger.

SWITZERLAND

	Francs (000,000's)				
	1929	1930	1931	1932	1933
Probable net profit on account of Swiss transit trade	40	34	24	18	15
Out of these earnings, the following amounts are estimated to have been employed for current expenditure in Switzerland of the firms concerned	24	22	18	15	14

The transport earnings on account of goods sent in transit through Switzerland and calculated at 30 million francs in 1928 were estimated by M. Acklin to have fallen to less than half of that amount in 1933-1934.

Insurance. Dr. R. Aeberhard estimated, on the basis of an enquiry made by him in 1931, that the net receipts entering in the Swiss balance of payments on account of insurance transactions amounted to about 40 million francs a year. The following details were quoted during the discussion :

	Francs (000,000's)
Active balance on account of :	
life insurance	6.0
accident and damage insurance	24.7
reinsurance	11.0
Total	41.7
Deduct passive items	1.2
Remainder	40.5

Seasonal workers, representation, international institutions, tourists. The following estimates were supplied by Dr. F. Ehrensperger :

	Francs (000,000's)			
	1929		1934	
	Receipts	Payments	Receipts	Payments
Net balance on account of seasonal workers and workers in frontier traffic	—	—	10	5
Foreign representation in Switzerland and Swiss representation abroad	10	11	6	6
League of Nations (net)	15	—	16	—
Various international bodies	0.8	—	0.8	—
Students, scholars	(¹) 48.4	1.6	(¹) 28.8	0.7
Tourists' expenditure	621.3	90	174.8	60
Swiss tourist agencies, etc., abroad	—	3.5	—	2

The receipts from foreign tourists were calculated as follows :

	Francs (000,000's)	
	1929	1934
Expenditure in hotels (26 francs per night spent in 1929, 18 francs in 1934)	350	108
Supplementary expenditure of hotel visitors	250	54
Tourists living privately	16	8
Travellers passing through Switzerland :		
by railway	3.8	2.3
by motor-car	1.5	2.5
Total	621.3	174.8

Export of electrical energy. According to figures supplied by M. K. Acklin, the value of such export rose from 6.3 million francs in 1920 to 21.1 million in 1928, 18 million in 1933 and 19.7 million in 1934.

Balance on account of current items. In a lecture given at the meeting of the Swiss Statistical Society, Dr. Hans Sulzer stated that inward and outward payments on account of current items in the Swiss international account are estimated to have nearly balanced in 1934 (²).

(1) Of which university students 6.4 million francs in 1929 and 7.8 million francs in 1934.

(2) The following information is supplied with reference to the basis of this estimate. The trade deficit (excluding gold and silver coin and gold bullion "for payment") in 1934 amounted to 590 million francs, and outward payments on account of post, telephone and telegraph to some 5 million francs; the total outward payment on account of these items is, however, believed to have been more than offset by net receipts on account of tourists, about 200 million francs; yield of capital investments, 300 million; unrecorded trade, 10 million; export of electrical energy, 20 million; transit traffic, 40 million; insurance, 30 million; and commissions, 20 million. It appears, however, that these estimates are only tentative and do not claim to be nearly exact.

Capital issues for foreign account. Statistics concerning capital issues floated in Switzerland for foreign account were presented by Dr. Ackermann. Those with reference to bond issues have, however, since been revised; the following figures for these issues therefore differ from the unrevised series published in the *Journal de statistique et revue économique suisse*.

Amounts in foreign currency have been converted into francs at par or at the exchange rate prevailing at the time of issue.

Foreign bonds issued in Switzerland, 1924-1934.

Year	Number of loans	Francs (000,000's)			
		Nominal value	Price of issue	Of which conversion issues	Fresh capital raised
1924	3	82.8	75.6	—	75.6
1925	6	76.9	73.1	20.0	53.1
1926	17	309.6	295.1	36.7	258.4
1927	14	235.8	225.4	6.8	218.6
1928	9	90.1	91.6	—	91.6
1929	10	115.5	110.1	—	110.1
1930	20	375.8	355.4	49.9	305.5
1931	12	208.5	198.5	95.1	103.4
1932	7	351.7	347.7	202.8	144.9
1933	1	39.0	37.6	39.0	— 1.4
1934	4	230.9	229.6	224.1	5.5
1924-1934	103	2,116.6	2,039.7	674.4	1,365.3

The nominal value of foreign shares issued during the same years is given below. In view of the fact that there are not — as in the case of bonds — special *tranches* reserved for subscription in different countries, the figures, which represent the total amounts of the issues in question, do not show accurately the amounts placed in Switzerland.

Francs (000,000's)		Francs (000,000's)	
1924	87.9	1930	64.2
1925	180.0	1931	125.0
1926	93.4	1932	5.4
1927	225.0	1933	—
1928	85.8	1934	41.0
1929	694.3	Total 1924-1934	1,602.0

The nominal value of the bonds and shares raised during the period was distributed by debtor countries as follows:

Country	Francs (000,000's)		Country	Francs (000,000's)	
	Bonds	Shares		Bonds	Shares
France	963.5	41.1	Poland	31.1	—
Germany	476.3	43.3	Roumania	23.2	6.2
Belgium	147.7	280.6	Netherlands	25.0	—
United States	—	375.0	Luxemburg	22.4	—
Italy	33.1	277.8	Greece	16.6	—
Sweden	16.9	291.9	Norway	15.0	—
Argentina	26.3	145.9	Canada	—	12.9
Spain	30.0	127.3	Colombia	10.1	—
Austria	86.2	—	Other countries (Bulgaria, Philippines, Liechtenstein)	12.7	—
Yugoslavia	50.9	—			
Hungary	50.0	—			
Brazil	40.6	—			
Chile	39.0	—	Total	2,116.6	1,602.0

Foreign assets of the big Swiss banks.

According to the annual reports of the six big commercial banks, their foreign assets at the end of 1934 were as follows :

	Francs (000,000's)	
	Total	Of which subject to transfer restrictions
Banque Commerciale de Bâle	224	153
Banque Fédérale	172	143
Crédit Suisse . . . . .	.	200
Leu & Co.	102	100
Sociétés de Banque Suisse . . . . .	.	150
Union de Banques Suisses	190	108

UNION OF SOUTH AFRICA

An estimate of the balance of payments of the Union of South Africa for the year 1933 has been prepared by the Government of that country on the lines suggested in the League of Nations schedule. This estimate is given below, together with statements for 1930-1932 published in last year's issue of this volume.

The figures refer not only to the Union of South Africa, but also to Basutoland, Swaziland and Bechuanaland. They exclude the trade of South West Africa.

Goods, services and gold.

Items	S.A. £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930	1931	1932	1933	1930	1931	1932	1933
<i>I. Merchandise.</i>								
1. Merchandise	35,926	25,720	20,520	25,447	63,372	52,002	32,688	52,552
2. Adjustment of item 1:								
(a) freight and insurance	—	—	—	—	+5,317	+4,203	+3,757	—
(b) allowance for exchange rate	—	—	—	—	+ 312	+ 195	—	—
<i>II. Interest and dividends.</i>								
3. Interest on public debts	165	186	187	182	5,806	5,711	4,320	5,964
4. Other interest and dividends	—	—	—	—	9,473	8,360	8,453	11,694
<i>III. Other services.</i>								
5. Shipping freights	—	—	—	—	—	—	—	—
6. Port fees	580	466	412	458	—	—	—	—
7. Other transport fees	396	263	145	193	321	345	337	437
8. Commissions, insurance, brokerage	—	—	—	—	1,246	1,019	637	(1)
9. Post, telegraph and telephone	—	—	—	—	95	113	102	155
10. Emigrants' funds	—	—	—	—	1,055	873	842	735
11. Pensions paid by non-Union governments	240	208	146	172	—	—	—	—
12. Tourists' expenditure	1,042	890	748	929	4,253	3,844	3,637	4,210
13. Diplomatic and similar expenditure	409	412	301	383	226	199	271	318
Carried forward	38,768	28,145	22,459	27,764	91,476	76,864	55,044	76,065

(1) Included in item 1 (*cf.* the explanatory notes).

