AUSTRALIA

ANNUAL BULLETIN OF OVERSEA INVESTMENT
1955-56

WITH COMPARATIVE DATA FOR PREVIOUS YEARS FROM 1947-48
(PREVIOUSLY ENTITLED "SURVEY OF COMPANIES WITH OVERSEA AFFILIATIONS")

NEW SERIES No. 1

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AUSTRALIA

ANNUAL BULLETIN OF OVERSEA INVESTMENT - 1955-56

(Previously entitled "Survey of Companies with Oversea Affiliations")

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PREFACE

1. This Bulletin institutes a new series of statistics of oversea investment.

2. It embodies changes in classification, scope and coverage resulting from special investigations.

3. The tables have been revised to accord with the improved basis now adopted.

4. Two major changes have been made, namely,

(i) classifications (particularly in Tables 4, 5 and 8) have been revised substantially following a more thorough analysis than had previously been possible of intra-company operations and transactions, particularly in the banking field;

(ii) coverage has been widened to include some organisations not previously included.

5. As a result, the series in this Bulletin are not generally comparable with those published previously in the Survey of Companies with Oversea Affiliations.

6. In the main, the changes made do not significantly affect total trends previously apparent in annual flows of investment shown by Tables 1, 2 and 3 of Section I.

7. But, considerable revisions have been made in the Sections dealing with the level at the end of each year of the values of certain categories of investments (Sections II and III). These changes are reflected chiefly in the classification of enterprises as "branches" or "subsidiaries."

The statistical measurement of the flow of investment between Australia and oversea countries poses complex problems.

These include the identification of companies and other organisations which have affiliations or transactions of the types which affect the flow of investment; adaptation of techniques to measure changes in the channels of investment; and analysis and interpretation of inter-company relationships to ensure consistent treatment of all relevant organisations.

Revision of the classification and presentation of these statistics may be necessary from time to time in conformity with changes in the anatomy of oversea investment.

Each Bulletin should be regarded as a summary of the latest available facts for the most recent year, accompanied by comparative figures for earlier years.

But, the figures in future Bulletins will be made as closely comparable as possible with those in this Bulletin.

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SECTION I. ANNUAL FLOW OF PRIVATE INVESTMENT BETWEEN AUSTRALIA AND OVERSEA COUNTRIES

The statistics in this section (Tables 1 to 3) cover the most significant elements of the annual flow of investment between Australia and overseas. Some categories of oversea investment (e.g. new loans between Australian and oversea individuals, movements in non-residents' accounts in Australian banks, etc.) are not included. Section 2 (Tables 4 to 10) provides more detailed information on oversea investment in Australia. Tables 11 to 15 in Section 3 show more detailed information on Australian investment overseas, and Section 4 (Tables 16 and 17)relates to income payments between Australia and overseas.

The statistics are based on returns collected from companies and other organisations, supplemented by information collated by the Commonwealth Bank of Australia. A more detailed description of the scope and coverage of the statistics is provided in the Appendix. Descriptions of certain terms used in the Survey, and notes on the sources of the statistics and their relationship to Balance of Payments estimates, are also shown in the Appendix.

Table 1 shows the inflow of private investment to Australia from overseas during each year 1947-48 to 1955-56. The table summarizes the annual increase in oversea investment in companies operating in Australia, including banks and fire, marine and general insurance companies, and in public authority securities domiciled in Australia.

TABLE 1. ANNUAL INFLOW OF PRIVATE INVESTMENT TO AUSTRALIA FROM OVERSEA COUNTRIES 1947-48 TO 1955-56

(£A million)

(i) FORM OF INVESTMENT

Year	Annual Increase in Investment in Companies (a)		Annual Increase in Private Investment in Public Authority Securities Domiciled in Australia (a)	Annual Inflow of Private Investment
	Undistributed Income	Other		
	I	II	III	IV
1947-48	7.4	30.0	(b)	(c) 37.4
1948-49	6.1	35.8	(b)	(c) 41.9
1949-50	16.1	52.2	(b)	(c) 68.3
1950-51	22.4	43.7	(b)	(c) 66.1
1951-52	24.2	60.7	(b)	(c) 84.9
1952-53	18.4	8.5	-5.5	21.4
1953-54	31.0	34.6	-4.0	61.6
1954-55	30.7	69.7	-2.9	97.5
1955-56	39.9	71.3	-5.0	106.2

(a) Increases in ivestment by some oversea investors are offset against withdrawals of investment by other oversea investors. (-) Denotes decrease.
(b) Not available.
(c) Excludes investment in Public Authority Securities domiciled in Australia.

(ii) DOMICILE OF INVESTOR

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Annual Inflow of Private Investment
1947-48	28.9	0.9	6.5	1.1	37.4
1948-49	34.8	0.6	4.2	2.3	41.9
1949-50	52.6	1.7	10.3	3.7	68.3
1950-51	41.7	1.6	20.3	2.5	66.1
1951-52	46.7	3.6	30.7	3.9	84.9
1952-53	18.7	0.3	2.1	0.3	21.4
1953-54	36.1	4.2	17.5	3.8	61.6
1954-55	50.0	0.5	40.2	6.8	97.5
1955-56	63.0	3.6	31.9	7.7	106.2

The above table is on a revised basis - see Preface.

Table 2 below summarizes the annual outflow of investment by Australian companies in companies overseas during each year, 1947-48 to 1955-56. From 1949-50 particulars are also included of the outflow of investment by Australian individuals in companies overseas and in foreign government securities. (Columns III and IV of Table 2). The two latter series have usually shown a net receipt of funds by Australia. It is likely that these movements reflect the realisation of oversea assets by former residents of oversea countries who have settled in Australia.

TABLE 2. ANNUAL OUTFLOW OF PRIVATE INVESTMENT FROM AUSTRALIA TO OVERSEA COUNTRIES, 1947-48 TO 1955-56

(£A million)

(i) FORM OF INVESTMENT

Year	Annual Increase in Investment in companies overseas (a)			Annual Increase in Private Investment in Foreign Government Securities (a) (b)	Annual Outflow of Private Investment
	By Australian Companies		By Australian Individuals (b)		
	Undistributed Income	Other			
	I	II	III	IV	V
1947-48	(c)	(d) 2.2	(c)	(c)	(e)(f) 2.2
1948-49	(c)	(d) 1.4	(c)	(c)	(e)(f) 1.4
1949-50	(c)	(d) 2.7	- 2.2	- 0.7	(f) -0.2
1950-51	(c)	(d) 3.4	- 1.0	- 0.2	(f) 2.2
1951-52	(c)	(d) 4.5	- 1.7	- 0.2	(f) 2.6
1952-53	1.9	3.0	- 0.6	- 0.1	4.2
1953-54	2.5	2.0	- 0.5	-	4.0
1954-55	3.7	5.2	- 0.4	-	8.5
1955-56	3.2	6.2	- 2.2	-	7.2

(a) Increases in investment by some Australian investors are offset against withdrawals of investment by other Australian investors. (-) Denotes decrease.
(b) See comment preceding this Table.
(c) Not available.
(d) Includes unremitted profits of oversea branches.
(e) Excludes investment in oversea companies by Australian individuals, and private Australian investment in foreign Government securities.
(f) Excludes undistributed profits of oversea subsidiaries.

