

C224690

TABLE II

1. For the purpose of this table and of Table III, Egypt and Sudan are included in the sterling area until 30th June, 1947, and Palestine and Trans-Jordan until 31st December, 1947, thereafter in "Other Countries".
2. "Western Hemisphere" excludes British and European Colonies (see note 3 below), but includes the Philippines.
3. "O.E.E.C. countries" is used to describe non-sterling area members of the Organisation for European Economic Co-operation—France, Italy, Belgium, Luxemburg, Netherlands, Sweden, Norway, Denmark, Switzerland, Portugal, Austria, Greece, Turkey, the Bizon and French Zone of Germany, and Trieste, together with their dependent overseas territories (but imports of oil from U.S. companies operating in the Dutch West Indies are regarded as coming from a "Western Hemisphere" source).
4. The deterioration in the Western Hemisphere balance on invisible account between 1946 and 1947 was mainly due to the increased cost of Germany (from 28 to 54), the reduction in special Government receipts (see Note to Item 2 (e)), and an increase in miscellaneous commercial and financial expenditure. The improvement in the first half of 1948 compared with 1947 has resulted from the cessation of direct expenditure in the Western Hemisphere on Germany, and an increase in net receipts from shipping and oil.

TABLE IV

CAPITAL ACCOUNT

Section I.

1. An attempt is made here to allocate the net decrease in United Kingdom gold and dollar resources so far as possible between the United Kingdom and the Rest of Sterling Area. As regards the dollar area no serious difficulty arises although even here excessive weight may have been given to the United Kingdom share—for example, the whole of British oil companies' production expenditure in dollars is allocated to the United Kingdom though much of the output is sent to the Rest of the Sterling Area. Any valid allocation is impossible when dealing with the gain or loss of resources to countries which convert only part of their sterling receipts into gold or dollars. This item is therefore attributed to the whole sterling area in Section IC.

2. "Dollar Area" covers U.S.A., Canada and other American Account countries.

Section II.

*Item 9.*—Mainly Reconstruction Finance Corporation and Canadian Interest-Free Loans.

*Item 10.*—Includes sales and redemptions of U.S. and Canadian securities applied to amortisation of the R.F.C. and Canadian Interest-Free Loans.

*Item 11.*—This is a miscellaneous item and includes changes in official holdings of foreign exchange other than gold and dollars, repayment by France of the loan by H.M. Government, and, in 1946, an allowance for net capital inflow into the United Kingdom. In the first half of 1948 the figure also covers the sale of British railways in Argentina (−150) and the advance