

# AMERICAN FOREIGN INVESTMENTS IN 1931

by

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## INTRODUCTION

THE investigation of the Senate Finance Committee into the sale of foreign bonds and securities in the United States<sup>1</sup> has aroused widespread interest in the subject of foreign investments. The tremendous decline in price of all foreign securities following the German crisis in July 1931 and the series of governmental defaults in Latin America and Central Europe<sup>2</sup> have intensified uncertainty as to the wisdom of advancing to foreign governments huge sums which they are now obviously unable to repay. Even bankers who were themselves responsible for floating many of these loans admitted before the Senate Committee that there had been an unhealthy competition on the part of many financial houses to induce foreign governments and municipalities to float unneeded and unwise loans.<sup>3</sup> Opinion differed, however, upon the question of responsibility for the extension of such loans. Testimony at the hearings indicated not only that many bankers had disregarded possible consequences in the promotion of foreign issues, but also that the State Department had given consent to unsound loans for political reasons.<sup>4</sup> The latter charge was vigorously denied by the State Department in a statement issued on January 7, 1932,<sup>5</sup> in which it declared that definite but unheeded warning had been given to the bankers in the fall of 1925 regarding further expansion of German loans. Moreover, the State Department has maintained throughout that absence of objection or comment on its part was in no sense to be considered tantamount to sanction of the loan in question, and that no attempt was made to pass upon the merits of any loan as a business proposition.<sup>6</sup>

The testimony before the Senate Committee not only revealed that in certain cases large profits had been made by the banks floating the issues, but brought out the fact that in most cases the issuing houses had completely disposed of the bonds which later went into default. Evidence was also laid before the committee that a presumably reputable financial house had resorted to bribery in order to secure the right to float the issues of a country whose capacity for repayment was highly questionable.<sup>7</sup> There can be no doubt that such disclosures have strengthened the substantial group of persons who have come to feel that the only cure for the evils of an unbridled foreign investment policy lies in a complete withdrawal from the international investment field. Despite the mistakes that have been committed, however, others assert that there is little to be gained by raising the question as to whether these loans should have been made. The eighteen billion dollars which the United States has invested abroad obviously cannot be withdrawn even if we should desire to do so. Before the war this country was to a large degree economically independent; at the present time, however, the economic structure of the United States is so intimately intertwined with that of the entire world that any attempt at dissociation might bring disaster both here and abroad. It is particularly important, therefore, to examine the trend of foreign investments with a view to discovering methods of stabilization in order to avoid the excesses which have been evident during the past few years.

4. *Ibid.*

5. *New York Times*, January 8, 1932, p. 15.

6. For details concerning the policy of the State Department toward foreign loans, cf. "Diplomatic Protection of American Interests Abroad," *F. P. A. Information Service*, Vol. III, No. 3, April 13, 1927, p. 38.

7. *New York Times*, January 9, 1932.

8. For details of investments from 1923 to 1930, cf. the annual reports on foreign loans published by the Foreign Policy Association.

9. A similar decline in foreign financing has taken place in Great Britain. The new overseas capital issues floated in London during 1931 totalled only £46,078,000, as compared with £108,803,000 in 1930 and £143,384,000 in 1928.

1. "Sale of Foreign Bonds or Securities in the United States," *Hearings before the Committee on Finance of the United States Senate*, 72nd Congress, 1st Session (Washington, U. S. Government Printing Office, 1931), Part I.

2. M. Winkler and M. S. Stewart, "Recent Default of Government Loans," *Foreign Policy Report*, Vol. VII, No. 22, January 6, 1932.

3. *Hearings before the Committee on Finance of the United States Senate*, cited, Part I, p. 25; also testimony of Mr. Jones before Senate Committee, January 6, 1932. (*New York Times*, January 7, 1932.)

### DRASTIC FLUCTUATIONS IN FOREIGN INVESTMENTS

One of the chief problems in this connection lies in the extreme fluctuation of the amount of investments from year to year.

TABLE I

#### Trend of America's Foreign Investments (In thousands of dollars)

Year ending December 31	Net investments for year <sup>2</sup>	Total investments abroad <sup>2</sup>
1913	.....	2,625,000
1915	1,275,857*	.....
1916	1,388,725*	.....
1917	651,780*	.....
1918	520,717*	.....
1919	620,016*	5,678,000†
1920	576,332*	.....
1921	625,320*	.....
1922	869,992*	7,775,000
1923	399,507	8,175,000
1924	1,195,444	9,386,600
1925	2,206,019	11,535,100
1926	1,747,023	12,854,600
1927	2,071,954	14,500,000
1928	2,096,042	15,601,000
1929	1,465,958	16,604,052
1930	1,550,056	17,528,254
1931	507,354	17,968,206

\*Gross investments, not adjusted for refunding or repurchases by foreigners.

†The International Financial Position of the United States (New York, National Industrial Conference Board, 1929), p. 48.

1. Not adjusted for foreign investments in the United States, or for repurchase of foreign loans floated in this country.

2. Adjusted for repurchase of securities, but not for foreign investments in the United States.

From 1919 to 1923 inclusive, gross investments averaged approximately \$600,000,000 annually without unusual variations. In 1924, however, the value of investments suddenly jumped, and from 1925 to 1928 inclusive averaged over two billion dollars annually. During the stock market boom of 1928-1929 foreign investments declined sharply to less

than a billion and a half dollars, and increased but slightly in 1930.\* In the past year the decline in foreign financing has been even more drastic than in 1929.\* Despite an unprecedented demand for credits, foreign investments dropped to the lowest amount since 1923, and, with the exception of that year, to the lowest figure since the outbreak of the World War.

The total of foreign government, state and municipal loans, as well as corporate securities publicly sold and privately placed in the United States, together with the direct investments made abroad by American interests, aggregated \$507,354,150 in 1931, as compared with \$1,550,056,000 in 1930—a decline of over 67 per cent. These figures are inclusive of refunding operations, and represent net capital.