(ii) COUNTRY IN WHICH CAPITAL INVESTED

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Annual Outflow of Private Investment
1947-48	-	(a)	0.1	(b) 2.1	2.2
1948-49	- 0.5	(a)	- 0.2	(b) 2.1	1.4
1949-50	- 3.4	(a)	-	(b) 3.2	- 0.2
1950-51	- 0.8	(a)	- 0.1	(b) 3.1	2.2
1951-52	- 0.8	(a)	0.4	(b) 3.0	2.6
1952-53	0.4	(a)	-	(b) 3.8	4.2
1953-54	1.5	(a)	- 0.1	(b) 2.6	4.0
1954-55	1.4	3.2	- 0.8	4.7	8.5
1955-56	0.3	1.9	- 0.2	5.2	7.2

(a) Not available for publication. Included in "Other."
(b) Includes New Zealand.

(-) Denotes inflow.

The above table is on a revised basis - see Preface.

In Table 3 below, the Annual Inflow from Table 1, the Annual Outflow from Table 2, and the net amounts transferred to or from Australia each year by Australian and oversea life insurance companies, are summarised to show the net annual flow of investment between Australia and overseas.

TABLE 3. NET ANNUAL FLOW OF PRIVATE INVESTMENT BETWEEN AUSTRALIA AND OVERSEA COUNTRIES, 1947-48 TO 1955-56.

(£A. million)

(i) FORM OF FLOW

Year	Annual Inflow of Private Investment	Annual Outflow of Private Investment (a)	Net Oversea Remittances by Life Insurance Companies (a)	Net Annual Flow of Private Investment
	I	II	III	IV
1947-48	(b) 37.4	(c) 2.2	0.6	(d) 34.6
1948-49	(b) 41.9	(c) 1.4	- 0.5	(d) 41.0
1949-50	(b) 68.3	(c)-0.2	- 0.1	(d) 68.6
1950-51	(b) 66.1	(c) 2.2	0.1	(d) 63.8
1951-52	(b) 84.9	(c) 2.6	0.6	(d) 81.7
1952-53	21.4	4.2	4.3	12.9
1953-54	61.6	4.0	6.4	51.2
1954-55	97.5	8.5	6.7	82.3
1955-56	106.2	7.2	1.1	97.9

(a)(-)Denotes inflow.
(b) See note (c) to Table 1(i).
(c) See note (e) to Table 2(i) for 1947-48 and 1948-49, and note (f) to Table 2(i) for 1947-48 to 1951-52.
(d) See note (e) to Table 2(i) for 1947-48 and 1948-49, and note (c) to Table 1(i) and note (f) to Table 2(i) for 1947-48 to 1951-52.

(ii) REGIONAL DISSECTION

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Net Annual Flow of Private Investment
1947-48	28.9	(a)	6.4	(b)-0.7	(c) 34.6
1948-49	35.7	(a)	4.4	(b) 0.9	(c) 41.0
1949-50	56.1	(a)	10.3	(b) 2.2	(c) 68.6
1950-51	42.4	(a)	20.4	(b) 1.0	(c) 63.8
1951-52	47.2	(a)	30.3	(b) 4.2	(c) 81.7
1952-53	16.3	(a)	2.1	(b)-5.5	12.9
1953-54	32.7	(a)	17.6	(b) 0.9	51.2
1954-55	44.7	-4.7	41.0	1.3	82.3
1955-56	61.8	1.6	32.1	2.4	97.9

(a) Not available for publication. Included in "Other".

(b) Includes New Zealand.

(c) See note (e) to Table 2(i) for 1947-48 and 1948-49, and note (c) to Table 1(i) and note (f) to Table 2(i) for 1947-48 to 1951-52.

(-) Denotes outflow.

The above table is on a revised basis - see Preface.

SECTION II. PRIVATE OVERSEA INVESTMENT IN AUSTRALIA

The series now published in Tables 4 to 9 have been revised following receipt of amended returns from some companies and some changes in the scope of the series as mentioned in the Preface.

Table 4 shows the total face value of paid up capital, issued debentures, unsecured notes and other obligations of Australian businesses held by oversea companies and individuals at 30th June, 1947 to 1956. Two sets of figures are shown for 1952. The first of these, which is comparable with the figures for 1951 and earlier years, excludes holdings by Australian nominees of oversea investors, and by oversea investors using Australian addresses. Holdings of this type are included in the second set of 1952 figures, which are comparable with the series shown for later years.

The total oversea holdings in Australian companies increased by £34.9 million during 1955-56. Of this increase, the United Kingdom accounted for £23.8 million, the United States of America for £6.0 million and New Zealand for £2.5 million. The United Kingdom and the United States of America combined accounted for 84 per cent. of the total paid up capital, debentures, unsecured notes and other obligations of Australian companies held by oversea interests as at 30th June, 1956.

TABLE 4. TOTAL FACE VALUE OF PAID UP CAPITAL, ISSUED DEBENTURES, UNSECURED NOTES AND OTHER OBLIGATIONS OF AUSTRALIAN COMPANIES HELD BY OVERSEA COMPANIES OR INDIVIDUALS AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A. million)

As at 30th June -	Country of Incorporation or Residence of Shareholder					Total
	United Kingdom	New Zealand	Canada	U.S.A.	Other	
1947	56.8	12.4	3.5	23.7	5.6	102.0
1948	60.6	11.9	3.4	26.0	6.1	108.0
1949	68.7	12.1	3.5	26.1	7.1	117.5
1950	78.4	13.0	3.5	28.1	7.4	130.4
1951	90.8	14.1	3.7	31.7	8.7	149.0
1952	101.5	15.7	4.0	33.8	10.5	165.5
1952 (b)	114.5	16.3	4.0	34.1	11.9	180.8
1953 (b)	127.7	17.0	4.6	36.0	12.5	197.8
1954 (b)	135.8	19.2	4.6	37.5	13.6	210.7
1955 (b)	164.2	21.3	6.2	46.9	14.9	253.5
1956 (b)	188.0	23.8	6.4	52.9	17.3	288.4

(a) Amounts previously included in Tables 4 and 5 in respect of certain companies have been excluded from these tables. Particulars for the companies concerned are now included in Table 8. See first paragraph on this page.

(b) These figures include holdings by Australian nominees of oversea investors, and by oversea investors using Australian addresses.

A large component of the total oversea holdings shown in Table 4 consists of "Direct" investments, i.e. where some measure of oversea control over the Australian Company is involved. (For a more detailed description of "Direct" investment, see Section C of the Appendix.).

At 30th June, 1956, 77 per cent. of the United Kingdom holdings of the paid up capital, debentures, unsecured notes, etc. of Australian companies, and 94 per cent. of the United States holdings, were of the directly invested category, but for New Zealand holdings the proportion was only about 10 per cent. The proportion for all countries combined was 74 per cent. Table 5 shows the amounts of "Direct" oversea holdings in Australian companies. The amounts shown in Table 5 represent the "direct" component of the amounts shown in Table 4, and are not additional to those amounts.

