

Tillhör:
IFNs boksamling
Placering:
Rum 641, plan 3

THE FINANCING OF INDUSTRY IN SWEDEN DURING THE 1950's

By

Erik Dahmén

Stockholm 1960

Industriens Utredningsinstitut

Foreword

How to finance industrial development will probably be one of the central problems in Sweden in the sixties. It has therefore been natural for the Industrial Institute for Economic and Social Research to study these questions.

As a part of this work professor Erik Dahmén, one of the experts of the institute, has carried out an investigation of how Swedish industries were financed during the first part of the fifties. The Swedish version of his paper was included in a book concerning different industrial problems that was published in the first part of 1960¹⁾. The translation has been done by Mr Frank Finney.

Stockholm October 17, 1960

Jan Wallander

1) Industriproblem 1960, Stockholm 1960.

In the first section of this study an account is given of the results of an investigation into the financing conditions in a number of selected industrial firms during the first half of the 1950's. Particular attention is paid to the degree of self-financing. This account is followed by an exposition showing the raising of capital on the long-term market by the industry as a whole in the years 1945-1957. Finally, a balance of the capital market for the years 1950-1957 is drawn up, with a view to incorporating the financing of industry in a wider concept.

FINANCING CONDITIONS IN A SELECTED NUMBER OF FIRMS 1950-1955

The statistical material

Comprehensive material covering income, investments, saving, profits, etc., have been available in the form of data collected by the Central Bureau of Statistics during the 1950's. This material has been studied and analysed in respect of 457 selected firms.⁽¹⁾ Calculated according to the number of workers, the selected group covers about 40 per cent of the industry. The small firms are under-represented and firms established during the period under review have not been included.

The information obtained from the firms, by the Central Bureau of Statistics, which has been used in this study, refers to gross investments - henceforth described as "investment" - and gross saving - henceforth described as "saving".

(1) Permission to utilize this primary material was given by the Central Bureau of Statistics and the private firms on the understanding that the results would not be divulged in such a way that the private firms could be identified.

By "investment" is implied:

Purchases of new and old fixed assets
 + new procured fixed assets of own manufacture
 - booked value of fixed assets sold
 + variations in the booked value of inventories
 Costs for repairs and maintenance are not included in the amounts.

By "saving" is implied:

Depreciation of fixed assets
 + allocations to own pension and personnel foundations
 + profit recorded including allocations to own funds, but with deduction for future taxes
 - amount allocated for payment to the shareholders as dividend.

By making an analytic comparison of this primary material with the balance sheets of the firms a better conception of the industrial financing in the period 1950-1955 has been obtained than what could be derived from the balance sheets alone. For each firm it has thus been possible to compare annual investments in fixed assets and inventories with saving, variations in sundry financial assets, new issues of bonds and shares and variations in other liability items. Even such a comparison has, however, involved a number of partly unsolvable problems. The analysis cannot therefore make any pretence to precision in this case either. There are principally three types of problems which have arisen.

First, the definitions of "investment" and "saving", which had to be chosen with regard to the statistical material, have not been the most satisfactory from an analytic point of view. The limitation of the value of the study which this implies has been unavoidable. Fortunately, however, one can be convinced that the source of error in question affects the result in a definite direction, viz., both investment and saving are somewhat underestimated. Secondly, varying principles have been employed by the firms in drawing up the balance sheets. In most cases, however, these were probably discovered and could be rectified. Thirdly, the information provided in the balance sheets were occasionally so difficult to penetrate and in some cases so unreliable that it is necessary to reckon with some margins of error.

What is meant by "self financing"?

"Self financing" can be said to be an unmistakeable conception, inasmuch as it always denotes net saving by the firm. A statistical conception of self financing in this meaning can be obtained by adding up the saving figures of all the firms. Should it be desired to have a more differentiated picture of the financial conditions in general, it is possible to give a separate account of, partly, variations in financial assets, liabilities and share capital and, partly, the total volume of investments.

If it is asked to what extent the investments have been self-financed the question becomes more problematic. A reply to this question necessitates at first a regrouping of the statistical primary material: A firm's deficit in saving in relation to investments must not be balanced against a surplus of saving over investments in another firm. If a firm has utilized a volume of saving not only for investments but also for increasing financial assets, the excess amount must not be included. If a firm has raised capital externally to increase the financial assets, this rise in indebtedness, increase of the share capital or increase of the financial assets, must not be included. If a firm has spent current saving or financial assets for other purposes than investments, e.g., for the repayment of debts, the amount must be excluded.

If it is desired to have a reply to the question as to what extent investments have been self-financed, it is then also necessary to determine into which periods of time the statistical material should be grouped. The length of the period studied should be included in the definition of "self-financing". If a period of several years is regarded as a unit, self-financing, in the abovementioned meaning, tends to be greater than if only a year at a time is studied. As the choice of period is in no way self-evident, but can be adjusted according to the different ends desired to be attained by the analysis, it is most expedient in this connection not to be tied to such a definite choice. The statistical material should instead be grouped into many different periods.

A primary study of the material can thus appropriately indicate to what extent the annual investments have been financed by saving derived during the same year, by the utilization of financial assets which were available at the beginning of the year, or by external raising of capital during the course of the year. If a firm has borrowed every other year for an investment, repaid the loan every other year, investments would appear as entirely financed by loans when making such a study. Nor would in such a case sum for a period of several years, e.g., 1950-1955, reveal how large a volume of the investments in the period was financed by saving which was accomplished during the same period, regarded as a unit. The sum for the period reveals instead how large a volume of the total investments were financed by saving, borrowing etc., derived during the course of the investment year, and by financial assets, available at the beginning of the year.

By another method of research, which combines a number of years into one period, it is possible to show how large a volume of investments made during the longer periods was financed by saving derived during the respective periods, by the utilization of financial assets which were available at the beginning of the periods, by an increase in debts during the periods and by new issues of shares. If, for example, the whole six-year period 1950-1955 is regarded as a unit and the recently mentioned example is conceived, e.g., that a firm has borrowed every other year for its investments and repaid the loan in question every other year by profits, the investments would appear as being entirely self-financed.

In the present study three alternative groupings have been made. Thus, the analysis aims at six one-year periods, two three-year periods, and one six-year period.

The statistical representation

An illustrative exposition of the result of the investigation is given in the Tables 1-3.⁽¹⁾ All the tables refer to the investigated firms in their entirety. A separate exposition of Tables 1 and 3 for certain big branches is given in the appendix, which also contains the names of the branches included in the selection of the firms.