Europe once again leads the list with \$197,818,900, as compared with \$565,222,000 in 1930. The Dominion of Canada ranks second with \$162,499,000; South America holds third place with \$69,386,250, followed by Australasia, chiefly Japan, with \$34,550,000, and Central America with \$31,200,000. Flotations on behalf of United States territorial possessions, as well as corporate investments in enterprises located therein, amounted for the year 1931 to \$5,650,000, while miscellaneous investments accounted for \$6,250,000.

A comparison of American financing during the past two years is given in Table II. Details of last year's transactions are presented in Table III.

TABLE II  
Net American Investments Abroad: 1930 and 1931

Region	1931	1930	Percentage of Decline
Europe	\$197,818,900	\$ 565,222,000	65.04
Canada	162,499,000	446,461,000	63.60
South America	69,386,250	341,687,000	80.7
Central America (including Mexico, Cuba and West Indies)	31,200,000	68,454,000	53.22
Australasia	34,550,000	88,472,000	61.00
U. S. Territories	5,650,000	12,376,000	54.24
Miscellaneous	6,250,000	27,384,000	70.44
Total	\$507,354,150	\$1,550,056,000	67.27

TABLE III  
Foreign Financing by the United States During 1931

Region	Amount Issued	Amount Refunded	Net Amount
EUROPE			
Governments, states and municipalities	\$117,927,500	\$ 42,774,000	\$ 75,153,500
Corporations	122,965,400	300,000	122,665,400
Total Europe	\$240,892,900	\$ 43,074,000	\$197,818,900

FOREIGN FINANCING BY THE UNITED STATES IN 1931 (Continued)

<b>CANADA</b>			
Government, provinces and municipalities .....	\$135,227,000	\$ 54,450,000	\$ 80,777,000
Corporations .....	82,222,000	500,000	81,722,000
<b>Total Canada .....</b>	<b>\$217,449,000</b>	<b>\$ 54,950,000</b>	<b>\$162,499,000</b>
<b>SOUTH AMERICA</b>			
Governments, states and municipalities .....	\$ 79,380,000	\$ 65,000,000	\$ 14,380,000
Corporations .....	55,006,250	.....	55,006,250
<b>Total South America .....</b>	<b>\$134,386,250</b>	<b>\$ 65,000,000</b>	<b>\$ 69,386,250</b>
<b>CENTRAL AMERICA (including Mexico, Cuba and West Indies)</b>			
Governments, states and municipalities .....	\$ 37,650,000	\$ 21,800,000	\$ 15,850,000
Corporations .....	20,350,000	5,000,000	15,350,000
<b>Total Central America .....</b>	<b>\$ 58,000,000</b>	<b>\$ 26,800,000</b>	<b>\$ 31,200,000</b>
<b>AUSTRALASIA</b>			
Corporations .....	\$ 34,550,000	.....	\$ 34,550,000
<b>UNITED STATES TERRITORIES</b>			
Governments .....	\$ 650,000	.....	\$ 650,000
Corporations .....	5,000,000	.....	5,000,000
<b>Total U. S. Territories .....</b>	<b>\$ 5,650,000</b>	<b>.....</b>	<b>\$ 5,650,000</b>
<b>MISCELLANEOUS</b>			
Corporations .....	\$ 6,250,000	.....	\$ 6,250,000
<b>Total Governments, States and Municipalities .....</b>	<b>\$370,834,500</b>	<b>\$184,024,000</b>	<b>\$186,810,500</b>
<b>Total Corporations .....</b>	<b>326,343,650</b>	<b>5,800,000</b>	<b>320,543,650</b>
<b>GRAND TOTAL .....</b>	<b>\$697,178,150</b>	<b>\$189,824,000</b>	<b>\$507,354,150</b>

After making allowances for repurchases and redemptions of existing investments, as well as for refunding and sinking fund operations, the net addition to Amer-

ica's foreign investments amounted to \$439,952,000, bringing America's total stake abroad on December 31, 1931 to \$17,968,206,000, distributed as follows:

**TABLE IV**  
**Total American Investments Abroad: 1914, 1931, 1932\***

<i>Region</i>	<i>January 1, 1932</i>	<i>January 1, 1931</i>	<i>January 1, 1914</i>
Europe .....	\$ 5,765,532,000	\$ 5,607,332,000	\$ 350,000,000
Canada .....	4,601,118,000	4,436,011,000	750,000,000
South America .....	3,078,970,000	3,013,935,000	100,000,000
Central America .....	3,015,445,000	2,985,135,000	1,200,000,000
Australasia .....	1,011,601,000	995,051,000	175,000,000
Miscellaneous .....	495,540,000	490,790,000	50,000,000
<b>Total .....</b>	<b>\$17,968,206,000</b>	<b>\$17,528,254,000</b>	<b>\$2,625,000,000</b>

\*The above totals are somewhat in excess of those presented by the United States Department of Commerce in "A New Estimate of American Investments Abroad." The apparent discrepancy is largely explained by the fact that the Department of Commerce does not include American investments in Mexican government and railway securities, because of the low quotation of Mexican bonds, and the difficulty of determining their true value.

If Mexico is eliminated from the compilation, however, there is no reason why certain other bonds should not be eliminated as well. This applies particularly to such issues as the Bolivian, the Peruvian, most of the Brazilian, and the Chilean.

The Department pursues the same policy in regard to portfolio investments in China, yet the only Chinese loan which is traded in on the New York Stock Exchange paid several coupons last June and is quoted materially higher than the bonds of many other countries which have been included in the compilation.

It is believed, however, that in computing American investments abroad—in fact, in computing any investment—the amount actually placed abroad must be taken as the proper figure, rather than the amount at which such investments might be disposed of at the time of compilation.

The other argument advanced in the study refers to the inclusion of the full amount of authorized increases in common stock by foreign subsidiaries and affiliates of American corporations. A careful examination of the compilation prepared for the Foreign Policy Association will reveal conclusively that the full amounts are not included unless a definite cash investment is involved. Where the figure merely refers to shares of undetermined value, it will be noticed that the figure is not included in such totals.