TABLE 5 : "DIRECT" OVERSEA HOLDINGS OF PAID UP CAPITAL, ISSUED DEBENTURES, UNSECURED NOTES, AND OTHER OBLIGATIONS OF AUSTRALIAN COMPANIES AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A million)

As at 30th June -	Country of Incorporation or Residence of Shareholder					Total
	United Kingdom	New Zealand	Canada	U.S.A.	Other	
1947	42.7	1.2	2.6	23.0	4.1	73.6
1948	43.8	0.6	2.6	24.5	4.7	76.2
1949	50.1	0.6	2.9	25.4	4.8	83.8
1950	58.0	0.6	2.4	27.0	5.6	93.6
1951	68.8	0.9	2.8	30.6	6.5	109.6
1952	77.3	1.0	3.0	32.7	8.0	122.0
1953	89.6	1.0	3.6	34.7	8.2	137.1
1954	99.7	1.2	3.6	36.1	9.0	149.6
1955	124.9	2.2	5.6	44.5	10.0	187.2
1956	144.8	2.3	5.6	49.9	11.4	214.0

(a) See footnote (a) following Table 4.

Another form of oversea investment in Australian companies is by way of the intercompany accounts owed by Australian subsidiaries to their oversea parent or associated companies. The amounts of these accounts outstanding at 30th June, in each of the years 1947 to 1956, are shown in Table 6. In this table, amounts owed to some Australian subsidiaries by their oversea associates are offset against amounts owed to oversea associates by other Australian subsidiary companies.

TABLE 6 : INTERCOMPANY ACCOUNTS OWING BY AUSTRALIAN SUBSIDIARIES TO OVERSEA PARENT OR ASSOCIATED COMPANIES: AMOUNTS OUTSTANDING AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A million)

As at 30th June -	Country of Incorporation of Parent or Associated Company				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	10.4	-	8.2	1.4	20.0
1948	14.3	-	11.3	1.3	26.9
1949	25.1	-	12.6	2.0	39.7
1950	42.2	0.1	20.3	4.5	67.1
1951	52.7	0.1	28.2	4.3	85.3
1952	73.9	-	45.5	4.7	124.1
1953	69.5	-	31.7	4.8	106.0
1954	76.1	- 0.2	30.8	6.1	112.8
1955	78.9	- 0.5	43.6	11.4	133.4
1956	96.3	- 0.8	48.9	15.5	159.9

(a) Revised basis - see Preface.

(-) Denotes amounts owing to Australian subsidiaries.

Table 6 shows that the intercompany accounts outstanding rose by £65.3 million between 30th June, 1947 and 30th June, 1951. A further increase of £38.8 million took place in 1951-52, due mainly to debits for imports for which payment was not made in that year. In 1952-53 there was a sharp fall of £18.1 million, followed by rises of £6.8 million 1953-54 and £20.6 million in 1954-55 and £26.5 million in 1955-56.

An analysis of the nature of the movements in the intercompany accounts shown in Table 6 has been made for the years 1952-53 to 1955-56 and the details are shown in Table 7.

TABLE 7 : NATURE OF MOVEMENTS IN INTERCOMPANY ACCOUNTS OUTSTANDING BETWEEN AUSTRALIAN SUBSIDIARIES AND OVERSEA COMPANIES, 1952-53 TO 1955-56 (a)

(£A. million)

Nature of Movement	1952-53	1953-54	1954-55	1955-56
1. Imports:				
(a) Excess of imports over payments during the year.	+ 6.1	+23.0	+30.3	+41.4
(b) Excess of payments over imports during the year.	-27.5	-17.8	-12.7	-14.7
	-21.4	+ 5.2	+17.6	+26.7
2. Dividends credited, but not remitted during the year.	+ 1.3	+ 1.0	+ 3.1	+ 3.4
3. Remittances of dividends credited in previous years	- 1.2	- 1.5	- 1.0	- 1.7
4. Net remittances to or from Australian companies (other than remittances in respect of imports and dividends).	- 2.4	+ 3.4	+ 6.2	+ 3.0
5. Other movements (net). (Includes: capitalisation of outstanding amounts, transfers of assets between branches and subsidiaries, etc.).	+ 5.6	- 1.3	- 5.3	- 4.9
6. Total net movement:	-13.1	+ 6.8	+20.6	+26.5

(a) Revised basis - see Preface.
(+) Denotes increase, (-) Denotes decrease.

The third major form of oversea investment in companies operating in Australia is through unincorporated Australian branches of companies incorporated overseas. Table 8 shows book values at the end of each year of the net Australian assets of these branches. The annual movements in figures shown in Table 8 include movements due to profits earned in Australia, but not remitted overseas. (See Table 9 (i)).

At 30th June, 1956, about 91 per cent. of the net assets in Australia of branches of oversea companies were owned by companies incorporated in the United Kingdom.

TABLE 8 : BOOK VALUE OF NET ASSETS IN AUSTRALIA OF BRANCHES OF OVERSEA COMPANIES AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A. million)

As at 30th June -	Country of Incorporation of Oversea Company				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	120.2	4.8	2.8	1.8	129.6
1948	138.0	5.7	3.0	2.2	148.9
1949	151.5	6.3	3.5	2.4	163.7
1950	175.9	6.9	4.7	2.9	190.4
1951	192.4	7.6	6.2	3.5	209.7
1952	203.5	8.6	6.4	4.0	222.5
1953	207.8	8.5	7.6	4.4	228.3
1954	227.7	9.4	8.8	5.3	251.2
1955	243.9	9.5	10.3	4.4	268.1
1956	258.6	9.9	11.9	4.8	285.2

(a) See footnote (a) to Table 4.

The statistics in Tables 4 to 8 make no allowance for the reserves of Australian subsidiary companies controlled by oversea parent companies, and for this and other reasons cannot be summed to obtain an estimate of the "value" of oversea capital invested in companies in Australia.

However, the annual movements, taken together with the undistributed profits of Australian subsidiary companies accruing to oversea parent companies and certain "adjustments" described in Section A of the Appendix and the remarks on Table 9 in Section D, can be summed to show the annual inflow of oversea investment in companies operating in Australia. The annual movements in the totals of Tables 4 to 8, together with the total undistributed profits of Australian subsidiary companies accruing to the oversea parent companies, and necessary adjustments, are shown in Table 9.

Table 9 shows that the annual inflow of oversea investment in companies in Australia has fluctuated widely. In 1951-52 the inflow amounted to £34.9 million, but was only £26.9 million in 1952-53. This reduction apparently resulted mainly from the deferment until 1952-53 of payments in respect of imports which arrived in 1951-52. In 1953-54 the inflow of oversea investment in companies in Australia rose to £65.6 million, with further rises to £100.4 million in 1954-55 and £111.2 million in 1955-56. Over the whole period from July, 1947 to June, 1956, the total inflow of oversea investment in companies in Australia amounted to £602.7 million, of which United Kingdom investors accounted for £389.5 million, or 65 per cent., and investors from Canada and the United States of America accounted for £163.6 million, or 27 per cent.

TABLE 9 : ANNUAL INFLOW OF PRIVATE OVERSEA INVESTMENT IN COMPANIES IN AUSTRALIA, 1947-48 TO 1955-56.