(1) The difference in Tables 2 and 3 between, on the one hand, "investments" and, on the other hand, the sum total of the different financing methods is due to various sources of error. Other differences are, however, a consequence of the way the questions were put and the errors are only seemingly apparent. To begin with, it is quite natural that "saving", according to the three tables, does not show the same amount. In Table 1 total saving is included, whereas in the other two tables it is included only in so far it has been utilized for financing investments during the period saving took place. The same applies to the other financial items. For the same reason, in principle, there is no agreement in Table 3 between the sum total of the figures for the periods 1950-1952 and 1953-1955, respectively, and the sum total for the whole six-year period. For example, saving in the first-mentioned period, which has not been utilized for financing investments during the same period, but may have resulted in financial assets which have been utilized for investments in the next period, is not included under "saving" for the period 1950-1952, but certainly under "saving" for the period 1950-1955. For the period 1953-1955 the amount is recorded as financing by means of financial assets. However, in Table 2 - as, of course, in Table 1 - the figure for the period 1950-1955 always tallies with the sum total of the figures for the respective years. In Table 2 is recorded, during the respective years, how the actually accomplished investments have been financed by saving during the corresponding year, etc., and the sum total for the years 1950-1955 reveals how large a volume of the total investments in the separate years have been financed by saving derived during the respective years, etc. Another example of only seemingly apparent errors is to be found in a comparison between "investments" according to Tables 1, 2 and 3. The differences are due to various methods of treating firms with negative investments.

Table 1. Investments and financial conditions of industry

Total number of selected firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kronor						
INVESTMENTS	783	1 318	1 293	491	1 048	1 517	6 450
of which in fixed assets	747	940	945	895	999	1 085	5 611
inventories	36	378	348	- 404	49	432	839
SAVING	875	1 003	935	1 012	1 130	1 081	6 036
VARIATIONS IN:							
Financial assets	581	1 109	- 151	585	232	417	2 773
Of which cash in hand and at banks	149	335	- 183	455	- 32	- 310	414
other	432	774	32	130	264	727	2 359
NEW ISSUES OF:							
Shares	38	147	44	68	56	166	519
Bonds and deferred debentures	45	76	51	124	-40	-29	227
VARIATIONS IN:							
Other debts than bonds and deferred debentures	417	1 239	271	- 45	175	723	2 780

Table 2. The annual financing of industrial investments

Total number of selected firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kronor						
INVESTMENTS:	821	1 321	1 339	730	1 107	1 545	6 863
Of which in fixed assets	734	934	924	813	966	1 079	5 450
inventories	87	387	415	- 83	141	466	1 413
INVESTMENTS FINANCED BY:							
Saving	572	772	676	494	766	909	4 189
Utilization of financial assets	47	87	233	79	126	149	721
External capital borrowing	209	470	449	171	229	497	2 025

Table 3. Financing industrial investments in periods of several years

Total number of selected firms

	1950-52	1953-55	1950-55
	Million kronor		
INVESTMENTS	3 407	3 169	6 508
Of which in fixed assets	2 639	2 935	5 595
inventories	768	234	913
INVESTMENTS FINANCED BY:			
Saving	2 361	2 439	5 005
Utilization of financial assets	87	119	55
External capital borrowing	963	632	1 375

Table 1 shows that the aggregate saving by the firms has been approximately as large as the total gross investment activity, excluding maintenance and repairs. New issues of shares have been on a moderate scale, rise in indebtedness, particularly long-term debts, has been moderate and liquidity appears to have developed favourably. This impression of the financing conditions is strengthened when examining those various subitems, which could not be accounted for, and the primary material. As the volume of the investments in relation to the already existing fixed assets and inventories is not apparent from the tables, it is indeed not possible to say anything absolutely definite about the economic implications of the large volume of saving, the inconsiderable rise in indebtedness and the increased liquidity. For example, a high degree of self-financing does not say very much in those cases when the entire business activity has been restricted. Everything indicates, however, that investment activity on the whole has been lively. For this reason it is justified to say that the financial conditions developed very satisfactorily. This conclusion appears to be especially definite when it is recollected that the volume of investment and saving seems to be underestimated.

The division into some big branches, which is given in the appendix, permits the emergence of a more diversified picture. Some

of the branches have experienced a marked favourable development and others a remarkably weak development. Investments have undoubtedly been very large in relation to older plants in the iron and steel industry, combined enterprises, and the forest industries and the rate of expansion has on the whole been rapid whilst, at the same time, business saving has been very large and external financing fairly small. On the other hand, investments have undoubtedly been rather inconsiderable and production stagnating in the textile and footwear industries, but, nevertheless, indebtedness has risen and liquidity deteriorated. Nor has self-financing been high in the foodstuffs industry, but the activity in this industry seems to have been comparatively more expansive.

The Tables 2 and 3 with the sub-tables in the appendix and the primary material show, however, the most important picture. It thus appears that many firms reveal a very high degree of self-financing of a lively investment activity whilst, at the same time, many other firms have made large investments but without being able to finance more than a small volume of these investments with current saving. Furthermore, considerable saving without simultaneous investment activity on a major scale has sometimes occurred, although this occurrence has been less frequent. What is most remarkable in this emergent picture is, of course, not the fact that the self-financing possibilities have been different in sundry branches and firms. The differences are, however, remarkably large and not infrequently lasting for many years. This general conclusion, which is of interest from, inter alia, the point of view of monetary policy, cannot conceivably be disarranged by the sources of error alluded to in the foregoing.

In the total number of selected firms at least 60 per cent of total gross investments, excluding maintenance and repairs, have been self financed year by year, at least two-thirds over the three-year periods, and probably four-fifths over the whole six-year period. The iron and steel industry, combined enterprises, and the forest industries are the industries which are most self financing. Investments in fixed assets are particularly well covered by current saving in these industries. This applies not only to the long periods, but also to year by year. In these and other expanding branches and firms the small volume of indebtedness in connection with investments, if

carried out, have thus not had to be of a long duration. Furthermore, the firms have been capable of replenishing rapidly financial assets spent. In other cases, especially in those branches where, according to Table 1, the financial conditions already appear to be fairly weak, but also in engineering works and the iron and metal manufactures industry, there are many firms who have borrowed heavily for their investments. Not infrequently has there been a low degree of self-financing, even over the six-year period, principally in the textile and footwear industries.