UNION OF SOUTH AFRICA

Items	S.A. £ (000's)							
	Inward or credit movements (Exports)				Outward or debit movements (Imports)			
	1930	1931	1932	1933	1930	1931	1932	1933
Brought forward	38,768	28,145	22,459	27,764	91,476	76,864	55,044	76,065
14. Reparations in cash	186	29	—	—	—	—	—	—
15. Other Governmental receipts and expenditure	71	—	74	100	284	280	(¹) 294	(¹) 312
IV. Gold.								
16. Gold coin and bullion	47,522	46,120	48,524	69,941	1,208	1,013	125	208
17. Adjustment for wrong valuation	— 53	— 56	— 70	—	—	—	—	—
18. Change in the foreign gold holding of the S. African Reserve Bank								(²)11,836
Total	86,484	74,238	70,987	97,805	92,068	78,167	55,463	88,421
Surplus (+) or deficit (—) on account of :								
(a) goods and services	—52,745	—48,970	—32,805	—48,513				
(b) gold	+46,261	+45,051	+48,329	+57,897				
(c) goods, services and gold	—6,484	—3,919	+15,524	+9,384				

Capital items.

Items	S.A. £ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1930	1931	1932	1933	1930	1931	1932	1933
I. Long-term operations.								
1. Purchases and sales :								
(a) of domestic securities	—	—	—	—	—	437	—	2,801
(b) of foreign securities	—	—	—	—	181	605	181	611
2. New capital issues (Government and municipal)	8,639	—	4,542	—	—	—	—	—
3. Other long-term investments	1,447	1,439	191	1,300	—	—	—	—
Carried forward	10,086	1,439	4,733	1,300	181	1,042	181	3,412

(1) Pensions paid to persons residing outside the Union.

(2) The recorded increase in the gold held abroad by the South African Reserve Bank was £8,286,000 but as the gold is shown at the old parity, the additional cost of laying it down is stated to have been between £3.3 and £3.8 million (taken at £3.55 million when calculating the figure in the table). The item is not included in the table of the official statement received.

Items	S.A. £ (000's)							
	Inward or credit capital movement				Outward or debit capital movement			
	1930	1931	1932	1933	1930	1931	1932	1933
Brought forward . .	10,086	1,439	4,733	1,300	181	1,042	181	3,412
<i>II. Short-term operations.</i>								
4. Change in the holding of foreign bills of the South African Reserve Bank (1)								20,088
5. Change in short-term debts and assets (2) . .	—	3,522	—	12,816	3,421	—	20,076	—
Total	10,086	4,961	4,733	14,116	3,602	1,042	20,257	23,500
Net inward (+) or outward (—) movement of capital .	+6,484	+3,919	—15,524	—9,384				

SUMMARY TABLE.

	S.A. £ (000's)								All items
	Goods, services and gold				Capital items				
	Merchandise	Interest and dividends	Other services	Gold	Total	Long-term	Short-term (2)			Total
1923 Balance	—21,917	—15,576	—3,840	+40,354	—979	+3,777	—2,798	+979	—
1924 Balance	—29,243	—16,977	—4,619	+43,053	—7,786	+7,019	+767	+7,786	—
1925 Balance	—25,501	—15,873	—4,210	+41,363	—4,221	+3,064	+1,157	+4,221	—
1926 Balance	—36,196	—17,134	—3,965	+42,457	—14,838	+4,062	+10,776	+14,838	—
1927 Balance	—27,933	—16,498	—4,418	+43,588	—5,261	+6,241	—980	+5,261	—
1928 Balance	—31,835	—15,821	—4,680	+42,796	—9,540	+2,842	+6,698	+9,540	—
1929 Balance	—37,633	—15,703	—4,944	+44,971	—13,359	—1,757	+15,116	+13,359	—
1930 Balance	—33,075	—15,114	—4,556	+46,261	—6,484	+9,905	—3,421	+6,484	—
1931 Credit	25,720	186	2,268	46,064	74,238	1,439	3,522	4,961	79,199
Debit	56,400	14,071	6,673	1,013	78,157	1,042	—	1,042	79,199
Balance	—30,680	—13,885	—4,405	+45,051	—3,919	+397	+3,522	+3,919	—
1932 Credit	20,520	187	1,826	48,454	70,987	4,733	—	4,733	75,720
Debit	36,445	12,773	6,120	125	55,463	181	20,076	20,257	75,720
Balance	—15,925	—12,586	—4,294	+48,329	+15,524	+4,552	—20,076	—15,524	—
1933 Credit	25,447	182	2,235	69,941	97,805	1,300	12,816	14,116	111,921
Debit	52,552	17,658	6,167	12,044	88,421	3,412	20,088	23,500	111,921
Balance	—27,105	—17,476	—3,932	+57,897	+9,384	—2,112	—7,272	—9,384	—

In the 1927-1929 edition of the present volume details were given concerning the manner in which the figures for individual items of the account are estimated.

The fact that a perfect balance is struck in the above table should not be taken as a proof that the figures are rigidly correct, for the amounts entered as short-term

(1) Item not included in the table of the official statement received.

(2) Interpolated as balancing accounts.

capital operations are not based on direct evidence but are interpolated as balancing accounts and include, therefore, allowances for possible omissions and errors in the other items.

There is reason to believe that the inflow of foreign capital is understated in the table, for the non-distributed profits of foreign firms working in South Africa, which are almost entirely reinvested in the business, have been omitted from both sides of the account instead of being shown on the debit side under interest and dividends and on the credit side as new foreign capital invested in the country. The assets of overseas firms such as insurance companies increased between 1919 and 1922 by £1½ million and between 1924 and 1931 by over £6 million.

A memorandum attached to the estimate received for 1933 makes the following statement with reference to the figures for merchandise imports (Goods, services and gold, item 1, debit ; *cf.* also items 2 and 8) :

“ A distinct advance in the calculation of the actual costs of imports into the Union of South Africa has been made beginning from the year 1933. Up to that year the Department of Customs and Excise calculated the cost of freight and insurance on imports, and these figures, together with an estimate for buying commissions, were added to the declared values for Customs purposes. Now the total cost of the goods up to the time of the arrival of the carrying vessel in the Union harbour is obtained and includes agents' or buying commissions.

“ Commissions are only included in the f.o.b. value for Customs purposes when the shipper's statement is not supported by the original supplier's invoice. If, however, the supplier's invoice is produced, only the excess over 5% is included.

“ Declared value in the case of goods subject to an *ad valorem* duty is either the domestic value or the f.o.b. price to the importer, including agents' or buying commission, as mentioned above, whichever is the greater. A very large proportion of the Customs values are declared on the former basis, and in consequence the difference between the import figures and the cost, insurance, freight and (other) charges (*c.i.f.* and *c.*) value does not represent the charges over and above the f.o.b. price to the importer.

“ This means that the cost of imports was exaggerated in previous years, but it is not easy to calculate what deductions should be made. Different methods of approach have been tried but yield such contradictory results that it will be necessary to carry out an investigation on a much broader basis. It seems, therefore, unwise to suggest deductions which will have in all probability to be amended at a future date.”

UNITED KINGDOM

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

The following table, containing the figures for 1928-1934, 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)						
	1928	1929	1930	1931	1932	1933	1934
Excess of imports of merchandise, including silver coin and bullion	353	381	386	408	287	263	295
Estimated excess of Government receipts from overseas(2)	15	24	19	14	(3)-24	—	9
Estimated net national shipping income (4)	130	130	105	80	70	65	70
Estimated net income from overseas investments	250	250	220	170	150	160	175
Estimated net receipts from short interest and commissions	65	65	55	30	25	30	30
Estimated net receipts from other sources	15	15	15	10	15	10	10
Total	475	484	414	304	236	265	294
Estimated credit (+) or debit (—) balance on account of goods, services and Government capital transactions	+122	+103	+28	—104	—51	+2	—1
Excess of exports (+) or imports (—) of gold(5)	—5	+15	—5	+35	(—15)	(—196)	(—133)
Estimated credit (+) or debit (—) balance on all items specified above	+117	+118	+23	—69	(—66)	(—194)	(—134)
<i>New overseas capital issues on London market in year (6).</i>	143	94	109	46	29	38	43

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 21st, 1935.

(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)						
	1928	1929	1930	1931	1932	1933	1934
Imports	1,205.8	1,229.1	1,052.5	869.7	709.5	685.4	754.5
Exports and re-exports	853.0	848.1	666.0	461.3	422.0	422.3	459.9
Excess of imports over exports	352.8	381.0	386.5	408.4	287.5	263.1	294.6

No account is taken of the imports of rough diamonds from South Africa (some years ago estimated at about £7-10 million), which are not included in trade returns because these diamonds are, for the most part, subsequently exported to the Continent for cutting. The re-imports of cut and polished gems are likewise excluded from the trade returns, but it is stated that the net charge against the country cannot be great.

