

LEAGUE OF NATIONS

Committee of Statistical Experts

Sub-Committee on Balance of Payments Statistics

NOTE ON BALANCE OF PAYMENTS STATISTICS

Introduction

During the inter-war period continuous efforts were made by the League of Nations to encourage the development of balance of payments statistics and to promote their presentation on a uniform basis. This work originated in a resolution passed in 1922 by the League Assembly stressing the importance of the study of the balance of payments in connection with the stabilization of currencies. Governments were invited to furnish balance of payments estimates for their countries according to a standard form submitted to them each year. The estimates received in response to these invitations were assembled together with other authoritative statements, adapted so far as possible to the League classification, in the annual volume "Balance of Payments" published up to 1939.

Balance of payments statistics have now become widely used for the formulation of economic and financial policies. Their significance is likely to increase still further with the need for international action to overcome recent disturbances in commercial and financial relations. It has become increasingly clear, however, that the statistics hitherto compiled--whether prepared according to the League's standard scheme or not--are not wholly satisfactory.

Certain deficiencies in the accounts may be briefly stated. Since all gold transactions are usually entered into one group, irrespective of whether the gold moved represents a merchandise transaction (such as export of gold from mines) or a change in gold holdings, they do not in the case of many countries supply material for a close estimate of the balance on account of "current" transactions. Further, items such as lend-lease, mutual aid, reparation payments and similar "unilateral" transactions do not easily fit into the accounts as usually presented, and tend to cause confusion, particularly in international comparisons. Certain other unilateral transactions, such as small cash holdings brought by immigrants and emigrants' remittances of cash, are usually (as in the League's scheme) entered as a "service" item,

though they obviously are not business transactions in the normal sense of that term and represent a transfer of funds rather than a tendency of services. Equally disturbing is the fact that there is sometimes no adequate place in the accounts for the change in national ownership of capital assets (other than small cash holdings) resulting from migration. Clearly such a change is even less than the preceding one a "service" item; and if it is left out (as in the League's scheme) or shown as a capital item, the account fails to reflect adequately the change in the debtor-creditor position of the country concerned.

Changes proposed in new account

It is obviously desirable to overcome these and similar deficiencies in the international accounts. The attached classification embodying the preliminary conclusions of the Sub-Committee on Balance of Payments Statistics suggests the following broad conceptual changes in the account:

1. The domestic production and consumption of gold is shown together with merchandise as a current item, and the change in gold holdings is grouped with capital items. Each of these two gold items (upon which the important balances on account of current transactions as well as "capital and gold" depends) is determined by factors which are not (or not necessarily) foreign transactions. But the sum of the two items, equals the foreign transactions in gold (imports, exports and earmarking transactions).
2. All unilateral transfers of a financial nature, such as reparations in cash, emigrants' remittances to relatives, emigrants' funds (even bank deposits and security holdings), charitable contributions, inheritances, etc., are brought together into a special group outside both the current items proper and the "capital and gold" group. The whole account thus becomes divided into three rather than two principal groups of items). Certain of these unilateral transfers were previously treated as "services", while others were left out of account.
3. Unilateral deliveries of goods and services are excluded from the account; they are, however, shown in a footnote to it, as well as in a special table (Schedule No. 1). The usual practice has previously been to enter, for instance, reparation

deliveries in kind as exports of goods and "offset" the amount so entered under "services"--a method distorting the balances of the groups of items involved.