By making a closer study of events year by year, characteristic features of some interest are found. In 1950 and 1951 large amounts were invested in fixed assets as well as inventories. Funds for defraying these investments were in the majority of cases drawn from large profits. The forest industry, which also sharply increased its liquidity, holds a unique position in this respect. At the same time heavy borrowing, principally from the banks, were made by a number of branches. For example, the engineering works made use of external financing to a large extent. After 1951, when the investment boom culminated, endeavours were generally made in many branches for a few years to replace the liquid funds spent during the boom period of the preceding years. In this connection it should be noted that, inter alia, the considerably higher price and wage level ruling now made claim on larger amounts of liquid funds. The large addition in liquidity during the preceding years was utilized in strikingly many other cases for the purpose of bringing down debts in connection with investments being restricted and inventories reduced. The temporary tightening of the money market in the beginning of 1952 did probably contribute to the start of the process which has been intimated here. When the monetary policy became expansive again, the liquidity improvement of the firms was facilitated and in the beginning of 1954 a high degree of liquidity had been attained in most branches. The liquid funds came in very handy when the firms began to invest again on a large scale not only by using these liquid funds and current, often good profits, but also by money borrowed and raised by the issue of shares. The deteriorated financial conditions in 1955, already apparent in Table 1, were probably due to a fairly general decline in profits whilst, at the same time, investments continued to be large in many branches. In this connection it should be recollected that the investment levy, which was withdrawn for 1954, was reintroduced in 1955.

CAPITAL MARKET FINANCING 1945-1957 AND A SURVEY
OF THE MARKET 1950-1957

The external raising of capital

The investigation accounted for in the foregoing shows that the long-term capital market, henceforth described as only the "capital market" or the "long-term market", has only to a fairly small extent been utilized by the big and medium-sized industries. It has been desirable, however, to obtain a more complete picture of the raising of capital by the industry as a whole.

For the industry in its entirety - not only considering the firms selected for the investigation in the foregoing - the picture of the capital market financing has the appearance which is evident in Table 4.⁽¹⁾ An account of the statistical sources and the calculating methods is given immediately after the table.

During the first post-war years the demands made on the long-term market were not appreciably large. In this connection it should be noted that the new-issued shares were to a large extent paid by so-called "apport", principally when converting a private firm into a limited liability company.⁽²⁾ The reason for the inconsiderable borrowing on the capital market is to be found in the fact that on the whole the firms were liquid and, moreover, had no difficulty in borrowing on the bank credit market also for really long-term purposes. Their self financing by means of current profits was also high. During the subsequent years up to the outbreak of the Korean war the industry seems to have turned to the capital market to an increased extent. Profits became smaller and the bank credit market had been somewhat tightened. Furthermore, rising interest rates were anticipated and many firms hastened therefore with new issues. The control over new issues of bonds and deferred debentures introduced in the beginning of the 1950's, subsequently resulted in the issues of shares gradually attaining more importance and to an extended direct granting of credits by the insurance companies.

-
- (1) It has been necessary also to include the trade sector under the information given about bonds and deferred debentures.
- (2) As will be seen from the table, it is only for the year 1957 that it has been possible to determine the role played by apport properties. In that year they accounted for 30 per cent of the total issue amount. Furthermore, the new issues of shares represent to a large extent a transfer of debts owing parent companies to share capital.

The fact that the industry has only on a limited scale made use of the capital market does not necessarily imply that they have made small demands on this market. The bond and deferred debenture market has since 1953 on the whole been closed to the industrial sector as a result of the Riksbank's control over new issues and also the possibilities of the insurance companies to grant industrial loans have been curtailed by the pressure exercised by the Riksbank. It appears probable, however, that the actual demands at the current rate of interest level and the favourable opportunities to borrow on the bank credit market, have not been greater than what could actually be met. On the other hand, there is no doubt that the method of borrowing has been affected by the control exercised over the capital market. If a free market had existed, the shifting from bonds and deferred debenture loans to promissory note loans would, in any case, not have occurred. It is possible that new issues of shares would also have been less numerous.

Table 4. Capital market financing of industry 1945-1957

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
	Million kronor												
Shares	+67	+161	+147	+103	+107	+95	+192	+192	+149	+365	+113	+279	+ 18
Bonds	-42	- 14	+162	+130	+ 82	-21	+ 8	+ 61	+129	+ 43	- 53	+ 25	+ 66
Deferred debentures	+29	- 2	+ 95	+ 93	- 0	+20	+103	+ 63	+ 1	- 10	+ 30	+ 25	- 67
Credits from insurance companies	+ 3	+ 9	+ 53	+ 26	+ 35	+20	+ 50	+195	+ 63	+ 19	+135	+157	+180

1) Of this amount Kr. 53 million were paid by apport properties.

Note: The information about shares covers, for the period 1945-1946, gross amounts with the adjustments made for capital repayments by Jönköpings och Vulcans Tändsticksfabriks AB in the years 1945-1951 and by Svenska Tändsticks AB (Swedish Match Company) in 1955 and 1956. The information for 1957 covers net amounts. As sources have been used Ekonomiska Meddelanden (Economic Reports) - published by the Swedish Bank's Association - and the annual reports on the activities of the above-mentioned firms.

The information about bonds refers to net amounts and have been taken from Svensk Obligationsbok (Swedish Bonds Year Book).

The information about deferred debentures refers to net amounts and is based on, partly, Svensk Obligationsbok and Ekonomiska Meddelanden and, partly, on the annual reports on the activities of some of the borrowers. In the statistics are included, inter alia, issues and amortization of the following loans raised by Kooperativa Förbundet (Swedish Co-operative Union and Wholesale Society), viz., 1927 Industrial Fund Loan, 1942 Nitrogen Loan, 1947 Industrial Loan and 1952 Deferred debenture Loan. Furthermore, information is included about the deferred debenture loans which - starting in 1947 - were raised by AB Eol, Hakonbolaget AB, Nordsvenska Köpmanna AB and AB Spöskatteskissens Varuinköp, and also about the 1951 Industrial Loan of AB Ica-Industrier.

The information about credits from insurance companies refers to net amounts and is based on statistics published in Enskilda Försäkringsanstalter (Private Insurance Companies) and, for the years 1951 and 1952, on certain capital investment statistics of the Försäkringsinspektionen (National Private Insurance Inspectorate) and on a table in a "Memorandum regarding lending of the insurance institutions distributed according to industry and trade groups" (stenciled).

