

NATIONAL BANK OF BELGIUM

GENERAL MEETING

of the

Shareholders of the National Bank of Belgium

on 27th February, 1961

REPORT

PRESENTED BY THE GOVERNOR, IN THE NAME OF THE COUNCIL OF REGENCY,

on the activities of the Bank in 1960

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A Glossary of Names as used
in this and previous Reports of the National Bank
is printed at the end of the text.

The hypothesis that there is concurrence between the business cycle's phases in the various parts of the world economy has been belied, once again, by the events of 1960. These have confirmed that economic movements are transmitted only imperfectly, and with quite long delays. Such divergences between countries may in the short run cause a conflict between the requirements for securing equilibrium in external payments and those for sustaining internal economic activity.

The fluctuations of activity in the United States and in Western Europe did not coincide in 1960. That fact is nothing new. Thus in 1952 the upswing persisted in the American economy at a time when Europe was passing through a recession; and two years later Europe was entering an upward phase of the cycle when activity was declining in the United States. During 1960 a new element appeared in that country inasmuch as, despite an improvement by comparison with the previous year in the balance of payments for goods and services, foreigners' withdrawals of funds and an increase of American investment abroad caused further large outflows of gold.

The problem of the dollar has an international bearing, because dollar assets form a great part of the stock of liquidity used for multilateral monetary settlements.

Besides this, any cutting down of the United States' net expenditure in the rest of the world might in present circumstances impair the activity of many countries, which regard the forthcoming course of the business cycle with uncertainty.

In the course of the year the world prices for raw materials weakened and the producing countries' exports, which had previously improved, showed some falls. At the same time, while the industrial countries of Western Europe are enjoying great economic activity, the rate of progress seems to be slowing in some of them. Thus in the United Kingdom, in France and the Netherlands total demand seemed to become stable during the second half-year, although still remaining at a high level; on the other hand the upswing continued in Federal Germany and in Italy.

On looking at the course taken by the *Belgian economy* during 1960, one finds that it did not differ from that in the European Economic Community as a whole : the year lay in a phase of high economic activity. New problems arose from the grant of independence to the Congo, but so far they have produced no marked effect on Belgium's activity.

Manufacturing output for the first nine months of the year was greater than a year previously; the increase amounted to nearly 10 per cent.

The *coal industry*, continuing to carry out the plans for reorganisation, stabilised its production at two-thirds of its previous capacity and reduced its stocks.

The *building* and allied industries were among those enjoying the best activity.

The indications produced by the National Bank's half-yearly enquiries into *capital expenditure* in a number of industries seem to show that the growth of such expenditure may be of the order of one-fifth by comparison with 1959. On the other hand the public authorities' capital investment, which had contributed to the economic recovery in 1959, was not increased; the decision not to increase it was justified by the state of the business cycle.

Home market deliveries of durable *consumer* goods, partly financed by an increase of credit, rose by nearly 10 per cent according to partial data; private consumption in other forms was also on the increase thanks to the expansion of individuals' incomes.

External demand, which had started the recovery, was well maintained but its expansion became slower; for the first eleven months together exports were above their 1959 level by 15.6 per cent, and imports by 15.9 per cent. In the last months of the year however a decrease was observed in the orders received from certain markets, especially from the Congo and the United States. It therefore seems that some hesitancy is appearing in markets abroad; and there is reason for fearing that this, if it were confirmed, might produce cumulative consequences on Belgian activity.

Employment of course benefited from the effects of business expansion, while productivity improved. Industrial production per man-hour worked, which is a rough guide to productivity, was up by about 7 per cent in the first half-year as compared with the corresponding period of 1959. The annual average number of persons wholly and partly unemployed fell by about 40,000, although the number of workers employed in the mines declined by 18,000. In November the total number registered as wholly unemployed was 105,000, or roughly 3 per cent of the active population; but approximately half this total were people more or less unfit for work.

The upswing caused a slight rise in *workers' wages* from the second half of 1959 onwards. According to the index for gross hourly earnings of workers in industry, the increase would appear to have been of the order of 3 per cent between September, 1959 and September, 1960; the volume of work done having grown, the total sum paid to wage-earners expanded. In addition certain further social advantages, not included in wages, were accorded; with allowance for this increase in the charges on employers the hourly wage-cost would appear to have risen by 4.2 per cent, during

the period mentioned, in the manufacturing industries. From the point of view of industrial costs this rise needs to be assessed with due allowance for the increase of productivity.

On 11th May representatives of the employers' organisations and the trade unions signed an agreement which introduced new ideas into Belgium in the organising of *labour relations*. The signatories of this agreement undertook jointly to consider, and to seek solutions for, the economic and social problems of a general and national character. They confirmed the need for an economic expansion policy permitting the creation of fresh employment. They affirmed that such a policy requires the authorities, the employers and the workers to have constantly in mind the existence of the European Common Market, which more than previously calls for dynamic organisation of enterprises as well as for a competitive level of production costs and for good relations between employers and employed.

While stating their will to do everything to ensure economic expansion, and to favour better employment, the signatory organisations' representatives acknowledged that continuity in social progress must be reflected in steady improvement of living and working conditions. As to this they experimentally adopted the principle of programming the fresh benefits of a general character. This programming, effected at the national and inter-occupational level, is so far as possible to be supplemented by programming at the level of the various branches of activity, or of enterprises.

In adopting this programme the representatives of the workers' organisations declared that they renounced all other claims of a social nature, at the national and inter-occupational level, until the end of 1962.

Movements in the overall level of wholesale and retail *prices* were not wide. The 1959 rise had been moderate; similarly the downward tendency in the first three quarters of 1960 was very

slight. It afterwards ceased as regards wholesale prices, while retail prices slightly rose.

To *conclude*, Belgium's economic situation has remained favourable; the benefits of the upswing have spread within the economy without causing strains.

The attainment of independence by the Congo, and the crisis which followed it, may loosen the economic links which had been formed with Belgium to the advantage of both countries; in that event Belgium's gross national product would not be seriously affected, but its balance of payments would feel appreciable repercussions.

The state of relations with the Congo raises a problem for which there is no immediate solution. This long-term problem forms an addition to others with which the country was already faced. Together they might give rise to fresh difficulties if the trend of the business cycle should be reversed. In the last months of the year there was in fact some hesitation in the upward movement. Activity is thus flattening out, but it is still too early to say whether this is the start of a turn-round into recession or a momentary break in the rising cyclical trend.

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While it reflects these economic tendencies, and *inter alia* the absence of cyclical strains, the *financial position* was further affected by the state of the public Treasury, as well as by speculative transactions due to the approach of Congolese independence and the events which followed it.

As regards monetary aspects of the situation the year 1960 may be divided into three periods.

During the first half-year the liquidity of the banking system and of the business and private sector was substantially increased by the balance of payments surplus, due chiefly to the favourable balance of current transactions and to transfers from the Congo of private capital.

During July and August a deficit appeared in the balance of payments because of the events in the Congo.

The period beginning in September was marked by reversal of the two preceding months' speculation, and by the creating of liquidity for the Treasury in exchange for the foreign currencies which it borrowed at short term.

The expansion of liquidity during the first half-year appeared in various ways. Monetary holdings, and quasi-monetary assets at the banks, increased by Fr. 6.8 billion; on the sundry current accounts at the National Bank further assets amounting to Fr. 1 billion accumulated. On the other hand, and although the banks increased their lending to business and private customers, the National Bank's commercial bill holding and its advances against pledged security remained at very low levels. The public authorities succeeded in obtaining large sums through the issue of loans on the domestic market.

During July and August some quickening in payment for imports, and a certain slowing in the inflow of foreign exchange, were observed. Residents' foreign currency deposits at Belgian banks rose by Fr. 1.7 billion. Investments were moreover made directly abroad. These transactions caused a rise in exchange quotations, especially on the free market. Under their influence combined with that of seasonal movements the Belgian franc sight deposits fell between 30th June and 31st August by nearly Fr. 5.5 billion, or appreciably more than the fall in previous years. Sales of public securities made the Securities Stabilisation Fund intervene to regulate the market. It does not on the other hand

appear that the business and private sectors financed any large part of their foreign currency purchases through resort to bank credit.

The banks met the withdrawals of deposits by cashing Securities Stabilisation Fund Certificates, by reducing their net offerings of funds on the market for money at very short term and by borrowing at the National Bank.

In order to repay its Certificates, and to finance its buying of public securities, the Securities Stabilisation Fund drew on its credit balance at the National Bank and reduced its lending of call money; it did not need to use the credit line which the National Bank had opened for it.

The strains imposed on the market for money at very short term, and on the market for public securities, caused a noticeable rise in rates.

On 4th August the National Bank raised its rates. Its discount rate for bills accepted payable at a bank was put up to 5 per cent.

As to items in the National Bank's return the tension of July and August was reflected in a contraction of the net gold and foreign assets by Fr. 8.7 billion, in an increase of other assets including especially the commercial bill holding and the advances, and in a decrease of the Securities Stabilisation Fund's balances in account.

In the upshot therefore the regulating mechanism, established in November, 1957 and extended in June, 1959 as regards the Securities Stabilisation Fund, worked perfectly; it ensured the necessary provisioning of the money market in a period of notable strain, and shielded the public Treasury from the effects of abrupt changes in that market.

From September onwards the speculative movement was reversed. The quotations for foreign currencies progressively fell; by 23rd December they were lower on the regulated market than

on 30th June, and on the free market they were only a trifle higher. The National Bank's net gold and foreign assets increased during the last four months of 1960 by Fr. 10.5 billion, thereby offsetting their decrease of July and August; a large part of this growth was however due to an increase in the Government's short-term foreign exchange indebtedness. Alongside this there was an addition to the resources of the banks. These, and the Rediscount and Guarantee Institute, reduced their debts to the National Bank; thus in the National Bank's return for 26th December the commercial bills amounted to only Fr. 2.1 billion, and the advances against pledged security were insignificant. In addition the banks again enlarged their holding of Securities Stabilisation Fund Certificates, while the Fund replenished its balances in account at the National Bank and increased its lending of call money.

The National Bank's rates adopted at the beginning of August remained in force throughout the rest of the year, except the rate for discount of certified bank acceptances issued in respect of exported goods; on 10th November this rate was lowered by 1 per cent. Through the reduction in the cost of that type of credit the National Bank means to emphasise the importance, in the present situation, of expanding Belgian sales abroad.

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On the threshold of 1961 two problems call for special attention from the monetary point of view. One is the forthcoming movement in the National Bank's net gold and foreign assets; the other is the state of the Government's finances in the light of the extreme vulnerability of its cash position.

It is true that the National Bank's *gold and foreign assets* were in large measure restored after having been sharply reduced in July and August. At the end of 1960 they amounted to Fr. 73.7 billion, or close to the peak of Fr. 74.1 billion recorded in December, 1958;

they thus remained well above the level of Fr. 53 to 54 billion at which they had stood during the period of high economic activity in the first half of 1957.

But against the amounts just quoted it is important to mention the increase in the Government's short-term foreign exchange debt; this rose by Fr. 4 billion in 1958, Fr. 3.5 billion in 1959 and Fr. 10.4 billion in 1960. The foreign currencies, borrowed by the Treasury and sold to the National Bank, in appearance strengthened the latter's reserves. But this fresh indebtedness of the Government caused the Bank to take contractual commitments for forward delivery to the Treasury of the foreign exchange required for the maturities of part of the external debt; these commitments have as counterpart, in the National Bank's return, the amounts shown in the item « Debtors in respect of Foreign Exchange and Gold at Forward Dates » at the figure of Fr. 11.8 billion at the end of December.

So far as consolidation or renewal of this short-term external debt may prove impracticable, its repayment would within a short period cause the taking of an amount of at least that order from the foreign exchange reserves.

But those reserves may also suffer from the relaxing of the close links which had been established between Belgium and the Congo.

It follows that the level of the gold and foreign assets will be mainly governed by the course of the trade balance, especially of exports, and by the confidence which the country's economic and financial policy inspires both in Belgium and abroad.

The second problem which calls for attention is that of the *public finances*. The persisting of an ordinary budget deficit during a year of upswing like 1960 is in itself evidence of a functional defect, in no way remedied by the introduction in 1959 of the cyclical budget system, which moreover has not in fact been applied. Besides this the Treasury's vulnerability, and its increased dependence on short-

term foreign borrowing, have brought out more clearly the need for thorough reform.

The ordinary budget for the 1960 financial year had been presented in balance at the level of Fr. 110 billion for both receipts and expenditure; but the additional appropriations requested were greater than the surplus of actual receipts over the estimates. The receipts will probably amount to Fr. 112 billion, and the ordinary expenditure may reach Fr. 117 billion. But part of the expenditure appropriations will probably not be used before the close of the financial year, and will lapse. Thus the deficit will probably not reach Fr. 5 billion, and so may be smaller than those for the 1958 and 1959 financial years, which each amounted to Fr. 8 billion.

Be that as it may, the cash deficit due to the execution of the ordinary budgets amounted to about Fr. 2.1 billion for the first eleven months of the year. To this were added the payments made on account of the extraordinary budgets for the current and previous financial years; the net cash expenditure on that account was Fr. 20.3 billion for the first eleven months.

The size of the overall cash deficit caused the direct public debt to increase by a further Fr. 22.1 billion; in the two previous years the actual increase had averaged Fr. 21.5 billion.

In the end the systematic recourse to borrowing increases the charge for debt interest and repayment, even in relation to the national income. Since the covering of the Treasury's needs depends on the supply of funds in the capital markets, the Treasury directly feels the consequences of disturbance in these. In 1960 the Securities Stabilisation Fund was able at times to intervene temporarily to regulate the market for public short-term securities; such action is of course justified only if it is not of a permanent character. The precariousness of the Treasury's position is greater still when the renewal of its borrowings depends on the conditions prevailing in markets abroad. Lastly, depending as it does on its creditors for

the handling of its cash position, the Government is unable to work out a financial policy suited to the needs of the business cycle.

With a view to clearing up the situation the Government proposed for the 1961 financial year, first, for the sake of greater clarity to transfer to the ordinary budget the non-capital expenditure items hitherto entered in the extraordinary budget or the memorandum budget; secondly to effect large savings by reducing expenditure appropriations, and finally to increase certain taxes.

The greater part of the measures to be adopted for attaining these objects form part of a bill for economic expansion, social progress and financial recovery.