**TABLE V**  
**American Investments by Countries**

**A—EUROPE**

	<i>January 1, 1931</i>	<i>January 1, 1932</i>
Austria .....	\$ 122,500,000	\$ 129,500,000
Belgium .....	275,000,000	259,125,000
Czechoslovakia .....	55,500,000	55,500,000
Denmark .....	182,500,000	172,101,000

## A—Europe (Continued)

France .....	360,000,000	362,500,000
Germany .....	1,565,000,000	1,661,785,900
Great Britain .....	725,000,000	755,893,500
Hungary .....	130,000,000	138,000,000
Italy .....	535,000,000	536,102,500
Jugoslavia .....	72,500,000	72,500,000
Netherlands .....	165,000,000	165,000,000
Norway .....	215,000,000	215,000,000
Poland .....	185,500,000	192,000,000
Rumania .....	95,000,000	105,000,000
Spain .....	125,000,000	164,000,000
Sweden .....	285,500,000	289,486,000
Others .....	513,332,000	492,038,100
<b>TOTAL .....</b>	<b>\$5,607,332,000</b>	<b>\$5,765,532,000</b>

## B—LATIN AMERICA

## SOUTH AMERICA

(As of January 1, 1932)

	<i>Direct Investments</i>	<i>Portfolio Investments</i>	<i>Total Investments</i>
Argentina .....	\$ 355,364,000	\$ 499,980,800	\$ 855,344,800
Bolivia .....	61,619,000	61,104,000	122,723,000
Brazil .....	222,748,000	401,624,000	624,372,000
Chile .....	331,835,000	327,367,000	659,202,000
Colombia .....	140,494,000	200,402,800	340,896,800
Ecuador .....	11,777,000	10,726,000	22,503,000
Paraguay .....	12,615,000	150,000	12,765,000
Peru .....	126,530,250	102,881,000	229,411,250
Uruguay .....	27,904,000	81,977,300	109,881,300
Venezuela .....	240,970,100	.....	240,970,100
<b>Total South America .....</b>	<b>\$1,531,856,350</b>	<b>\$1,686,212,900</b>	<b>\$3,218,069,250</b>

## CENTRAL AMERICA

(As of January 1, 1932)

Costa Rica .....	\$ 22,166,000	\$ 9,400,000	\$ 31,566,000
Cuba .....	1,026,314,500	206,320,500	1,232,635,000
Dominican Republic .....	69,322,000	19,684,000	89,006,000
Guatemala .....	69,979,000	4,775,000	74,754,000
Haiti .....	14,191,000	16,015,000	30,206,000
Honduras .....	71,485,000	1,250,000	72,735,000
Mexico .....	725,063,900	162,296,300	887,360,200
Nicaragua .....	13,002,000	2,646,700	15,648,700
Panama .....	28,584,000	19,866,000	48,450,000
Salvador .....	29,466,000	12,880,300	42,346,300
Miscellaneous Latin America† .....	60,000,000	.....	60,000,000
<b>Total Central America .....</b>	<b>\$2,129,573,400</b>	<b>\$ 455,133,800</b>	<b>\$2,584,707,200</b>

**GRAND TOTAL,  
Latin America .....** **\$3,661,429,750**      **\$2,141,346,700**      **\$5,802,776,450\***

†Includes the Guianas, Jamaica and other West Indies.

\*Inclusion of currency issues in the figure presented on page 429 accounts for the apparent discrepancy.

**TABLE VI**  
**American Foreign Investments in 1931**

## A—EUROPE\*

## I. GOVERNMENTS, STATES AND MUNICIPALITIES

<i>Yield</i>	<i>Issue</i>	<i>Offered Price</i>	<i>Amount</i>	<i>Amount Refunded</i>
	Belgium 8s, 1941 .....	107½	\$.....	\$16,875,000
	Berlin (City of) .....		1,000,000 <sup>1</sup>	
	Berlin (City of) .....		11,900,000 <sup>2</sup>	
	Berlin 7½% Notes .....		17,850,000 <sup>3</sup>	

\*Does not include any short-term investments, such as the emergency credits advanced to Germany and England during the summer of 1931, as follows:

<i>Date</i>	<i>Recipient</i>	<i>Advanced by</i>	<i>Amount</i>
June 16 .....	Reichsbank	Federal Reserve Bank of N. Y. ....	\$ 25,000,000
July 6 .....	Reichsbank	International Acceptance Bank of N. Y. and others .....	50,000,000
August 1 .....	Bank of England	Federal Reserve Bank of N. Y. ....	125,000,000
August 29 .....	British Treasury	J. P. Morgan & Co. and others .....	200,000,000

1. Amount furnished by American interests to city for purpose of building a dental clinic. Cf. *New York Times*, Special Dispatch, dated Berlin, July 30, 1931.2. Represents amount of RM 25,000,000 (gold) advanced to city by American banking interests. Cf. *New York Times*, December 20, 1930. Amount made available early in 1931.

3. Represents advance to city of RM 75,000,000, preliminary to negotiations regarding the acquisition of the municipal electric plants.

A—EUROPE

I. Governments, States and Municipalities (Continued)

	Brussels (City of) .....		1,000,000 <sup>4</sup>	
	Danish Consolidated Municipal 8s, 1946 .....	107½		10,399,900
	Finland (Republic of) .....		7,575,000 <sup>5</sup>	
	German National Railways .....		3,000,000 <sup>6</sup>	
	German National Railways 7% Pfd. ....		8,000,000 <sup>7</sup>	
	Germany .....		1,500,000 <sup>8</sup>	
	Greek Government 5½s, 1932 .....		7,500,000 <sup>9</sup>	7,500,000
5.125	Hungary Treasury Notes, 1933 ....		5,000,000	5,000,000
	Italy (Kingdom of) .....		1,102,500 <sup>10</sup>	
	Poland (Republic of) .....		1,500,000 <sup>11</sup>	
	Rumania 7½s, 1971 .....	86½	10,000,000 <sup>12</sup>	
	Saxon State Bank .....		3,000,000	3,000,000
	Spain (Bank of Spain) 18-mos. Notes .....			38,000,000 <sup>13</sup>

4. Amount furnished by American interests to city for establishment of dental clinic. Cf. Associated Press dispatch, dated Brussels, October 6, 1931.