The capital market

A picture of the development of the capital market as a whole can be obtained with the aid of the following survey of the capital market 1950 - 1957. From table 5 will be seen the supply and demand which, under the existing control of the market, have resulted in transactions in long-term securities between investors and borrowers. The principles for drawing up this capital market balance are explained below. In connection thereto an account is given of the statistical sources.

Table 5. A survey of the capital market 1950-1957

	1950	1951	1952	1953	1954	1955	1956	1957
	Million kronor (in rounded-off figures)							
SUPPLY								
1. Capital market institutions	1 125	1 125	1 930	1 995	1 845	1 760	1 835	2 130
A. Insurance companies	500	630	925	1 125	950	865	880	975
B. Savings banks	495	300	650	680	730	620	765	905
C. Post Office Savings Bank	130	195	355	190	165	275	190	250
2. Agricultural credit system	55	30	70	105	100	60	70	95
3. Commercial banks	45	255	210	990	495	185	175	700
Of which bonds	- 80	- 180	265	960	345	190	195	625
loans granted on real estate security	125	435	- 55	30	150	- 5	- 20	75
4. Postal Cheque Service	140	160	175	195	75	- 180	80	280
5. National Housing Board	190	295	475	565	655	940	825	840
6. State-owned shares	10	70	15	20	200	0	5	35
7. Riksbank	- 280	85	100	20	140	- 115	- 285	- 220
8. Private, funds, societies, firms	685	- 95	440	- 10	1 950	835	475	315
9. Foreign	65	50	55	45	220	65	70	115
TOTAL	2 035	1 975	3 470	3 925	5 680	3 550	3 250	4 290
DEMAND								
10. Agriculture	145	130	140	210	285	180	125	240
11. Dwellings	1 170	1 215	1 450	1 595	1 950	2 215	2 055	2 590
12. Municipalities	305	470	790	520	50	190	505	80
13. The Government	130	- 445	320	800	2 630	480	- 55	720
14. Industry, trade, shipping, etc.	240	560	725	725	655	435	505	545
Of which shares	190	305	245	210	450	265	385	300
15. Foreign	45	45	45	75	110	50	115	115
TOTAL	2 035	1 975	3 470	3 925	5 680	3 550	3 250	4 290

ACCOUNTING PRINCIPLES

On the supply side have been included net purchases of securities of a long-term type during the respective years, when by net purchases are implied all purchases minus amortizations and redemptions received. It is mainly a question of such long-term securities which, at least in principle, are usually subjected to transaction, i.e., such securities which are known as "marketable". Moreover, net increases of long-term loans during the respective years are included. So far as the capital market institutions are concerned, the supply means, reckoned in periods of several years, approximately the same as the net investment requirement with deductions for the purchase of real estate. It is not always, however, that annual data have this purport because the institutions in question keep variable bank assets and can raise bank loans for so-called "pre-investments". So far as the Agriculture credit system is concerned, it should be noted that all lending, in addition to investments in bonds, have been included. It has not been possible to differentiate in a satisfactory manner the volume of investments which should not be included under the capital market. With regard to the commercial banks it should be noted that their supply, in principle, comprises all types of investments in bonds, consequently also short-term bonds, but, on the other hand, not Treasury bills, and that in any case the short-term bonds are regarded by the banks themselves to be more in the nature of secondary liquidity reserve. The supply of the banks comprises, for the remainder, mortgage loans in dwellings, of such a nature that they are intended not to be shifted over to the capital market, and mortgage loans in forestry and agricultural real estate. Building credits are not included as these, like most of the lending of the banks in other respects, are of the nature of short-term credits. The group National Housing Board comprises loans from the National Housing Board and loans from the Own-home organizations and the County agricultural committees which have been taken over by the Riksbank. State-owned shares refer to capital paid by the Government into joint-stock companies. The Riksbank refers to, partly, the direct taking over of bonds from the National Debt Office and, partly, to open market operations. Treasury bills are not included as these do not fall under the capital market. Private, funds, etc., have arisen as a residue item after having calculated the total

sum of the demand side. The exactitude of this item is, therefore, connected with the calculations of the sales of securities on the demand side. Foreign comprises sales abroad of Swedish and foreign bonds and shares.

The demand side gives the advance demands which have been met and not the actual demands at the current level of bank interest. - Borrowing by agriculture on the capital market has been calculated as variations in the total lending of the rural mortgage societies and the agricultural credit system, loans by the savings banks against mortgages in agricultural real estate and their loans to agriculture against Government-guarantee, loans by the commercial banks and the insurance companies against mortgages in forestry and agricultural real estate, and agricultural loans taken over by the Riksbank. - "Dwellings" cover all net variations in outstanding housing loans in insurance companies, savings banks, mortgage institutions, the National Housing Board, the Post Office, the Riksbank and the commercial banks, but not building credits. - Under "Municipalities" falls all municipal long-term net borrowing. Loans which have implied transition to the housing loan market should, if this had been possible have been wholly included under "Dwellings". This has not been possible because of lack of detailed accounting. - As demands by the Government on the capital market have been counted net changes in national debt in respect of bond loans, Treasury bonds, savings certificates, State Savings accounts, loans from savings banks, and long-term loans from the Post Office Savings Bank and the Postal Cheque Service. - Under the heading "Industry etc.", fall all activities outside agriculture, house building, municipal activities and the Government activity which has not been conducted in the form of public corporations. The amounts have been estimated by adding up all new issues of shares (apport included herein), new issues of bonds and deferred debentures by industry and trade as well as transport corporations less amortizations, lending by the insurance companies, savings banks and the Post Office Savings Bank (so far as these are not included under other headings), the ship mortgage institutions, AB Industrikredit and, to a certain extent, Göteborgs Intecknings Garanti AB and Stockholms Tomträttskassa. Under the heading "Foreign" are comprised purchases from other countries of Swedish and foreign bonds and shares.

It is a debatable point whether, as has been done in this case, it should be considered to be an error to exclude from the capital market balance such promissory note loans which have not been sold to institutional investors. In many cases these types of promissory note loans can, at least formally and also not so infrequently actually, consist of short-term reserves and should then not fall under the capital market. It is clear, however, that some parts of the long-term market have incorrectly been excluded. Among other things, some parts of the housing loan market, on which private loans of a long-term duration still exist, although at present on a smaller scale than previously, have disappeared. Another source of error is that it has been possible to pay consideration to writings off to a larger extent on the supply side than on the demand side. This implies that the sums under item 8 on the supply side are somewhat underestimated, presumably, however, only one or a few tens of million kronor; on the demand side, the corresponding under-estimation refers to items 10, 11, 12 and 14.