In the field of governmental tax policy this bill provides for measures which may produce about Fr. 6.6 billion of additional receipts. The 1961 budget allows for this. It further reckons on an improvement in tax revenues by reason of the high level of economic activity which is expected to continue. Since moreover the budget also provides for certain economies, the total deficit may be no more than Fr. 13 billion in 1961.

Apart from the measures for basic reform of the public finances the bill contains many provisions tending to favour economic expansion, and in particular to promote private capital investment so as to produce rapid growth of the national income.

Reform of the public finances should likewise enable the Government to carry out an anticyclical public works policy.

In this connection a bill lays down two programmes, covering fifteen years. One, which is structural, is to be carried out each year; the other, which is cyclical, is to be put into effect during years of recession. In conformity with the growth of the national income the structural programme is for an annual amount which rises from Fr. 7.6 billion in 1960 to Fr. 12.3 billion in 1974, thereby reaching in fifteen years a total of Fr. 150 billion. The cyclical programme,

which will be added to this according to circumstances, will amount to Fr. 50 billion. So as to give greater financial autonomy to the programme a Fund will collect and administer the resources intended for financing these projects.

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If the financial and economic problems are regarded as a whole on the plane both of internal expenditure and of external payments, the conclusion is that the solutions are not only reconcilable but even strictly complementary. The aim of ensuring the foreign exchange receipts needed for external payments calls for a policy which enlarges the means for financing private capital investment, chiefly in the exporting industries. The availability of funds is not indeed a sufficient condition for such investments, but it is a necessary condition for them.

As to this it must be recalled that the *rate of growth* of the Belgian economy has been regarded as insufficient during recent years by some critics. Their views contain a certain amount of generalisation, and even some errors. There is no precise indication and no absolute criterion to permit the forming of any final and objective assessment. But it is true that after having been one of the most rapid immediately after the war the rise in the gross national product in Belgium has slowed down during recent years, just as it has in the United States and the United Kingdom, even though the Belgian per capita gross national product remains one of the highest in Europe. Up till now the Belgian economy has maintained its position on world markets. Since the first world war the country's exports have represented, in value, a fairly constant proportion of the world total. The growth in the volume of exports since the second war is nevertheless slower in Belgium than in other member countries of

the European Economic Community, although it is faster than in the United Kingdom and is similar to that in all industrial countries together.

In assessing this trend it is necessary to allow for the disadvantages of the Belgian economy by comparison for instance with younger economies where the rate of expansion is frequently higher, or with the economies of countries which have a rapidly growing population or have benefited from the discovery of natural riches, leading to the creation of fresh activities. It must further be borne in mind that the country's expansive effort has hitherto been shared between Belgium and the Congo.

But however remarkable the past growth may have been with allowance for the relative disadvantages, the fact remains that now Belgium must expand its exports faster than other countries in order, inter alia, to solve the problem set by the deteriorating of its economic relations with the Congo.

More and more people agree in recognising the need to raise the rate of growth, and in admitting the principle that efforts must be coordinated with that object in view. It is for this purpose in particular that a Royal Decree last November created the National Committee for Economic Expansion, for which provision had been made in the May agreement on social programming. This Committee will associate economic interests with the activity of the Programming Bureau, which is a technical organisation. The Committee is to express its opinion on plans for public capital expenditure; it may make recommendations about private investments, and it may propose general objectives for economic policy.

In addition the Government plans to draw up a five-year programme designed to raise the gross national product by at least 4 per cent per annum, to create 20,000 fresh jobs each year, and

to redirect the Belgian economy towards sectors enjoying structural expansion. The Government further proposes to encourage private capital investment by extending the benefit of the July, 1959 legislation; it contemplates setting up a National Investment Company as well as regional Companies.

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To achieve the object of expanding the national product, measures of economic policy must of course be put into effect. As regards their content it is not for the National Bank to express a view. The Bank must however give a reminder of the principle that it will be possible truly to attain the object only on the basis of a stable currency.

The easiest method would in appearance be to achieve the desired expansion by increasing public expenditure on the basis of credit creation. But such a method creates more problems than it solves. A policy of that kind might even compromise the monetary stability which safeguards the people's purchasing power.

The expansive effort must exclude all internal inflation if external payment difficulties are to be avoided. In a country like Belgium economic growth is closely dependent on foreign demand. At long term it is ultimately through its ability to export goods and services that the Belgian economy will secure both its resources for international payments and its basic expansion. Hence it is in that direction that the effort to develop industrial potential must be guided.

Through its foreign exchange and interest rate policy the National Bank helps to ensure equilibrium in the country's balance of payments. The foreign exchange policy aims at checking speculative capital outflows which, if they became extensive, would both deprive the country of the resources needed for financing and would exhaust

its exchange reserves. Similarly the Bank through its interest rate policy can to some extent influence capital movements according to circumstances. But its action in that sense is a matter of delicacy, because it must allow both for the facts of internal cyclical policy and for the needs of the balance of payments.

Fundamentally however, and at long term, economic expansion can be realised only on the basis of savings sufficient to ensure its financing; and only a policy of monetary stability can generate these. It is in fact by reason of its confidence in the currency that the public effects a substantial part of its saving in the form of internal financial claims; the resultant regular flow of funds originating from individual incomes supplies both the Treasury and enterprises, directly or indirectly, with means of action. Further supplemented by the growth of saving through social insurance, and by companies' internal saving, the resources needed for financing productive investment do therefore exist; their total available amount will be further increased, once reform of the Government's finances has enabled the Treasury to stop borrowing money in order to pay for public consumption, or for transfers which result in private consumption.

The problem is thus not one of financial factors. The capital expenditure is possible. But the decision to incur it must be taken, and it must be organised.

As to the decision to invest within the country, that depends on the confidence felt in the country's future, and on the existence of technical projects. On the one hand undue pessimism about the prospects of national development may cause the outflow of too large a portion of current savings. On the other hand, up till now a large part of the investments in Belgian industry has served the desire to reduce the latter's costs; this desire was justified, and it benefited exports. But it seems possible to do more, and to create further opportunities for employment by developing the capacity of exporting

industries. This result will be attained by offering on markets abroad not only goods at prices lower than those of our foreign competitors, but also products which are the subject of growing demand from users. With that in view the Government's function must be to encourage and assist the efforts of industry. Henceforth, moreover, the progressive realisation of the Common Market is opening up fresh possibilities in that connection.

As to the organising of capital expenditure, it must allow for indispensable priorities in the national interest. That will in particular be one task of the National Committee for Economic Expansion, in which there is to be cooperation between Government delegates and representatives of private interests, both trade unions and employers.

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As these lines are written the country's activity is being impaired by strikes. The immediate effects produced by these will be harmful. Afterwards the proper lessons will have to be drawn from the ordeal. In most quarters people's minds have been struck more by the threat of austerity than by the prospects of expansion. But it is clear, as regards the choices which the country must make if it wishes to renounce certain easygoing methods, that the faster expansion takes place the less restrictive those choices will be. It follows that expansion must become the prime object of action by all. The programmes for capital investment and development must produce concrete industrial results within a very short time.

In this process the Government, the employers and the workers' representatives must work on the common task of refurbishing traditional activities and of developing production capacities in new directions, in short, of ensuring real expansion as the condition for an increase in the output of goods and services and hence for a fresh step in social progress.

Within the relatively narrow limits of its means of action in that respect, and in particular by safeguarding monetary stability as a necessary condition for saving, the National Bank will of course cooperate to ensure the success of that policy.

11th January, 1961.

MONEY AND FINANCE

1. Money Supply and Quasi-Monetary Liquid Resources at the Banks and Savings Banks.

Between September, 1959 and September, 1960 the total money supply and quasi-monetary liquid resources at banks and savings banks increased by Fr. 20.1 billion; in the previous twelve months the increase had been Fr. 22.8 billion. The rise shown between September, 1959 and September, 1960 resulted to the extent of Fr. 15.5 billion from growth of quasi-

Money Supply and Quasi-Monetary Liquid Resources at the Banks and Savings Banks

(in billions of francs) *

At end of	Money Supply			Quasi-Monetary Liquid Resources			Total
	Notes and Coin (1)	Sight Deposits (2) (4) (5)		(3)	(4)	(5)	
1957 December .	115.5	82.5		111.2			309.2
1958 December .	120.3	89.2		125.9			335.4
1959 December .	121.3	95.0		142.0			358.3
1958 September .	118.0	84.0		119.1			321.1
1959 September .	118.3	91.3		134.3			343.9
1960 September .	123.6	90.6		(p)149.8			(p)364.0

* 1 billion = 1,000,000,000.

(p) Provisional figures.

(1) Notes of the National Bank of Belgium, Treasury notes and coin, less amounts held by the monetary institutions mentioned in (2) below.

(2) Belgian franc balances of residents on sight accounts at banks, at the Postal Cheque Office, at the National Bank of Belgium, at the National Fund for Credit to Trade and Industry and at the Belgian Municipal Credit Institution, not including the amounts held by these monetary institutions themselves.

(3) Credit balances of the Treasury at the National Bank of Belgium; residents' bank deposits in foreign currencies; residents' bank time deposits in Belgian francs; deposits on savings books and deposits on current account at the General Savings Fund; savings and deposit accounts at private savings banks.

(4) The balances of Luxemburg and Congo residents cannot in general be separated from those of Belgian residents, and are therefore in great part included in the figures in these columns.

(5) It has been possible to transfer to the quasi-monetary resources, as from 1958, the holding companies' bank accounts at more than one month which in 1957 were included in the sight deposits.

monetary liquid resources, and to that of Fr. 4.6 billion from the increase in the money supply. By comparison with the period from September, 1958 to September, 1959 the rate of growth in quasi-monetary liquid resources showed little change, whereas that of the

money supply slackened. The note and coin circulation, which had hardly varied from September, 1958 to September, 1959, rose by Fr. 5.3 billion; but sight deposits, which had appreciably risen between those two months, declined by Fr. 0.7 billion.

a) **Notes and Coin.**

The note and coin circulation increased by Fr. 2.9 billion between November, 1959 and November, 1960; during the previous twelve months it had done so by only Fr. 0.7 billion.

The movement of the National Bank's note circulation was affected in 1960 by the usual seasonal factors. After the end-of-year settlement the demand for notes diminished. The increase which

Notes and Coin
(in billions of francs)

At end of	Notes of N.B.B.	Treasury Notes and Coin (1)	Total (2)
1957 December	112.7	4.7	115.5
1958 November	115.2	4.8	118.1
December	117.4	4.8	120.3
1959 November	116.0	4.9	118.8
December	118.3	4.9	121.3
1960 January	116.6	4.9	119.6
February	115.5	4.9	118.5
March	115.9	4.9	118.8
April	117.5	4.9	120.5
May	118.0	4.9	120.8
June	119.3	5.0	122.1
July	121.5	5.1	124.2
August	120.1	5.1	123.0
September	120.6	5.1	123.6
October	120.5	5.1	123.4
November	118.9	5.1	121.7
December	124.1	5.2	

(1) Less the amounts held by the National Bank of Belgium.

(2) Less the amounts held by the monetary institutions.

appeared in the second quarter and in July reflected a seasonal expansive movement which generally begins in May, attains its peak in July, and is then cancelled out in greater or lesser degree during a period which is of unequal length as between different years. In 1960 the amount of the Bank's notes in circulation at the end of July exceeded by Fr.

6.2 billion the lowest weekly figure for May; in 1958 and 1959 the corresponding excesses had been Fr. 6.1 billion and Fr. 4.7 billion. During the subsequent months of 1960 the weekly total of bank notes passed through a low point on 26th September, on which date

it was lower than at the end of July by Fr. 3.7 billion; in 1958 and 1959 the corresponding decreases had been Fr. 4.1 and 5 billion. On the other hand the issues of internal loans by the Government often cause a return flow of notes to the Bank; this is what happened in February and November, 1960. The settlement at the end of the year raised the volume of bank notes to Fr. 124.1 billion, or Fr. 5.8 billion more than a year previously.

Between December, 1959 and December, 1960 the total Treasury notes and coin in circulation increased by Fr. 0.3 billion.

b) **Sight Deposits.**

Between November, 1959 and November, 1960 sight deposits decreased by Fr. 2.5 billion.

Sight Deposits
(in billions of francs)

At end of	Held by the Treasury and Local Authorities	Held by Business and Private Customers (1)				Total
		Current Accounts at the N.B.B.	Balances on P.C.A.	Deposits at Sight and at not more than one month at Banks and Para-statal Establishments (2)	Total	
1957 December	6.4	0.9	22.0	53.2	76.1	82.5
1958 November	6.3	0.6	23.0	56.8	80.4	86.7
December	7.2	0.5	24.0	57.5	82.0	89.2
1959 November	7.8	0.4	24.5	60.5	85.4	93.2
December	7.6	0.5	25.8	61.1	87.4	95.0
1960 January	6.6	0.4	24.3	59.9	84.6	91.2
February	7.2	0.3	24.6	59.3	84.2	91.4
March	7.5	0.3	24.5	61.4	86.2	93.7
April	6.8	0.3	24.8	62.2	87.3	94.1
May	7.7	0.4	25.6	63.0	89.0	96.7
June	8.2	0.4	25.7	63.5	89.6	97.8
July	7.8	0.4	25.3	60.5	86.2	94.0
August	7.9	0.5	25.0	58.5	84.0	91.9
September	8.6	0.5	24.5	57.0	82.0	90.6
October	7.4	0.4	24.8	57.9	83.1	90.5
November	7.4	0.5	25.0	57.8	83.3	90.7

(1) Not including the monetary institutions and the Securities Stabilisation Fund, but including certain para-statal institutions.

(2) The holding companies' bank accounts at more than one month, which in 1957 were included in this column, have been eliminated as from 1958.

After having increased without a break from March to June the deposits of business and private customers at sight and at not more than one month in banks and para-statal establishments declined in the third quarter by Fr. 6.5 billion, that is by appreciably more than in the corresponding period of previous years, in consequence inter alia of private capital outflows. For this reason, and despite a slight rise in October, such deposits stood in November at a level lower by Fr. 2.7 billion than in November, 1959.

The balances of business and private account-holders at the Postal Cheque Office touched a peak in June, as usual, but this was not above the figure for December, 1959. In November such balances were above their level of a year earlier by Fr. 0.5 billion.

The sight deposits held by the Treasury and local authorities fell by Fr. 0.4 billion between November, 1959 and November, 1960.