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

The receipts in 1933 and 1934, it is stated, were affected by the failure of the Irish Free State to pay the sums due in respect of land annuities, etc., and by the non-receipt of reparations and of payments in respect of inter-governmental debts. While nearly £29 million were paid to the United States in December 1932 on account of the debt due to that country, only two token payments totalling £3.3 million were made in 1933; in 1934, 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.

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".

The estimated rise in the net income from 1933 to 1934 is due to a rise in freight rates and a better utilisation of the tonnage capacity of the ships. The number of non-resident passengers travelling rose, but owing to a reduction in fares on the North Atlantic route, the aggregate receipts from passenger traffic is believed to have been substantially the same as in 1933. The tonnage of British ships entering and clearing at ports in the United Kingdom was lower than in 1933, but British tonnage passing through the Suez and Panama Canals increased. The expenditure of British ships in overseas ports is estimated to have been somewhat lower in 1934 than in 1933, while that of foreign vessels in the United Kingdom is believed to have increased by at least £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.

The improvement shown in the receipts from foreign investments in 1933 was maintained in 1934, particularly in the case of ordinary dividends and sums placed to reserve. The additional defaults in Government securities were small and payments were resumed in respect of certain loans on which defaults had previously occurred. The aggregate receipts on account of loans to governments are estimated at £62 million (as against £59 million in 1933). The decline in the sterling income derived from investments in dollar bonds was more than counterbalanced by a partial resumption of interest payments on other loan capital. Dividends on preference and ordinary shares of foreign and Dominion railways were slightly higher than the low total for 1933. Large profits were made by rubber companies, and there was also a substantial increase in the profits of tea companies and a larger return from investments in real estate abroad. The increase in receipts from mines, particularly gold-mines, continued, and profits on other foreign investments were well maintained.

Outward interest and dividend payments are believed to have amounted to between £10 million and £12 million.

The aggregate net receipts in 1934 are provisionally estimated at £175 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 1934 from the items under review are believed to have remained at about the same figure as in 1933 (£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
	Number (000's)				
British visitors to the Continent	960	910	660	780	780
Visitors from the Continent to the United Kingdom	265	235	195	195	220

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
	Number (000's)				
Alien visitors to the United Kingdom from places outside Europe	125	90	75	62	66
British subjects travelling to countries outside Europe		114	138	151	157

The latter group (British subjects) consists in part of residents of the United Kingdom (numbering 37,000 in 1934), whose expenditure abroad counts as a debit, and in part of residents of British and foreign countries overseas (numbering 58,000 and 18,000 respectively in 1934), whose expenditure in the United Kingdom 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 increase in both 1932 and 1933 in the number of British passengers travelling to non-European countries for business or pleasure is due entirely to the increase in the number of persons proceeding on pleasure cruises, from 10,000 in 1931 to about 35,000 in 1932 and 50,000 in 1933; in 1934, however, the number of such passengers declined to 44,000. The expenditure of such persons in countries overseas is believed to have been small compared with the average amount spent by other United Kingdom residents travelling to countries outside Europe.

Overseas visitors to the United Kingdom increased in number in 1934 as compared with 1933, but, offsetting to some extent the increased receipts from their expenditure there, there was an increased expenditure by United Kingdom residents who visited countries out of Europe. On balance it is estimated that the debit in respect of tourist expenditure was reduced from £3 million in 1933 to between £1 million and £2 million in 1934.

Payments of film royalties are also included in the present item. The net payment on this account in 1933 is estimated at over £5 million when allowance is made for the annual payments made to the American owners of sound film apparatus and for their receipts from British films. In 1934 both inward and outward payments increased, but the net outward payments are believed to have been somewhat greater than in 1933.

The tonnage of second-hand ships sold to foreigners in 1934 was little more than half of that in 1933, but in view of a substantial rise in the average value per ton the decline in receipts was not nearly so great.

The number of emigrants in 1934 exceeded that in 1933, but the number of migrants entering into 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 1928-1934 were as follows :

	£ (000,000's)						
	1928	1929	1930	1931	1932	1933	1934
Imports	47.8	62.4	86.7	98.3	152.2	251.6	262.5
Exports	(1) 42.2	77.6	81.8	132.9	134.3	60.3	128.7
Excess of imports (—) or exports (+)	— 5.6	+ 15.2	— 4.9	+ 34.6	— 17.9	— 191.3	— 133.8

The recorded excess of imports of gold in 1932, 1933 and 1934 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 and £82½ million in 1934, if taken at parity, and to £15 million, £196 million and £132½ million respectively, if valued in sterling.

In the last three statements published by the *Board of Trade Journal*, the gold movement is not included in the table. The inward movement of gold in 1934 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. 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 £1 million gold in 1934 (as against £71 million gold, *i.e.*, £105 million paper, in 1933). It is pointed out, however, that the enhanced value of gold in terms of sterling led to a larger amount of gold coin and ornaments than in normal times being sold by private owners in the United Kingdom, and that the sum realised from its sale may 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	1931	27
1928	30	1932	48
1929	49	1933	67
1930	39	1934 . . . . .	.

In 1932, these receipts exceeded the amount of new overseas issues on the London market. (2)

On the other hand, British investors may have taken part in flotations in foreign capital markets. Subscriptions to new issues may be provided for out of balances of realisations over purchases of securities previously existing. Short-term investments

(1) After deduction from the recorded exports of some £18 million representing gold repatriated to France.

(2) 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 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)										
	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934
India and Ceylon . . .	2.6	3.4	2.1	1.4	7.7	10.1	28.7	22.5	6.4	5.0	1.1
Other British countries .	70.9	54.0	49.9	86.4	78.4	44.3	41.4	14.4	22.5	24.8	39.2
Of which :											
Australasia . . .	50.0	25.5	31.5	41.0	34.75	17.0	10.5	(⁴) 5.0	(⁴) 5.0	.	5
Canada and Newfoundland . .	4.5	2.0	6.0	7.0	20.5	15.25	3.5	(⁵)	2.5	17	9
Africa	15.0	15.0	6.5	28.0	16.5	10.5	26.5	8.0	(⁶) 13.0	6	18
Asia	1.2	11.0	5.0	5.0	4.25	1.4	0.8	(⁵)	.	.	.
Foreign countries . . .	60.7	30.4	60.4	50.9	57.3	39.9	38.7	9.2	0.3	8.0	3.1
Of which :											
Germany			6.0	7.0	8.25						
Belgium	36.0	(¹) 11.0	7.0	(²) 14.5	(³) 25.5	21.5	11.0	3.0	.	.	.
Other European			11.8					.	.	(⁶) 5.5	.
Netherlands Indies		3.5	2.8								
Japan	17.3	1.3	5.0	1.5	1.0	.	.	.	.	.	.
Other Asiatic			0.2								
Argentina		8.0	9.0	6.0	4.5	8.5		3.5	.		
Brazil	7.0		12.3	13.0	9.25		17.75				
Chile		6.0	3.0					(⁸) 2.3		(¹⁰) 1.8	
Other American			2.2	7.0	6.0	7.5	3.0				
Total issues for overseas account	134.2	87.8	112.4	138.7	143.4	94.3	108.8	(⁷) 46.1	29.2	37.8	43.4
Issues for domestic account	89.3	132.1	140.9	176.0	219.1	169.4	127.4	42.6	83.8	95.1	106.8

These statistics of new capital issues are based on issue prices and exclude all shares issued to vendors, bonus shares, issues for conversion or redemption of securities previously held in the United Kingdom, short-dated bills sold in anticipation of long-term borrowings, and loans by municipal and county authorities, except in cases where there is a specified limit to the total subscription. They do not include issues of capital by private companies except where particulars are publicly announced.

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) The unspecified issues for the account of "Other British countries" were chiefly for British North America.
- (6) South America, other than Argentine.
- (7) Of this amount, only £3 million was offered during the second half of the year.
- (8) Of which South Africa £7.75 million.
- (9) 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).
- (10) "Private placings" by companies operating in South America.