SOURCES

Information about the purchase of securities and lending of an obviously not short-term nature by the insurance companies (excluding parish companies) has been obtained by a comparison of booked values in SOS: Enskilda Försäkringsanstalter (Official Statistics of Sweden: Private insurance companies) for the respective years. The amounts, which have thus emerged, have been revised with the aid of data given in the same publication about profits and losses by sales as well as appreciation and depreciation on securities. For the years 1950 and 1951, the last-mentioned data regarding the life and sickness insurance companies have been obtained from the annual reports on the activities of the respective companies.

So far as the saving banks are concerned the publications Allmän Sparbanksstatistik (Local Savings Banks Statistics) for the years 1949, 1950 and 1955 and Statistisk Tidskrift (Statistical Review) have been used. The booked values have been verified with the data given in the same sources about appreciation and depreciation on bonds, loans and other assets, as well as profits and losses on drawn or sold bonds, etc. Information about the Post Office Savings Bank, the Postal Cheque Service and the Agricultural credit system has been derived from

the publications SOS: Postverket (Official Statistics of Sweden: Post Office) and Jordbrukskasserörelsen (The Agricultural credit system), statistical data published by Svenska Jordbrukskreditkassan (Swedish Agricultural Credit Bank). Here it has also been possible to revise the booked values with the aid of profit and loss accounts.

On the other hand, the position in respect of the commercial banks (excluding Inteckningsbanken and Sparbankernas bank) is that the information about bond purchases, which are included in the amount and has been obtained from SOS: Uppgifter om bankerna (Official Statistics of Sweden: Monthly banking statistics), refer to booked values. Net purchases can therefore be somewhat underestimated, especially those years when there was a fall in bond prices. In addition to bond purchases are included, as already mentioned, housing loans of such a nature that they are not intended to be switched over to the capital market, as well as mortgage loans in forestry and agricultural real estate. Building credits in houses under construction as well as in completed houses are thus not included. Credits of this type in completed houses could in fact have been included; that the banks hold such credits is due to the inability to reinvest them on the capital market. Here it has, however, been chosen to let the non-reinvested building credits fall outside the capital market balance as it is close at hand to regard their existence as a sign of the insufficiency of the capital market proper. Information about the loans in question has been obtained from the annual investigations made by the Bank- och fondinspektionen (Bank and Stock Exchange Inspection Board), which refer to the position as at 30th November. No such investigation as at 30th November 1949 is, however, available and for this reason it has been necessary to make a guess for 1950. The source of error can hardly exceed some tens of million kronor.

Information about the loans falling under the heading National Housing Board has been obtained from the National Housing Board and from Memorandum No. 1 of the Bank Committee of the Riksdag for the respective years. Information about State-owned shares has been obtained from the Year Books and the Statements of the Budget Accounts from the General Accounting Office and the annual reports on the activities of the appropriate corporations. The Riksbank covers variations in the booked values of the bond holdings and the information

has been obtained from the Year Book of the Swedish Riksbank. Exact information about the annual purchases has not been obtainable. Any lending by the Riksbank other than that which can be said to correspond to the holding of bonds has not been included. For 1953 an item consisting of bonds to the value of kr. 1,000 million has been excluded as it was a case of direct exchange with the National Debt Office against Treasury bills. The exchange did not affect the market and was of no monetary policy significance. The data under the heading Foreign have been obtained from Ekonomiska Meddelanden.

Information regarding Agriculture has been obtained from the annual report of the activities of Sveriges Allmänna Hypoteksbank (General Mortgage Bank of Sweden), from Jordbrukskasserörelsen (The agricultural credit system), statistical data published by Svenska Jordbrukskreditkassan (Swedish Agricultural Credit Bank), from the Local Savings Banks' Statistics and the Statistical Review, from Enskilda Försäkringsanstalter (Private Insurance Companies) and certain capital investment statistics from the Försäkringsinspektionen (National Private Insurance Inspectorate), from the annual memorandum no. 1 of the Bank Committee of the Riksdag, and from the investigations made by the Bank and Stock Exchange Inspection Board regarding advances made by the banks. For 1950 it is, in the latter case, a matter of estimating (cf. above). - The estimate of the demand under the heading Dwellings is based on information, partly, from the appropriate above-mentioned statistics (as regards mortgage loans of the capital market institutions and the commercial banks) and, partly, on lending by the Stadshypoteks-föreningar (City mortgage societies), Bostadskreditföreningar (Residential Credit Societies) and the mortgage institutions (including Inteckningsbanken and Sparbankernas bank) and the lending of the Tomträttskassor (Site Leaseholdership Societies) obtained from the annual reports on the activities of Konungariket Sveriges Stadshypotekskassa (The City Mortgage Bank of the Kingdom of Sweden), Svenska Bostadskreditkassan (Swedish Residential Credit Bank), the mortgage institutions and the Site Leaseholdership Societies and from Uppgifter om bankerna, and, partly, on the lending of the National Housing Board and the Riksbank. In principle building credits have not been included although in actual practice this has been partly unavoidable because of the lack of separate accounting of building credits and loans. - The calculations regarding

capital borrowing by the Municipalities are based, partly, upon the above-mentioned statistics covering the supply of the capital balance and, partly, on information in respect of the bond loans of the municipalities obtained from Ekonomiska Meddelanden. It should be noted that also municipally-guaranteed loans have been included; here it is as a rule a question of wholly or semi-owned municipal corporations. - The demand by the Government has been obtained from Den svenska stats-skulden (The Swedish National Debt), issued monthly by the National Debt Office.

Information about Industry, etc., has mainly been obtained from Svensk Obligationsbok and Ekonomiska Meddelanden, so far as shares, bonds and deferred debentures are concerned. Data about industrial shares and bonds and deferred debentures of trade and industry are included to the same amounts as in Table 4. A source of error is that some of the shares have been paid by means of apport and another that issues made by a number of subsidiary companies were taken up by the parent companies as payment for debts. The lending of the capital market institutions have been obtained from the same statistics as those used for the supply side. Moreover, the annual reports on the activities of the ship mortgage institutions, AB Industrikredit, Göteborgs Intecknings Garanti AB and Stockholms Tomträttskassa have been used.