Sight Deposits :
Total Amount of Payments Effected, and Frequency of Turnover (1)

Monthly Averages per Standard Month of 25 days	Total Amount of Payments Effected through			Frequency of Turnover	
	Sight Deposits at Banks	Balances at Postal Cheque Office	Total	of Sight Deposits at Banks	of Balances at Postal Cheque Office
	(in billions of francs)				
1958	85.7	80.4	166.1	1.99	3.25
1959	90.3	83.4	173.7	1.91	3.13
1958 (first 11 months) ...	84.9	80.3	165.2	1.98	3.25
1959 (first 11 months) ...	89.2	82.9	172.1	1.89	3.13
1960 (first 11 months) ...	100.1	87.6	187.7	2.04	3.05

(1) The aggregate amounts of the payments effected are approximations given by the total of the debits in account after the eliminating of certain duplications in the case of balances at the Postal Cheque Office; as regards sight deposits at banks the returns do not cover all banks. The frequency of turnover is calculated by expressing the total of the debits in account thus obtained, for each period, in relation to the total average balances on accounts for the same period.

The growth which took place in transactions during 1960 caused an increase of the payments made out of bank deposits at sight and out of balances on postal cheque accounts. The frequency of turnover of bank deposits began to quicken again; that of balances at the Postal Cheque Office, on the contrary, continued to slow down.

c) **Quasi-Monetary Liquid Resources at the Banks and Savings Banks.**

Between September, 1959 and September, 1960 total quasi-monetary liquid resources at banks and savings banks increased by Fr. 15.5 billion, or Fr. 0.3 billion more than in the preceding twelve months.

Quasi-Monetary Liquid Resources at Banks and Savings Banks
(in billions of francs)

At end of	National Bank of Belgium (1)	Banks (2)			General Savings Fund (4)	Private Savings Banks (5)	Total
		Deposits in Foreign Currencies	Deposits in Belgian francs				
			at more than one month (3)	received on Deposit or Savings Books			
1957 December	0.3	3.2	11.0	12.3	66.8	17.6	111.2
1958 December	0.6	2.6	14.2	13.2	75.2	20.1	125.9
1959 December	0.5	4.3	15.2	16.4	82.2	23.4	142.0
1958 September	0.5	2.6	14.4	12.5	69.9	19.2	119.1
1959 September	0.6	3.2	16.2	14.7	77.3	22.3	134.3
1960 September	0.3	8.0	18.1	15.6	(p)82.8	25.0	(p)149.8

(p) Provisional figures.

(1) Treasury's credit balances.

(2) Balances of Belgian, Luxemburg and Congo residents.

(3) It has been possible to include in this column as from 1958 (in 1957 this had not been possible) the holding companies' bank balances at more than one month.

(4) Deposits on savings books and on current account.

(5) Savings and deposit accounts.

The Treasury's credit balances at the National Bank declined by Fr. 0.3 billion between September, 1959 and September, 1960. This decline corresponds to the net drawing effected on the account into which the proceeds of the Exceptional Counter-Cyclical Tax, introduced in 1957, are paid.

From September, 1959 to September, 1960 the increase in quasi-monetary liquid resources held at banks was Fr. 7.6 billion; between September, 1958 and September, 1959 it had been Fr. 4.6 billion. The increase of Belgian franc deposits at more than one month was substantially the same, and that of Belgian franc deposits received on deposit or savings books was smaller than for the preceding twelve months; but owing to the effect of the rise

in interest rates abroad, and of the events in the Congo, the growth of deposits in foreign currencies rose from Fr. 0.6 billion in the one period to Fr. 4.8 billion in the other.

Between September, 1959 and September, 1960 the deposits on savings books and on current accounts at the General Savings Fund increased by Fr. 5.5 billion; at the same time the balances on savings and deposit accounts at private savings banks rose by Fr. 2.7 billion.

The greater part of the deposits at the General Savings Fund consist of deposits on private holders' savings books. For the first eleven months of 1960 together the in-payments on such books were of the same order of size as during the corresponding period of 1959, whereas the out-payments increased. By reason of this movement

of in-payments and withdrawals the average monthly excess of in-payments over out-payments in the period from January to November was reduced from Fr. 0.5 billion in 1959 to Fr. 0.2 billion in 1960.

General Savings Fund :
Deposits on Individual Savings Books (1)
(in billions of francs)

Monthly Average or Month	In-payments	Out-payments	Net Movement
1958	1.6	1.2	+ 0.4
1959	1.8	1.3	+ 0.5
1958 (first 11 months) ...	1.6	1.2	+ 0.4
1959 (first 11 months) ...	1.8	1.3	+ 0.5
1960 (first 11 months) ...	1.8	1.6	+ 0.2
1960 January	2.3	1.2	+ 1.1
February	1.8	1.5	+ 0.3
March	1.8	1.6	+ 0.2
April	1.8	1.7	+ 0.1
May	1.8	1.7	+ 0.1
June	1.8	1.7	+ 0.1
July	1.9	1.8	+ 0.1
August	1.6	1.8	- 0.2
September	1.7	1.6	+ 0.1
October	1.8	1.7	+ 0.1
November	1.7	1.7	—

(1) From April, 1960 provisional figures.

The rates of interest paid on individual holders' savings deposits at the General Savings Fund were the same in 1960

as in 1959, that is 3 per cent up to Fr. 250,000 and 2 per cent beyond that amount. But the so-called fidelity premium, which had been abolished in 1959, was re-established and its sphere of application was widened. Thus the interest on amounts equal to or less than Fr. 250,000 which stayed on deposit throughout the calendar year

was again increased by 0.30 per cent; in addition, and this is something new, the amounts beyond Fr. 250,000 which stayed on deposit during the same period received supplementary interest of 0.20 per cent.

2. Counterparts of the Money Supply and of Quasi-Monetary Liquid Resources at the Banks and Savings Banks.

In the first three quarters of 1960 as a whole the money supply and the quasi-monetary liquid resources at banks and savings banks increased by Fr. 5.7 billion. This increase had as its counterpart a surplus of Fr. 6.3 billion on transactions with public authorities, and an increase of Fr. 6.2 billion in the outstanding total of credit

**Counterparts of the Money Supply and of Quasi-Monetary Liquid Resources
at the Banks and Savings Banks**
(changes in billions of francs)

Period	Money Supply and Quasi-Monetary Liquid Resources	Counterparts : Transactions with			
		Foreign Countries	Public Authorities	Domestic Private Sector	Sundry Parties
1958	+ 26.2	+ 14.9	+ 13.6	- 0.3	- 2.0
1959	+ 22.9	+ 0.7	+ 9.7	+ 14.2	- 1.7
1960 1st quarter	(p) + 3.6	+ 4.7	- 0.6	+ 1.8	- 2.3
2nd » (p)	+ 5.4	- 0.1	+ 3.2	+ 2.9	- 0.6
3rd » (p)	- 3.3	- 5.0	+ 3.7	+ 1.5	- 3.5
first 3 quarters . (p)	+ 5.7	- 0.4	+ 6.3	+ 6.2	- 6.4

(p) Provisional figures.

granted to the domestic private sector, these being partly offset by the deficit on transactions with foreign countries and on sundry transactions.

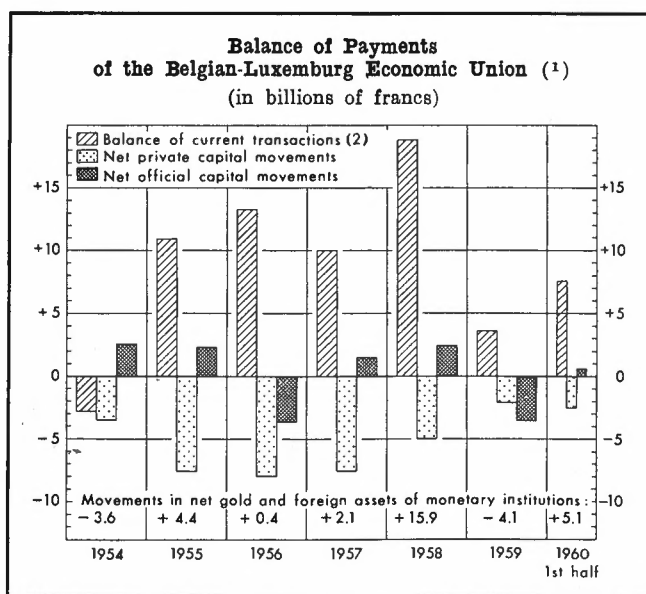
a) Transactions with Foreign Countries.

As recorded in the counterparts of the money supply and of quasi-monetary liquid resources at banks and savings banks, the transactions with foreign countries do not include the public

authorities' capital and donation transactions. Purchases by monetary institutions of the foreign currencies arising from such transactions are similar to the granting of credits to public authorities by these institutions; consequently such purchases are included in the transactions with such authorities. Besides this the recording of transactions with foreign countries does not include the payments which Congolese companies make or receive by the debit or credit of their accounts at Belgian banks.

**Balance
of Payments**

On the other hand the balance of payments does record all the transactions between the Belgian-Luxemburg Economic Union and foreign countries which have given rise to a financial settlement through the Belgian and Luxemburg banking system.



(1) The balance for the year 1954 is not strictly comparable with the balances for the subsequent periods.

(2) The current transactions comprise the transactions in goods and services, the private donations and the governmental gifts.

The first half of 1960 is the most recent period for which it has been possible to draw up the balance of payments of the Belgian-Luxemburg Economic Union. In the course of that period, and by comparison with the preceding half-year, the receipts from

exports increased by more than the expenditure on imports; consequently the deficit of Fr. 2.7 billion shown for the second half of 1959 gave place to a surplus of Fr. 1.1 billion in the first six months of 1960. As between these two periods the surplus resulting from other goods transactions remained unchanged at Fr. 1.2 billion.

Altogether the transactions in goods showed a surplus of Fr. 2.3 billion in the first half of 1960, whereas they had left a deficit of Fr. 1.5 billion for the previous half-year.

The surplus on other transactions in goods and services rose from Fr. 2 billion in the second half of 1959 to Fr. 5 billion in the first half of 1960. This movement was essentially due to the following factors : an increase in net receipts from investment income, an increase in the total sums received by Belgian frontier workers, and a partly seasonal decrease in travellers' expenditure abroad.

Balance of Payments of the Belgian-Luxemburg Economic Union
(in billions of francs)

	1958	1959	1959		1960
			1st half	2nd half	1st half
Exports, f.o.b.	133.0	138.4	66.3	72.1	80.0
Imports, f.o.b. (1)	132.1	142.6	67.8	74.8	78.9
	+ 0.9	- 4.2	- 1.5	- 2.7	+ 1.1
Other goods transactions, net (2)	+ 3.6	+ 1.8	+ 0.6	+ 1.2	+ 1.2
All goods transactions, net	+ 4.5	- 2.4	- 0.9	- 1.5	+ 2.3
Other transactions in goods and services, net (3)	+ 13.1	+ 3.7	+ 1.7	+ 2.0	+ 5.0
All transactions in goods and services, net .	+ 17.6	+ 1.3	+ 0.8	+ 0.5	+ 7.3
Private donations	+ 1.1	+ 3.1	+ 1.6	+ 1.5	+ 2.0
Governmental gifts	-	- 0.8	- 0.3	- 0.5	- 1.7
Net movement of private Belgian-Luxemburg and foreign capital :					
Commercial bills	- 0.1	- 1.2	- 1.3	+ 0.1	- 0.8
Other capital (4)	- 4.9	- 0.9	- 1.7	+ 0.8	- 1.8
Net movement of official capital :					
Long-term	- 0.7	- 5.3	+ 0.8	- 6.1	+ 0.1
Short-term	+ 3.1	+ 1.7	- 0.7	+ 2.4	+ 0.5
Unascertained transactions (5), errors and omissions	- 0.2	- 2.0	- 0.6	- 1.4	- 0.5
Total corresponding to movement in monetary institutions' net gold and foreign assets	+ 15.9	- 4.1	- 1.4	- 2.7	+ 5.1

(1) Including transport expenditure other than that relating to import of goods. As a result of more precise estimation of transport and insurance costs paid to non-residents on the import of goods the figures in this item differ from those published for 1958 and the first half of 1959 in the National Bank of Belgium's Report on the activities of 1959; the counterpart of this difference is in the item « Other transactions in goods and services, net ».

(2) Goods bought from a foreign country and resold to another foreign country, work done on commission, and non-monetary gold.

(3) Foreign travel, transport, insurance, investment income, governmental transactions, workers in frontier regions and foreign workers, etc.

(4) In the 1958 figure the subscriptions to loans issued by the Congo Treasury on the Belgian market are included to the extent of Fr. 4 billion. In 1959 and the first half of 1960 the Congo Treasury placed no loan on the Belgian market.

(5) The unascertained transactions appear mainly to include goods transactions, foreign travel and movements of private Belgian-Luxemburg and foreign capital, although it is not possible to apportion them between these different categories.

The donations effected by foreigners to the domestic private sector had reached Fr. 1.5 billion for the last six months of 1959 together. In the first half of 1960 they amounted to Fr. 2 billion. The difference corresponds to the increase in donations coming from the Congo and Ruanda-Urundi.

In the same space of time the deficit on governmental gifts rose from Fr. 0.5 to 1.7 billion. Out of this increase by Fr. 1.2 billion the donations to the Congo account for Fr. 0.7 billion; the remainder corresponds to a payment by the Treasury to the Fund for Development of Overseas Territories.

In the period from January to June, 1960 the investments in commercial bills, and the other movements of private capital, showed net outgoings of Fr. 0.8 and 1.8 billion respectively.

The movements of official long-term capital caused a net inflow of Fr. 0.1 billion in the first half of 1960. The capital sums entering Belgium on official account during that period comprised, almost exclusively, the proceeds of the loan for 120 million Deutsche Mark which the Road Fund issued in Germany at the beginning of the year. As regards the outgoings, they comprise not only payment for the last tranche of Belgium's subscription to the called-up capital of the European Investment Bank, but also redemption of external loans as well as advances to Ruanda-Urundi and repayment of Treasury Certificates held by that country.

The movements of official short-term capital showed a surplus of Fr. 0.5 billion for the first half of 1960.

Finally the monetary institutions' net gold and foreign assets, which had declined by Fr. 2.7 billion during the second half of 1959, rose by Fr. 5.1 billion in the first half of 1960.