A number of less important changes have also been made. Thus, it is suggested that freight earnings be shown not for netional but for nationally-operated ships and other transport carriers. (1) This implies, for instance, that freights earned by a national operator of a foreign-owned ship shall be entered as a credit item and be offset in part by the entry of charter money on the debit side. The items for insurance transactions under "services", it is suggested, should refer only to "direct contracts" (except in the case of insurance of imports and exports). Branches and subsidiaries of insurance companies are thus assimilated with branches and subsidiaries of other business enterprises, the balance of their "foreign" transactions being entered usually as capital movements and interest and dividend payments. Business profits other than dividends have been entered explicitly into the account. The question is still open, however, to what extent undistributed profits of subsidiaries should be included. (2)

The above suggestions as well as other considerations have entailed a change in the terminology used. The term "Balance of payments" has been avoided. In fact, even in the past the accounts have seldom been confined to international payments proper. The most useful accounts have proved to be those which under "goods and services" explicitly record the transactions out of which international monetary obligations or claims arise, irrespective of whether payments in settlement of these obligations or claims are made or not during the period to which the account refers. It is suggested that the term "Balance of Payment", which does not adequately denote such an account, be replaced by "International Transactions Account". After splitting gold transactions in the manner indicated above, it becomes possible to isolate the "current" transactions (a term not used in the League's old scheme); however, as the new group "Unilateral Transfers" contains certain items usually regarded as current (for instance, emigrants' remittances), the term "Current Business Transactions" has been suggested for the "Goods and Services" group. The previous sub-group "Interest and Dividends" is now shown as "Yield of Capital", owing to the inclusion of profits referred to above. Minor changes in the denomination of other groups need not be commented upon here.

As will be indicated below, however, certain of the terms suggested may have

(1). Cf. Schedule 4, note.
(2). Cf. pages 6-7 below.

to be modified.

Various other alterations have also been suggested in the presentation of the account. The League's old scheme arranged the items in two detailed tables, one referring to "Goods, Services and Gold" and the other to "Capital Items". When the accounts were published, the totals and balances under these two groups and their chief sub-groups were shown in a "Summary Table", which gave a bird's-eye view of the whole account and, by way of the residual unexplained balance, an indication of the probable degree of completeness with which the items were recorded. The new forms suggested put the summary, now named "Synoptical Table", before the "Detailed Table", which is divided into the three principal groups of items (Current Business Transactions, Unilateral Transfers, Capital and Gold).

The last-mentioned table, however, does not include all the details of the account, since certain items in it only summarize particulars given in a number of "Schedules" which may be found after the table and, when the statements are published, would supplement the explanatory text which naturally accompanies a carefully prepared account.

The object of the schedules, however, is not only to simplify the "Detailed Table" by removing from it certain minute specifications. The first schedule specifies the unilateral deliveries of goods and services which, as mentioned above, are not entered at all in the transactions account. The second schedule serves to show the nature of the sometimes intricate calculation required in order to derive from the figures usually given for "imports" and "exports" the merchandise figures to be entered into the International Transactions Account. The third specifies the items connected with the movement of gold, and the fourth those connected with transportation. This schedule in addition specifies certain transportation earnings and disbursements which do not represent international transactions; it thus serves a somewhat wider purpose than that of explaining the entries in the transactions account. The fifth and last schedule is intended simply as a specification of the amounts of the most usual transactions entering into certain minor "service" items.

The manner of recording merchandise and transportation transactions depends in part on the basis chosen for the valuation of imports. If imports are recorded at their c.i.f. value, it is likely to include a certain amount of freight paid to national ships and hence not representing an "international transaction". The resulting error on the debit side of the account is offset

by the inclusion of total freight receipts by national ships as a credit "service" item. Certain countries recording imports at their f.o.b. value, however, have preferred to omit import freights paid to domestic ships from the account, while such freights paid to foreign ships are entered as a debit item (under "services") and only freights earned by domestic ships on goods other than imports are entered as freight receipts. The tables enclosed, like the League's old classification, are arranged in accordance with the former of these two methods, but care has been taken, particularly in the arrangement of Schedules Nos. 2 and 4, to provide for information concerning freights and insurance of imports and exports in such detail as would permit of the presentation of each account according to either of the two methods just mentioned. Similar precaution has been taken with regard to the inter-relationship between tourists' expenditure and passenger fares earned by ships, aircraft, etc., as the amounts to be entered against these two items naturally depend upon the question whether fares earned in foreign traffic by national ships from national residents are regarded as "foreign" transactions or not.