5. Revolving credit established in United States. Further details not available.

6. Represents American share in \$5,000,000 advance, remainder being underwritten in Sweden (\$2,000,000), and Belgium (\$1,000,000).

7. Represents American share of RM 150,000,000 par value; remainder acquired by European interests.

8. Represents cost of property acquired in Germany by Magdalena Syndicate through issuance of 2,408,000 shares of common stock.

9. Secured on \$13,041,003 Greek Government 5s of 1914-44.

10. Represents amount invested in real estate by U. S. interests. Cf. *New York Times*, Rome dispatch, January 15, 1931.

11. Represents American share in \$3,000,000 advance to Poland for purpose of converting state-owned telephone system to automatic system. Balance taken by British Investment Trust.

12. Amount privately placed in United States of total of Fcs. 1,325,000,000, of which Fcs. 375,000,000 were placed in France, the remainder being offered in leading financial centers.

13. Represents American share of total of \$60,000,000. In connection with this credit, the following statement was issued by J. P. Morgan & Co., as head of the syndicate: "J. P. Morgan & Co., acting in behalf of a group including themselves, the Chase National Bank of the City of New York, the First National Bank of the City of New York, the National City Bank of New York, Guaranty Trust Co. of New York, Bankers Trust Co., the Bank of America National Association, the New York Trust Co., International Acceptance Bank, Inc., Irving Trust Co., Kuhn, Loeb & Co., Dillon, Read & Co., Lee, Higginson & Co., Kidder, Peabody & Co., and others, have granted an eighteen months' revolving credit to the Bank of Spain in the amount of \$38,000,000. The notes of the Bank of Spain evidencing advances under the credit will be guaranteed by the Spanish Government and deposited with the Chase National Bank in London.

"The credit is issued in connection with the intervention in the foreign exchange markets for the purpose of regulating the quotation of the peseta during the period of *de facto* stabilization contemplated by the Spanish Government preliminary to the definitive adoption of the gold standard.

"J. P. Morgan & Co. are advised that a contemporaneous European credit for the equivalent in other currencies of approximately \$22,000,000 is being arranged by the Bank of Spain with a European group under the leadership of the Banque de Paris et des Pays Bas."

II. CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	American Cable Works (Rumania) <sup>1</sup> .....		\$.....	\$.....
8.00	Austrian Credit Anstalt .....	23.80	7,000,000 <sup>2</sup>	
8.27	Berliner Handelsgesellschaft .....		1,190,000 <sup>3</sup>	
	Bewag (Berlin City Electric Co.) 10% Stock .....	110	9,120,000 <sup>4</sup>	
	British Can Co., Ltd. <sup>5</sup> .....		1,000,000 <sup>6</sup>	
	Cie. Centrale de Prets Fonciers 5½s, 1966 .....		500,000 <sup>7</sup>	
	European Gas & Electric Co. ....			
	European Lloyd & Insurance Co. (Germany) <sup>8</sup> .....			
	Ford Motor Co., Ltd. ....	14.60	19,500,000 <sup>9</sup>	
7.00	Ford Motor Company <sup>10</sup> .....			
	"Futura" (Central Credit Cooper- ative Society) .....		8,000,000 <sup>11</sup>	
	Geathom (Spanish General Elec- tric) .....		1,000,000 <sup>12</sup>	

1. Company establishes wire plant in Rumania (near Bucharest); amount involved not available.

2. Represents American share of advance given to Austria to cover government's assistance to bank.

3. Represents estimated cost of RM 5,000,000 par value shares acquired by American interests.

4. Represents amount privately placed in United States.

5. Business acquired by Metal Box and Printing Industries, Ltd., British affiliate of Continental Can Company.

6. Amount taken up by American interests of total issue of Fcs. 140,000,000. Major portion (Fcs. 80,000,000) underwritten in France by French affiliate of American banking firm.

7. Represents initial investment by company formed under laws of Delaware with capitalization of 1,250,000 shares of no par value.

8. Company's fire insurance business acquired by American interests. Amount involved not stated.

9. Represents American portion of increase in capitalization of British company from £7,000,000 to £9,000,000.

10. Company establishes export agency in Braila (Rumania) to supply Balkan peninsula and Russia with automobiles. Amount involved not stated.

11. Amount privately placed in United States. Further details not available.

12. Represents American share of total of 20,000,000 pesetas.

## A—EUROPE

## II. Corporations (Continued)

4.55	Grangesburg-Oxelosund A.B. 4½s, 1960 .....	99	286,000 <sup>13</sup>	
	Hesselman Motor Corp., Ltd. ....		343,500 <sup>14</sup>	
	International Match Corp. ....		1,145,000 <sup>15</sup>	
5.50	International Match 5s, 1941 .....	96	50,000,000 <sup>16</sup>	
	International Mortgage Bank .....		250,000 <sup>17</sup>	
	"Nitag" (Naphtha Industrie und Tank Farm A.G.) .....		725,900 <sup>18</sup>	
	Pacific & Atlantic, Ltd. <sup>19</sup> .....			
	Participations Electriques et Industrielles .....		1,500,000 <sup>20</sup>	
	Petroleum Storage & Finance Corp., Ltd. ....		1,000,000 <sup>21</sup>	
	Rhine Westfalia Electric Co. 7½s		7,500,000 <sup>22</sup>	
	South Wales Electric Power Distribution Co. ....		10,000,000 <sup>23</sup>	
	Swedish Match Corp. ....	150	3,700,000 <sup>24</sup>	
	Unterelbe (Lower Elbe) Electric Co. 5s, 1932 .....		300,000	300,000
	Warner Bros. Pictures .....		50,000 <sup>24</sup>	

13. Amount estimated to have been taken in United States of issue of Kr. 20,000,000 offered for public subscription in Sweden.

14. Represents American share in British enterprise, formed with fully paid up capitalization of £275,000.

15. Represents an increase in number of shares from 1,355,000 to 2,560,000.

16. Issued to acquire certain German, Turkish and other government bonds incident to the acquisition of concessions in these countries.