Between July and September, 1960 the net gold and foreign assets of monetary institutions showed a fall. The surplus on transactions in goods and services probably gave way to a deficit

by reason of quicker payment for certain imports, and slower payment for some exports, as well as of the slowing down of transactions with the Congo. The outflows of Belgian-Luxemburg and foreign private capital exceeded the inflows. As to movements of official capital, these showed a net efflux of Fr. 1.5 billion, of which Fr. 1.1 billion was in short-term capital and Fr. 0.4 billion in long-term.

During recent years the transactions with the Congo and Ruanda-Urundi have held an important place within the Belgian-Luxemburg Economic Union's total transactions with foreign countries.

**Balance of
Payments with
the Congo and
Ruanda-Urundi**

From Fr. 4.5 billion in the second half of 1959 the surplus on all transactions in goods and services with the Congo and Ruanda-Urundi rose to Fr. 6.5 billion in the first half of 1960; this rise mainly resulted from the fact that the dividends paid by Congo companies were concentrated in the first half-year.

By comparison with the second half of 1959 the net receipts from private donations showed an increase of Fr. 0.4 billion in the first half of 1960, reaching the high level of Fr. 2.1 billion owing to the increase during the first three months of transfers of savings by Belgians and foreigners residing in the Congo; at the same time the governmental gifts to the Congo and Ruanda-Urundi rose by Fr. 0.7 billion.

The net outflows in respect of multilateral settlements, that is the sales of Belgian francs to the Congo and Ruanda-Urundi against foreign currencies, fell from Fr. 7.5 billion in the second half of 1959 to Fr. 7.3 billion in the first six months of 1960 together.

During this latter period the movements of Belgian-Luxemburg and Congolese private capital, other than those corresponding to investments in commercial bills, showed a surplus of Fr. 2.6 billion under the influence of the political situation in the Congo.

The movements of official capital at short and long term gave rise in the first half of 1960 to a total net efflux of Fr. 1.4 billion.

**Balance of Payments of the Belgian-Luxemburg Economic Union
with the Congo and Ruanda-Urundi**

(in billions of francs)

	1958	1959	1960		1960 1st half
			1st half	2nd half	
Exports, f.o.b.	5.9	4.5	2.5	2.0	2.2
Imports, f.o.b.	4.2	4.6	2.1	2.5	2.5
	+ 1.7	- 0.1	+ 0.4	- 0.5	- 0.3
Other goods transactions, net	—	+ 0.1	—	+ 0.1	—
All goods transactions, net	+ 1.7	—	+ 0.4	- 0.4	- 0.3
Other transactions in goods and services, net	+10.1	+10.4	+ 5.5	+ 4.9	+ 6.8
All transactions in goods and services, net .	+11.8	+10.4	+ 5.9	+ 4.5	+ 6.5
Private donations	+ 1.3	+ 3.4	+ 1.7	+ 1.7	+ 2.1
Governmental gifts	—	- 0.5	—	- 0.5	- 1.2
Multilateral settlements, net	- 9.3	-13.5	- 6.0	- 7.5	- 7.3
Net movement of private Belgian-Luxemburg and Congo capital :					
Commercial bills	+ 0.5	- 0.9	- 0.9	—	- 0.1
Other capital (1)	- 3.7	+ 4.2	+ 1.4	+ 2.8	+ 2.6
Net movement of official capital :					
Long-term	- 0.7	- 1.5	- 0.5	- 1.0	- 0.8
Short-term	- 0.6	- 3.1	- 0.9	- 2.2	- 0.6
Total corresponding to movement in mon- etary institutions' net gold and foreign assets	- 0.7	- 1.5	+ 0.7	- 2.2	+ 1.2

(1) In the 1958 figure the subscriptions to loans issued by the Congo Treasury on the Belgian market are included to the extent of Fr. 4 billion. In 1959 and the first half of 1960 the Congo Treasury placed no loan on the Belgian market.

On balance the monetary institutions' net claims on the Congo and Ruanda-Urundi increased by Fr. 1.2 billion in the first half of 1960.

**Net Gold and
Foreign Assets of
the National Bank**

On 31st December, 1960 the National Bank's net gold and foreign assets amounted to Fr. 73.7 billion. This figure however excludes certain assets and liabilities which are not at sight, in particular the foreign currencies and gold to be received or delivered at forward

dates and the claim which the Belgian Government has on the International Monetary Fund for repayment of its quota as a member of that Fund, and which the National Bank was authorised by the Law of 19th June, 1959 to show in its accounts as an asset of its own to the extent of the notes issued, the credits granted or the amounts of gold paid by it in favour of the said Fund in relief of the Government.

Net Gold and Foreign Assets of the National Bank of Belgium (1)

(in billions of francs)

At end of	Gold Holding	Assets in Convertible Currencies	Net Assets under International Agreements with O.E.E.C. Countries	Other Net Assets or Liabilities	Total	Movement
1957 December	45.8	1.9	8.3 ²	1.0	57.0	} +17.1 - 8.3
1958 December	63.5	1.5	8.7 ²	0.4	74.1	
1959 December	56.7	4.4	5.2	- 0.5	65.8	
1960 January	57.2	4.8	5.1	- 0.6	66.5	+ 0.7
February	58.8	4.3	5.0	- 0.5	67.6	+ 1.1
March	59.2	5.6	5.1	- 0.4	69.5	+ 1.9
April	59.8	6.4	5.1	- 0.4	70.9	+ 1.4
May	59.1	7.4	5.1	- 0.4	71.2	+ 0.3
June	59.5	7.8	5.0	- 0.4	71.9	+ 0.7
July	58.7	4.1	4.6	- 0.5	66.9	- 5.0
August	54.7	4.7	4.4	- 0.6	63.2	- 3.7
September	54.7	6.3	3.8	—	64.8	+ 1.6
October	55.6	8.4	3.6	- 0.5	67.1	+ 2.3
November	57.9	9.0	3.5	- 0.5	69.9	+ 2.8
December	58.5	12.6	3.3	- 0.7	73.7	+ 3.8

(1) Excluding certain assets and liabilities which are not at sight, in particular the foreign currencies and gold to be received or delivered at forward dates and the claim which the Belgian Government has on the International Monetary Fund for repayment of its quota as a member of that Fund, and which the National Bank of Belgium was authorised by the Law of 19th June, 1959 to show in its accounts as an asset of its own to the extent of the notes issued, the credits granted or the amounts of gold paid by it in favour of the said Fund in relief of the Government.

(2) The claim on the European Payments Union amounted to Fr. 6.8 billion at the end of 1957 and Fr. 7.8 billion at the end of 1958.

Three phases can be distinguished in the movement of the National Bank's net gold and foreign assets during 1960. The first coincides with the first half-year, and is marked by an unbroken series of monthly increases due to the surplus on the Belgian-Luxemburg Economic Union's transactions in goods and services. The second covers the months of July and August; it corresponds to a large and abrupt decrease in the National Bank's net gold and foreign assets, this being due mainly to the exchange market speculation caused by the

events in the Congo. The third, which began in September, carried the Bank's net gold and foreign assets in December up to a level higher than that attained in June, an increase of Fr. 10.5 billion having occurred in the last four months of the year; this increase however largely resulted from sales of foreign currencies by the Treasury.

On balance the National Bank's net gold and foreign assets increased by Fr. 7.9 billion in 1960. During the same period the excess of foreign currencies and gold to be delivered at forward dates over the foreign currencies and gold to be received at such dates rose by Fr. 10.7 billion.

The chief components of the National Bank's net gold and foreign assets moved in the manner described below.

The gold holding rose from Fr. 56.7 billion on 31st December, 1959 to Fr. 58.5 billion on 31st December, 1960; at the latter date it covered 45.8 per cent of the sight liabilities as against 46.2 per cent a year earlier.

The assets in convertible currencies, that is American and Canadian dollars as well as the currencies of most of the European Monetary Agreement member countries, increased by Fr. 8.2 billion in 1960.

The net assets under international agreements with countries of the Organisation for European Economic Cooperation comprise the bilateral claims and the debt to Germany which were assigned to Belgium when the European Payments Union was liquidated, the interim advances granted to Central Banks of European Monetary Agreement member countries, and the Belgian franc assets belonging to the said Central Banks. The total amount of these net assets dropped from Fr. 5.2 billion on 31st December, 1959 to Fr. 3.3 billion a year later. This fall was due almost exclusively to movements of bilateral claims and of the debt resulting for Belgium from liquidation of the European Payments Union. On the one hand the countries

in debt to Belgium reduced their indebtedness; on the other hand Belgium cleared off its debt to Germany.

The item « other net assets or liabilities » includes the accounts of international institutions and of the Central Bank of the Belgian Congo and Ruanda-Urundi, as well as the accounts not governed by the European Monetary Agreement. The adverse balance under this head rose from Fr. 0.5 billion at the end of 1959 to Fr. 0.7 billion a year later; in the course of 1960 it varied little from month to month, except in September, when it disappeared for a time.

b) Transactions with the Public Authorities.

The transactions effected by monetary institutions and savings banks with public authorities include the monetary financing of those authorities, the monetary institutions' operations on the market for public securities and the savings banks' acquisition of claims on the said authorities.

The public authorities benefit from monetary financing when credit is extended to them by monetary institutions in the form for instance of Treasury Certificates, of subscriptions to their loans, of private holders' balances on postal cheque accounts, and of the Municipal Credit Institution's lendings to local authorities; there is also monetary financing of public authorities when these sell to the banking system, against Belgian francs, foreign currencies which they have acquired through their capital transactions with foreign countries. For the first nine months of 1960 together the monetary financing of public authorities amounted to Fr. 4.4 billion.

The monetary institutions' operations on the market for public securities comprise their purchases of securities previously issued; they also include increases in the holding of public securities which the Securities Stabilisation Fund has acquired on the market, and which it finances through the proceeds of its certificates placed at banks,

through borrowing call money from monetary institutions or through recourse to the National Bank; during the past year however the Securities Stabilisation Fund has not used these last two financing

Transactions with the Public Authorities
(changes in billions of francs)

Period	Monetary Financing of the Public Authorities	Intervention by Monetary Institutions on the Market for Public Securities	Claims of Savings Banks on the Public Authorities	Total
1958	+ 5.6	+ 4.1	+ 3.9	+13.6
1959	+ 4.5	+ 3.2	+ 2.0	+ 9.7
1960 1st quarter	- 5.1	+ 1.2	+ 3.3	- 0.6
2nd » . (p)	+ 4.9	- 0.3	- 1.4	+ 3.2
3rd » . (p)	+ 4.6	+ 1.1	- 2.0	+ 3.7
first 3 quarters (p)	+ 4.4	+ 2.0	- 0.1	+ 6.3

(p) Provisional figures.

methods, having been most frequently a lender of call money and a creditor at the Central Bank. From January to September, 1960 the monetary institutions' operations on the market for public securities reached a total of Fr. 2 billion.

During the same period the savings banks' claims on public authorities declined by Fr. 0.1 billion.

Altogether the transactions with public authorities formed the counterpart to an increase of Fr. 6.3 billion in the money supply and in quasi-monetary liquid resources at banks and savings banks.

Budgets

The ordinary budget for the 1960 financial year had been presented in equilibrium at the level of Fr. 110.6 billion, at least if allowance is made for the reducing of appropriations, by Fr. 0.9 billion, which the Government had undertaken to propose after the budget was presented.

The actual receipts will probably show a surplus of Fr. 1.3 billion in consequence of the favourable course of economic activity. But the appropriations voted are likely in the end to be greater by Fr. 6.5 billion than the figure initially expected. On the one hand the

amendments proposed by the Government with a view to reducing the appropriations to the level of the expected receipts have amounted to only Fr. 0.5 billion instead of the Fr. 0.9 billion at first contemplated;

on the other hand the Government has asked the Chambers for Fr. 6.1 billion of net supplementary expenditure appropriations. Thus the appropriations requested exceed the probable receipts by Fr. 5.2 billion. It should however be

Ordinary Budget

(in billions of francs)

Sources : 1958 and 1959 Financial Years : *Moniteur Belge*.
1960 and 1961 Financial Years : General Budget Statement of Receipts and Expenditure for the 1961 Financial Year.

	Financial Year 1958 (1)	Financial Year 1959 (1)	Financial Year 1960 (2)	Financial Year 1961 (3)
Expenditure	103.2	110.5	117.1	122.9
Receipts	95.0	102.3	111.9	122.9
Balance ...	- 8.2	- 8.2	- 5.2	—

(1) Final results.

(2) Expenditure : Initial appropriations, amendments and supplementary estimates, including the appropriations requested for covering expenditure relating to previous financial years, but without allowance for amendment of supplementary estimates.

Receipts : Estimate based on the actual receipts for the first nine months.

(3) Budget estimates.

observed that the ordinary budget deficit for the 1960 financial year will probably be less than this amount, since traditionally a part of the appropriations requested is not used before the close of the financial year, and lapses.

Among the chief supplementary estimates there are Fr. 1 billion to assist refugees from the Congo and to pay for services rendered by Sabena, Fr. 0.6 billion for sending troops to the Congo, Fr. 0.7 billion for education, Fr. 0.6 billion of subsidies to the National Employment and Unemployment Office because the number of persons out of work was greater than foreseen and the allocations were increased, Fr. 0.6 billion for the public debt, Fr. 0.5 billion for pensions, Fr. 0.4 billion of subsidies to local authorities, Fr. 0.3 billion of subsidies to the National Sickness and Disablement Insurance Fund and Fr. 0.3 billion to the coal industry.

At Fr. 117.1 billion the appropriations sought for the 1960 financial year are greater by Fr. 6.6 billion than the actual expenditure for 1959, but because of the cancelling of appropriations in 1960 the growth of actual expenditure will probably not reach that figure.

The receipts for their part are likely to rise by Fr. 9.6 billion as between the two financial years. The deficit on the ordinary budget will thus be appreciably reduced.