(£A million)

(i) FORM OF INVESTMENT

Year	Increased Holding of Capital	Increase in Intercompany Indebtedness of Subsidiaries	Increased Branch Assets in Australia		Adjust -ments (c)	Undistributed Profits of Australian Subsidiaries	Annual Inflow of Oversea Investment in Companies
			Unremitted Profits (a)	Other (b)			
	I	II	III	IV	V	VI	VII
1947-48	6.0	6.9	2.9	16.4	0.7	4.5	37.4
1948-49	9.5	12.8	1.8	13.0	0.5	4.3	41.9
1949-50	12.9	27.4	8.9	17.8	-5.9	7.2	68.3
1950-51	18.6	18.2	9.5	9.8	-2.9	12.9	66.1
1951-52	16.5	38.8	6.8	6.0	-0.6	17.4	84.9
1952-53	(d) 17.0	-18.1	0.9	4.9	4.7	17.5	(d) 26.9
1953-54	(d) 12.9	6.8	5.0	17.9	-3.0	26.0	(d) 65.6
1954-55	(d) 42.3	20.6	4.6	12.3	-6.0	26.1	(d) 100.4
1955-56	(d) 34.9	26.5	7.2	9.9	-	32.7	(d) 111.2

(a) Excludes unremitted profits of branches of oversea fire, marine and general insurance companies.

(b) Includes unremitted profits of branches of oversea fire, marine and general insurance companies.

(c) See Appendix, pages 17 and 20.

(d) Includes movements in holdings by Australian nominees of oversea investors, and by oversea investors using Australian addresses.

(-) Denotes outflow.

TABLE 9 - (Cont'd.)

(ii) DOMICILE OF INVESTOR

(£A. million)

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Annual Inflow of Oversea Investment in Companies
Undistributed Income (a)					
1947-48	5.0	-	2.1	0.3	7.4
1948-49	3.3	0.1	2.0	0.7	6.1
1949-50	11.0	0.2	4.2	0.7	16.1
1950-51	13.2	0.1	8.1	1.0	22.4
1951-52	10.6	0.2	12.1	1.3	24.2
1952-53	5.6	-	12.6	0.2	18.4
1953-54	13.0	0.1	17.0	0.9	31.0
1954-55	13.8	-	16.4	0.5	30.7
1955-56	19.8	-	19.1	1.0	39.9
Other					
1947-48	23.9	0.9	4.4	0.8	30.0
1948-49	31.5	0.5	2.2	1.6	35.8
1949-50	41.6	1.5	6.1	3.0	52.2
1950-51	28.5	1.5	12.2	1.5	43.7
1951-52	36.1	3.4	18.6	2.6	60.7
1952-53	17.2	0.7	- 10.4	1.0	8.5
1953-54	27.9	3.2	0.4	3.1	34.6
1954-55	38.8	1.1	23.8	6.0	69.7
1955-56	48.7	3.0	12.7	6.9	71.3

(a) Unremitted profits of Australian branches plus undistributed profits of Australian subsidiaries. (Columns III and VI in Table 9 (i)).

(-) Denotes outflow.

Table 9 above is on a revised basis - see first paragraph on page 6.

Besides the oversea investment in companies in Australia, which has been described above, there has been in recent years a considerable amount of oversea investment in Australian Public Authority Securities domiciled in Australia. Table 10 shows the face value of oversea holdings of these securities as at 30th June, 1952 to 1956 (excluding securities held as part of the assets of Australian branches of companies incorporated overseas, which are included in Table 8). Table 10 includes holdings of securities registered under oversea addresses as well as securities held by Australian nominees of oversea investors and by oversea investors using Australian addresses.

At 30th June, 1956, United Kingdom investors accounted for some 57 per cent. of total oversea holdings of Public Authority Securities domiciled in Australia. Total oversea holdings of Commonwealth and State Government Securities fell by £5.8 million during 1952-53, by £4.4 million in 1953-54 and by £3.5 million in 1954-55 and by £5.4 million in 1955-56. The holdings of Local Authority and Semi-Governmental Securities rose by £0.3 million in 1952-53, by £0.4 million in 1953-54, by £0.6 million in 1954-55 and by £0.4 million in 1955-56, making the net decreases £5.5 million in 1952-53, £4.0 million in 1953-54, £2.9 million in 1954-55 and £5.0 million in 1955-56. Information supplied by some of the larger respondents suggests that the annual inflow of private oversea investment in Commonwealth and State Government Securities reached its peak about 1950 or 1951, and that there may have been a net withdrawal during 1951-52. The annual inflow of oversea investment in Local Authority and Semi-Governmental Securities has apparently been small but fairly steady in recent years.

Table 10 does not include Australian Public Authority Debt domiciled overseas, statistics of which are published in "The Australian Balance of Payments, 1952-53 to 1956-57". At 30th June, 1956 this debt consisted of £ sterling 365.9 million domiciled in London, $ U.S. 165.9 million domiciled in New York, $Can. 15.0 million domiciled in Canada and 120 million Swiss francs domiciled in Switzerland. In addition to these amounts, Australia's drawings under loans from the International Bank for Reconstruction and Development amounted to $ U.S.243.9 million by 30th June, 1956.

TABLE 10 : OVERSEA HOLDINGS OF AUSTRALIAN PUBLIC AUTHORITY SECURITIES DOMICILED IN AUSTRALIA AS AT 30TH JUNE, 1952 TO 1956 (a)
(£A million)

Type of Security and Date	Domicile of Oversea Investor					Total
	United Kingdom	New Zealand	Canada	U.S.A.	Other	
Commonwealth and State Government Securities						
30th June, 1952	36.3	2.1	0.3	0.8	13.0	52.5
30th June, 1953	31.9	1.7	0.3	0.7	12.1	46.7
30th June, 1954	27.0	2.4	0.3	0.8	11.8	42.3
30th June, 1955	24.1	1.3	0.3	0.8	11.8	38.8
30th June, 1956	18.2	2.4	0.3	0.9	11.6	33.4
Local Authority and Semi-Governmental Securities						
30th June, 1952	2.7	0.1	-	-	0.1	2.9
30th June, 1953	3.0	0.1	-	-	0.1	3.2
30th June, 1954	3.1	0.3	-	-	0.2	3.6
30th June, 1955	3.4	0.3	-	-	0.5	4.2
30th June, 1956	3.8	0.3	-	-	0.5	4.6
Total						
30th June, 1952	39.0	2.2	0.3	0.8	13.1	55.4
30th June, 1953	34.9	1.8	0.3	0.7	12.2	49.9
30th June, 1954	30.1	2.7	0.3	0.8	12.0	45.9
30th June, 1955	27.5	2.1	0.3	0.8	12.3	43.0
30th June, 1956	22.0	2.7	0.3	0.9	12.1	38.0

(a) Revised basis - see Preface.

SECTION III : PRIVATE AUSTRALIAN INVESTMENT OVERSEAS

The series previously published in Tables 11 to 15 have been revised following receipt of amended returns from some companies and some changes in the scope of the series. (See Preface).

As questionnaires concerning Australian investment overseas have been sent to companies only, and not to individuals, no information has been obtained as to the level at the end of each year of holdings in oversea companies by Australian individuals. Also no information is available on holdings by Australians of foreign government securities.