	£ (000,000's)								
	1926	1927	1928	1929	1930	1931	1932	1933	1934
India and Ceylon :									
Governments	—	—	6.9	9.1	27.8	21.6	3.5	(1)4.7	—
Municipalities and Public Boards	—	—	—	—	—	—	1.0		
Railways	—	—	—	—	—	—	1.3	(2)0.3	1.1
Industrial undertakings .	2.1	1.4	0.8	1.0	0.9	0.9	0.6		
Other British countries :									
Governments	32.4	51.8	37.9	17.7	25.5	8.9	21.1	(1)20.2	11.0
Municipalities and Public Boards	1.2	5.1	7.3	3.8	2.7	—	—		
Railways	—	5.0	9.5	4.5	5.5	0.8	—	(2)4.6	28.2
Industrial undertakings	16.3	24.5	23.7	18.3	7.7	4.7	1.3		
Foreign countries :									
Governments	14.3	11.8	12.9	3.6	12.5	0.2	—	(1)5.3	—
Municipalities and Public Boards	8.1	8.1	6.8	0.5	—	—	—		
Railways	7.6	6.3	4.2	7.8	9.8	3.1	—	(2)2.7	3.1
Industrial undertakings	30.4	24.7	33.4	28.0	16.4	5.9	0.4		
Total :									
Governments	46.7	63.6	57.7	30.4	65.8	30.7	24.6	(1)30.2	11.0
Municipalities and Public Boards	9.3	13.2	14.1	4.3	2.7	—	1.0		
Railways	7.6	11.3	13.7	12.3	15.3	3.9	1.3	(2)7.6	32.4
Industrial undertakings	48.8	50.6	57.9	47.3	25.0	11.5	2.3		
Grand total	112.4	138.7	143.4	94.3	108.8	46.1	29.2	37.8	43.4

Private estimate of British overseas long-term investments.

The five preceding issues of this publication contained summaries of enquiries by Sir Robert Kindersley and the *Economist* with reference to the nominal value of British long-term investments abroad in the years 1927 to 1932, and the income derived from such investments in these years.

New estimates relating to 1933, and in some cases to 1934, have now been carried out on similar lines by Sir Robert Kindersley (2). They are based on information supplied by banks, issuing houses and a great number of companies, and cover British investments in the bonds and stocks of foreign and colonial governments (central and local), interest payments on which are made in London, in the securities quoted on the London Stock Exchange of companies, both British and foreign, operating abroad and in a few groups of securities not quoted in London. The whole field of British foreign investments is therefore covered, with the exception of individual private investments, most of the companies operating abroad whose securities are not officially dealt in in London and, finally, the bonds and stocks of foreign governments not quoted in London. The securities of insurance companies and many financial trusts deriving a major portion of their income from abroad are also omitted, since the operations of these companies usually take the form of investments in the securities of British registered companies or in Government stocks already included in these investigations. Double counting is also to a large extent avoided by excluding the share capital of companies controlled by others.

The securities examined fall into the following three broad categories :

- (a) loans to central and local governments overseas ;
- (b) investments in British companies (*i.e.*, companies registered in the United Kingdom) operating abroad ;
- (c) investments in foreign and colonial companies (*i.e.*, companies both registered and operating abroad).

The figures refer to nominal values ; shares of no par value have been included at the values in the balance-sheets.

(1) " Public authorities " .
 (2) " Private undertakings " .
 (3) Published in the *Economic Journal* for September 1935.

(a) Loans to central and local governments overseas.

The investments belonging to this group were examined in the manner described in the 1927-1929 edition of this publication (1). A summary of the figures for 1932 and 1933 is given below.

Type of security	Proportion of total interest paid in London subject to tax		£ (000,000's)						
			Capital owned by residents in the U.K. (2)		Repayment to residents in the U.K. (4)		Interest received in the U.K.		
	1932	1933	1932	1933	1932	1933	1932	1933	
<i>Dominion and colonial securities :</i>	%	%							
Central governments	88.9	90.4	1,025.4	1,061.3	23.7	37.1	45.0	45.1	
Local governments	89.0	88.6	83.5	85.8	3.1	1.5	3.9	4.0	
<i>Foreign securities :</i>									
Central governments (2)	54.9	56.3	289.4	298.8	12.0	10.2	12.0	10.8	
Local governments	74.9	74.6	33.6	33.7	0.9	0.6	1.5	1.2	
Total			1,431.9	1,479.6	39.7	49.4	62.4	61.1	

The increase from 1932 to 1933 of £11 million in the loans to foreign central governments is due mainly to new issues for the funding of unpaid interest and frozen balances, of which the outstanding example was the Argentine Government 4% loan of £13.5 million, issued in exchange for balances awaiting remittance to the United Kingdom. New cash actually subscribed to "foreign" loans in 1933 amounted only to £5 million.

Defaults on the service of the loans considered above, during the years 1931-1933, are shown as follows, in million pounds sterling :

	Interest	Sinking fund	Total
1931	1.4	1.1	2.5
1932	9.1	5.4	14.5
1933	9.5	7.8	17.3
Total from the end of 1930 to the end of 1933.	20.0	14.3	34.3

Of the total £34.3 million in default during the period indicated, the loss sustained by British investors amounted to £19.3 million, of which £8.2 million on account of sinking-fund payments and £11.1 million on account of interest. By the end of 1934 the last-mentioned amount had risen to £16 million.

British investments in securities of Dominion and colonial governments (central and local) and income on account of such investments have tended to increase in recent years, in marked contrast with British investments in "foreign" government securities and the income derived therefrom :

	£ (000,000's)					
Loans to :	1928	1929	1930	1931	1932	1933
Dominion and colonial governments	1,036	1,061	1,080	1,104	1,109	1,147
foreign governments	364	351	357	337	323	333
<i>Income from loans to :</i>						
Dominion and colonial governments	43.8	46.4	46.9	48.4	48.9	49.1
foreign governments	18.1	18.2	17.8	17.5	13.5	12.0

(b) British companies operating abroad.

A number of large companies do extensive business both in the United Kingdom and abroad. Owing to the difficulty of segregating that part of the capital of these companies that should be considered as invested abroad, not all of them were included in the investigation. A difficulty of the same kind occurred

(1) Series of publications : 1930, II, 54th, page 179.

(2) The high foreign percentage in this group is due largely to payments made in London in respect of the foreign tranches of international issues.

(3) The figures for capital include British subscriptions to issues floated in the year under consideration, but on which a full year's interest would not be due until the succeeding year.

(4) The figures for repayment exclude stock converted during the years under consideration.

with regard to some of the principal shipping companies whose vessels travel to and from Great Britain. In this case again account was taken of those companies only whose vessels operate almost entirely in foreign waters.

The share and loan capital owned by, and the interest, dividend and amortisation payments made to, residents in the United Kingdom in the years 1929-1934 were as follows, in million pounds sterling (1):

	Loan capital			Share capital	
	Nominal amount	Repayment	Interest	Nominal amount	Dividends
1929	385.2	8.5	18.3	801.6	67.7
1930	389.6	9.5	17.5	815.1	59.0
1931	397.5	4.9	15.5	812.8	33.3
1932	388.6	4.8	13.5	816.2	29.0
1933	387.3	7.8	12.4	823.5	29.5
1934 (2)			12.5		33.2

The average dividend receipts fell from 8.4 % of the nominal amount of the share capital in 1929 to 3.6 % in 1933 but rose to 4 % in 1934. Part of the decline in dividends remitted is due to exchange restrictions, especially in South America, where a substantial sum of service money has accumulated and would be transferred if exchange conditions permitted.

(c) *Investments in foreign and colonial companies (i.e., companies registered outside the United Kingdom).*

The type of enterprise considered in this group varies from the company which is virtually British owned and controlled to the company in which British interests are insignificant. For this and other reasons the analysis of British investments in this group was more difficult than in either of the two preceding groups.

The capital owned by, and interest, dividend and amortisation payments made to, residents in the United Kingdom are shown below, in million pounds sterling (1):

	Loan capital			Share capital	
	Nominal amount	Repayment	Interest	Nominal amount	Dividends
1929	402.8	9.6	19.7	436.0	42.0
1930	391.5	9.7	19.3	391.1	31.7
1931	383.7	5.6	18.2	375.5	22.7
1932	375.2	3.6	17.1	344.0	22.1
1933	349.8	9.6	14.7	345.0	20.5
1934 (2)			16.0		23.5

It is pointed out that the decline in the capital is not wholly due to the repatriation of capital (sales of securities), but partly to the winding up of insolvent enterprises, the writing down of capital accompanying financial reorganisation and the loss in market value of shares of no par value (these shares have been included at the values in the balance-sheets).