The ordinary budget for the 1961 financial year was presented in balance at the level of Fr. 122.9 billion. The estimated expenditure exceeds by Fr. 5.8 billion the appropriations requested for the 1960 financial year. The 1961 ordinary budget includes the non-capital expenditure which, up till now, had been entered in the extraordinary or the memorandum budget. It is burdened by these transfers to the extent of Fr. 2.8 billion for African Affairs, Fr. 1.6 billion for war damage, Fr. 1.2 billion for grants towards social security, Fr. 1 billion for costs of stationing Belgian troops in Federal Germany, and Fr. 0.4 billion for building premiums. Larger appropriations are in addition provided, *inter alia*, for public debt service (plus Fr. 1.9 billion) and for education (plus Fr. 1.1 billion). As against this there are certain cuts in appropriations; the largest of these cuts relate to the expenditure on national defence (minus Fr. 1.4 billion), the grants for unemployment benefit (minus Fr. 1.1 billion) in connection with a decrease foreseen in the number of persons unemployed, the grants to local authorities (minus Fr. 1 billion), to the Belgian National Railways Company (minus Fr. 0.7 billion) and to the coal industry (minus Fr. 0.3 billion).

The ordinary receipts expected for the 1961 financial year are greater by Fr. 11 billion than the probable receipts for 1960. The growth of economic activity is thought likely to increase tax revenues by Fr. 4.6 billion. With a view to re-establishing equilibrium in the ordinary budget the Government further proposes to raise the taxes payable by stamp or in similar ways and the estate duties, to double the amount of cadastral income subject to the Complementary Personal Tax, and to institute exceptional taxes on the income from shares and from invested capital and on companies' undistributed profits. All these fiscal measures together should produce Fr. 6.6 billion.

The transfer of non-capital expenditure to the ordinary budget, and the reduction of certain other expenditure items, will bring down the cash expenditure to be effected in 1961 on account of the extraordinary budget to a level appreciably lower than for 1960; in consequence, and with allowance for the measures which it has adopted to restore equilibrium in the ordinary budget, the Government hopes that recourse by the Treasury to borrowing will be limited to some Fr. 13 billion, to which there may be added about Fr. 5 billion in the form of indirect indebtedness.

The figures quoted above do not precisely show the effect produced by budgetary receipts and expenditure on the Treasury in the course of each of the past years. Those which follow reclassify, after elimination of internal transfers, the expenditure effected and the revenues collected during one and the same space of time for account of different financial years.

Execution of
Budgets

Execution of Budgets
(in billions of francs)

Source : Information Bulletin of the Ministry of Finance.

	1958	1959	1959 (first 9 months)	1960 (first 9 months)
Ordinary Budget :				
Expenditure	101.4	108.4	80.4	84.0
Receipts	94.3	100.2	74.3	81.9
Balance	- 7.1	- 8.2	- 6.1	- 2.1
Extraordinary Budget :				
Expenditure	18.0	17.7	14.9	17.5
Receipts	0.4	0.2	0.1	0.2
Balance	- 17.6	- 17.5	- 14.8	- 17.3
Total Budget Surplus or Deficit	- 24.7	- 25.7	- 20.9	- 19.4

For the whole of the first three quarters of 1960 the cash deficit resulting from ordinary budget transactions was Fr. 2.1 billion, that is Fr. 4 billion less than in the corresponding period of 1959. The increase of expenditure was smaller than that of receipts, which were favourably affected by high economic activity and the increasing of the tax on mineral oils.

From January to September, 1960 the extraordinary budget transactions left a deficit of Fr. 17.3 billion, or Fr. 2.5 billion more than during the corresponding period of 1959.

Finally the whole of the ordinary and extraordinary budget transactions showed a cash deficit of Fr. 19.4 billion for the first nine months of 1960; the corresponding deficit in 1959 had been Fr. 20.9 billion.

National Debt

In conformity with the budget deficit the national debt increased further in 1960.

The direct internal consolidated debt amounted at the end of 1960 to Fr. 211.6 billion, or Fr. 20.8 billion more than at the end of 1959. In the same way as in that year the Treasury issued three loans in 1960; their total amount was Fr. 27.9 billion. The first loan came out in February at the nominal interest rate of 5.25 per cent; it ran for ten years, and reached a total of Fr. 12.8 billion. The second loan, issued in April and May at 5 and 5.25 per cent and running for five or ten years, amounted to Fr. 7.8 billion; the interest rate is 5 per cent for the first five years and 5.25 per cent for the last five. Finally the third loan was placed in November and December at 5.25 per cent for the first five years, 5.50 per cent from the sixth to the tenth and 5.75 per cent from the eleventh to the fifteenth year; the subscriptions to this loan totalled Fr. 7.3 billion, of which Fr. 7 billion had been already paid and were included in the direct internal consolidated debt at the end of 1960.

The direct internal debt at medium term declined from Fr. 23 billion at the end of 1959 to Fr. 18.1 billion at the end of 1960. Practically all the 4 per cent Treasury Certificates issued in 1949, and repayable in February or April, were presented either for encashment or by way of subscription to the consolidated loans. On the other hand the banks subscribed in January for special two, three and five-year certificates amounting to a total of Fr. 1.4 billion.

The direct internal short-term debt diminished by Fr. 4 billion in 1960. While benefiting from the increase of private account-holders' balances at the Postal Cheque Office, the Treasury repaid

National Debt
(in billions of francs)

Source : Treasury and Public Debt Administration.

At end of	Direct Debt						Indirect Debt (3)	Total Debt
	Internal				External (2)	Total		
	Consolidated	Medium Term	Short Term (1)	Total				
1957 December	170.1	24.7	84.6 ⁴	279.4	26.2	305.6	18.0	323.6
1958 December	175.5	26.1	95.9	297.5	29.5	327.0	18.6	345.6
1959 December	190.8	23.0	104.9 ⁵	318.7	34.2	352.9	20.7	373.6
1960 January	189.6	24.3	104.6	318.5	33.9	352.4	22.0	374.4
February	202.0	21.2	102.0	325.2	33.5	358.7	22.0	380.7
March	201.8	21.0	103.9	326.7	33.8	360.5	21.4	381.9
April	203.5	17.6	109.9	331.0	34.4	365.4	21.4	386.8
May	207.7	17.6	106.4	331.7	35.6	367.3	21.4	388.7
June	207.2	17.6	106.2	331.0	36.9	367.9	21.3	389.2
July	206.8	17.9	105.5	330.2	36.5	366.7	21.3	388.0
August	206.6	17.9	106.5	331.0	36.9	367.9	21.3	389.2
September	206.5	18.1	105.6	330.2	38.0	368.2	21.2	389.4
October	206.0	18.1	107.3	331.4	39.6	371.0	21.1	392.1
November	207.9	18.1	103.8	329.8	40.8	370.6	21.1	391.7
December	211.6	18.1	100.9	330.6	44.4	375.0	21.1	396.1

- (1) Including balances of private account-holders at the Postal Cheque Office.
(2) Excluding inter-governmental debts resulting from the 1914-1918 war.
(3) Debt, issued by para-statal institutions, on which the interest and redemption are borne by the Government.
(4) Including the outstanding amount of the item « Current Account of the Public Treasury » which appeared at this date among the assets in the National Bank of Belgium's Balance Sheet.
(5) The movement of the direct internal short-term debt between December, 1958 and December, 1959 was affected by the handing of Fr. 4.2 billion of Treasury Certificates in October, 1959 to the International Monetary Fund in part payment for the increase in Belgium's quota in that institution.

larger amounts of Treasury Certificates to various para-statal institutions, to the National Bank and the other banks; at the end of the year its Fr. 10 billion credit line at the National Bank had been used to the extent of only Fr. 6 billion as against Fr. 8.2 billion at the end of 1959. The decrease in the internal short-term debt for the whole year is the resultant of a certain number of monthly expansive and contractive movements; these latter were particularly large in February, May and November in consequence of consolidated loan issues, and in December by reason of the great increase in the external debt.

The direct external debt increased by Fr. 10.2 billion in 1960. The floating debt did so by Fr. 10.5 billion as a result of the issue

of short-term Treasury Certificates in foreign currencies. At the end of 1960 the consolidated debt was of roughly the same amount as a year before. In February and March the Swiss market subscribed for a 4.50 per cent twelve-year loan of 50 million Swiss francs, the proceeds of which served to repay the loan for 50 million Swiss francs that had been issued in 1948 by the Belgian National Railways Company and formed an indirect debt of the Government. In addition 76 million Belgian francs were obtained out of the 5.75 per cent fifteen-year loan for 10 million dollars which had been granted in 1957 by the International Bank for Reconstruction and Development. But on the other hand the outstanding total of existing loans was reduced through the effect of contractual repayments.

As a whole the Government's direct debt increased during 1960 by Fr. 22.1 billion, or roughly at the same rate as in the previous year, during which it had risen by Fr. 21.7 billion if the certificates transferred in October, 1959 to the International Monetary Fund in part payment for the increase of Belgium's quota in that institution are eliminated.

The indirect debt remained relatively stable. The redemption of such debt, inter alia that of the Belgian National Railways Company's Swiss loan, largely offset the loan for 120 million Deutsche Mark issued in January by the Road Fund; the rate of interest on this loan was 5.75 per cent, and it is to run for fifteen years.

**Monetary Financing
of the Public
Authorities**

In the first nine months of 1960 together the monetary financing of public authorities increased by Fr. 4.4 billion. Of this total the monetary financing of the Treasury accounted for Fr. 3.8 billion, and that of the other public authorities for Fr. 0.6 billion.

As regards monetary financing of the Treasury, Fr. 8.2 billion of credit was granted by monetary institutions between the end of

1959 and September, 1960, the decrease which occurred in the first quarter having been outweighed by increases in the second and above all in the third. As against this the donation and capital transactions with foreign countries, which form the other component of the Treasury's monetary financing, showed a negative total of Fr. 4.4 billion for the first nine months of 1960.

Monetary Financing of the Public Authorities
(changes in billions of francs)

Period	Treasury		Other Public Authorities	Total
	Credit Received from Monetary Institutions	Donation and Capital Transactions with Foreign Countries (1)		
1958	+ 4.3	+ 1.4	- 0.1	+ 5.6
1959	+ 7.0	- 4.1	+ 1.6	+ 4.5
1960 1st quarter	- 2.8	- 3.9	+ 1.6	- 5.1
2nd »	+ 3.7	+ 1.3	- 0.1	+ 4.9
3rd » (p)	+ 7.3	- 1.8	- 0.9	+ 4.6
first 3 quarters (p)	+ 8.2	- 4.4	+ 0.6	+ 4.4

(p) Provisional figures.

(1) When the Treasury obtains from monetary institutions or transfers to them Belgian francs as a result of or in view of its donation and capital transactions with foreign countries, the result is the same as if the credits which it receives from these institutions increased or diminished.

The Fr. 0.6 billion increase in the monetary financing of public authorities other than the Treasury during the first three quarters of 1960 reflects the issue of the Road Fund's 120 million Deutsche Mark loan, while in the opposite direction the outstanding total of credit extended to local authorities was reduced.

For the first nine months of 1960 together the operations by monetary institutions on the market for public securities created money and quasi-monetary liquid resources at banks to a total of Fr. 2 billion.

**Operations by Monetary Institutions
on the Market for Public Securities**
(in billions of francs)

Period	Purchases of Public Securities on the Market	Through the Securities Stabilisation Fund	Total
1958	+ 1.9	+ 2.2	+ 4.1
1959	+ 1.8	+ 1.4	+ 3.2
1960 1st quarter	+ 1.0	+ 0.2	+ 1.2
2nd »	- 0.5	+ 0.2	- 0.3
3rd » (p)	+ 0.1	+ 1.0	+ 1.1
first 3 quarters . (p)	+ 0.6	+ 1.4	+ 2.0

(p) Provisional figures.

**Operations
by Monetary
Institutions
on the Market for
Public Securities**

The monetary institutions acquired public securities on the market to the net extent of Fr. 0.6 billion, and their operations through the Securities Stabilisation Fund amounted to Fr. 1.4 billion. That Fund's purchases were greatest in the third quarter, when under the influence of events in the Congo some holders of public securities sold part of their holdings.

c) **Transactions with the Private Sector** (1).

The credits granted to the domestic private sector by monetary institutions and savings banks include not only all the credits by way of discount, advance and acceptance granted at the outset by monetary institutions to business and private customers residing in Belgium, but also the credits directly granted by savings banks. The greater part of the credits initially granted by monetary institutions is financed by these latter; the balance is mobilised at public or private institutions, inter alia at savings banks, at the National Industrial Credit Company, at insurance companies and at foreign banks.

**Outstanding Amount of Credits Granted to the Private Sector
by Monetary Institutions and Savings Banks**

(changes in billions of francs)

Period	Financed by Monetary Institutions (1)	Financed by Savings Banks (2)	Total	Financed outside Monetary Institutions and Savings Banks	Total
1958 [*]	- 8.4	+ 8.1	- 0.3	+ 1.4	+ 1.1
1959	+ 4.4	+ 9.8	+14.2	- 1.4	+12.8
1960 1st quarter	+ 0.4	+ 1.4	+ 1.8	- 0.4	+ 1.4
2nd » (p)	+ 0.7	+ 2.2	+ 2.9	+ 0.4	+ 3.3
3rd » (p)	- 0.5	+ 2.0	+ 1.5	- 0.2	+ 1.3
first 3 quarters (p)	+ 0.6	+ 5.6	+ 6.2	- 0.2	+ 6.0

(p) Provisional figures.

(1) Banks, National Bank of Belgium, National Fund for Credit to Trade and Industry, and Rediscount and Guarantee Institute so far as it finances its bill holding by recourse to the institutions mentioned.

(2) General Savings Fund and private savings banks.

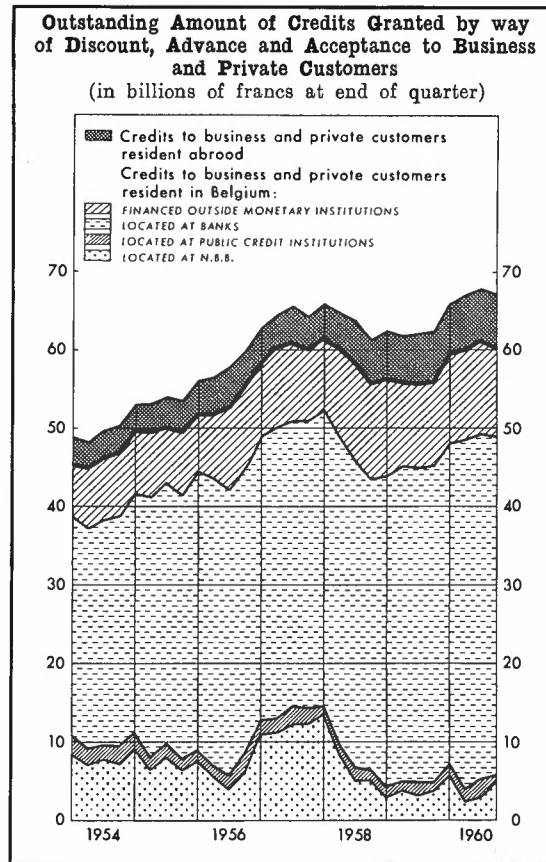
The credits financed by the savings banks thus include not only the direct loans which they grant to the domestic private sector, but

(1) In the transactions with the private sector there has been included the acquiring by savings banks of claims on para-statal institutions; these institutions in fact retransfer to the private sector the greater part of the resources thus obtained.

also that part of the credits distributed by monetary institutions of which they assume the financing.

