Thus, the statistics show the following:

[In billions of dollars]

End of period	Short-term liabilities	Gold	Net adverse change
1958	$15.4	$22.5	
September 1967	28.8	14.9	
Net change	+13.4	−7.6	$21.0

Of the total net adverse change, 36 percent ($7.6 billion) comprised a reduction in gold, the remaining 64 percent ($13.4 billion) comprising an increase in short-term liabilities.

TABLE I.—U.S. BALANCE OF PAYMENTS ON DIRECT PRIVATE INVESTMENT ACCOUNT WITH EUROPE EXCLUDING UNITED KINGDOM—RELATION BETWEEN BOOK VALUES, EARNINGS, REMITTANCES AND REINVESTMENT UNDER HYPOTHETICAL ILLUSTRATION

[In millions of dollars]

Year	Beginning-of-year-book value (value in preceding year plus reinvestments (col. 5))	Earnings (0.13 times col. 1) [1]	0.45 times col. 2 [2]	Minimum remittance requirements [3]	Earnings less remittances [4] (reinvestment or additions to book value)
	(1)	(2)	(3)	(4)	(5)
1959	[5] 2,426	315	142	191	124
1960	2,550	332	149	191	141
1961	2,691	350	158	191	159
1962	2,850	370	166	191	179
1963	3,029	394	177	191	203
1964	3,232	420	189	191	229
1965	3,461	450	202	191	248
1966	3,709	482	217	191	265
1967	3,974	517	233	191	284

1 Assume return on investment equals 13 percent (see appendix text).

2 Assume 45 percent of earnings must be remitted if this exceeds 35 percent of investment in 1956–57 (see appendix text).

3 Assume 35 percent of investment in 1956–57 (or $191,000 000) must be remitted unless or until 45 percent of earnings exceeds $191,000,000; 45 percent of earnings exceeds $191,000,000 beginning in 1965 and hence the larger amount must be remitted (see appendix text).

4 Col. (2) less col. (4) or col. (5). (See footnote 3).

5 Actual value.

TABLE II.—U.S. BALANCE OF PAYMENTS ON DIRECT PRIVATE INVESTMENT WITH EUROPE EXCLUDING UNITED KINGDOM DOLLAR INFLOWS AND CAPITAL OUTFLOWS—ACTUAL AND HYPOTHETICAL SITUATIONS COMPARED

[In millions of dollars]

Year	Actual beginning-of-year book values	Estimated exports (=0.105× col. 1)	Actual royalties and fees	Actual remittances	Actual outflows	Balance (col. 2+ col. 3+ col. 4− col. 5)
	(1)	(2)	(3)	(4)	(5)	(6)
A. Actual:						
1959	2,426	255	[1] 73	162	−294	196
1960	2,846	299	80	171	−373	177
1961	3,451	362	100	240	−528	174
1962	4,171	438	143	309	−697	193
1963	5,106	536	174	308	−800	218
1964	6,168	648	197	378	−1,174	49
1965	7,562	794	242	498	−1,162	372
1966	8,862	931	306	475	−1,421	291
1967	10,548	1,108	[2] 297	[2] 473	[2] −1,129	749

1 Estimated at 3 percent of beginning-of-year book value. Actual figure not available for 1959.

2 First 3 quarters at annual rates.