Table 11 shows details of the total value of shares, debentures, etc. in oversea companies held by Australian companies.

TABLE 11 : TOTAL FACE VALUE OF PAID UP CAPITAL, ISSUED DEBENTURES, UNSECURED NOTES AND OTHER OBLIGATIONS OF OVERSEA COMPANIES HELD BY AUSTRALIAN COMPANIES AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A. million)

As at 30th June -	Country of Incorporation of Oversea Company				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	1.5	3.5	0.8	2.7	8.5
1948	1.6	4.1	0.8	3.1	9.6
1949	1.1	5.3	0.6	3.5	10.5
1950	1.0	5.6	0.5	4.5	11.6
1951	1.1	5.0	0.8	4.9	11.8
1952	3.1	6.0	0.9	5.0	15.0
1953	1.1	6.4	1.4	5.4	14.3
1954	1.1	7.3	1.4	5.3	15.1
1955	1.3	7.8	0.3	5.8	15.2
1956	1.6	9.4	0.3	6.2	17.5

(a) Revised basis - see first paragraph on this page.

Table 12 shows the amounts included in Table 11 in respect of direct holdings by Australian companies in subsidiary companies overseas. The amounts shown in Table 12 represent the "direct" component of the amounts in Table 11 and are not additional to those amounts. A description of the term "direct investment" is provided in Section C of the Appendix.

TABLE 12 : "DIRECT" HOLDINGS BY AUSTRALIAN COMPANIES OF PAID UP CAPITAL, ISSUED DEBENTURES, UNSECURED NOTES AND OTHER OBLIGATIONS OF OVERSEA COMPANIES AS AT 30TH JUNE, 1947 TO 1956 (a)

(£A million)

As at 30th June -	Country of Incorporation of Oversea Company				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	0.2	3.1	0.1	2.3	5.7
1948	0.2	3.7	0.1	2.8	6.8
1949	0.2	4.6	0.2	3.1	8.1
1950	0.2	5.2	0.1	4.1	9.6
1951	0.2	4.5	0.6	4.8	10.1
1952	2.1	5.6	0.6	4.8	13.1
1953	0.3	5.5	1.2	5.1	12.1
1954	0.5	6.7	1.2	5.2	13.6
1955	0.6	7.0	0.1	5.8	13.5
1956	0.7	8.3	0.1	6.0	15.1

(a) Revised basis - see first paragraph on this page.

The amounts outstanding in intercompany accounts between Australian parent companies and their oversea subsidiaries are relatively small. These amounts are summarized in Table 13. In this table, amounts owed by some Australian parent companies to their oversea subsidiaries are offset against amounts owed to other Australian parent companies by their oversea subsidiaries.

TABLE 13 : INTERCOMPANY ACCOUNTS OWING BY OVERSEA SUBSIDIARIES TO AUSTRALIAN PARENT COMPANIES : AMOUNTS OUTSTANDING AS AT 30TH JUNE, 1947 TO 1956 (a)
(£A million)

As at 30th June -	Country of Incorporation of Subsidiary				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	– 0.1	0.3	–	– 0.1	0.1
1948	– 0.1	0.3	–	0.3	0.5
1949	– 0.2	0.1	–	– 0.6	– 0.7
1950	– 0.2	0.2	–	– 0.8	– 0.8
1951	– 0.3	0.4	–	– 0.5	– 0.4
1952	– 0.2	0.7	–	– 0.5	–
1953	0.5	1.1	–	– 0.3	1.3
1954	1.8	0.9	–	– 0.3	2.4
1955	1.6	1.3	–	0.5	3.4
1956	1.7	1.4	–	0.7	3.8

(a) Revised basis - see first paragraph on page 12.
(–) Denotes amounts owed by Australian parent companies.

The book values of the net assets in oversea countries of unincorporated branches of Australian companies at the end of each year are summarized in Table 14.

TABLE 14 : BOOK VALUE OF NET ASSETS IN OVERSEA COUNTRIES OF BRANCHES OF AUSTRALIAN COMPANIES AS AT 30TH JUNE, 1947 TO 1956 (a)
(£A million)

As at 30th June -	Country of Operation of Branch				Total
	United Kingdom	New Zealand	U.S.A. and Canada	Other	
1947	2.1	(b)	(b)	(c)(d) 14.6	16.7
1948	2.0	(b)	(b)	(c)(d) 14.8	16.8
1949	2.1	(b)	0.4	(d) 16.5	19.0
1950	1.6	(b)	0.5	(d) 17.0	19.1
1951	1.9	(b)	0.5	(d) 17.8	20.2
1952	2.0	(b)	1.1	(d) 18.9	22.0
1953	2.0	(b)	1.2	(d) 19.2	22.4
1954	2.2	8.3	1.2	10.8	22.5
1955	2.6	10.1	1.0	11.1	24.8
1956	3.0	10.1	1.0	10.9	25.0

(a) Revised basis - see first paragraph on page 12.
(b) Not available for publication. Included in "Other".
(c) Includes U.S.A. and Canada.
(d) Includes New Zealand.

As is the case with oversea investment in companies operating in Australia, the statistics shown in Tables 11 to 14 cannot be summed to obtain an estimate of the "value" of capital invested overseas by Australian companies. The annual movements in the three totals, however, together with certain adjustments, described in Section D of the Appendix, and after the addition of undistributed profits of oversea subsidiary companies accruing to Australian parent companies, can be summed to show the annual outflow of investment by Australian companies in companies overseas. The movements in Tables 11 to 14, the "adjustments", and the undistributed profits of oversea subsidiary companies from 1952-53 are shown in Table 15. The movement in branch assets overseas since 1952-53 has been divided into "Unremitted Profits" and "Other".

TABLE 15 : ANNUAL OUTFLOW OF INVESTMENT BY AUSTRALIAN COMPANIES IN COMPANIES OVERSEAS, 1947-48 TO 1955-56

(£A million)

(i) FORM OF INVESTMENT

Year	Increased Holding of Paid up Capital, etc.	Increase in Inter-Company Indebtedness	Increased Branch Assets Overseas: Un-remitted Profits	Increased Branch Assets Overseas: Other	Adjustments (a)	Undistributed Profits of Oversea Subsidiaries	Annual Outflow of Investment by Australian Companies in Companies Overseas
	I	II	III	IV	V	VI	VII
1947-48	1.1	0.4	(b)	(c) 0.1	0.6	(d)	(e) 2.2
1948-49	0.9	- 1.2	(b)	(c) 2.2	- 0.5	(d)	(e) 1.4
1949-50	1.1	- 0.1	(b)	(c) 0.1	1.6	(d)	(e) 2.7
1950-51	0.2	0.4	(b)	(c) 1.1	1.7	(d)	(e) 3.4
1951-52	3.2	0.4	(b)	(c) 1.8	- 0.9	(d)	(e) 4.5
1952-53	- 0.7	1.3	0.7	-0.3	2.7	1.2	4.9
1953-54	0.8	1.1	0.7	-0.6	0.7	1.8	4.5
1954-55	0.1	1.0	1.2	1.1	3.0	2.5	8.9
1955-56	2.3	0.4	0.4	-0.2	3.7	2.8	9.4

(a) See appendix, p.p.17,21. (b) Included in Column IV. (c) Includes unremitted profits. (d) Not available. (e) Excludes undistributed profits of subsidiaries.