The outstanding total of credits granted to the private sector by monetary institutions and savings banks increased by Fr. 6 billion during the first nine months of 1960 together. The portion of this outstanding total financed by monetary institutions rose by Fr. 0.6 billion, and that financed by savings banks by Fr. 5.6 billion. As to the amount of the credits financed outside monetary institutions and savings banks, it declined by Fr. 0.2 billion.

The outstanding amount of the credits which monetary institutions initially granted by way of discount, advance and acceptance to business and private customers residing in Belgium increased by Fr. 0.5 billion in the first three quarters of 1960 together; the part of these credits financed outside monetary institutions declined by Fr. 0.1 billion, while that financed by such institutions increased by Fr. 0.6 billion, as was seen above. The credits located at banks increased by Fr. 2.2 billion; on the contrary, those located at public credit institutions decreased by Fr. 0.7 billion, and those located at the National Bank did so by Fr. 0.9 billion.



Credits Granted by Monetary Institutions

**Outstanding Amount of Credits Granted by way of Discount,
Advance and Acceptance to Business and Private Customers**
(changes in billions of francs)

Period	Credits Granted to Business and Private Customers Resident in Belgium						Credits Granted to Business and Private Customers Resident Abroad
	Financed by Monetary Institutions				Financed outside Monetary Institutions	Total	
	Located in Banks	Located in Public Credit Institutions	Located at the National Bank of Belgium	Total			
1958	+ 1.7	+ 0.4	-10.5	- 8.4	+ 3.2	- 5.2	+ 1.6
1959	+ 1.6	+ 0.1	+ 2.7	+ 4.4	- 1.1	+ 3.3	+ 0.1
1960 1st quarter	+ 3.5	—	- 3.1	+ 0.4	+ 0.2	+ 0.6	+ 0.5
2nd »	- 0.6	+ 1.0	+ 0.3	+ 0.7	+ 0.4	+ 1.1	- 0.1
3rd »	- 0.7	- 1.7	+ 1.9	- 0.5	- 0.7	- 1.2	+ 0.6
first 3 quarters ...	+ 2.2	- 0.7	- 0.9	+ 0.6	- 0.1	+ 0.5	+ 1.0

Between December, 1959 and September, 1960 the outstanding amount of credits granted by way of discount, advance and acceptance to business and private customers residing abroad grew by Fr. 1 billion; this growth resulted from greater financing of Belgian exports, which were themselves expanding.

Credits Granted
by the Banks

**Banks : Outstanding Amount of Credits
Granted by way of Discount
and Advance to Business and Private Customers**
(in billions of francs)

At end of	Discount		Advances	Total
	Bills Held (1)	Bills Redis- counted		
1957 December	15.6	15.8	22.8	54.2
1958 November	18.1	9.8	21.1	49.0
December	18.4	9.6	22.1	50.1
1959 November	18.3	8.7	23.6	50.6
December	18.1	10.0	24.2	52.3
1960 January	19.2	9.5	23.5	52.2
February	19.1	9.0	25.0	53.1
March	20.8	7.9	25.4	54.1
April	21.1	7.9	25.1	54.1
May	19.7	8.9	25.3	53.9
June	18.7	9.4	26.6	54.7
July	17.6	11.2	26.3	55.1
August	18.2	10.3	26.6	55.1
September	18.2	9.5	26.5	54.2
October	19.9	8.4	25.8	54.1
November	20.7	8.1	26.4	55.2

(1) Including bank acceptances located in banks.

The outstanding total of credits by way of discount and advance opened by banks, and actually used, rose from Fr. 50.6 billion in November, 1959 to Fr. 55.2 billion in November, 1960. In accordance with a movement which has been proceeding now for some years, this increase was chiefly due to the fact that

between those dates the advances increased by Fr. 2.8 billion to a total of Fr. 26.4 billion. The bill holding rose by Fr. 2.4 billion, and rediscounted bills declined by Fr. 0.6 billion; the movement in both was affected in July by exceptional withdrawals of deposits.

Outstanding Amount of Acceptances in Belgian Francs ⁽¹⁾

(in billions of francs)

At end of	Certified Acceptances		Bank Acceptances not certified	Total
	representing Imports	representing Exports		
1957 December	4.2	2.8	2.4	9.4
1958 November	3.6	3.9	2.7	10.2
December	4.1	3.8	2.9	10.8
1959 November	4.2	4.2	2.8	11.2
December	4.5	4.2	3.5	12.2
1960 January	4.6	4.1	3.2	11.9
February	4.6	4.3	2.9	11.8
March	4.6	4.3	3.1	12.0
April	4.3	4.3	3.0	11.6
May	4.2	4.2	3.1	11.5
June	4.1	4.3	3.2	11.6
July	4.2	4.4	3.2	11.8
August	4.4	4.3	2.7	11.4
September	4.3	4.5	2.5	11.3
October	4.2	4.4	2.6	11.2
November	4.1	4.5	3.0	11.6

(1) Excluding uncertified commercial acceptances, the amount of which in circulation is not known.

In conformity with the course of foreign trade the amounts of Belgian franc certified acceptances representing imports and exports, and outstanding at the end of the various months in 1960, generally exceeded those outstanding in the corresponding months of 1959. The same applied as regards the outstanding total of uncertified bank acceptances.

The Rediscount and Guarantee Institute's commercial bill holding, which had been Fr. 5.5 billion in December, 1959, amounted a year later to Fr. 4.9 billion. During the greater part of the year the Institute was able to finance this holding by borrowing call money. It was only during the third quarter and at the close of the year, when

**Commercial Bill
Holding of the
Rediscount and
Guarantee Institute**

Rediscount and Guarantee Institute
(in billions of francs)

At end of	Commercial Bill Holding	Financed by	
		Money Borrowed at Very Short Term	Rediscount at National Bank of Belgium
1957 December .	5.7	1.1	4.3
1958 December .	4.1	2.5	1.4
1959 December .	5.5	2.5	2.8
1960 January ...	4.3	4.1	—
February .	3.5	3.3	—
March	3.1	2.9	—
April	3.5	3.4	—
May	3.8	3.6	—
June	4.2	4.0	—
July	5.1	3.0	2.0
August ...	4.3	1.9	2.3
September .	3.7	1.9	1.7
October ...	3.5	3.3	—
November .	3.5	3.3	—
December .	(p)4.9	1.3	3.4

(p) Provisional figure.

its opportunities for borrowing on the market for money at very short term were reduced, that the Institute had to resort to rediscounting at the National Bank. The Institute adapted its scale of rates to the changes which the National Bank made on 4th August in all its rates, and on 10th November in its

rate of discount for certified acceptances representing exports of goods.

Commercial Bill Holding and Advances of the National Bank

During the first half-year the National Bank's commercial bill holding, and its advances against pledged security, were at a somewhat low level. Their total afterwards greatly increased, the exceptional withdrawals of deposits having compelled the banks and the Rediscount and Guarantee Institute to resort on a large scale to the National Bank.

National Bank of Belgium :
Commercial Bill Holding and Advances
against Pledged Security
(in billions of francs)

At end of	Commercial Bills	Advances against Pledged Security	Total
1957 December	14.4	2.7	17.1
1958 December	4.1	0.5	4.6
1959 December	7.6	0.1	7.7
1960 January	3.7	0.2	3.9
February	3.3	0.6	3.9
March	2.5	—	2.5
April	1.9	0.2	2.1
May	2.6	0.2	2.8
June	2.4	0.4	2.8
July	7.0	0.1	7.1
August	6.5	1.7	8.2
September	5.2	2.5	7.7
October	2.6	1.9	4.5
November	1.8	—	1.8
December	6.8	—	6.8

This movement was however of brief duration; after having established an end-of-month record of Fr. 8.2 billion in August the total of the National Bank's commercial bill holding and its advances against pledged security progressively declined to Fr. 1.8 billion in November, this level being below that of June. In December the total increased by Fr. 5 billion owing to the effect of the end-of-year settlement; the increase related exclusively to the commercial bill holding.

On 4th August, 1960 the National Bank increased its rates for discounts and advances, and on 10th November it lowered its discount rate for certified acceptances issued in respect of exported goods. Details of these changes, and the reasons for them, will be given later.

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The nominal amount of the public sector's borrowings on the domestic market was Fr. 35.6 billion in 1960; the corresponding figure in 1959 had been Fr. 30.3 billion. This increase was very largely offset by that in the repayment and redemption of securities representing direct and indirect internal public debt, and quoted on the stock exchange, such repayment and redemption having risen from Fr. 7.8 billion in 1959 to Fr. 12.8 billion in 1960. Apart from the Belgian Government the following para-statal institutions resorted to the capital market in 1960 : the Telegraphs and Telephones Board borrowed Fr. 1.5 billion, the National Fund for Credit to Trade and Industry Fr. 0.6 billion, the Belgian Municipal Credit Institution Fr. 1.3 billion, the Belgian National Railways Company Fr. 2.3 billion and the National Industrial Credit Company Fr. 2 billion.

**New Issue
Market and
Borrowings at
Medium and
Long Term**

In the first six months of 1960 together Belgian industrial and commercial companies issued shares and bonds on the internal market to the net extent of Fr. 2.7 billion, this amount being the same as in the first half of 1959. Similar issues by Congolese industrial and commercial companies amounted to Fr. 96 million for the period from January to April, 1960; from January to April, 1959 they had reached Fr. 204 million.

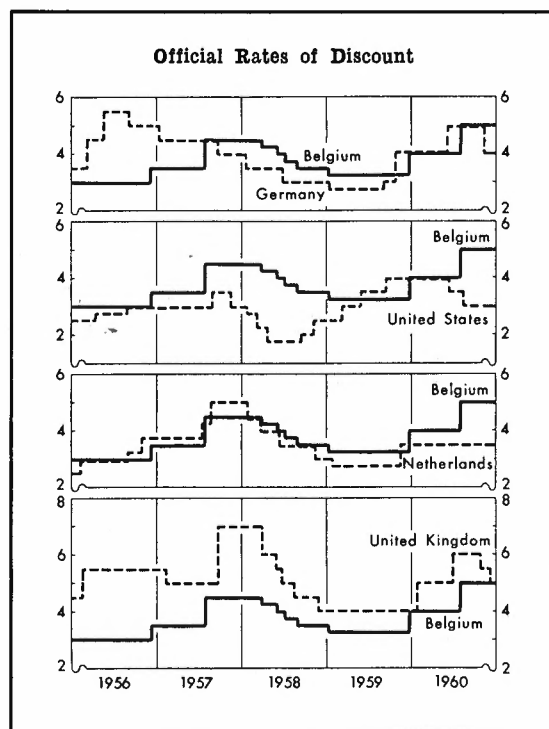
Between December, 1959 and November, 1960 the outstanding total of bonds and medium-term notes issued by banks increased by Fr. 0.6 billion. This increase exceeds by Fr. 0.3 billion that which took place in the outstanding total between December, 1958 and November, 1959.

The amount of mortgages registered, as calculated on the basis of the duties collected, was of the order of Fr. 27.4 billion for the first eleven months of 1960 together; by comparison with the corresponding period in 1959 there was an increase by Fr. 4.3 billion.

Interest Rates

On 4th August, 1960 the National Bank increased by 1 per cent its rates of discount, and by 1.25 per cent its rate for advances on public securities other than Securities Stabilisation Fund Certificates and

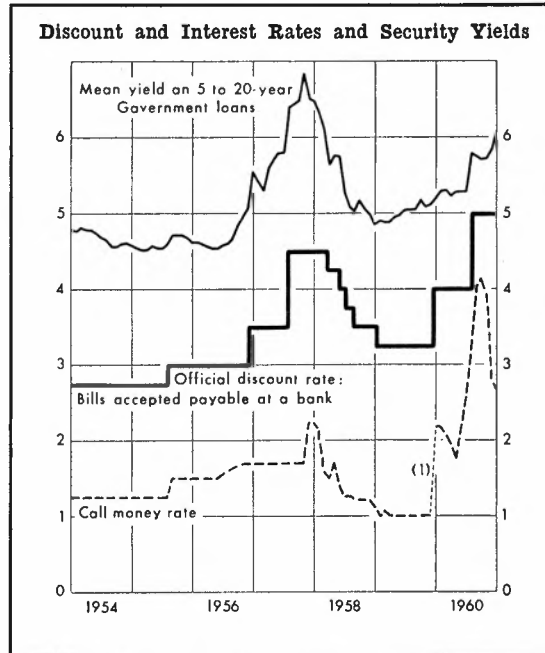
Treasury Certificates issued at not more than one year; the rate for advances against such certificates continued to be the rate of the certificate plus $\frac{5}{16}$ per cent, and hence rose to the extent by which the raising of the discount rate entailed an increase in the rate for such certificates at one year or less. The decision to raise the various discount and advance rates was taken because of the exceptional strains which were appearing at that time on the exchange market, plus the persistent disequilibria on the markets



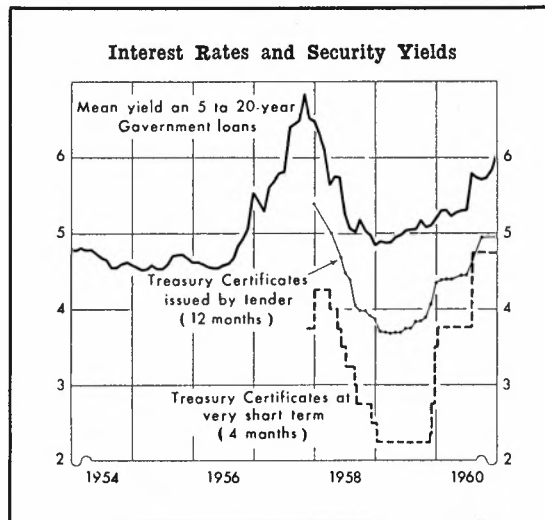
for public securities and for call money. The rates put into force on

4th August continued to apply for the rest of the year, except as regards certified acceptances representing exports of goods; the rate for the National Bank's discounts of these was reduced from 5 to 4 per cent on 10th November. The object of the reduction in the cost of this type of credit was to help the Belgian economy to maintain and develop its export sales, so as to offset the loosening of its links with the Congo.