Finally, it has been suggested that separate accounts, at least of a summary nature, be prepared showing transactions with different countries or groups of countries. The desirability of such an arrangement, which greatly increases the amount of statistical work involved in preparing the accounts, is due to the fact that, as long as all currencies are not freely convertible, a surplus resulting from the transactions with one country cannot always be used to meet a deficit with another. The geographical division of importance to each country obviously varies, and the question has arisen which is the minimum requirement for an international division to be applied by all countries. It has been found impossible to reply to this question once and for all, since the division required is likely to change from year to year with currency arrangements and other factors. It has been suggested, therefore, that the question be settled for each year by the competent international authorities.

A few words should be added concerning the table on outstanding liabilities and assets which, as in the League's old scheme, is given as an ad hoc account. The only important changes in this table are that the foreign currency holdings of the Central Bank are now shown under a special item, and that the holdings of gold bullion and specie, which may be regarded as "international currency", have been entered into the account. The last-mentioned

change is naturally determined by the entrance of changes in the gold holdings together with the capital items in the Transactions Account.

The League of Nations used to ask for statements on outstanding liabilities and assets at the end of each year. It has not been thought necessary in the future to suggest the compilation of such statements more frequently than every five years, particularly as the international transactions account, owing to the inclusion of certain "unilateral" transfers previously not recorded, would reflect more accurately than it used to the year-to-year changes in outstanding liabilities and assets. In order to account for the changes in these liabilities and assets between each census taken it is suggested that a special account be supplied showing to what extent the change over the period considered is due to international transactions on the one hand and other factors (changes in valuations, etc.) on the other. The last of the attached tables only represents one of several possible versions of such an account.

Points on which Suggestions would be helpful

The outline of the accounts now described conforms with the preliminary conclusions of the Sub-Committee referred to above. On certain points of minor importance the choice between two or more alternative arrangements is left open so far by the Sub-Committee which has reserved its consideration of the attached draft forms pending the receipt of observations by national statistical authorities. The Sub-Committee would welcome suggestions affecting not only the general arrangement of the accounts, but also the terminology used and the recording of individual items. A few points on which such suggestions might be particularly helpful are indicated below.

1. It is desirable that the record of the "Yield of Investments" should be as complete as possible. This implies that even profits of domestically-⁽¹⁾ owned foreign enterprises that are not distributed but reinvested should be entered under this heading (cf. item A.II.7), and, accordingly, also under "Long-term Capital" (on the other side of the account). Obviously, however, such profits cannot easily be taken into account when the foreign enterprise in which they are earned is only partly owned by domestic residents. The question of foreign subsidiaries, even when wholly owned by domestic enterprises, appears to represent a border case,

(1) In order to simplify the reasoning, reference is only made here to the case of income from investments abroad. The question of recording such income, however, is identical with that of recording foreign income from investments, on the debit side of the account.

in as much as a subsidiary (unlike a branch) is formally independent and its income becomes the property of the mother firm only when distributed. The question therefore arises whether countries should be asked to enter the undistributed profits of such subsidiaries into the account.

2. The following items are specified in Schedule 5 as belonging to the group "Services":

Tax receipts (by the Government) from abroad

Taxes paid abroad.

It may be questioned if and to what extent taxes levied on income from investments should not be considered as adjustments of the recorded "Yield of investments" and accordingly be entered under that heading rather than under "Services".

3. The capital items are split into long- and short-term capital, and similar distinction is made in the account of outstanding assets and liabilities. In recent years, however, certain assets and liabilities which are traditionally regarded as floating or due on short term have in fact been blocked over long periods of time or subjected to various restrictions on their liquidation (clearing balances, for instance, can be liquidated only by purchases in the country from which the balance is due). To a certain extent the effect of such restrictions on short-term capital can be gauged if both the international transactions account and the account of outstanding assets and liabilities are split by countries as suggested in previous pages. The question may be raised, however, whether in the Transaction Account the short-term capital movements should not be specified according to the nature of the resulting (or liquidated) assets or liabilities--whether in blocked or otherwise restricted or in free currency. Naturally, a similar specification would then be required in the account of outstanding assets and liabilities.