The dividends represented 9.6 % of the outstanding share capital in 1929, 5.9 % in 1933 and 6.8 % in 1934.

Summary.

If allowance be made for investments not covered by the enquiry (British holdings of foreign securities not dealt in in the United Kingdom and other forms of British investments not examined in detail), the total of British foreign investments and receipts in respect thereof may be summarised as follows (2):

		£(000,000's)					
		1929	1930	1931	1932	1933	1934 (2)
1. Loans to central and local governments	Capital . .	1,412.4	1,437.3	1,440.9	1,431.9	1,479.6	
	Repayment	30.4	19.7	16.3	39.7	49.4	
	Income . .	64.7	64.7	65.9	62.4	61.1	61.0
2. Investments in British companies operating abroad .	Capital . .	1,186.8	1,204.7	1,210.3	1,204.8	1,210.8	
	Repayment	8.5	9.5	4.9	4.8	7.8	
	Income . .	86.0	76.5	48.8	42.5	41.9	45.7

(1) A division between different types of companies is available but has not been included in the present summary.

(2) Provisional estimates.

(3) Figures showing the geographical distribution of British overseas investments in 1930 were published in the 1931-1932 edition of this publication (pages 174-175).

		£(000,000's)					
		1929	1930	1931	1932	1933	1934 ⁽¹⁾
3. Investments in foreign companies	Capital . .	838.8	782.6	759.2	719.2	694.8	.
	Repayment	9.6	9.7	5.6	3.6	9.6	.
	Income . .	61.7	51.0	40.8	39.2	35.3	39.5
4. Investments not covered by the enquiry	Capital . .	300	300	290	285	280	.
	Repayment	.	.	.	.	.	.
	Income . .	18.5	16.8	13.2	12.3	11.4	12.1
Total	Capital . .	3,738.0	3,724.6	3,700.4	3,640.9	3,665.2	.
	Repayment	48.5	38.9	26.8	48.1	66.8	.
	Income . .	230.9	209.0	168.7	156.4	149.7	158.3
Income as percentage of capital . .		6.18	5.61	4.56	4.30	4.08	.

Recent changes in foreign short-term balances in London.

The 1934 annual report of the Bank for International Settlements⁽²⁾ makes the following statement with reference to foreign balances in London:

"During 1933 London was the only market in which balances and other short-term assets held by foreigners increased to any appreciable extent (although there were certain increases in other countries of the sterling area), whereas in other centres the movements towards liquidation of foreign short-term liabilities continued with undiminished strength. For the London market the increase was partly due to the larger holdings of sterling exchange in the reserves of the note issuing institutions within the sterling area. As primary or secondary cover South Africa, Australia, India and Egypt and the four Scandinavian countries held foreign exchange the equivalent of approximately £100/110 million at the end of the years 1929 and 1930, but by the end of 1931 their holding had been reduced to £50 million (of which about one-half belonged to India); at the end of 1932 the total had grown to £75 million and by the end of 1933 to £120 million — an aggregate amount which, expressed in sterling, was larger than that before the depression.

"Calculated in sterling, total foreign short-term funds held in the London market now appear to be in the neighbourhood of the 1930 level; if calculated on a gold basis, these liabilities would be somewhat less than two-thirds of the 1930 figure."

Further information on the same subject is contained in the 1935 report⁽³⁾:

"During 1934 the London market was subject to an important outward movement of capital on American account, being essentially the return of funds which had left the United States during the previous year. These funds had been largely invested on the London Stock Exchange; while their withdrawal exerted pressure on the exchange rate and materially reduced the "potential" of withdrawable funds, it is believed only partially to have affected the total of short-term funds held in the London market for American account. The sterling balances of the continental gold bloc would seem by the end of 1934 to have been reduced to the bare minimum consistent with current business relations. On the other hand, during the year there has been a further net rise of sterling area funds held in London of nearly £20 million, or only one-fifth of the increase in 1933. India and Sweden account for the main increases, while certain other countries, such as Norway, Finland, Portugal and Siam, strengthened their sterling reserve position; the excess sterling holding of Irish banks has fallen somewhat during the year, part of the sterling holding of the South African Reserve Bank has been indirectly replaced by gold, while the London overdraft of Denmark has increased. These indications take account only of sterling currency holdings and exclude gold held in London, as, for example, by the Argentine. To the extent that world trade is financed in London, the short-term liabilities are covered by corresponding sterling obligations of foreigners. The excess of London's short-term liabilities over its short-term foreign assets (omitting the gold reserves of the Bank of England and the unreported holdings of the Exchange Equalisation Account) very largely represents the monetary and banking reserves of the Empire and other parts of the sterling area. It is these liabilities of London (and those resulting from a certain expansion of trade financing) that have increased notably in the past three years. When these reserves get unusually high, an important safety-valve is provided by the area's long-term indebtedness to London: thus in 1932 India redeemed a £15 million loan from sterling balances, and in 1934 South Africa repaid its £7½ million war debt from the sterling holding of the Reserve Bank."

(1) Provisional estimates.

(2) *Fourth Annual Report: April 1st, 1933–March 31st, 1934*, page 28.

(3) *Fifth Annual Report: April 1st, 1934–March 31st, 1935*, page 33.

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 1934 figures which have now become available (1) are reproduced below, together with the statements for 1931-1933 which appeared in the preceding issue of this publication. The Summary Table given after the detailed account covers the whole period from 1919-1934. The figures differ slightly from those given last year owing to a revision of the data for the outward movement of long-term capital in the years 1919-1931 and for interest receipts and payments in 1933.

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 1933-1934, 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
<i>I. Merchandise.</i>								
1. Merchandise	2,451	1,626	1,694	2,150	2,119	1,343	1,510	1,758
2. Adjustments of item 1 :								
(a) bunker coal and oil	30	21	18	19	6	5	5	6
(b) ship chandling and repairs	36	30	30	30	23	20	15	15
(c) vessels sold and bought	1	—	1	2	3	1	2	2
(d) unrecorded parcels post	20	15	14	18	—	—	—	—
(e) undervaluation of exports by rail	26	16	16	18	—	—	—	—
(f) freights on imports, paid to foreign ships and carriers	—	—	—	—	182	113	55	84
(g) ditto, earned by American ships (2)	—	—	—	—	111	.	26	40
Carried forward	2,564	1,708	1,773	2,237	2,444	1,482	1,613	1,905

(1) *Trade Information Bulletin* No. 826 (*The Balance of International Payments of the United States in 1934*, 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	2,564	1,708	1,773	2,237	2,444	1,482	1,613	1,905
2. Adjustments of item 1 (<i>cont.</i>):								
(<i>h</i>) correction for exchange fluctuations	—	—	—	—	— 9	— 5	—	—
(<i>i</i>) deduction for household goods of immigrants and departing aliens	15	11	4	7	6	4	8	4
(<i>k</i>) other adjustments, includ- ing contraband	25	25	3	12	146	113	76	58
II. Interest and dividends.								
3. Interest on intergovernmental debits	92	67	20	1	—	—	—	—
4. Interest on other public debts	—	—	—	—	—	—	—	—
5. Yield of other long-term capital:								
(<i>a</i>) interest on securities . .	383	311		215				
(<i>b</i>) earnings on direct invest- ments	180	85	(¹) 487	200	100	60	100	125
(<i>c</i>) "interest and earnings funded"	—	—	—	17	—	—	—	—
6. Interest on short-term capital	92	60	43	21	26	8	3	1
III. Other services.								
7. Shipping income:								
(<i>a</i>) freights on United States imports (²)	111	—	26	40	—	—	—	—
(<i>b</i>) freights, other	85	55	30	40	—	—	—	—
(<i>c</i>) passage money (³)	—	—	—	—	—	—	—	—
8. Other transport fees	6	2	3	3	7	5	10	12
9. Insurance	70	—	—	—	70	—	—	(⁴) 13
10. Underwriters' commissions . .	6	2	1	—	—	—	—	—
11. Brokerage receipts	7	5	10	9	—	—	—	—
12. Telegraph and telephone . . .	22	9	13	13	17	7	9	9
13. Immigrants' and emigrants' funds	10	6	3	5	—	—	—	—
14. Immigrants' and emigrants' remittances	—	—	—	—	173	138	110	105
15. Missionary and charitable contributions	—	—	—	—	39	31	25	24
16. Tourists' expenditure:								
(<i>a</i>) Canada	57	35	35	47	238	183	101	120
(<i>b</i>) Mexico	9	5	4	4	44	36	28	41
(<i>c</i>) overseas	46	31	32	43	(³)286	(³)227	(³)163	(³) 153
17. Diplomatic and similar expen- diture	7	7	7	8	9	10	8	9
18. Government receipts and expenditure n. e. i. (⁵)	27	24	25	31	125	91	77	59
Carried forward	3,814	2,448	2,476	2,953	3,721	2,390	2,331	2,638

(1) Revised estimate, exceeding the figure given last year by \$88 million. The unrevised figure comprised \$267 million, interest on securities; \$105 million, earnings on direct investments; and \$27 million, "interest and earnings funded".