RESULTS

Most remarkable on the supply side is the marked increase during 1952 and the subsequent stagnation in the investment requirement of the capital market institutions. The vigorous growth of the administrative and executive staff pension system has been of particular importance for the insurance companies. Thus, it is the firms which together with collective salary saving, principally through the media of Svenska Personal-Pensionskassan SPP (Swedish Office Personnel Pension Company) have been responsible for the major contributions. Individual insurance saving has fallen off owing to less interest in insurance forms involving personal saving. The transition to pure risk insurance has begun to affect the capital market. The supply of the savings banks and the Post Office Savings Bank, which rose sharply in connection with the upward rise of monetary incomes after the Korea boom period

has, on the other hand, continued to rise in step - approximately - with the advance in monetary income. There seems, however, to have been a shifting towards short-term so-called "aim saving". The supply of the National Housing Board shows the heaviest and most regular increase. It is only in some years that this increase is counter-balanced by Government long-term borrowing (see the demand side). The appearance of the commercial banks on the market is closely related to monetary policy measures. The monetary policy of the Riksbank has in different ways induced them, particularly in some of the years, to invest money on an abnormally large scale also on the capital market. The insignificant support of the Riksbank to the long-term market should be viewed against the background of the appearance of the commercial banks on this market. There has been no need for the Riksbank to buy up Government securities because the commercial banks have instead been obliged to increase their holding not only of Treasury bills, but also of bonds. The supply under the heading "Private, etc.", would appear to be dominated by funds and societies. The own direct supply of private persons has not been large except in some of the years, viz., when the bank rate has risen. Otherwise the interest was concentrated on premium bond loans and, in recent years, to some extent, on shares.

On the demand side the vigorously increasing loan requirements for house building purposes are most prominent. In comparison herewith the taking up of resources by the other sectors is of secondary importance. It is only in exceptional years that the Government has made claim on considerable amounts. The heavy loan requirements of the Government have otherwise been covered by the short-term market, mainly by the sale of Treasury bills to the commercial banks.

By studying the development year by year certain remarkable circumstances emerge.

In 1951 the consequences of the buying-rush arising out of the Korea boom could be distinctly discerned. The savings banks were drained of money so that the investment requirement became exceptionally small and, undoubtedly, private persons reduced their holdings of securities. The fairly large issues of shares cannot, however, to any large extent have been taken over by other investors than private persons, which means that they must have exchanged bonds for shares.

In 1952 the ample supply of liquid assets for the general public, firms and banks resulted in a marked easing-off on the capital

market. All the capital market institutions now derived full benefit from the inflationary rise in monetary income.

In 1953 the commercial banks began to support the capital market on a large scale by taking over new issued short-term bonds. This is explained, partly, by the heavily rising Government expenditure beginning to result in a large increase in deposits, and, partly, by the so-called "liquidity agreement" which released the Riksbank from intervening directly to support the market and instead forced the banks to both sell and buy on the capital market. The greatly increased demands made on the capital market by the Government and the house building sector was met in this way without any rise in the bank interest. The circumstance that industry and trade, as well as the municipalities, began from now onwards to be kept back by means of the control over new issues of bonds and deferred debentures, and by the pressure exerted on the insurance companies, also acted in the same direction.

In 1954 demands continued to rise whilst at the same time the influx of funds to the capital market institutions stagnated as a result of the pace in the increase of monetary income being slower. The situation was now, to begin with, cleared up in that way - in addition to continued control - that the banks unburdened the capital market by retaining building credits in completed houses and, furthermore, continued to purchase bonds. First and foremost, however, an influx of funds was this year obtained by a remarkably large increase in supply from other sources than the capital market institutions and the commercial banks. The increase in supply from funds, societies, private persons, etc., is very considerable. This increase was apparently used to a large extent for the purchase of bonds and was undoubtedly related to the rise in the rate of interest. Large amounts must have been transferred from bank deposit accounts to the capital market.

In 1955 a further transfer of funds from the deposit accounts of the commercial banks to the capital market seems to have taken place in connection with the new rise in the bank rate. On the other hand, one of the sources of supply now disappears entirely, viz., that of the Postal Cheque Service. This is, however, due to the fact that long-term securities were exchanged for "temporary loans". The transportation of the figures in relation to the preceding year is therefore not of any significant importance. Certain temporary difficulties connected

with the financing of house building attracted considerable attention. An accumulation in the banks of building credits in completed houses and a declaration by the Riksbank at the beginning of the year to the effect that house building credits no longer need be given priority did in fact result in certain difficulties as to the financing of new houses. New priority instructions were, however, issued subsequently. The so-called "lending ceiling" was introduced for the commercial banks, but did not apply to house building credits and housing loans. So far as house financing was concerned, the position then eased, but, on the other hand, the rest of the capital market remained strained. The increase in supply from the capital market institutions was fairly small and private persons, funds, etc., provided a considerably smaller contribution than previously. The same tendency marked the year 1956. A large demand by the Government had to be covered, to prevent a further rise in the bank rate, outside the capital market by the sale of Treasury bills to the commercial banks. The position eased somewhat during 1957, partly, thanks to the increased influx of funds to the savings banks and the Post Office and, partly, because the commercial banks were now again making direct transactions on the capital market on a large scale by buying up bonds.

As a whole, an impression is gained of how the increase in monetary income and the heavy liquidity influx in the beginning of the 1950's, (the latter passively accepted by the Riksbank), in various ways resulted in large additional supplies also to the capital market. It can then be seen how this tidal wave ebbs away. It is not a coincidence that the crisis on the capital market became acute as from 1953, in spite of the industry only making a small claim on these resources. The situation was then first temporarily remedied by direct "support purchases" by the banks. After that it was managed to achieve a non-recurrent transition of funds by means of a rise in the bank rate, which no doubt had very little to do with an increase in saving. When this possibility, in its turn, ceased, the commercial banks had again to unburden or push money over to the long-term market. It can therefore be said that, by different methods and in various ways, "short-term" money had to help the capital market. This course of events formally contrasts with what occurred during the first five post-war years, when the Riksbank instead made direct transactions on the capital market on a very considerable scale. The real porport was identical

in both cases: Heavy liquidity restriction was avoided. A substantial credit expansion has thus in different ways put money in the hands of investors, prevented or restricted the raise in the bank rate and facilitated a large investment activity in industry as well as in other sectors.

SUMMARY

Neither the special industrial financing investigation nor the capital market analysis, give an impression that the large industrial firms have met with any serious difficulties in managing the financing. Self-financing has been considerable and, on the whole, the bank credit market easily accessible. The explanation of this is to be found, briefly stated, in the boom period and the monetary policy.