4. Unilateral transfers of goods and services are omitted from the Transactions Account and shown in a special schedule (No. 1). It might also be possible to let these items

figure in the account without entering the amounts involved (which might be shown in brackets) in the totals. But this might be confusing since, for instance, the export of goods under any of the headings involved would have to be entered on the debit side of the account, while commercial exports enter on the credit side. Another method would be to enter these transfers on both sides of the account (a unilateral delivery of goods might be shown in the current account on the credit side against "Merchandise" and on the debit side in the account for "Unilateral transfers"). But such a method would also be open to objection since it unduly affects the balance of merchandise trade under Group AI.

5. If, in view of these circumstances, the method of recording suggested is considered satisfactory, the question nevertheless remains whether the term "Unilateral Transfers" used for Group B of the Transactions Account is satisfactory, given that it refers to financial transfers only.
6. The usefulness of the term "Current Business Transactions" (Group A of the same account) has also been questioned. Other expressions suggested are "Current Transactions" and "Goods and Services". Adoption of any of these terms appears difficult, however, in view of the facts that (i) certain unilateral transfers may be regarded as "current"; (ii) if these transfers are not considered as "transactions", the term used for the whole account ("International Transactions Account") may have to be changed; (iii) unilateral deliveries of goods and services are not included.
7. Against the use of the heading "Capital and Gold" (Group C) it may be objected that certain items for gold (national production and consumption; cf. Schedule 3) are not entered in this group but recorded together with Merchandise.

Draft Forms for Recording International Accounts

International Transactions Account
In millions of national currency

Note. Where balances are shown, the plus sign (+) means an excess of credit items over debit items, and the minus sign (-) an excess of debit items over credit items.

Synoptical Table

Groups	Credit	Debit	Balance
<u>A. Current business transactions</u>			
I. Goods			
II. Yield of investments			
III. Services.			
Total A			
<u>B. Unilateral transfers⁽¹⁾</u>			
<u>C. Capital and gold</u>			
I. Long-term capital.			
II. Short-term capital			
III. Gold holdings.			
Total C			
Total, all groups			

(1) This item refers to financial transfers only. Unilateral transfers of goods and services, being without "offset" in other groups, have not been entered into the table. The value of such transfers, which are specified in Schedule 1, was as follows:

Received from foreign countries
Delivered to foreign countries

Detailed Table

Groups and items	Credit	Debit	Further details in Schedule No.
<u>A. Current business transactions</u>			
<u>I. Goods</u>			
1. Merchandise and silver bullion as adjusted:			
(a) f.o.b. value			3
(b) freight and insurance on imports	-		2, 4
2. Domestic production and consumption of gold.			3
<u>II. Yield of investments</u>			
3. Interest on intergovernmental debts			
4. Interest on other foreign government and municipal loans			
5. Other interest on:			
(a) long-term loans			
(b) short-term loans and credits			
6. Dividends, profits, etc.			
7. Estimated undistributed and reinvested profits, in so far as not included in items 3-6			
<u>III. Services</u>			
8. Freights earned by domestic carriers in all foreign traffic (credit).		-	4
9. Passage money, earned by domestic carriers in all foreign traffic (credit).		-	4
Carried forward			

Groups and items	Credit	Debit	Further details in Schedule No.
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Brought forward

10. Freight earned by national carriers in transit traffic (credit) and by foreign carriers transporting national goods other than imports and exports (debit)			4
11. Charter money and rent for hired carriers.			4
12. Disbursements by ships and other carriers.			4
13. Insurance (premiums and claim payments) of imports and exports by domestic companies			
14. Other insurance (premiums and claim payments on account of "direct contracts only"):			
(a) reinsurance.			
(b) other insurance.			
15. Expenditure of:			
(a) "tourists"			
(b) other travellers, students, etc.			
16. Diplomatic receipts and expenditure.			5
17. Government receipts and expenditure not elsewhere indicated			5
18. Miscellaneous services.			5