Since 1st January, 1960 the four-month Treasury Certificates belonging to tranche B of the special loan, and the certificates of the Securities Stabilisation Fund, have borne interest at a rate equal to the National Bank's discount rate for bills accepted payable at a bank, less 25 centimes; previously the difference had been 75 centimes. The raising of the official discount rate on 4th August had the effect of bringing the rate for such certificates up from 3.75 to 4.75 per cent, and of increasing in conformity with the applicable scale the rates allowed on Belgian franc time deposits at banks.



(1) Break in the curve due to reform of the market for money at very short term in November, 1959.



The weighted average of mean daily rates for call money declined from February to April, 1960, in which month it passed through a low point. The rise which followed and attained its climax in September was largely influenced from July onwards by the exceptional withdrawals of deposits, which caused the banks to encash certificates of the Securities Stabilisation Fund, thereby reducing that institution's ability to operate on the market for money at very short term. The position eased in the last quarter, when the weighted average of mean daily rates for call money fell from 4.14 per cent in September to 2.67 per cent in December.

The rate for very short-term Treasury Certificates at four months moved parallel to that for the four-month Treasury Certificates of tranche B and for certificates of the Securities Stabilisation Fund.

Discount and Interest Rates and Security Yields

At end of	Official Discount Rate : bills accepted payable at a bank	Rates linked with the official Discount Rate (1)		Other Rates			
		Treasury Certificates at 4 months (2)	Time Deposits at Banks in Belgian Francs (3 months)	Call Money (3)	Treasury Certificates at very short term (4 months) (4)	Treasury Certificates issued by tender (12 months) (4)	Government Loans, 5 to 20 years (5)
1957 December	4.50	3.75	2.70	2.25	4.25	5.387	6.47
1958 December	3.50	2.75	1.75	1.10	2.50	3.860	4.85
1959 December	4.00	3.25	2.20	2.17	3.50	4.354	5.21
1960 January	4.00	3.75	3.00	2.19	3.75	4.393	5.32
February	4.00	3.75	3.00	2.08	3.75	4.400	5.31
March	4.00	3.75	3.00	1.95	3.75	4.397	5.23
April	4.00	3.75	3.00	1.75	3.75	—	5.26
May	4.00	3.75	3.00	2.19	3.75	4.446	5.28
June	4.00	3.75	3.00	2.58	3.75	4.437	5.29
July	4.00	3.75	3.00	3.23	3.75	—	5.79
August	5.00	4.75	3.45	4.03	4.75	—	5.74
September	5.00	4.75	3.45	4.14	4.75	4.950	5.71
October	5.00	4.75	3.45	3.92	4.75	—	5.73
November	5.00	4.75	3.45	2.81	4.75	—	5.85
December	5.00	4.75	3.45	2.67	4.75	4.956	6.07

- (1) The relation between these rates and the official discount rate was changed in January, 1960.
(2) Certificates which the banks may include in the partial cover for their liabilities at not more than one month. The Securities Stabilisation Fund issues Certificates carrying the same conditions.
(3) From December, 1959 onwards a weighted average of the average daily rates.
(4) Tender in the following month.
(5) Beginning of the following month.

The rate for twelve-month Treasury Certificates issued by tender increased by less than 0.1 per cent during the first half of 1960. At

the time of the tender on 4th October, being the first in point of date to follow the August rise in the official discount rates, it was above its June level by 0.51 per cent. Thereafter no more certificates were issued on tender until 6th January, 1961, when the rate for those at twelve months was substantially the same as on 4th October.

The average yield on five to twenty-year Government loans, after having been hardly any higher in June, 1960 than in December, 1959, rose by 0.5 per cent in July alone under the influence of the events in the Congo. After a temporary fall in the two following months it rose again in the fourth quarter, reaching 6.07 per cent in December against 5.21 per cent a year earlier. The average yield on issue, which had been 5.25 per cent for the February loan, rose at the time of the November loan to 5.61 or 5.73 per cent according to whether repayment after ten or fifteen years is taken as the basis for calculation.

On the market for cash dealings in dividend-bearing securities the total turnover in 1960 was a little smaller than in 1959.

The overall index of quotations declined from an average of 137 in 1959 to one of 121 in 1960. It fell in every month except January, May and June. The downward tendency of quotations

Market for Cash Dealings in Dividend-Bearing Securities

Market for Dividend-Bearing Securities

Source : National Statistical Institute — Committee of the Brussels Stock Exchange.

Period	Index of Quotations (basis 1953 = 100) (1)	Total Dealings per month (in billions of francs) (2)
1958	135	0.7
1959	137	1.1
1960	121	1.0
1960 January	137	1.1
February	127	1.0
March	121	1.0
April	117	0.8
May	118	0.8
June	126	1.3
July	123	1.0
August	122	1.2
September	121	1.0
October	117	0.8
November	113	0.7
December	108	0.8

(1) Brussels and Antwerp Stock Exchanges : average for the 10th and 25th of each month.
(2) Brussels Stock Exchange.

affected most categories. Nevertheless for securities of the chemical and textile industries, as well as for those of the glass-making, trade and service-rendering groups, the index on 27th December, 1960 was above that for 28th December, 1959.

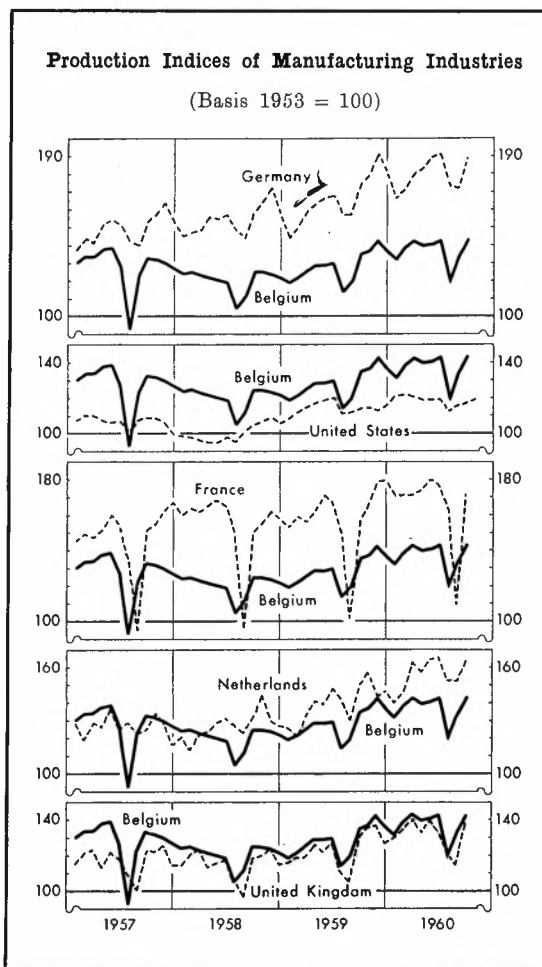
ECONOMIC ACTIVITY AND PRICES

Industrial activity continued the upward movement which had started at the beginning of 1959. In per cent of the reference year 1953 the overall production index for the first ten months of 1960 reached an average of 126, representing an increase of 7.7 per cent by comparison with the corresponding period in 1959. This index is however much affected by the structural crisis of the coal industry.

Thus in per cent of the same reference period the production index for all manufacturing industries was around 137 for the first nine months and stood at 144 in September, against 135 in September, 1959. In the second half of the year the expansion became less vigorous.

The course of industrial activity was sustained by the rising cyclical trend enjoyed in the other countries of the European Economic Community, and by the firmness of domestic demand. It has however begun to feel the weakening of economic activity in North America.

Industrial
Production



Thanks to the high economic activity, and to the reorganisation measures already adopted, the difficulties of the coal industry have been in some measure alleviated. In the whole of the countries which form the common market for coal the rise in demand has permitted a reduction of pithead stocks and a slight increase in output.

In Belgium too the expansion of economic activity caused a recovery in the apparent consumption of coal, which for the first ten months of the year rose from 23.5 million tons in 1959 to

24.5 million in 1960. The coking plants, the electric power stations and in lesser degree the consumers of house coal increased their purchases.

Mining of Coal

Source : Directorate General of Mines.

Monthly Average for	Production (thousands of tons)	Output per man-day of underground and surface workers actually at work (kg)
1953	2,505	766
1957	2,424	838
1959	1,896	907
1959 3rd quarter	1,727	900
4th »	2,020	966
1960 1st quarter	1,961	980
2nd »	1,873	1,004
3rd »	1,757	1,021
October	1,944	1,051
November ... (p)	2,011	1,070

(p) Provisional figures.

Belgian coal on foreign markets, including the Grand Duchy of Luxemburg, became stabilised at the previous year's level of 2 million tons.

Prices were reduced in January and March. In the course of the succeeding months the coal industry was able to raise quotations for the kinds of coal most in demand. The average price, however, remained below that of 1959 by 1.5 per cent. Fresh reductions have been applied as from 1st January, 1961. Belgian prices as a whole have come closer to those charged by the other member countries of the European Coal and Steel Community.

The mines reduced their pithead stocks by 0.9 million tons, thus bringing them down to 6.6 million tons on 17th December, 1960.

At the same time they stabilised the amount mined close to the previous year's level of 22.8 million tons, while strictly pursuing the policy of closing unprofitable pits in accordance with the reorganisation plans. The reduction of producing capacity amounted to 2.5 million tons, as it had done in 1959. It ran parallel with a further decline in the total number of registered workers; this fell from 120,000 at the end of 1959 to 102,000 at mid-December.

The decrease of employment in the coal industry was offset by a drop in part-time working, and by a further improvement in the workers' output. The average number of days worked per month in fact rose from 18.7 in 1959 to 20.6 in 1960, and the output per man-day of underground and surface workers actually at work increased from 907 to 1,012 kg. This rise in output results partly from active working of the better seams, but also from a basic improvement in the conditions for operating the mines.

This recovery did not however permit termination of the measures adopted at the end of 1959 by agreement between the Belgian Government, the Special Council of Ministers of the European Coal and Steel Community, and the High Authority. The system of partly insulating the Belgian coal market was prolonged, with certain relaxations. The limitations imposed on imports of foreign coal were maintained, even on those coming from member countries of the Community; but the quotas were enlarged by 3.3 per cent in terms of 1960 imports. As against this the quota fixed for exports of Belgian coal to Community countries remains unchanged, except as regards those to Italy, which have been freed from all restrictions. The Belgian Government has further been authorised to grant subsidies to any mines which may prove profitable after rationalisation of their working. Such financial aid has however been reduced to 400 million francs for the year 1961, and can apply only to 3.2 million tons of non-anthracitic coal from the Southern field. The granting of this subsidy is subject to the condition that

the Belgian Government shall ensure that the output of non-anthracitic coal does not exceed 7.8 million tons in that field; in addition it must concentrate in the first half-year two-thirds of the closing down of productive capacities contemplated for 1961.

Coking Plants

The high level of activity in the steel and chemical industries caused an increase of the coking plants' output; for the first ten months this rose from 5.9 million tons in 1959 to 6.4 million in 1960. Output also benefited from an increase in exports to steelworking centres in France, which are traditional customers, as well as in Italy, the Netherlands and even Egypt.

Competition nevertheless remains keen in the market for coke. The seasonal fall in price in the case of cokes graded for industry was greater than in 1959, whereas the price for large blast-furnace coke became stabilised at the previous year's lowest level despite the recovery in demand.

Mineral Oils

As the result of stronger demand from home and abroad the petroleum refineries increased their output at a rate higher than that for 1959.

On the home market the growth of industrial activity, and the progressive substitution of mineral oils for coal, caused an expansion of the order of 15 per cent in the markets for combustible oils. On the other hand sales of petrol seem to have been stationary despite the increase in the number of cars. The replacement of cars with large cylinder displacement by low-consumption vehicles continued during the year.

Exports declined slightly in value, but increased further in quantity, for mineral oils as a whole. The increases were in

Petroleum Refineries

Source : Ministry of Finance. Excise Department.

Monthly Average for	Input of Crude Petroleum	Production		
		Light Oils	Other Oils used for Fuel	
	Fuel Oil		Others (1)	
	(Millions of litres)	(Thousands of tons)		
1958	307.7	78.5	111.6	65.9
1957	519.5	130.2	172.6	104.2
1959	643.5	153.0	215.7	113.9
1959 3rd quarter	631.0	157.8	178.3	105.0
4th »	598.9	134.1	238.3	103.9
1960 1st quarter	693.8	158.7	229.1	127.0
2nd »	651.6	158.9	219.7	113.3
3rd »	725.2	165.3	234.1	129.5
October	537.3	137.8	165.1	90.4
November	693.5	153.4	229.4	139.4

(1) From 1959 onwards the number of litres converted to weights at the rate of 1 litre = 840 grammes.

particular appreciable for gas-oil and light oils on the traditional markets comprising the Netherlands, Federal Germany and Switzerland.

The tendency of prices was reversed from July onwards following a rise of quotations on the world markets; in addition a Royal Decree of 30th July, 1960 imposed a special temporary duty of 60 francs per ton on consumption of fuel oil.

The consumption of electricity showed a rise parallel with the growth of economic activity. By comparison with the previous year the rise was of the order of 9 per cent for the first ten months.

Electricity

The electricity industry continued to carry out the plan for capital development of power stations and distribution networks. A definite result of this can be seen in a further price reduction of the order of 18 per cent, for current to be used in industry, and of 7 to 8 per cent for current for domestic use.

The production of crude steel amounted to 7.2 million tons, or 12 per cent more than in the preceding year. Activity in steel has nevertheless declined from its very high level. While the volume of fresh orders was still very great in the first half-year, quotations for exports to overseas began on the other hand to fall away as from the beginning of the year. The fall was however arrested at the beginning of November. After the summer months, moreover, the

Production of Crude and Finished Steel
(in thousands of tons)

Source : National Statistical Institute.