(-) Denotes inflow.

(ii) COUNTRY IN WHICH CAPITAL INVESTED

(£A million)

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Annual Outflow of Investment by Australian Companies in Companies Overseas
Undistributed Income.					
1952-53	0.2	0.6	0.3	0.8	1.9
1953-54	0.3	0.8	-	1.4	2.5
1954-55	0.5	1.2	-	2.0	3.7
1955-56	0.5	0.5	-0.1	2.3	3.2
Other					
1947-48	-	(a)	0.1	(b) 2.1	2.2
1948-49	-0.5	(a)	-0.2	(b) 2.1	1.4
1949-50	-0.6	(a)	-	(b) 3.3	2.7
1950-51	0.3	(a)	-0.2	(b) 3.3	3.4
1951-52	0.4	(a)	0.3	(b) 3.3	4.5
1952-53	0.5	(a)	-0.2	(b) 2.7	3.0
1953-54	1.4	(a)	-	(b) 0.6	2.0
1954-55	0.2	2.4	-0.6	3.2	5.2
1955-56	0.6	1.8	0.1	3.7	6.2

(a) Not available for publication. Included in "Other".

(b) Includes New Zealand.

(-) Denotes inflow.

Table 15 above is on a revised basis - see first paragraph on page 12.

SECTION IV. : INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES IN AUSTRALIA AND RECEIVABLE FROM COMPANIES OVERSEAS

The series previously published in Tables 16 and 17 have been revised following receipt of amended returns from some companies, and some changes in the scope of the series. In both tables the net effect of the changes has been to increase the figures previously published of branch profits and to reduce the figures of profits of other companies. (See also Preface).

Table 16 shows Investment Income payable overseas out of profits earned by companies (other than life insurance companies or fire, marine, and general insurance companies) operating in Australia. Table 16(i) shows the various types of income involved and Table 16(ii) shows the principal countries to which amounts were paid or credited. Total income payable was about £40 million from 1950-51 to 1952-53, but rose sharply to £61.2 million in 1953-54, with further rises to £65.9 million in 1954-55 and £74.5 million in 1955-56. A comparison of Tables 9(ii) and 16(ii) shows that total income payable to the United Kingdom in 1955-56 was £39.3 million, of which £19.5 million was remitted or credited, and the amount payable to Canada and the United States of America was £30.9 million, of which £11.8 million was remitted or credited.

Table 16 does not include details of interest payable overseas. The amount payable by companies was £0.9 million in 1952-53, £0.7 million in 1953-54, £0.7 million in 1954-55 and £0.9 million in 1955-56.

TABLE 16 : INVESTMENT INCOME PAYABLE OVERSEAS BY COMPANIES OPERATING IN AUSTRALIA, 1947-48 TO 1955-56.

(£A million)

(i) TYPE OF INCOME

Year	Australian Company Profits Payable Overseas			Profits of Australian Branches of Oversea Companies		Total
	Dividends Remitted Overseas	Dividends Credited to Intercompany Accounts	Undistributed Profits (Net)	Profits Remitted Overseas	Unremitted Profits (Net)	
1947-48	(a) 9.8	(b)	4.5	5.6	2.9	(d)22.8
1948-49	(a) 7.8	(b)	4.3	4.7	1.8	(d)18.6
1949-50	(a) 8.1	(b)	7.2	4.2	8.9	(d)28.4
1950-51	(a) 8.4	(b)	12.9	7.4	9.5	(d)38.2
1951-52	(a) 9.3	(b)	17.4	6.6	6.8	(d)40.1
1952-53	(c) 11.8	(c)1.3	17.5	8.7	0.9	40.2
1953-54	(c) 20.8	(c)1.0	26.0	8.4	5.0	61.2
1954-55	(c) 21.2	(c)3.1	26.1	10.9	4.6	65.9
1955-56	(c) 20.5	(c)3.4	32.7	10.7	7.2	74.5

(a) Includes remittances overseas in respect of dividends which had been declared and credited to intercompany accounts in previous years. The comparable figures for 1952-53, 1953-54, 1954-55 and 1955-56 are £13.0 million, £22.3 million, £22.2 million and £22.2 million.
(b) Not available. (See Note (a)).
(c) Includes only dividends declared during year shown.
(d) See Notes (a) and (b).

(ii) COUNTRIES TO WHICH PAYABLE (EXCLUDING UNDISTRIBUTED INCOME (a))

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Total
1947-48	11.4	1.0	2.3	0.7	15.4
1948-49	8.6	0.8	2.6	0.5	12.5
1949-50	8.8	0.7	2.4	0.4	12.3
1950-51	12.1	0.4	3.1	0.2	15.8
1951-52	12.3	0.3	2.6	0.7	15.9
1952-53	17.3	0.9	3.0	0.6	21.8
1953-54	14.6	(b)1.5	13.3	0.8	30.2
1954-55	19.4	(b)2.0	12.5	1.3	35.2
1955-56	19.5	(b)2.1	11.8	1.2	34.6

(a) For details of undistributed income accruing to Principal Countries, see Table 9(ii).
(b) In compiling particulars of income payable to New Zealand in 1953-54 and subsequent years, use was made of supplementary information which is not available for earlier years.

Table 16 above is on a revised basis - see first paragraph on this page.

Details of total Investment Income receivable in Australia from the profits of companies (other than life insurance companies) operating in oversea countries are not available for publication. Details of income from direct investments payable to Australia by companies overseas are shown in Table 17.

TABLE 17 : INCOME FROM DIRECT INVESTMENTS PAYABLE TO AUSTRALIA BY COMPANIES OVERSEAS, 1947-48 TO 1955-56

(£A million)

(i) TYPE OF INCOME

Year	Oversea Company Profits Payable to Australia		Profits of Oversea Branches of Australian Companies		Total
	Dividends Remitted to Australia	Undistributed Profits (Net)	Profits Remitted to Australia	Unremitted Profits (Net)	
1947-48	0.6	(a)	1.1	(a)	1.7
1948-49	0.7	(a)	1.2	(a)	1.9
1949-50	1.0	(a)	1.3	(a)	2.3
1950-51	0.8	(a)	2.0	(a)	2.8
1951-52	0.8	(a)	1.9	(a)	2.7
1952-53	1.3	1.2	1.5	0.7	4.7
1953-54	1.1	1.8	2.3	0.7	5.9
1954-55	1.9	2.5	1.7	1.2	7.3
1955-56	1.9	2.8	2.3	0.4	7.4

(a) Not available.

(ii) COUNTRIES FROM WHICH RECEIVABLE (EXCLUDING UNDISTRIBUTED INCOME(a))

Year	United Kingdom	New Zealand	U.S.A. and Canada	Other	Total
1947-48	0.4	0.9	-	0.4	1.7
1948-49	0.3	0.8	-	0.8	1.9
1949-50	0.5	0.9	-	0.9	2.3
1950-51	0.6	0.7	0.1	1.4	2.8
1951-52	0.8	0.8	0.3	0.8	2.7
1952-53	1.0	0.8	0.1	0.9	2.8
1953-54	1.3	1.1	0.2	0.8	3.4
1954-55	1.3	1.0	0.3	1.0	3.6
1955-56	0.9	1.7	0.4	1.2	4.2

(a) For details of Undistributed Income accruing from Principal Countries see Table 15(ii).