Total current business transactions

(1)

B. Unilateral transfers

1. Reparations in cash and other intergovernmental transfers (indicate nature)
2. Emigrants' and immigrants' remittances to relatives
3. Charitable contributions (for mission, relief, etc.)
4. Inheritances, dowries:
 - (a) cash transfers
 - (b) banking deposits, real estate, securities, etc.
5. Holdings of immigrants and emigrants:
 - (a) small cash holdings.
 - (b) banking deposits, real estate, securities, etc.

Total unilateral transfers ⁽¹⁾

(1) Financial transfers only. For unilateral transfers of goods and services, see Schedule 1.

C. Capital and goldI. Long-term capital

1. Amortization receipts and payments on account of:
 - (a) intergovernmental debts
 - (b) other public debts
 - (c) other debts
2. Purchase and sale of real estate situated:
 - (a) abroad
 - (b) in the country
3. Purchase and sale of existing:
 - (a) domestic securities
 - (b) foreign securities
4. New capital issues for domestic account abroad (credit) or for foreign account in the country (debit):
 - (a) government and municipal loans
 - (b) other loans
5. Participation of domestic capital in foreign capital issues (debit), or of foreign capital in domestic capital issues (credit)
6. Other long-term capital investments made or liquidated:
 - (a) domestic investments abroad
 - (b) foreign investments in the country

II. Short-term capital

7. Changes (other than on account of variations in exchange rates and writings-off) in short-term assets and liabilities:
 - (a) in foreign exchange holdings of the national central bank
 - (b) in other short-term assets
 - (c) in short-term liabilities

III. Gold holdings

8. Change in holdings of gold bullion and specie

3

Total capital and gold.....

Schedule 1

Unilateral Transfers of Goods and Services

(Not included in the above tables)

Value in millions of national currency

Items	Received from foreign countries	Delivered to foreign countries
"Lend-lease" and "reverse lend-lease":		
(a) merchandise		
(b) services		
"Mutual assistance":		
(a) merchandise		
(b) services		
Reparations in kind:		
(a) merchandise		
(b) services		
Other intergovernmental deliveries (indicate nature):		
(a) merchandise		
(b) services		
Other gifts (indicate nature)		
Total		

Note. Transfers of goods and services which create or extinguish a well defined financial obligation should not be recorded in this schedule but in the respective items (in groups AI and III) of the international transactions account and "offset" by entries under the relevant financial items (in Groups CI, II and AII) of that account.

Schedule 2

Merchandise Transactions

In millions of national currency

Items	Exports	Imports
(1)		
Merchandise proper, special trade, as recorded in trade returns		
Add recorded categories of trade representing difference between special and general trade (reexports, warehouse trade, etc.)		
(1)		
Total (general trade) as recorded in trade returns.		
Add (when not included in merchandise):		
silver bullion, as recorded, general trade		
unrecorded merchandise trade (specify major items)		
Deduct (when included in the above figures):		
bunker coal and ships stores (see International Transportation Schedule)		
non-commercial transactions (gifts, lend-lease, reparations in kind, etc.)		
Adjustment (increase, +; decrease, -) for territory (in the case the area to which the account refers does not coincide with that covered by the trade returns)		
Correction of valuation (increase, +; decrease -) on account of faulty declarations, exchange rates, etc		
Adjustment (increase, +; decrease, -) for freight and insurance in order to arrive at "frontier" values of trade (exports f.o.b., imports c.i.f.)		
Total commercial transactions .		
Deduct the amount of freight and insurance included in the last-mentioned import value that represents cost of transportation between the frontier of the exporting country and the national frontier (item A11b)		
Import value, f.o.b. (item A11a)		

(1) In the case of countries not recording special and general trade, the categories most comparable to these should be shown.