17. American share in Swiss Corporation, formed with capital of Fcs. 25,000,000, one-fifth paid up.

18. Represents increased capital from RM 2,550,000, taken by American oil interests, the distribution of whose products in Europe will be taken over by the German company. Cf. *Journal of Commerce*, Special Dispatch, dated Berlin, December 9, 1931. According to the *Financial Bulletin Service* (Dow-Jones) of December 23, 1931, American interests have invested RM 4,500,000, or about \$1,100,000.

19. Acquired by American interests. Amount involved not stated.

20. Estimated amount of American share in enterprise formed by Franco-American interests to acquire shares in public utility enterprises in southern Belgium, Luxemburg, and Alsace-Lorraine.

21. Represents cost of property of British concern acquired by American interests.

22. Represents cost of acquisition of British concern by U. S. interests through English subsidiary.

23. Amount of Class "B" shares estimated to have been taken by U. S. interests of new issue of 900,000 shares of Kr. 100 par value at 150 per cent.

24. Estimated amount invested in studios in Teddington, Middlesex.

## B—CANADA

## I. GOVERNMENT, PROVINCES AND MUNICIPALITIES

Yield	Issue	Offered Price	Amount	Amount Refunded
4.25	Alberta 4¼s, 1935 .....	100	\$ 785,000 <sup>1</sup>	\$.....
4.25	Alberta 4¼s, 1934 .....	100	1,000,000 <sup>2</sup>	500,000
	Alberta 4½s, 1937 .....		650,000 <sup>3</sup>	
4.625	Alberta 4½s, 1961 .....	97.98	1,500,000 <sup>4</sup>	
4.625	Alberta 4½s, 1961 .....	98.75	1,000,000 <sup>5</sup>	500,000
	Alberta 4s, 1932 .....		1,500,000 <sup>6</sup>	
	Alberta 4s, 1933 .....		500,000 <sup>7</sup>	
	British Columbia 4½s .....		2,000,000 <sup>8</sup>	
4.40	British Columbia 4¼s, 1936 .....	99.33	3,550,000 <sup>9</sup>	
	British Columbia 4s, 1936 .....		1,500,000 <sup>7</sup>	
	British Columbia Ref. 4s .....		2,000,000 <sup>8</sup>	1,000,000
4.50	British Columbia Ref. 4½s, 1932-61 .....	99%	1,250,000 <sup>9</sup>	750,000
5.13-	Canada 5s, 1936 (National Service Loan) .....		7,500,000 <sup>10</sup>	
5.70	Canada Conversion 4½s, 1956 ...		50,000,000 <sup>11</sup>	50,000,000
	Canada (Miscellaneous) .....		1,200,000 <sup>12</sup>	
3.75	Manitoba 4s, 1933 .....	110.41	1,750,000 <sup>13</sup>	700,000
4.19	Manitoba 4s, 1933 .....	99%	500,000 <sup>14</sup>	
4.80-				
4.83	Manitoba 4½s, 1941-51 .....	95%-97.64	2,000,000 <sup>4</sup>	

1. Represents amount placed in United States of total issue of \$1,943,000.

2. Represents amount placed in United States of total issue of \$2,000,000.

3. Represents amount placed in United States of total issue of \$1,650,000.

4. Represents amount placed in United States of total issue of \$3,000,000.

5. Represents amount placed in United States of total issue of \$5,215,000.

6. Represents amount placed in United States of total issue of \$5,000,000.

7. Represents amount placed in United States of total issue of \$3,500,000.

8. Represents amount placed in United States of total issue of \$4,324,000.

9. Represents amount placed in United States of total issue of \$4,057,000.

10. Estimated amount placed in United States of total of \$150,000,000.

11. Represents amount placed in United States of total issue of \$639,816,500.

12. Represents cost of establishing a number of branches. Amount estimated by Toronto Industrial Commission. Cf. *New York Times*, Toronto dispatch, dated July 10, 1931.

13. Represents amount placed in United States of total issue of \$2,040,000.

14. Represents amount placed in United States of total issue of \$2,444,000.

B—CANADA

I. Government, Provinces and Municipalities (Continued)

4.50	Montreal 4½s, 1951-71 .....	100	4,425,000 <sup>15</sup>
4.50	Montreal Metropolitan Com. 4½s, 1965 .....	100	2,680,000
2.50-			
4.40	Montreal 4¼s, 1932-51 .....		6,000,000 <sup>16</sup>
4.45	New Brunswick 4½s, 1961 .....	100¾	250,000 <sup>17</sup>
4.50	Nova Scotia 4½s, 1961 .....	100	850,000 <sup>18</sup>
3.99-			
4.53	Ontario 4s, 1932-71 .....	99½-100½	20,000,000 <sup>19</sup>
4.46-			
4.50	Ottawa 4½s, 1938-60 .....	100-100¼	705,000 <sup>20</sup>
4.30	Quebec 4¼s, 1961 .....	99.16	6,500,000 <sup>21</sup>
4.48	Quebec Improvement 4½s, 1961 ..	100½	500,000 <sup>22</sup>
3.62	Saskatchewan 3½s, 1932 .....		2,125,000 <sup>23</sup>
	Saskatoon 5s .....		350,000 <sup>24</sup>
4.85	Shawinigan Falls 5s, 1932-71 .....		150,000 <sup>25</sup>
3.50-			
4.50	Toronto 3½s-4½s, 1932-61 .....		1,581,000 <sup>26</sup>
3.00-			
4.50	Toronto 4½s, 1932-61 .....	100.49-100.51	5,775,000 <sup>27</sup>
4.50-			
4.625	Vancouver, B. C. 5s, 1940-70 .....	102.52-106.75	351,000 <sup>28</sup>
4.50-			
4.56	Winnipeg 4½s, 1938-61 .....	99-100	500,000 <sup>29</sup>

- 15. Represents amount placed in United States of total issue of \$11,070,000.
- 16. Represents amount placed in United States of total issue of \$11,000,000.
- 17. Represents amount placed in United States of total issue of \$5,215,000.
- 18. Represents amount placed in United States of total issue of \$2,100,000.
- 19. Represents amount placed in United States of total issue of \$30,000,000.
- 20. Represents amount placed in United States of total issue of \$1,162,000.
- 21. Represents amount placed in United States of total issue of \$7,500,000.
- 22. Represents amount placed in United States of total issue of \$1,457,000.
- 23. Represents amount placed in United States of total issue of \$1,005,000.
- 24. Represents amount placed in United States of total value of \$490,500.
- 25. Represents amount placed in United States of total issue of \$4,836,000.
- 26. Represents amount placed in United States of total issue of \$10,084,000.
- 27. Represents amount placed in United States of total issue of \$3,667,733.
- 28. Represents amount placed in United States of total issue of \$3,300,000.

II. CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	Amerada Corporation .....		\$ 120,000 <sup>1</sup>	\$.....
	American Beet Sugar Co. ....		1,500,000 <sup>2</sup>	
	Borden's, Ltd. ....		20,000,000 <sup>3</sup>	
5.00	British Columbia Telephone 5s, 1960, "A" .....	100	1,500,000 <sup>4</sup>	
	Canada Western Telephone 1st 5½s .....		125,000 <sup>5</sup>	
	Canadian Industries, Ltd. ....		1,500,000 <sup>6</sup>	
4.60-	Canadian National Railways 4½s, 1951-56 .....	98-98¼	45,000,000 <sup>7</sup>	
4.65	Canadian Pandora Gold Mines, Ltd. ....		747,500 <sup>8</sup>	
	Cities Service Company .....		100,000 <sup>9</sup>	
7.00	Claude Neon General Advertising 7% Pfd. ....	100	1,000,000	
6.90	Dominion Gas & Electric Co. 6½s, 1945 .....	96	8,000,000	
	Dunlop Tire & Rubber Co., Ltd. <sup>10</sup>			
5.55	Gatineau Power Co. 5s, 1956 .....	92½	8,500,000	
	Hope Engineering Co. ....		1,000,000 <sup>11</sup>	
	Lackawanna Leather Co. of Canada, Ltd. <sup>12</sup> .....			
5.93	Maclaren-Quebec Power Co. 5½s, 1961 .....	94	1,500,000 <sup>13</sup>	

- 1. Cost of lease of acreage of total of 2,000,000 acres at Three Rivers, Canada.
- 2. Represents cost of factory in Canada. Cf. *Journal of Commerce*, Montreal dispatch, August 12, 1931.
- 3. Represents issued capitalization of total authorized of \$25,000,000 of newly organized company to take over all Canadian subsidiaries of Borden's. Company's investments in Canada placed at \$19,000,000. Cf. Associated Press dispatch, dated Montreal, January 22, 1931.
- 4. Formed by Canadian affiliate of American company. \$2,500,000 offered in England by British branch of American firm.
- 5. Represents amount placed in United States of total issue of \$575,000.
- 6. Represents cost of plant at Three Rivers erected by Canadian affiliate of American company.
- 7. Represents amount placed in United States of total issue of \$70,000,000.
- 8. Represents cost of shares sold at prices varying from \$.85 to \$1.45 to U. S. interests.
- 9. Formed to acquire miscellaneous assets in Canada. Amount involved not stated.
- 10. Acquired by American interests (E. I. du Pont de Nemours). Amount involved not stated.
- 11. Established by U. S. interests. Amount involved not stated.
- 12. Represents amount placed in United States of total issue of \$12,000,000.

## B—CANADA

## II. Corporations (Continued)

6.13	Manitoba Power Co., Ltd. 5½s, 1952 .....	92½	750,000 <sup>18</sup>	
	Maritime Paper Products, Ltd. <sup>14</sup>			
	Mexican Sea-Board Oil Co. ....		780,000 <sup>1</sup>	
	Minute Tapioca Co., Ltd. <sup>15</sup> .....			
4.50	Montreal Catholic School 4½s, 1971 .....	100	2,500,000	1,000,000
	Ontario Hydro-Electric 5s .....		1,500,000 <sup>19</sup>	
	Ottawa Light & Power 1st 5s .....		250,000 <sup>18</sup>	
	Price Realty 5½s .....		150,000 <sup>17</sup>	
	Provincial Oil Ltd. <sup>20</sup> .....			
	Toronto, Hamilton & Buffalo 4½s, 1966 .....	99	1,000,000 <sup>18</sup>	500,000
	West Kootenay Power & Light 5s		3,000,000 <sup>19</sup>	
	Winnipeg Electric Co. ....		3,000,000 <sup>20</sup>	

13. Represents amount placed in United States of total issue of \$1,000,000.
14. Substantial interest of Halifax, N. S., concern acquired by Robert Gair Company. Amount involved not stated.
15. Formed by Canadian affiliate of American company. Amount involved not stated.
16. Represents amount placed in United States of total issue of \$2,416,000.
17. Represents amount placed in United States of total issue of \$750,000.
18. Represents amount placed in United States of total issue of \$1,750,000.
19. Represents amount placed in United States of total issue of \$6,000,000.
20. Represents amount invested in common stock of company by Inault interests of Chicago.
21. American interests acquire company's storage plant at Sidney River, N. S. Amount involved not stated.