(2) See note (2) on preceding page.

(3) Beginning with 1931, the passenger fares earned by United States ships (item 7 c) on account of United States tourists have been deducted from the tourists' expenditure (item 16, debit).

(4) Net.

(5) 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)			
	1931	1932	1933	1934	1931	1932	1933	1934
Brought forward	3,814	2,448	2,476	2,953	3,721	2,390	2,331	2,638
19. Other items :								
(a) cinematograph royalties	70	50	75	75	4	—	—	5
(b) Press subscriptions	5	4	4	4	3	2	2	2
(c) Canadian electric power	2	—	—	—	4	2	2	2
(d) patents, copyrights and royalties	15	12	—	—	15	12	—	—
(e) advertising	4	3	3	2	18	10	7	7
IV. Gold								
20. Gold coin and bullion	467	809	367	53	612	363	193	1,187
21. Changes in earmarked gold (net)	321	—	58	—	—	457	—	83
22. Adjustment of items 20-21	—	—	—	—	—	—	59	—
Total	4,698	3,326	2,983	3,087	4,377	3,236	2,594	3,924
Surplus (+) or deficit (—) on account of :								
(a) goods and services	+ 145	+ 101	+ 216	+ 380				
(b) gold	+ 176	— 11	+ 173	— 1,217				
(c) goods, services and gold	+ 321	+ 90	+ 389	— 837				

Capital items.

Items	\$ (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 intergovernmental debts	21	32	—	—	—	—	—	—
(b) of other debts :								
(i) bond redemption payments	114	92	41	51	50	50	50	25
(ii) sinking fund payments	143	80	82	63				
2. Purchases and sales :								
(a) of domestic securities	589	300	760	480	495	305	580	480
(b) of foreign securities	659	385	565	510	347	225	685	405
(c) of real estate	—	—	—	—	1	—	—	—
3. New capital issues	—	—	—	—	219	29	11	—
4. Direct long-term investments	10	1	7	12	196	36	91	48
5. Resale and repurchase of direct long-term investments	5	4	50	14	—	2	—	—
6. Estimated transfer of funds in arbitrage operations (net)	—	—	—	30	—	—	40	—
II. Short-term operations.								
7. Changes in international banking accounts (net)	—	—	—	192	709	409	412	—
8. Reconstruction Finance Corporation Credits	—	—	—	—	—	—	7	8
9. Net inflow of funds resulting from funding agreements, unofficial exchanges, etc.	—	—	34	—	—	—	—	—
10. Movement of currency notes (net)	—	—	—	—	10	80	90	48
Total	1,541	894	1,539	1,352	2,027	1,136	1,966	1,014
Net inward (+) or outward (—) movement of capital	— 486	— 242	+ 427	+ 338				

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	+ 65	+ 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	- 1'5	+ 95
1930 Balance	+ 386	+ 769	- 580	- 278	+ 297	- 213	+ 465	- 678	- 381
1931 Balance	+ 17	+ 621	- 493	+ 176	+ 321	+ 234	+ 719	- 485	- 164
1932 Credit	1,744	523	250	809	3,326	894	-	894	4,220
Debit	1,594	68	754	820	3,236	647	489	1,136	4,372
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	454	324	53	3,087	1,160	192	1,352	4,439
Debit	1,967	126	561	1,270	3,924	958	56	1,014	4,938
Balance	+ 289	+ 328	- 237	- 1,217	- 837	+ 202	+ 136	+ 338	- 499

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. Thus, it is pointed out that the small size of the residual balance in 1933 (\$38 million), during which year a considerable unrecorded flight of capital occurred, must be regarded as largely fortuitous.

The large balance for 1934 (\$499 million) is believed to represent in large part "the inflow of various classes of both American-owned and foreign-owned funds from abroad after the devaluation of the dollar, often in a manner that made a statistical record for balance-of-payments purposes impossible". The compiler of the statement suggests, however, that the unrecorded inflow of funds on account 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" ranged between \$125 million and \$175 million, and unrecorded repatriation

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

of foreign dollar bonds and sales in foreign markets of American securities between \$50 million and \$150 million. The remaining \$175-\$325 million would represent inflow of private funds expatriated roughly between April 1933 and the end of January 1934 and unrecorded foreign-owned funds sent to the United States after devaluation " as a result of political uncertainty and economic instability abroad ".

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.

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 1931-1934 were as follows :

Debtor countries	\$ (000,000's)							
	1931		1932		1933		1934	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Austria	0.3	—	—	—	—	—	—	—
Belgium	4.1	1.6	—	—	—	—	—	—
Czechoslovakia	1.5	—	1.5	—	0.3	—	—	—
Estonia	—	0.3	—	—	—	—	—	—
Finland	—	0.1	0.1	0.1	0.1	0.3	0.1	0.3
France	1.4	19.3	—	—	—	—	—	—
Great Britain	—	66.0	30.0	65.6	—	17.5	—	—
Greece	0.2	0.2	—	—	—	0.1	—	0.3
Italy	12.1	1.3	—	1.2	—	2.0	—	—
Latvia	—	0.1	—	0.1	—	—	—	—
Lithuania	—	0.1	—	0.1	—	—	—	—
Poland	—	3.1	—	—	—	—	—	—
Roumania	0.7	—	—	—	—	—	—	—
Yugoslavia	0.2	—	—	—	—	—	—	—
Total	20.5	92.1	31.6	67.1	0.4	19.9	0.1	0.6

Interest receipts on account of foreign bonds held in the United States (item 5a) continued to fall in 1934, owing largely to the fact that the amount of such bonds was reduced as a result of the operation of sinking funds, redemption and repurchases by foreigners. Defaults were not a major factor in the decline. Only in the case of Germany, default caused a sharp decline in receipts. Receipts from Brazil increased on account of the partial resumption of cash payments on State and municipal issues.

A specification by countries of the amounts received as interest, dividends and amortisation on account of foreign securities is given in the table on page 193.

The estimated earnings on account of direct investments and the part of these earnings transferred to the United States were as follows in recent years (in million dollars) :

	1932		1933		1934
	Earnings	Transfers	Earnings	Transfers	Transfers
Canada	20- 30	15- 25	35- 55	20- 30	60- 80
Europe	25- 35	20- 30	30- 40	20- 30	40- 60
Latin America	35- 45	25- 35	45- 65	30- 50	50- 80
Africa, Asia, Oceania	10- 20	7- 13	15- 25	10- 20	10- 20
Total	90-130	67-103	125-185	80-130	160-240

It is stated that it is normally advisable to enter total earnings on direct investments into the balance of payments account and to offset them by amounts reinvested

abroad. Owing to the extraordinary exchange situation in numerous countries, only the estimated *transfers* of these earnings were so entered from 1932 inclusive.

In addition to the amounts now dealt with, which represent cash receipts out of the yield of foreign long-term investments, account was also taken in 1933 and 1934 of funding bonds received, instead of cash, for interest due, mainly from Latin-American countries. Receipts of such bonds (item 5c) are offset by a similar amount entered in the capital account as new long-term investments abroad.

Inward short-term interest in 1934 was calculated at 2—2½% of the total outstanding amount, averaging \$950 million. The corresponding percentage in 1931 was 5¾%; in 1932, 5¼%; and in 1933, 4⅜%.

Outward short-term interest in 1934 is estimated at \$1 million only. The foreign-owned short-term banking assets amounted to \$573 million at the end of 1934; but over 80% 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 comparatively small.