Schedule 3

Gold Transactions

In millions of national currency

Items	Credit	Debit	Credit (+) or debit (-) balance
<u>1. Total foreign transactions</u>			
Gold (bullion and specie), imported or exported, as recorded in trade returns (general trade)			
Additions or deductions to arrive at commercial value of total imports and exports of gold			
Earmarking transactions:			
increase (debit) or decrease (credit) in gold held abroad for domestic account			
increase (credit) or decrease (debit) in gold held in the country for foreign account.			
Total foreign transactions			
<u>2. Domestic production and consumption of gold</u>			
Domestic production of gold (credit):			
(i) new gold		--	
(ii) gold recovered from smelting of gold objects		--	
Domestic consumption of gold by arts, industry, etc. (debit)	--		
Total production and con- sumption. (item A12 in International Transactions Account)			
<u>3. Change in holdings of gold bullion and specie</u>			
(i.e., balance of 1 less balance of 2)			
(item CIII in International Transactions Account).			
<u>3. bis. Change in holdings of gold bullion and specie</u> direct calculation:			
Increase (debit) or decrease (credit) in central monetary gold reserve			
Increase (debit) or increase (credit) in other holdings, including private hoards			
Total			

Note. The calculation under 3 bis serves as a check on the balance obtained under 3. It may also serve for calculation of item CIII in the International Transactions Account, in case figures for foreign transactions (under 1 above) are not available or are uncertain.

Schedule 4

INTERNATIONAL TRANSPORTATION ACCOUNT

(In millions of national currency)

Note. For the purpose of this table, the carriers (ships, aircraft, etc.) are divided into "national" and "foreign" according to the residence of the operator and not of the owner. Thus a ship of domestic flag chartered to a foreign operator is regarded as "foreign", while a ship of foreign flag chartered by a domestic operator is regarded as domestic.

The asterisks indicate how the items in question are entered into the International Transactions Account:

- * credit item.
 - ** debit item.
 - *** item not necessarily representing a foreign transaction. If the amount in question is entered in the international account, it appears on both the credit and the debit side (hence, two items should be indicated in col. 1).
- No asterisk: item not entering into the international account.

	No. of item in account of all transactions	Amounts referring to transportation by:			
		vessels	aircraft	rail and road	Total
	(1)	(2)	(3)	(4)	(5)
<u>Freight</u>					
Freights on imports and exports (transportation outside national frontiers only):					
freight on imports, carried by:					
national carriers ***	ad A I 1 b				
foreign carriers **	ad A III 8				
freight on exports carried by:					
national carriers*	ad A I 1 b				
foreign carriers	ad A III 8				
Freight on other goods:					
earned by national carriers carrying foreign goods:					
through domestic territory (transit, transshipment)*	A III 10				
between foreign points* . . .	ad A III 8				
earned by foreign carriers carrying national goods ** . . .	A III 10				
<u>Passenger traffic</u>					
Passenger fares, shipboard expenses, etc.:					
on national carriers in foreign traffic:					
domestic residents ***	ad A III 9				
foreign residents *	ad A III 15				
on foreign carriers between foreign and domestic points:					
domestic residents **	ad A III 9				
foreign residents	-----				
on foreign carriers between domestic points **	ad A III 15				
	ad A III 9				

(continued)