Long-term borrowing by the industry on the capital market, on which the building sector has dominated, has, however, been kept within a narrower limit, than what otherwise would have been the case under given conditions, with the aid of controls. This borrowing has therefore been substituted by, more or less, short-term promissory note loans. On the whole, the insurance companies have, inter alia, increased their industrial financing against promissory note securities. In addition thereto, the commercial banks have retained loans which, under normal conditions, would have been shifted over to the capital market. The limited external financing which has taken place has thus been comparatively expensive and in many instances also unsuitably arranged.

Branches included in the investigation into financing of industry

1. Ore mining and ore concentration works
2. Iron and steel works
3. Iron and steel manufactures
4. Other metal industry
5. Other metal manufactures
6. Engineering workshops and foundries
7. Electrical engineering
8. Combined iron and steel and forest enterprises
9. Combined enterprises other than combined iron and steel and forest enterprises

10. Stone industry, cement and light-concrete factories
11. China, tiles and earthenware industries
12. Glass industry
13. Brick manufacturing industry
14. Other refractory and stone industries
15. Pulp mills
16. Paper mills
17. Combined forest industry
18. Newspaper printers
19. Book printers and job-printers
20. Other printing industry, paper processing and combined enterprises
21. Joinery, furniture factories and other timber industries
22. Flour mills
23. Bakery industries
24. Butchery
25. Canning industry
26. Dairy industry
27. Chocolate and confectionery industry
28. Woolen industry
29. Other textile industry
30. Rubber factories
31. Footwear industry
32. Other leather, hair and rubber goods industry and combined enterprises
33. Chemical industry
34. Hydro-electric power stations

Investments and financial conditions of industry

Iron industry
16 firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kroner						
INVESTMENTS	103.5	113.1	134.7	137.8	162.8	160.5	812.5
Of which in fixed assets	93.1	93.0	98.3	133.8	163.9	143.0	725.1
inventories	10.4	20.1	36.4	4.0	-1.1	17.5	87.4
SAVING	82.7	138.7	189.0	206.8	174.2	143.8	934.9
VARIATIONS IN:							
Financial assets	26.6	134.9	307.7	38.6	-152.7	95.6	424.3
Of which cash in hand and at banks	-36.5	76.3	241.1	41.7	-156.9	31.3	197.0
other	63.1	58.6	66.6	-3.1	-22.2	64.3	227.3
NEW ISSUES OF:							
Shares	-	11.0	-	-	-	2.6	13.6
Bonds and deferred debentures	-1.9	-2.0	15.6	-5.9	-6.1	-6.4	-6.7
VARIATIONS IN:							
Other debts than bonds and deferred debentures	48.5	99.0	240.8	-17.0	-183.9	117.4	304.8

Financing industrial investments in periods of several years

Iron industry
16 firms

	1950-52	1953-55	1950-55
	Million kroner		
INVESTMENTS	351.3	461.1	812.5
Of which in fixed assets	284.4	440.6	725.0
inventories	66.9	20.5	87.5
INVESTMENTS FINANCED BY			
Saving	306.6	411.3	719.4
Utilization of financial assets	3.5	32.6	6.5
External capital borrowing	41.5	17.0	93.4

Investments and financial conditions of industry
Engineering workshops and iron and metal manufactures
127 firms

	1950	1951	1952	1953	1954	1955	1950-55
Million kronor							
INVESTMENTS	230.5	404.3	381.3	-21.2	203.8	607.1	1 808.9
Of which in fixed assets	198.7	260.1	225.9	193.1	219.6	304.8	1 402.2
inventories	31.8	144.2	155.4	-214.3	-16.6	302.3	406.7
SAVING	280.6	254.8	284.2	308.3	357.9	311.3	1 797.1
VARIATIONS IN:							
Financial assets	208.1	255.7	1.5	265.0	238.3	110.5	1 079.2
Of which in hand and at banks	72.8	18.6	-84.7	246.2	65.7	-212.4	106.2
other	135.3	237.1	86.2	18.8	172.6	322.9	973.0
NEW ISSUES OF:							
Shares	5.9	109.3	14.2	12.4	18.3	75.8	235.9
Bonds and deferred debentures	22.1	22.7	-0.2	-10.7	-16.6	2.9	20.2
VARIATIONS IN:							
Other debts than bonds and deferred debentures	137.4	279.6	168.4	-61.3	96.7	325.4	885.5

Financing industrial investments in periods of several years

Engineering workshops and iron and metal manufactures
127 firms

	1950-52	1953-55	1950-55
Million kronor			
INVESTMENTS	1 021.7	812.4	1 811.3
Of which in fixed assets	685.0	690.2	1 396.4
inventories	336.7	122.2	414.9
INVESTMENTS FINANCED BY			
Saving	701.6	606.5	1 432.6
Utilization of financial assets	17.4	9.8	1.9
External capital borrowing	306.4	200.4	377.8

Investment and financial conditions of industry

Combined iron and steel and forest enterprises and other combined enterprises
19 firms

	1950	1951	1952	1953	1954	1955	1950-55
Million kronor							
INVESTMENTS	151.3	192.6	238.1	164.9	160.2	181.0	1 088.3
Of which in fixed assets	138.6	154.9	185.4	169.4	147.0	168.3	963.6
inventories	12.7	37.7	52.7	-4.5	13.2	12.7	124.7
SAVING	130.5	159.8	144.7	140.0	170.2	203.4	951.7
VARIATIONS IN:							
Financial assets	62.4	139.9	-100.8	52.5	29.5	112.8	296.3
Of which cash in hand and at banks	41.0	38.9	-128.0	31.1	6.1	-7.9	-13.8
other	21.4	101.0	27.2	21.4	23.4	120.7	315.1
NEW ISSUES OF:							
Shares	12.0	10.1	-	-	-	44.4	66.5
Bonds and deferred debentures	14.3	18.4	-1.0	36.3	-2.6	-5.1	60.3
VARIATIONS IN:							
Other debts than bonds and deferred debentures	59.0	144.8	6.3	40.6	54.3	55.5	308.7

Financing industrial investments in periods of several years

Combined iron and steel and forest enterprises and other
combined enterprises

19 firms

	1950-52	1953-55	1950-55
Million kronor			
INVESTMENTS	581.5	506.2	1 087.7
Of which in fixed assets	485.5	487.5	973.0
inventories	96.0	- 18.7	114.7
INVESTMENTS FINANCED BY			
Saving	404.2	473.9	903.1
Utilization of financial assets	2.4	5.9	0.4
External capital borrowing	175.3	27.0	187.5