Table 17 above is on a revised basis - see first paragraph on page 15.

COMMONWEALTH BUREAU OF CENSUS AND STATISTICS,

CANBERRA. A.C.T. 10TH OCTOBER, 1957.

APPENDIX

This appendix includes five sections covering the following matters:-

A. Scope of the Statistics and methods of collection.
B. Treatment of Life Insurance Companies.
C. Description of terms used in the Statement.
D. Sources of Statistics shown in each Table.
E. Relationship of Oversea Investment Statistics shown in the Statement to the Balance of Payments Estimates.

A. Scope of the Statistics and Methods of Collection

Annual Surveys have been conducted each year since 1948 in order to estimate the annual flow of investment between Australia and overseas. The Surveys for 1952-53 and earlier years were conducted on a voluntary basis and details of undistributed profits were collected on the same basis in the 1953-54 Survey. In 1954-55 the Survey became a fully compulsory collection. In the 1955-56 Survey, questionnaires were sent to some 2,150 companies and other organizations.

The Survey relates primarily to investment in businesses in Australia, including banks and insurance companies, and to investment overseas by Australian businesses. Since 1952-53, however, supplementary inquiries have been conducted which, in conjunction with statistics prepared by the Commonwealth Bank of Australia, cover all oversea investment in Commonwealth Government, Local Authority and Semi-Governmental Securities domiciled in Australia. (Statistics are available from other sources covering Australian Public Authority Debt domiciled overseas). The supplementary inquiries also cover investment in Australian companies by oversea investors who act through Australian nominees or who use Australian addresses. (This type of oversea investment would, in most cases, not be known by the Australian companies when completing the Survey questionnaires). These supplementary inquiries are addressed to banks, to local government authorities, to certain brokers, accountants and solicitors and to a number of companies already included in the Survey, which have indicated that the inquiries are relevant to their operations.

The questionnaires used refer to financial years ended 30th June. Subsidiary companies whose accounting periods close on dates other than 30th June are asked to show intercompany accounts outstanding as at 30th June, instead of the balance owing at the close of their own accounting periods and are also asked to show dividend payments on the basis of years ended 30th June. Branches of oversea companies with substantial assets in Australia and whose returns are based on accounting periods other than 30th June are asked to indicate the approximate book value of their net assets in Australia as at 30th June. The use of substituted accounting periods is permitted for other items in the questionnaires.

When shares in Australian companies (other than "subsidiary" companies) are brought or sold by non-residents, or new shares are issued by such companies to non-residents, the Survey returns for these companies show only the movement in the paid up value of holdings by non-residents (in the case of "subsidiary" companies, full particulars are obtained of the price at which shares are transferred or issued). In order to estimate the actual transfers of funds between Australia and oversea countries involved in these transactions, use has been made of information obtained from other sources. The average market prices of existing shares in Australian public companies have been estimated from details published by Stock Exchanges. The prices at which existing shares in other Australian companies are transferred are obtained by direct inquiries from those companies whose Survey returns indicate large purchases or sales of their shares by non-residents. Particulars of premiums charged on newly issued shares, and of bonus issues, have been obtained since 1954-55 from statistical returns relating to New Capital Raisings. For earlier years, similar particulars were obtained, for public companies only, from information published by Stock Exchanges.

In estimating the amount of oversea investment by Australians each year, use has been made of statistics of foreign exchange transactions based on the "Ticket" system conducted jointly by the Commonwealth Bank of Australia and the Commonwealth Statistician. These statistics classify into various categories all transactions involving cash payments between Australia and oversea countries. For more detailed description of the "Ticket" system, see Appendix III, page 105 of "The Australian Balance of Payments 1928-29 to 1951-52".

A. Scope of the Statistics and Methods of Collection (Cont'd.)

The oversea transactions of Life Insurance Companies differ in many respects from the oversea transactions of other companies and because of this the treatment adopted for those other companies in the tables of this statement is not applicable to Life Insurance Companies. Section B of the appendix describes in more detail the treatment of Life Insurance Companies.

It is believed that the Survey, supplemented by information from other sources described above, covers the most significant elements of private oversea investment in Australia. The Survey, in general, does not cover changes in short-term liabilities between importers and exporters in Australia and overseas, which for some purposes may be regarded as a type of short term capital movement. However, changes in liabilities arising from exports and imports between branches or subsidiaries and their home offices are included in the tables showing branch assets and intercompany accounts. As the intended future uses of branch assets and balances in intercompany accounts are not known, it is impossible to estimate the short-term component in the movement in these balances, which accordingly is all treated as long-term investment.

It has not yet been possible to measure some types of investment, particularly investment in real estate in Australia by non-residents other than companies included in this Survey, movement in non-residents' accounts with Australian banks and loans by non-resident individuals to Australian individuals.

Similarly, with regard to Australian investment overseas, no information is available on the extent of any investment by Australian individuals in real estate in oversea countries, on movements in Australians' accounts with banks in oversea countries or on loans by Australian individuals to non-resident individuals.

Throughout the statement, the category "Australian Companies" includes besides companies legally incorporated in Australia, certain companies which are incorporated overseas, but whose capital is held mainly in Australia and the operations of whose oversea offices are negligible.

B. Treatment of Life Insurance Companies

The equity in the assurance funds of Life Insurance Companies is regarded as being held by the policyholders in all countries. The value of the assets of Australian Life Insurance Companies in oversea countries, accordingly, cannot be taken to represent the equity of the companies' Australian policyholders in those assets and therefore, the value of such assets is not included in the tables showing the value at the end of each year of various items of oversea investments. Similarly, no significant amounts of income derived by Australian Life Insurance Companies in oversea countries could be regarded as accruing to Australian policyholders. In view of this, and also because of the practical difficulties of measuring any such amounts, no Life Insurance transactions are included in the statistics of investment income and unremitted profits in this statement.

Because of the considerations outlined above, the annual movements in the value of the assets of Australian Life Insurance Companies in oversea countries are not regarded as representing a flow of investment between Australia and overseas, except insofar as they are due to remittances between Australia and overseas. These remittances are normally made in order to bring assets located in the oversea countries into line with commitments in those countries or for other investment purposes, and accordingly they are treated as capital transactions for the purposes of balance of payments statistics.

B. Treatment of Life Insurance Companies (Cont'd.)

Similar considerations apply to oversea Life Insurance Companies with branches in Australia.

The remittances between Australia and overseas by Australian and oversea Life Insurance Companies are shown in Column III of Table 3(i).

C. Description of Terms Used in the Survey

Overseas.- For the purpose of these statistics, "overseas" includes Papua and New Guinea.

Annual flow of investment. - This term is used to distinguish the capital movements during a period from the levels of values of investments as at end of the period.

Other obligations. - Debentures, mortgages, unsecured notes, loans and deposits (excluding intercompany accounts between associated companies).

Direct investment. - Investment is regarded as direct when there is ownership of 25 per cent. or more of a company's ordinary shares (or voting stock) by one company or number of companies incorporated in one country, or ownership of 50 per cent. or more of a company's ordinary shares (or voting stock) by individuals or companies in one country.