	No. of item in account of all transactions	Amounts referring to transportation by			Total
		Vessels	aircraft	rail and road	
	(1)	(2)	(3)	(4)	(5)
(continued)					
<u>Disbursements in foreign traffic</u>					
Disbursements:					
by national carriers abroad:					
fuel **	A III 10 {				
ships' stores **					
repairs, fees, dues, etc. **					
expenditure of crews **					
by national vessels and aircraft (engaged in foreign traffic) in national territory:					
fuel	---			---	
ships' stores	---			---	
repairs, fees, dues, etc.	---			---	
other expenditure (incl. wages, salaries)	---			---	
by foreign carriers in domestic territory:					
fuel *	A III 10 {				
ships' stores *					
repairs, fees, dues, etc. *					
expenditure of crews *					
<u>Charter money and rent for hired carriers</u>					
Receipts on account of chartering or rent of domestically-owned carriers to foreign operators *					
	A III 11				
Payments on account of chartering or rent of foreign-owned carriers by domestic operators **					
	A III 11				
<u>Insurance on account of trans- portation</u>					
Premia on imports and exports (trans- portation outside national frontiers):					
premia on imports received by:					
domestic companies ***	ad A III 13				
foreign companies **	ad A I 1 b				
premia on exports received by:					
domestic companies *	ad A III 13				
foreign companies	---				
Premia received by national companies relating to other transportation (goods and passengers) for foreign account*					
	ad A III 14 b				
Claims payments by national companies on account of:					
imports (incl. payments to national importers) **					
	ad A III 13				
exports (incl. payments to national exporters) **					
	ad A III 13				
other transportation for foreign account **					
	ad A III 14 b				

Schedule 5

Various Government Expenditure and Miscellaneous Services

(In millions of national currency)

Items	Credit	Debit
Diplomatic, consular and similar expenditure in the country by foreign governments (item A III 16, credit)		---
Diplomatic, consular and similar expenditure abroad by the government (item A III 16, debit)	---	
Government receipts and expenditure not elsewhere indicated (item A III 17):		
Fees (consular invoice fees, passport visas, etc.) received by national government representatives abroad ^(a)		---
Tax receipts from abroad		
Colonial contributions and similar receipts and expenditure		
Pensions paid abroad by the Government		
Contributions to international institutions		
(b) Other items (indicate nature)		
Total, item A III 17		
Miscellaneous services (item A III 18):		
Earnings remitted or brought by seasonal and other workers		
Post, telegraph and telephone (international settlement of accounts)		
Taxes paid abroad		
Management fees and home office expenses of industrial and commercial subsidiaries		
Copyrights		
Cinematograph film royalties		
Patent royalties		
Other royalties		
Lottery tickets and prizes		
Pensions, annuities, etc. other than paid by the Government		
Advertising		
Subscriptions to press		
Other items (indicate nature)		
Total, item A III 18		

(a) Similar fees paid to foreign government representatives abroad are likely to be included in large part under merchandise imports (item A I 1, debit), tourists' expenditure (item A III 15, debit), etc. To the extent that they are not otherwise accounted for, they should be entered against item A III 18, debit.

(b) Government loans and credits raised and repaid, and interest on government loans should be entered against the respective headings under groups C I-II and A II. Government imports and exports should be entered against item A I 1 unless they represent "unilateral" transfers, in which case they should be excluded from

International Liabilities and Assets at the End of

(In millions of national currency)

Items

Liabilities abroad

1. Liabilities on account of inter-governmental long-term debts (indicate nature)
2. National securities held abroad on account of:
 - (a) other Government and municipal debt
 - (b) private long-term loans
3. National real estate owned by foreign residents
4. Other long-term liabilities (foreign participation in national enterprises and other foreign direct investment).
5. Short-term or floating foreign debt of:
 - (a) central and local governments
 - (b) commercial banks
 - (c) other enterprises and individuals

Total liabilities abroad

Foreign assets (excluding gold holdings)

6. Claims on account of intergovernmental long-term debts
7. Foreign securities held in the country on account of:
 - (a) other foreign government and municipal debts
 - (b) foreign private long-term loans
8. Foreign real estate owned by residents of this country
9. Other long-term assets (participation in foreign enterprises and other direct investments abroad)
10. Short-term or floating assets abroad of:
 - (a) central and local governments
 - (b) the national Central Bank (net)
 - (c) commercial banks
 - (d) other enterprises and individuals

Total assets, excluding gold

Gold holdings (gold bullion and specie)

1. Gold held by the national Central Bank
2. Other gold holdings, including private hoards

Total foreign assets plus gold holdings