Investments and financial conditions of industry

Forest industry

34 firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kronor						
INVESTMENTS	70.1	205.5	301.4	93.6	228.6	243.0	1 142.2
Of which in fixed assets	107.0	180.5	179.8	162.8	191.5	190.6	1 012.2
inventories	-36.9	25.0	121.6	-69.2	37.1	52.4	130.0
SAVING	182.4	279.4	128.1	153.0	202.8	199.3	1 145.0
VARIATIONS IN:							
Financial assets	175.1	520.6	-433.1	124.6	60.3	3.1	450.6
Of which cash in hand and at banks	78.2	207.7	-253.9	76.8	42.7	-101.3	50.2
other	96.9	312.9	-179.2	47.8	17.6	104.4	400.5
NEW ISSUES OF:							
Shares	-	-1.7	6.9	28.9	4.4	-	38.6
Bonds and deferred debentures	-5.1	-12.6	-4.4	38.2	-9.0	-6.4	0.7
VARIATIONS IN:							
Other debts than bonds and deferred debentures	69.8	473.0	-251.1	17.0	108.2	52.3	469.2

Financing industrial investments in periods of several years

Forest industry

34 firms

	1950-52	1953-55	1950-55
	Million kronor		
INVESTMENTS	576.9	565.3	1 142.2
Of which in fixed assets	467.2	544.8	1 012.0
inventories	109.7	20.5	130.2
INVESTMENTS FINANCED BY			
Saving	438.3	449.7	985.5
Utilization of financial assets	24.7	25.8	6.6
External capital borrowing	119.6	101.1	153.6

Investments and financial conditions of industry

Stone, china, glass and brick industries

44 firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kroner						
INVESTMENTS	23.6	54.4	41.0	7.2	49.2	51.3	226.7
Of which in fixed assets	26.5	41.7	37.1	21.6	46.8	42.8	216.5
inventories	-2.9	12.7	3.9	-14.4	2.4	8.5	10.2
SAVING	36.5	32.5	34.4	48.3	47.3	40.9	239.9
VARIATIONS IN:							
Financial assets	17.7	16.2	-3.6	42.7	49.5	7.1	129.7
Of which cash in hand and at banks	2.9	1.6	-0.1	26.8	21.2	-8.9	43.6
other	14.8	14.6	-3.5	15.9	28.3	16.0	86.1
NEW ISSUES OF:							
Shares	0.1	-	0.1	-	5.2	-	5.4
Bonds and deferred debentures	-0.1	14.5	-	1.4	-1.0	-1.2	13.5
VARIATIONS IN:							
Other debts than bonds and deferred debentures	4.3	39.2	44.5	2.7	46.0	17.9	154.6

Financing industrial investments in periods of several years

Stone, china, glass and brick industries

44 firms

	1950-52	1953-55	1950-55
	Million kroner		
INVESTMENTS	119.0	107.9	226.7
Of which in fixed assets	105.3	109.7	216.4
inventories	13.7	-1.8	10.3
INVESTMENTS FINANCED BY			
Saving	91.5	93.6	193.4
Utilization of financial assets	6.5	0.4	0.5
External capital borrowing	21.6	13.9	33.0

Investments and financial conditions of industry

Foodstuffs industry

38 firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kronor						
INVESTMENTS	26.9	64.1	24.7	7.6	44.2	26.4	193.9
Of which in fixed assets	25.3	28.7	24.7	23.5	32.2	26.3	160.8
inventories	1.6	35.4	-	-15.9	11.9	0.1	33.1
SAVING	23.8	12.9	22.8	24.6	21.7	22.0	127.8
VARIATIONS IN:							
Financial assets	24.9	-3.9	25.4	16.2	-9.4	18.6	71.8
Of which cash in hand and at banks	-1.2	1.3	5.2	10.8	-8.8	1.5	8.8
other	26.1	-5.2	20.2	5.4	-0.6	17.1	63.0
NEW ISSUES OF:							
Shares	6.3	4.6	6.9	7.4	12.4	10.3	47.9
Bonds and deferred debentures	5.2	0.2	0.2	-	0.8	0.4	6.8
VARIATIONS IN:							
Other debts than bonds and deferred debentures	15.8	42.7	21.5	-8.5	0.1	12.3	83.9

Financing industrial investments in periods of several years

Foodstuffs industry

38 firms

	1950-52	1953-55	1950-55
	Million kronor		
INVESTMENTS	115.6	84.2	199.8
Of which in fixed assets	78.6	82.1	160.7
inventories	37.0	2.1	39.1
INVESTMENTS FINANCED BY			
Saving	58.0	55.3	122.0
Utilization of financial assets	10.1	9.7	14.6
External capital borrowing	47.9	19.1	57.1

Investments and financial conditions of industry

Textile and footwear industries

58 firms

	1950	1951	1952	1953	1954	1955	1950-55
	Million kronor						
INVESTMENTS	55.0	53.0	5.1	11.0	27.0	22.1	173.2
Of which in fixed assets	32.5	29.4	21.2	15.4	17.8	12.0	128.3
inventories	22.5	23.6	-16.1	-4.4	9.2	10.1	45.0
SAVING	29.7	20.4	23.5	17.6	16.0	12.4	119.6
VARIATIONS IN:							
Financial assets	8.2	1.1	2.2	3.6	-6.7	0.4	8.9
Of which cash in hand and at banks	-1.3	-5.0	10.0	2.1	-7.8	-4.2	-6.2
other	9.5	6.1	-7.7	1.5	1.1	4.6	15.1
NEW ISSUES OF:							
Shares	1.0	-	-	-	-	-	1.0
Bonds and deferred debentures	0.2	2.8	-4.9	2.4	0.1	-0.5	0.1
VARIATIONS IN:							
Other debts than bonds and deferred debentures	31.7	29.8	-8.3	-3.1	5.3	12.0	67.4

Financing industrial investments in periods of several years

Textile and footwear industries

58 firms

	1950-52	1953-55	1950-55
	Million kronor		
INVESTMENTS	113.2	63.6	173.2
Of which in fixed assets	83.1	40.3	128.3
inventories	30.1	23.3	44.9
INVESTMENTS FINANCED BY			
Saving	63.0	34.6	108.8
Utilization of financial assets	13.0	10.2	14.4
External capital borrowing	40.0	20.7	54.6