Freights. Ocean and Great Lakes freight on American imports and exports in 1933 and 1934 has been estimated as follows:

	\$ (000,000's)							
	1933				1934			
	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 . . .	15.4	39.4	25.5	51.0	28.5	68.6	34.0	63.6
Tankers	9.8	5.3	3.0	14.7	10.7	5.4	3.5	19.7
Total	25.2	44.7	28.5	65.7	39.2	74.0	37.5	83.3
Great Lakes freight	1.1	0.5	0.9	4.4	1.0	1.5	1.7	6.1
Grand total	26.3	45.2	29.4	70.1	40.2	75.5	39.2	89.4

The import freight earned by American ships (item 7a) has been included in the balance of payments account only in the years 1929, 1930, 1931, 1933 and 1934, 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.

No figures are given for passage money earned (item 7c) in the years 1931 to 1934. The tourist income (item 16, credit) in these years includes payments by foreign visitors to American ships, and the expenditure of American tourists abroad (item 16, debit) does not include their payments to American ships.

Immigrants' funds and remittances. A specification by countries of the immigrants' remittances abroad and the funds brought out of the country by returning emigrants (items 13-14, debit) is given in the section "Emigrants' remittances" of the chapter "Summary statement concerning certain items" in this volume.

Tourists' expenditure. A summary of the different items grouped under item 16 is given below :

	\$ (000,000's)			
	1931	1932	1933	1934
<i>Foreign services to American tourists (item 16, debit).</i>				
Canada :				
Motorists	188	145	72	86
Rail and steamer tourists	50	38	29	34
Mexico :				
U.S. visitors classified as tourists	44	10	4	8
U.S. border visitors		26	24	33
West Indies and Central America	31	24	15	17
Europe, South America and Far East	194	136	95	98
U.S. citizens permanently residing abroad	20	15	10	10
Alien-American tourists (immigrants visiting fatherland)	52	43	32	20
U.S. citizens on cruise tours	11	10	11	8
Gross total	590	447	292	314
Deductions :				
Merchandise included in recorded merchandise imports	1	1	—	—
Fares paid to U.S. steamship lines	21	(1)	(1)	(1)
Total deductions	22	1	—	—
Net total	568	446	292	314
<i>American services to foreign visitors (item 16, credit).</i>				
Canada :				
Motorists	40	24	23	33
Rail and steamer visitors	17	11	12	14
Mexican border	9	5	4	4
Foreign visitors from overseas	46	31	32	43
Total	112	71	71	94

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".

The number of United States citizen tourists departing for Europe, South America and the Far East was as follows in the years 1931-1934 :

Area	1931	1932	1933	1934
Western Europe	126,058	119,853	79,256	75,585
Northern Europe	52,646	53,004	30,834	30,346
Mediterranean area	40,499	38,560	34,181	29,733
Orient and Far East	13,789	13,180	14,293	17,304
South America	5,751	4,389	4,417	5,833
Total	239,343	228,986	162,980	158,801

The total expenditure of these tourists in 1934 was \$113 million, of which amount \$15 million, representing fares paid to American vessels, have been deducted in the above table.

Details with reference to the calculation of the expenditure of United States tourists in Canada and Canadian tourists in the United States are given in the section for Canada in this volume.

(1) Already deducted from the individual items of the table.

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)	
	1933	1934		1933	1934
Foreign representation in the United States ⁽¹⁾	7.0	8.0	Treasury Department :		
Treasury Department :			War claims arbiter	0.1	—
German mixed claims	0.4	1.0	Miscellaneous bureaux	0.4	0.5
Army of occupation costs	0.1	0.3	Alien property custodian	4.5	0.8
Miscellaneous bureaux	0.1	0.1	Navy Department	24.1	16.8
Mints and Bureau of engraving and printing	0.1	0.2	War Department	17.1	16.9
Panama Canal ⁽²⁾	21.0	25.5	Panama Canal (tolls paid by American vessels, etc.)	18.0	11.2
Department of State :			Department of State :		
Consular fees collected	1.9	2.1	American representation abroad	8.1	8.5
Post Office Department	1.0	1.4	Construction of buildings	0.7	0.1
			International bureaux and indemnities	0.4	0.5
			Veterans' Administration	7.9	9.5
			Post Office Department	1.9	2.0
			Department of Commerce	0.9	0.7
			Department of Agriculture	0.3	—
			Paid to Government of Panama	0.3	—
Total	31.6	38.6	Total	84.7	67.5

Gold. The amount of \$59 million, entered for 1933 on the debit side against item 22 as an adjustment of the recorded gold trade and earmarking operations, represents gold purchased abroad by a special governmental agency whose gold holdings were not included in the statistics of the monetary gold stock of the United States. During the early part of 1934, this gold was acquired by the United States Treasury, after which it became part of the monetary stock. Such part of this gold as may have been imported during 1934 thus entered the statistics of gold imports, and an equivalent should therefore have been entered on the credit side against items 21 or 22. Since no actual data are available, the equivalent of such gold imports must be considered as part of the large residual item shown in the Summary Table for 1934.

Approximately 58% of the large gold import in 1934 occurred in February and March and coincided with a marked increase in foreign purchases of securities in the American markets. Owing to the absence of approximate data, it is stated, "it is impossible to estimate the extent to which gold imports were the means whereby foreign funds sought investment in the United States, or the extent to which the abnormal gold inflow resulted from the repatriation of American funds". The inward movement of gold continued throughout the year, and during November and December again assumed comparatively large proportions. Only in the latter part of August and September did gold exports exceed imports. "Because of the relatively large imports of silver during that month, it appears likely that the two circumstances were not without some casual connection."

(1) Estimated.

(2) Net revenue from canal operations transferred from the Zone to Washington.

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 1934.

\$ (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	2.7	—	0.9	1.9	2.5	Argentina	20.5	—	10.9	—	12.4
Belgium	10.5	—	4.2	—	3.8	Brazil	5.2	—	2.5	0.4	3.1
Bulgaria	0.5	—	—	—	—	Chile	—	—	—	3.5	3.5
Czechoslovakia	2.2	—	0.7	—	0.8	Colombia	0.3	—	—	1.5	1.5
Danzig	0.2	—	0.1	—	0.1	Cuba	2.4	—	1.2	—	1.5
Denmark	7.2	—	1.2	2.5	3.7	Dominican Republic	0.8	—	—	—	—
Estonia	0.3	—	—	—	—	Guatemala	0.2	—	—	—	—
Finland	3.4	6.2	0.3	5.9	12.4	Haiti	0.7	—	0.6	—	0.7
France	21.3	3.4	1.9	0.4	45.3	Mexico	0.1	—	—	—	—
Germany	22.3	—	2.9	64.5	68.1	Panama	0.4	—	0.1	—	0.1
Greece	1.1	—	0.4	—	0.3	Salvador	0.3	—	—	—	—
Hungary	0.7	—	1.3	4.2	7.5	Uruguay	1.8	—	0.5	—	0.5
Irish Free State	0.1	—	—	0.7	0.7	Total, Latin America	32.7	—	15.8	5.4	23.3
Italy	15.5	—	6.3	3.0	9.6	<i>Africa, Asia and Oceania.</i>					
Latvia	0.1	—	—	—	—	Australia	13.0	1.1	2.3	0.2	4.9
Lithuania	0.1	—	—	—	—	China	0.2	—	—	—	—
Luxemburg	0.4	—	—	0.2	0.2	Japan	20.7	—	3.6	13.4	18.2
Netherlands	2.9	—	0.1	—	0.1	Netherlands Indies	0.8	1.3	0.1	—	122.8
Norway	9.3	—	0.8	4.4	5.3	Philippines	2.6	—	3.0	—	4.4
Poland	8.9	—	4.1	0.2	4.3	Total, Africa, Asia and Oceania	37.3	2.4	9.0	13.6	150.3
Roumania	0.5	—	—	—	—	Total, World	265.4	50.6	73.1	108.1	431.0
Saar Territory	0.2	0.2	0.4	—	0.5	Deduct for payments on repatriated bonds	50.0	—	10.0	—	—
Sweden	1.0	7.0	—	—	21.0	Net	215.4	50.6	63.1	108.1	431.0
Switzerland	0.8	1.7	—	—	14.7						
United Kingdom	2.6	—	—	—	—						
U.S.S.R.	1.0	—	0.3	—	0.3						
Yugoslavia	0.7	—	—	—	—						
Total, Europe	116.5	18.5	25.9	87.9	201.2						
<i>North America.</i>											
Canada	78.7	29.7	22.4	1.2	56.2						
Newfoundland	0.2	—	—	—	—						
Total, North America	78.9	29.7	22.4	1.2	56.2						

Existing securities purchased and sold (item 2). As in previous years, the trade in outstanding securities in 1934 was ascertained by means of questionnaires. Data were supplied by approximately a hundred banks, through which orders were placed by customers, and more than fifty brokerage houses and security dealers that handled orders directly for buyers and sellers.

