

had a position of about plus \$4 billion. The European industrial countries had a position of about plus \$2 billion. The United Kingdom and Japan were very nearly in balance. The total of the primary producing countries, or the so-called less-developed countries, or LDC's, was about minus \$6 billion. This is, of course, what the arithmetic ought to add up to. This is in terms of goods, services, and private transfers.

If we now put this in terms of the so-called basic balance, that is, goods, services, private transfers, and long-term capital or grants--foreign aid, that is, private and public--we then find something like this: The United States in a minus \$2 billion position, Western Europe, excluding the UK in a plus \$1 billion position, the UK and Japan about in balance, and the primary producing countries in a plus \$1 billion position.

So in that sense the United States, with a position of minus \$2 billion, if you want to put it in these terms, was carrying the roughly \$1 billion surplus of Europe and of the LDC's. Now, the United States deficit position in basic balance, as I just mentioned, is accentuated by short-term capital movements. So in 1962 our basic balance in this country was \$2 billion minus, and you add approximately something less than a billion more--say \$800 million--the minus balance for short-term and unrecorded transactions, and the unrecorded ones would probably be short-term capital outflow, and you get us up to not much short of a \$3 billion deficit.