Subsidiary. - For the purposes of this statement, this term is applied to all companies in which there is a "direct" holding, irrespective of the degree of control, if any, which is actually exercised.

Parent. - Refers to a company or number of companies incorporated in one country which hold 25 per cent. or more of the ordinary shares or voting stock of a "subsidiary" company.

Australian branches of oversea companies. - Australian offices of companies incorporated overseas whose net assets (as described below) exceed £A 5,000 or which maintain in Australia a branch register of shares, debentures or unsecured notes.

Oversea branches of Australian companies. - This term refers to the oversea offices of Australian companies, the value of the net assets of which exceeds £A 5,000.

Net assets of branches. - Book value of the total liabilities of branches to the home office, less total liabilities of the home office to the branches.

Unremitted profits. - In the present statement, this represents the net earnings of branches during the year after tax, less remittances during the year by the branches to their home offices of net earnings and interest (irrespective of period to which earnings and interest relate). In 1955-56 the net earnings of Australian branches of oversea companies is based on the value of their income for taxation purposes.

Undistributed profits. - This term refers, in the case of Australian "subsidiaries", to the equity of the oversea "parent" in the net earnings of the Australian company, less tax (or tax provision) and less dividends declared. In 1955-56 the net earnings of Australian subsidiaries of oversea companies is based on the value of their income for taxation purposes. In the case of oversea subsidiaries of Australian companies, this term represents the equity of the Australian "parent" in the book value of net earnings of the subsidiary after tax, less dividends paid or payable.

Undistributed income. - The sum of the unremitted profits of branches and undistributed profits of subsidiaries.

D. Sources of Statistics shown in each Table

TABLE		SOURCE
Table 1(i)	Col. I	Sum of Cols. III and VI of Table 9(i).
	Col. II	Sum of Cols. I, II, IV and V of Table 9(i)
	Col. III	Annual movements shown in the total column of Table 10.
1(ii)		Table 9(ii), together with regional break-up of annual movements in Table 10.
2(i)	Col. I	Sum of Cols. III and IV of Table 15(i).
	Col. II	Sum of Cols. I, II, IV and V of Table 15(i).
	Col. III	Statistics of foreign exchange transactions showing total net purchases or sales by Australians of foreign industrial securities.
	Col. IV	Statistics of foreign exchange transactions showing total net purchases or sales by Australians of foreign Government securities.
2(ii)		Table 15(ii), together with regional break-up of amounts shown in Cols. III and IV of Table 2(i).
3(i)	Col. I	Col. IV of Table 1(i).
	Col. II	Col. V of Table 2(i).
	Col. III	Special returns from Life Insurance Companies.
3(ii)		Table 1(ii), less Table 2(ii), together with regional break-up of remittances by Life Insurance Companies.
4		Returns from companies. From 1952, the figures are also based on returns from banks, other companies, brokers, solicitors and accountants who act as nominees for oversea investors, or whose Australian address is used by oversea investors.
Tables 5, 6, 7, 8		Returns from businesses.
Table 9(i)	Col. I	Annual movements shown in totals of Table 4.
	Col. II	Annual movements shown in totals of Table 6.
	Cols. III and IV	Annual movements shown in totals of Table 8, broken up into net unremitted profits and other increases.
	Col. V	The adjustments are calculated to allow for the difference between the movement in face or book values shown in Tables 4 to 8 and the amounts of actual consideration paid or received. The main adjustments are for: the estimated premiums or discounts on shares purchased or sold and on calls, etc., paid by oversea investors; movements in oversea holdings of paid up capital due to bonus issues, transfers of shares between companies, etc.; revaluation of assets (including adjustments to the Australian currency equivalent of intercompany accounts payable to the United States of America, following the devaluation of the Australian pound in September, 1949).
	Col. VI	Returns from businesses.
10		Statistics prepared by the Commonwealth Bank of Australia showing oversea holdings (i.e. holdings registered under oversea addresses) of Australian Government and Local and Semi-Governmental Securities; returns from banks, other companies, brokers, accountants and solicitors who act as nominees for oversea investors or whose Australian address is used by oversea investors; returns from Local and Semi-Governmental Authorities which conduct their own registries (not included in the Commonwealth Bank compilations).

D. Sources of Statistics shown in each Table (Cont'd.)

TABLE	SOURCE
Tables 11, 12, 13, 14	Returns from businesses.
Table 15(i) Col. I	Annual movements shown in totals of Table 11.
Col. II	Annual movements shown in totals of Table 13.
Cols. III and IV	Annual movements shown in totals of Table 14, broken up into unremitted profits and other increases.
Col. V	The adjustments are calculated to allow for the difference between the movement in face or book value shown in Tables 11 to 14 and the amounts of actual consideration paid or received. (For nature of adjustments see notes on Table 9(i) above).
Col. VI	Returns from businesses.
Tables 16 and 17	Returns from businesses, supplemented by foreign exchange statistics of remittances between Australia and overseas.

E. Relationship of Oversea Investment Statistics shown in the Statement to Balance of Payments Estimates

The Balance of Payments Table and Item numbers shown here are taken from "The Australian Balance of Payments, 1952-53 to 1956-57", pages 5 and 10.

Balance of Payments Table and Item Numbers Table III: Balance of Payments on Capital Account Increase in Assets		Corresponding Table and Column Number in this Statement
Item No.		
1.	Direct Investment Overseas	
	Branches	
(i)	Unremitted Profits	Table 15(i) Col. III
(ii)	Other	Table 15(i) Col. IV, plus part of Col. V.
	Subsidiaries	
(iii)	Undistributed Profits	Table 15(i) Col. VI.
(iv)	Other	Table 15(i) Part of Col. I, plus Col. II, plus part of Col. V.
2.	Portfolio Investment Overseas	Table 15(i) Part of Col. I, plus Table 2(i) Col. III.
3.	Private Investment in Foreign Government Securities	Table 2(i) Col. IV.

E. Relationship of Oversea Investment Statistics shown in the Statement to Balance of Payments Estimates (Cont'd.)

Balance of Payments Table and Item Numbers		Corresponding Table and Column Number in this Statement
Table III: Balance of Payments on Capital Account		
Increase in Liabilities		
Item No.		
16.	Branches	
(i)	Unremitted Profits	Table 9(i) Col. III.
(ii)	Other	Table 9(i) Col. IV, plus part of Col. V.
	Subsidiaries	
(iii)	Undistributed Profits	Table 9(i) Col. VI.
(iv)	Other	Table 9(i), Part of Col. I, plus Col. II, plus part of Col. V.
17.	Portfolio Investment in Australian Companies	Table 9(i), part of Col. I, plus part of Col. V.
18.	Investment in Public Authority Securities Domiciled in Australia	Table 1(i), Col. III.
19.	Net Oversea Remittances of Life Offices Operating in Australia	Table 3(i), Col. III.
Table VI: Balance of Payments with the Dollar Area		
Investment Account		
21.	Undistributed Income	Table 9(ii)(U.S. and Canada)
22.	Other Identified Transactions	Table 3(ii)(U.S. and Canada), less net undistributed income as in Tables 9(ii) and 15(ii).