(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. 826, page 32).

New capital issues in the United States (item 3). In estimating the exports of capital resulting from public issues of foreign securities, deductions have been made from the nominal value of such issues on account of refunding of old loans, issues of territorial possessions included in the United States Customs statistics ⁽¹⁾ 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 1922-1934 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	—	—	—	—

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 and \$1 million in 1933 (nominal capital).

The geographical distribution of the foreign capital issues (including those of territorial possessions) in the years 1932-1934 is given in the following table. ⁽²⁾

	\$ (000,000's)								
	1932			1933			1934		
	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
Germany	2	14.52	14.52	—	—	—	—	—	—
U. S. S. R.	—	—	—	2	3.95	—	—	—	—
Total nominal . .	2	14.52	14.52	2	3.95	—	1	5.00	5.00
Total refunding .		14.52			—			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) Sources: *Trade Information Bulletin*, Nos. 814, 819 and 826 (The Balance of International Payments, etc.).

	\$ (000,000's)								
	1932			1933			1934		
	Number of issues	Nominal capital	Refunding	Number of issues	Nominal capital	Refunding	Number of issues	Nominal capital	Refunding
<i>North America.</i>									
Canada	5	73.37	44.02	2	60.13	54.00	—	—	—
Total nominal	5	73.37	44.02	2	60.13	54.00	—	—	—
Total refunding		44.02			54.00				
Nominal new capital		29.35			6.13				
<i>Latin America.</i>									
Argentina	—	—	—	1	6.09	6.09	1	4.00	4.00
Cuba	—	—	—	1	0.70	—	—	—	—
Porto Rico	—	—	—	2	1.40	—	—	—	—
Total nominal	—	—	—	4	8.19	6.09	1	4.00	4.00
Total refunding		—			6.09			4.00	4.00
Nominal new capital		—			2.10			—	
Grand total nominal capital	7	87.89	58.54	8	72.27	60.09	2	9.00	9.00
Grand total refunding		58.54			60.09			9.00	
Grand total nominal new capital		29.35			12.18			—	

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). There was in 1934 a net inflow of banking funds for the first time since 1929. The foreign short-term banking assets in the United States had steadily declined from approximately \$3,000 million at the end of 1929 to \$487 million at the end of 1933 — an amount believed not to be much in excess of ordinary banking needs. The reversal of the movement is attributed in large part to the stabilisation of the dollar on a new gold basis early in 1934. An important factor was the reduction of roughly \$100 million in outstanding standstill credits to Germany. The actual inflow of cash on this account was substantially less than that amount, since the credits were liquidated in marks at the new par rate of exchange, after which the creditor banks sold these marks at various discounts, averaging, for the year as a whole, possibly between 30 and 35%. The German standstill credits due to American banks at the end of 1934 amounted to approximately \$175 million.

Item 8 shows the credits granted by the Reconstruction Finance Corporation "to aid in financing the sale of agricultural surpluses in foreign markets".

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 and 1935. Figures for the last six months of 1934 may be calculated by deducting the amounts given for January-June from those for the whole year. The information thus available for three consecutive periods of six months is summarised below:

UNITED STATES OF AMERICA

	Balances in \$ (000,000's)		
	January - June 1934	July - December 1934	January - June 1935
Merchandise, including silver, according to trade returns	+ 161	+ 231	- 50
Interest and dividends	+ 160	+ 167	+ 145
Immigrants' and emigrants' funds and remittances, missionary and charitable contributions	- 53	- 66	- 64
Tourists' expenditure	- 80	- 140	- 103
Miscellaneous services, and merchandise adjustments	- 36	+ 41	- 17
Gold movement, according to trade returns	- 839	- 295	- 804
Changes in earmarked gold	- 81	- 2	+ 2
Total goods, services and gold	- 773	- 64	- 891
Long-term capital	+ 310	- 108	+ 100
Short-term capital, excluding currency notes	+ 250	- 68	+ 560
Currency notes	- 30	- 18	- 11
Total capital items	+ 530	- 192	+ 649
Balance on account of errors and omissions	- 243	- 256	- 242

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.

	\$ (000,000's) at the end of			
	1931	1932	1933	1934
<i>Liabilities.</i>				
Foreign long-term investments in the United States (<i>market value</i>)	2,250	.	.	.
Foreign short-term investments in the United States (banking accounts)	1,465	870	487	573
<i>Assets.</i>				
Private long-term investments abroad (<i>nominal capital</i> in the case of securities, <i>original outlay</i> in the case of direct investments)	14,635	13,952	13,799	13,114
Short-term investments abroad (banking accounts)	1,239	1,053	1,082	976

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 of March 1st, 1935, amounted to \$13,489 million, of which \$11,843 million represented funded debts of fifteen European countries (the shares of the United Kingdom, France and Italy in this amount were 40.5, 33.8 and 17% respectively), \$368 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. On the basis of a special enquiry, the market value of all American securities held in custody by American banks for foreigners was estimated at approximately \$1,650 million at the end of 1931 (the average for the year at about \$1,500 million). This was raised to \$2,250 million so as to include the estimated current value of real estate and direct investments and all securities held in safety boxes abroad. The corresponding figure for the end of 1929 was \$4,700 million.

It is estimated that the par value of all British holdings of long-term investments in the United States at the end of 1931 was some \$600 million. The combined holdings of German investments in American domestic issues and repatriated German dollar bonds have been estimated at approximately \$440 million on a par value basis; of this amount, however, close to \$200 million represent German dollar bonds repurchased and held in custody in the United States. The principal German participations in American industry are those in the artificial silk and chemical fields. Japanese long-term investments in the United States were practically negligible until 1931, when the state of the Japanese money market led to investments in American securities aggregating at least \$5 million. Belgian and Greek investments are believed to amount roughly to \$50 million and \$20 million respectively.

Private long-term investments abroad. The American private long-term investments abroad are divided into *direct investments* (including foreign security holdings of industrial and commercial corporations) and *portfolio investments*. The value considered for the former is the book value of the foreign properties, or, in cases of partial ownership, the market value of shares held plus the amount of advances and loans. The value of the latter group represents the amount outstanding of each individual foreign bond issue and the holdings of foreign stocks.

The direct investments considered embrace corporate investments (1) in American-controlled manufacturing and selling organizations, (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 organizations, 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.

AMERICAN LONG-TERM INVESTMENTS IN FOREIGN COUNTRIES AT THE END OF 1934.

Area	\$ (000,000's)		
	Direct	Portfolio	Total
Canada and Newfoundland.	2,120	1,780	3,900
Europe.	1,479	2,391	3,870
Central America and Mexico	855	42	897
South America	1,546	1,394	2,940
West Indies	975	135	1,110
Africa	129	2	131
Asia	433	400	833
Oceania	156	252	408
Total	7,693	6,396	14,089
Add : Bank capital	125	—	125
Deduct : Estimated net repurchases by foreigners	—	1,100	1,100
Net total	7,818	5,296	13,114

Similar figures for 1933, with more detailed distribution by areas and classes of securities, were given in last year's 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 1930-1934 are summarised in the following table :

UNITED STATES OF AMERICA

Items	\$ (000,000's) at the end of				
	1930	1931	1932	1933	1934
<i>Due to foreigners :</i>					
Deposits	1,640	1,025	715	389	480
Advances and overdrafts	36	26	30	20	39
Short-term loans, investments, etc. . .	1,046	394	115	63	41
Acceptance credits	15	20	10	15	13
Total	2,737	1,465	870	487	573
<i>Due from foreigners :</i>					
Deposits	294	113	144	250	288
Advances and overdrafts	629	677	377	332	451
Short-term loans, investments, etc. . .	879	449	190	129	237
Acceptance credits	879	449	342	371	237
Total	1,802	1,239	1,053	1,082	976
Net short-term liabilities (—) or assets (+)	— 935	— 226	+ 183	+ 595	+ 403
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

After the heavy withdrawals in the last few years of foreign short-term capital, the United States changed from debtor to creditor on short-term account in the course of 1932.