## C—SOUTH AMERICA

## I. GOVERNMENTS, STATES AND MUNICIPALITIES

Yield	Issue	Offered Price	Amount	Amount Refunded
	Argentina (Republic of) 5s, 1931	100	\$.....	\$20,000,000
	Argentina (Republic of) 6% Notes		30,000,000 <sup>1</sup>	30,000,000
	Buenos Aires (City of) 6-mos. 6s		520,000 <sup>2</sup>	
6.00-				
6.375	Chile (Republic of) .....		19,000,000 <sup>3</sup>	
	Colombia (Republic of) .....		16,000,000 <sup>4</sup>	
	Colombia Treasury Notes .....		8,000,000 <sup>5</sup>	8,000,000 <sup>6</sup>
	Cordoba (City of) .....		660,000 <sup>7</sup>	
	Montevideo (Uruguay) <sup>8</sup> .....			
	Pernambuco (State of) 7% Notes, 1932 .....		200,000 <sup>9</sup>	
	Sante Fe (Province of) .....		5,000,000 <sup>10</sup>	4,000,000
	Santiago (Chile) Refunding Notes			3,000,000 <sup>11</sup>

1. Subscribed partly by U. S. banking interests (\$10,000,000) and partly by American enterprises operating in Argentina, including International Telephone, Harvester, Swift, Armour, U. S. Products, Standard Oil of New Jersey, General Motors, and Singer Sewing Machine.
2. Represents amount taken by Argentine affiliates of U. S. banking interests of total issue of 10,000,000 pesos.
3. Represents advances of \$15,000,000, and two of \$2,000,000 each, maturing in four months or more.
4. Represents advances and credits to Republic by American interests. Cf. *New York Times*, Bogota dispatch, March 19, 1931.
5. Cf. Dow-Jones, *Financial Bulletin Service*, January 12, 1931.
6. Represents credit extended by South American branch of American banking firm.
7. Property site acquired by U. S. Government. Cf. *New York Times*, June 18, 1931. Amount involved not stated.
8. Issued and payable in milreis, due at rate of 100,000 milreis a month. Secured by state bonds of 5,500,000 milreis.
9. Represents 6 months' credit, renewable at option of province.
11. Amount comprises two issues, repaid to the extent of \$2,000,000 on June 15, and as to the remainder on March 15, 1931.

## II. CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	All America Cables (Peru) <sup>1</sup> .....		\$.....	\$.....
	Aruba Refinery (D.W.I.) <sup>2</sup> .....			
	Caja de Empleados Particulares (Chile) .....		600,000 <sup>3</sup>	
	Cia. Telefonica Central (Colombia)		1,500,000 <sup>4</sup>	
	Colombia (Public Utility Properties) .....		15,000,000 <sup>5</sup>	
	Consolidated Caribbean Oil Corp. <sup>15</sup>			
	Cosach (Cia. Salitre Chilena) ....		16,500,000 <sup>6</sup>	

1. Company opens and operates cable station at Talara. Amount involved not stated.
2. Represents total investment of \$23,000,000, made over period of years. Cf. Dow-Jones, *Financial Bulletin Service*, June 9, 1931.
3. Payable in pesos. Amount guaranteed by bonds and securities owned by the Caja and held for the account of the lender by the Central Bank of Chile.
4. Represents cost of installation of toll line connecting Buenaventura with Bogota, capital of Colombia, bringing total investments in republic up to \$8,000,000.
5. Represents cost of power plants in Zipaguira, Nemocen, Chia Cajica and Cogua, acquired by American interests.
6. Advances made by American interests. Cf. *New York Evening Post*, Special Dispatch, dated London, December 12, 1931.

C—SOUTH AMERICA

II. Corporations (Continued)

	Cosach (Cia. Salitre Chilena) 7s, 1948 .....		19,000,000 <sup>7</sup>
	Huaco Oil Co. ....		96,000 <sup>8</sup>
	Johnson & Johnson de Argentina		20,000 <sup>9</sup>
	R. C. A. Victor Argentina .....		975,000 <sup>10</sup>
	R. C. A. Victor Brasileira .....		250,000 <sup>10</sup>
	Scadta (Colombia) <sup>11</sup> .....		2,000 <sup>9</sup>
	South American Radio Corp. ....		25,000 <sup>9</sup>
	Standard Brands of Brazil, Inc. ..		1,000 <sup>9</sup>
5.00	United Artists of Brazil .....		1,000,000 <sup>12</sup>
	United River Plate Telephone Co. 5% Pfd. ....	100	161,250 <sup>13</sup>
	Venezuelan Petroleum Co. ....		
	Westinghouse Electric de Brazil, S. A. <sup>14</sup> .....		

7. Represents American share (privately taken) of total issue of \$50,000,000.
8. Represents number of shares of no par value of newly formed Delaware corporation.
9. Represents capital of newly formed company under laws of New Jersey.
10. Represents increase in present capitalization. Amount representing new investment, not stated.
11. Acquired by Pan American Airways.
12. Cost of preferred stock of company purchased by American interests who control entire capital, including preferred, and \$6,073,005 of common of total of \$6,080,000.
13. Represents increase in company's investments as compared with previous year.
14. Formed for the purpose of dealing in Westinghouse products. Amount involved not stated.
15. Company acquires additional acreage, bringing total holdings of South American oil reserves under control up to 6,000,000 acres.

D—CENTRAL AMERICA

(Including Mexico, Cuba and West Indies)

I. GOVERNMENTS, STATES AND MUNICIPALITIES

Yield	Issue	Offered Price	Amount	Amount Refunded
	Cuba (Republic of) 2-year Notes		\$20,000,000	\$20,000,000
	Guatemala (Republic of) <sup>1</sup> .....			
	Mexico (United States of) .....		9,000,000 <sup>2</sup>	
	Mexico (United States of) .....		7,500,000 <sup>2</sup>	
12.25	Nicaragua (Republic of) .....		1,000,000 <sup>4</sup>	
	Salvador 7s, 1957, Series "C" ....		150,000	
	Salvador (Republic of Salvador) Paving Loan of 1925 .....	100		1,800,000

1. United States interests (Consolidated Caribbean Oil Corporation) acquire 2,990,000 acres in republic. Amount involved not stated.
2. Represents American share of \$10,000,000 advance. Participants include Standard Oil of California, Pierce Oil Company, and Pan American Petroleum and Transport Company. Funds to be employed to continue highway construction program, preference to be given to Mexico City-Laredo, Mexico City-Guadalupe, and Matamoros-Mazatlan highways. Remainder of advance granted by British company.
3. Advance in form of 6 months' notes, renewable up to two years. Proceeds to be used for aiding country's currency stabilization program and normalization of foreign exchange rates.
4. Represents advance made for purpose of strengthening National Guard and developing public works in accordance with plans understood to have been approved by the U. S. Secretary of State.

II. CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	Cia. Dominicana de Telefonos <sup>1</sup> ....		\$.....	\$.....
	Cia. Minera Kildun y Anexas, S.A. <sup>2</sup> .....			
	Costa Rica Fruit & Candy Corp.		150,000 <sup>3</sup>	
	Cuban-American Manganese Corp. <sup>4</sup>	80	6,000,000	
	Cuban Dominican Sugar 6s, 1946		23,000 <sup>5</sup>	
6.00	Electric Company of Costa Rica			
	International Railways of Central America 6s, 1932 .....	100	2,000,000	2,000,000
	Johnson & Johnson International de Cuba .....		20,000 <sup>6</sup>	
	Johnson & Johnson de Mexico ....		20,000 <sup>6</sup>	
	Kildun Mining Corp. (Mexico) <sup>2</sup> ..			
	Matanzas Sugar Co. 7s, 1932 .....		3,000,000	3,000,000
	Panama Pacific Corporation .....		250,000 <sup>6</sup>	
	Perfumeria Thesalia (Cuba) <sup>6</sup> .....		850,000 <sup>6</sup>	
	Sabates S. en C. (Cuba) .....			
	San Jose Cement Co., Ltd. ....		19,250,000 <sup>6</sup>	
	Sinaloa Mining Company .....		50,000 <sup>6</sup>	

1. Acquires City of San Domingo and toll lines connecting other cities throughout republic. Amount involved not stated.
2. Amount of \$3,500,000 represents cost of shares, of which 926,952 are outstanding, to American interests. Three per cent offered to stockholders at \$5 a share.
3. Represents number of shares of no par value of newly formed Delaware company.
4. Control acquired by U. S. interests. Amount involved not stated.
5. Represents capital of newly formed company under laws of New Jersey.
6. Represents cost of acquisition of Cuban properties by American interests.

## D—CENTRAL AMERICA

## II. Corporations (Continued)

6.10	Warren Bros. 6s, 1941 .....	99	5,000,000 <sup>7</sup>
	Westinghouse Electric de Cuba, S.A. <sup>8</sup> .....		
	Ximenes Oil Corporation .....		400 <sup>9</sup>

7. Proceeds employed largely in Cuba.

8. Formed to deal in Westinghouse products. Further details not available.

## E—AUSTRALASIA

## CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	Associated General Electric Industries <sup>10</sup> .....			
	Chino-American Corporation .....		{ \$ 100,000 <sup>1</sup>	
	Far Eastern Investment Corp. ....		15,000 <sup>2</sup>	
	Holden's Automobile Body Co., Ltd. ....		2,300,000 <sup>3</sup>	
	Mining Trust, Ltd., 6s .....		5,000,000 <sup>4</sup>	
	Mount Isa Co., Ltd. ....		1,000,000 <sup>11</sup>	
	Nippon Electric Power Co. 7s, 1932 .....		3,500,000 <sup>5</sup>	
	Pan American Petroleum & Transport Co. <sup>7</sup> .....		2,250,000 <sup>6</sup>	
5.90	Taiwan Electric Power Co. 5½s, 1971 .....	93½	22,800,000	
	Tata Hydro-Electric Agencies, Ltd. (India) <sup>8</sup> .....			
	United Eastern Agencies, Ltd. (Bombay) <sup>9</sup> .....			

1. Represents capitalization of newly formed Delaware corporation.

2. Represents number of shares of no par value of newly formed Delaware corporation.

3. Represents capitalization of newly formed corporation under Delaware laws. Amount actually invested, not available.

4. Amount understood to have been invested in acquiring company through Australian affiliate of American interests.

5. Represents American share in new issue of convertible 6's of £666,667 (Australian currency) and of 666,667 new shares of £1 par value offered for public subscription, Americans agreeing to take up shares not subscribed for.

6. Represents American share of £900,000 issue floated in London by British affiliate of American underwriting firm.

7. Company disposes of interest in Iraq Petroleum Co., Ltd.

8. Half interest acquired by American group. Company manages certain hydro-electric properties in the Bombay district.

9. Control acquired by American interests. Company manages Poona, Broach and Karachi Electric Supply companies. Amount involved not stated.

10. Formed by American interests and their European affiliates to include the Australian General Electric; Australian Elec. Mfg.; Edison-Swan Elec.; Ferguson Pailing; and Metropolitan Vickers Proprietary, Ltd. Amount involved not stated.

11. Advanced by American interests for purpose of enlarging the smelting facilities of Mount Isa Mines, Ltd., and for certain other improvements at the company's Mount Isa lead property in Australia.

## F—UNITED STATES TERRITORIES

## I. GOVERNMENTS AND MUNICIPALITIES

Yield	Issue	Offered Price	Amount	Amount Refunded
3.93	Porto Rico 4¼s, 1941-51 .....	102½	\$ 500,000	
	Porto Rico Irrigation Bonds .....		150,000	

## II. CORPORATIONS

5.22	Hawaiian Pineapple Co., Ltd. 5s, 1936 .....	99	\$5,000,000
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## G—MISCELLANEOUS

## CORPORATIONS

Yield	Issue	Offered Price	Amount	Amount Refunded
	African Foreign Tropical Products Co. ....		\$ 25,000 <sup>1</sup>	
	International Public Service Corp. ....		1,250,000 <sup>2</sup>	
	International Shareholding Corp. ....		1,250,000 <sup>3</sup>	
	International Utility Bond & Share Co. ....		100 <sup>1</sup>	
7.43	Rhodesian Anglo-American, Ltd. 7½s, 1945 .....		5,000,000 <sup>2</sup>	
	Rhodesian Selection Trust .....		1,250,000 <sup>3</sup>	

1. Represents number of shares of no par value of newly formed Delaware company.

2. Represents American share of total of £4,500,000 offered in London with warrants to buy 50 shares at 12s for each £100 par value of bonds.

3. Represents American share of total of £1,093,750, bringing total American advances to company up to \$7,000,000, of which \$2,205,928 is due March 15, 1932.