Monthly Average for	Crude Steel	Finished Steel
1953	369	280
1957	523	371
1959	536	386
1959 3rd quarter	533	369
4th »	591	424
1960 1st quarter	607	433
2nd »	610	409
3rd »	620	403
October (p)	637	438
November ... (p)	604	
December ... (p)	436	

(p) Provisional figures.

seasonal rise in orders failed to appear. Nevertheless the orders booked remained at the 1959 monthly average level, even tending to rise towards the close of the year.

On the whole the demand for the home market showed itself firmer than that for export. The United States reduced their purchases to the level prevailing before the speculative tension which had been induced on

their market by the strike in the second half of 1959. The American steel industry, which was working for months at half capacity, took steps to sell a larger part of its output on world markets, to the detriment inter alia of exports from the European Coal and Steel Community countries.

While by comparison with the start of the year the quotations for exports to overseas declined from Fr. 5,500 to 5,000 per ton in the case of merchant steels, on the other hand the standard prices applied inside the European common market hardly changed.

In terms of tonnage the first ten months' export sales rose by 18 per cent as between 1959 and 1960; their value showed an increase of 29 per cent as a result of the usual time-lag between the movement of quotations and that in the value of deliveries.

This large increase relates chiefly to exports to countries in the common market for steel. These countries' share in Belgian-Luxembourg exports of steel products went up from 29.9 per cent in 1953 to 41.4 per cent in 1959, and to 44.7 per cent during the first nine months of 1960. Federal Germany is by far the leading customer; it is followed in order of importance by France and the Netherlands. As compared with their exceptional 1959 level the exports to the United States were down in amount by 39 per cent. As to the other markets overseas attention may be drawn to the fall in exports to Argentina, Canada and the Congo, and to the growth in those to the United Kingdom, the Scandinavian countries, India and Australia.

Exports of Steel Products

Source : National Statistical Institute. Calculations by the Research and Documentation Department.

Monthly Average for	Thousands of tons	Millions of francs
1953	344	1,903
1957	472	3,142
1959	511	2,777
1959 3rd quarter	504	2,729
4th »	543	3,084
1960 1st quarter	607	3,583
2nd »	600	3,552
3rd »	580	3,386
October	590	3,468

The steel industry engaged in considerable capital investment, reflected in, amongst other things, an enlargement of its production capacities.

The rising trend which had appeared with some delay in the metal manufacturing industry was maintained throughout the period under review, apart from a slight decline in certain forms of primary processing of metals. For the first ten months of the year the average production index, calculated on the basis of 1953, rose from 129 in 1959 to 139 in 1960. In October the total number of workers reached 191,600, representing an increase by 11,600 in comparison with the corresponding month of the year before.

During the first ten months of the year the new orders booked remained slightly greater than the amount of deliveries; they were

Metal Manufactures

above their corresponding 1959 level by 12 per cent. During recent months, contrary to what took place in the first phase of the rising business cycle, demand from the home market has shown itself firmer than that for export.

Metal Manufacturing Industry
Production

Source : Economic and Social Research Institute.

Period	Index (basis 1958 = 100)
1953	100.0
1957	134.6
1959	131.7
1959 3rd quarter ...	125.4
4th » ...	143.4
1960 1st quarter ...	142.9
2nd » ...	143.7
3rd » ...	129.4
October	143.0

Fresh orders for capital goods were particularly numerous owing to the increase of capital investment in the economy. Orders for primary products also showed a rise in the first half-year, both for export and for the internal market, although this was followed by a stationary period in the third quarter.

On the other hand the demand for consumer goods moved less favourably, especially that from abroad; it scarcely reached its level of a year earlier.

For the first ten months the total shipments of metal manufactures were up by 5 per cent in quantity, and 8 per cent in value, by comparison with the corresponding period in 1959. These proportions represent averages of the rising movements without allowance for the seasonal fall in the third quarter. Deliveries to the home market increased during the first ten months at a slower rate than exports; this confirms that external demand, the weakening of which had been the chief cause of the 1958 recession, also gave the first impulse permitting a revival of activity. But from September onwards the deliveries to the home market showed strongly marked recovery.

Exports were up by 18 per cent for the first ten months by comparison with the corresponding period in 1959. The expansion was much greater for capital goods and primary products than for consumer durables.

In conformity with the general tendency of exports the deliveries to European Economic Community countries showed an increase of

about 35 per cent, the rise in the case of Germany alone being as much as 132 per cent. Sales to some countries of Asia and Oceania were also notably expanded. On the other hand there was slight contraction in those to the United Kingdom,

Metal Manufactures

(in millions of francs)

Sources : National Statistical Institute — Fabrimétal.

Monthly Average for	Orders Booked	Deliveries to	
		External Markets	Internal Market
1958	4,195	1,639	3,048
1957	6,134	2,366	4,267
1959	6,531	2,539	4,149
1959 3rd quarter	5,803	2,472	3,817
4th »	7,374	2,824	4,499
1960 1st quarter (p)	7,017	2,763	4,134
2nd » (p)	7,174	3,102	4,408
3rd » (p)	6,992	2,506	4,155
October (p)	7,490	2,695	4,691

(p) Provisional figures.

which had more than doubled in the previous year, as well as in those to the United States and Latin America. Finally the exports to the Congo and other African countries, after being very small at the start of the year, recovered from the second quarter onwards but thereafter felt the effect of the political events in the Congo.

The rate of increase in the output of the non-ferrous metals industry quickened by comparison with the preceding year. For the first eleven months the rise in the case of the raw metals was 7.9 per cent for copper, 11.6 per cent for zinc and 37.6 per cent for tin; for the semi-finished products it reached 22.2 per cent. The output of lead increased only slightly; it seems that this must be put down to shortage of ores during part of the year.

Non-ferrous Metals

Despite uncertainties about the supply of non-ferrous metals, by reason of events in the Congo, Belgian enterprises did not in general encounter difficulties in expanding their activity. Apart from the tonnages which they handled as usual for account of the Congo they concluded large contracts with foreign producers.

The non-ferrous metals industry is greatly developing its research, and passing to the stage of industrial manufacture for a certain number

of rare metals such as germanium and silicon, which are to be used in the electronic industry. The manufacture of electronically pure

Production of Non-Ferrous Metals

(in thousands of tons)

Source : Union of Non-Ferrous Metal Industries.

Monthly Average for	Raw Products				Semi-Finished Products
	Copper	Zinc	Lead	Tin	
1953	12.5	16.1	6.4	0.82	12.8
1957	12.7	19.6	8.3	0.79	16.2
1959	15.5	18.7	7.4	0.56	17.3
1959 3rd quarter ...	17.1	17.6	6.6	0.53	16.2
4th » ...	15.6	19.8	7.0	0.58	20.0
1960 1st quarter ...	15.6	20.3	8.7	0.84	20.0
2nd » ...	17.0	20.9	7.5	0.61	21.1
3rd » ...	17.8	20.7	6.3	0.80	19.7
October ... (1)	19.9	20.8	7.4	0.79	22.7
November (1)	16.9	20.8	8.7	0.73	21.4

(1) Moving quarterly average for the raw products.

selenium has proved successful. Many new processes for producing radium and uranium have also been put into practical application.

On the whole the prices for non-ferrous metals were relatively firm during the first half-year. Afterwards they weakened, except in the case of tin, the

quotation for which at the end of the year was at the same level as at the beginning of January.

The London price of electrolytic copper declined from £ 253 per long ton on 4th January, 1960 to £ 228 on 30th December after having reached a peak of £ 279 in April. At Brussels the quotation for copper moved in parallel fashion, rising from 35 francs per kg at the start of the year to a peak of 37 francs at the end of April, and then falling to 31.75 francs at the end of December.

The quotation for lead, which had been £ 74 at the beginning of the year, was no more than £ 64 on 30th December. The International Lead and Zinc Study Group, formed in 1958, consequently decided to limit the supply of lead.

The price for zinc likewise fell from £ 90 at the beginning of 1960 to £ 79 on 30th December, after a period of stability in the first half-year.

For the first ten months of the year exports were up by 11 per cent in quantity and 20 per cent in value. The only divergent

tendency related to lead, exports of which declined in both value and amount. The growth in the output of special metals caused accompanying expansion of exports, especially as regards germanium, the chief customers for which are Germany, France, and since this year the United Kingdom and the United States. In 1960 this latter country greatly reduced its purchases of other special metals, but it nevertheless remains the most important market in that line.

Among the European Economic Community countries Germany and the Netherlands increased the quantity of their first nine months' imports of Belgian non-ferrous metals by 42 and 27 per cent respectively. The increase was smaller in the case of France. Sales to the United States and the United Kingdom, on the other hand, declined in terms of quantity.

In the building trade great activity persisted throughout the year; the economic revival measures adopted by the authorities in 1959 continued to produce their effect.

Building

Production of Building Materials

Source : National Statistical Institute.

Monthly Average for	Ordinary Bricks (millions)	Cement (thousands of tons)	Sheet and Plate Glass (Index : Basis 1953 = 100)
1953	172	386	100.0
1957	187	392	130.2
1959	165	370	186.1
1959 3rd quarter	207	429	179.6
4th »	184	383	197.6
1960 1st quarter	118	308	213.2
2nd »	186	415	224.2
3rd »	(p)210	400	212.6
October		415	(p)205.3
November		360	

(p) Provisional figures.

The amount of dwellings built was very large; the number of building permits granted in the first eleven months was greater by 5 per cent than in 1959. Nevertheless during the same period the

number of De Taeye premiums dropped from 22,415 to 19,804. The construction of buildings intended for uses other than habitation

showed a net increase in conformity with the growth of private investment; the number of building permits granted during the period under review rose from 5,714 in 1959 to 6,171 in 1960.

Activity in the sphere of public works remained as great as in 1959, thanks especially to the carrying out of contracts allocated on tenders during that period. On the other hand the amounts of fresh contracts so awarded and of payments made to enterprises up to 1st December, 1960 were smaller, by 29.8 and 9.7 per cent respectively, than those falling in the period up to the same date in the previous year.

The high level of activity in building favourably affected the industries which produce building materials.

At the brickworks the position appreciably improved thanks to the keen home-market demand and to the opening up of markets in the Netherlands, Germany and the United Kingdom, where there is a shortage of building materials. In these circumstances producers were able to expand their activity, inter alia by more rapidly mechanising output with a view to countering the labour shortage. Prices rose to their legally permitted maximum.

The cement works' activity showed an increase of the order of 1 per cent, against 9 per cent in 1959. While it was stimulated by the strengthening of domestic demand, on the other hand it suffered from the weakening of foreign demand due to the loss of certain markets outside Europe which have become producers of cement.

The output of the glass industry, after rising until the second quarter, declined in the succeeding months owing to a reduction of foreign demand. Special mention may be made of the effect produced by the slowing of activity in building and the automobile industry in North America. On foreign markets moreover competition, from Soviet bloc countries amongst others, became very keen.

The basic expansion of activity in the chemical industries became faster. For the first ten months their total production was up by 9 per cent in comparison with the corresponding period of 1959. Over the same space of time the average index for those industries' wholesale prices declined by 2.5 per cent. The value of their exports nevertheless rose by 2.4 per cent despite some strengthening of foreign competition.

The production of nitrogenous fertilisers moved parallel to the total output of the chemical industries. Export prices however fell away, causing a small reduction in the value of sales to foreign countries. Domestic prices were further adjusted in order to harmonise them with those of Netherlands producers.

The expansion of other chemical industries is reflected in the movement of exports. For the first nine months of the year these were up by about 15 per cent in the case of inorganic products, 47 per cent in that of organic products and about 70 per cent in that of pigments, varnishes, paints and plastics. Besides this the rise in the cyclical trend caused a notable improvement of activity in coal derivatives.

The enlargement of production capacities continued in the pharmaceutical industry through the setting up of American firms. This industry's sales, both within the country and in the European Economic Community, showed a substantial increase.

The photosensitive products industry continued its fundamental expansion; in view of the export figures it lowered its prices with a view to promoting its sales abroad.

Production of Synthetic Ammonia and Derivatives

(in thousands of tons of nitrogen)

Source : National Statistical Institute.

Monthly Average for	Primary Nitrogen	Nitrogen Fertilisers
1953	15.2	13.8
1957	19.5	17.2
1959	25.3	22.6
1959 3rd quarter	23.4	20.4
4th »	26.5	23.2
1960 1st quarter	26.6	23.9
2nd »	28.0	25.1
3rd »	28.1	25.2
October	26.5	20.1

Thanks to sustained demand, both for export and on the home market, the favourable state of activity in the textile industries was maintained. For the first ten months the overall production index of these industries was up by 7.5 per cent in relation to the corresponding period of 1959.

The increase of demand was reflected in an all-round firming up of domestic prices by comparison with the average indices for the previous year, especially at the semi-finished product stage. If on the other hand the movement of prices for wool products during the year is considered, they are found to have declined until October, after which a firmer tendency prevailed.

Exports, already definitely rising in the previous year, rose further by 16.2 per cent in value and 7.8 per cent in quantity for the first eleven months of 1960. The Netherlands and Germany, which

External Trade in Textile Products

(monthly averages, in millions of francs)

Source : National Statistical Institute. Calculations by the Research and Documentation Department.

Period	Imports		Exports	
	Raw Materials and Semi-Finished Products	Finished Goods	Raw Materials and Semi-Finished Products	Finished Goods
1953	1,236	385	1,020	789
1956	1,277	456	1,069	1,051
1957	1,427	553	1,096	1,108
1959	1,088	593	970	1,083
1959 3rd quarter	1,026	597	924	1,057
4th »	1,268	620	1,161	1,230
1960 1st quarter	1,444	581	1,164	1,241
2nd »	1,207	525	1,123	1,177
3rd »	1,127	550	977	1,223

are the chief markets for the textile industry, increased the value of their imports from the Belgian-Luxemburg Economic Union by 14 and 30 per cent respectively. Increases of 14 per cent for the United Kingdom, 4 per cent for the United States and 49 per cent for France may be mentioned. The recent trend of American economic activity naturally exerted an adverse influence on exports of textile products to that country.

The high level of activity was also reflected in the growth of raw material imports, which for the first nine months were greater by 17 per cent than in 1959. On the other hand the imports of finished goods slightly declined.

A desire to improve the textile industry's competitive position on export markets led the Government to supplement the existing fiscal regulations by another, dated 1st March, 1960, which accords certain tax reliefs to textile manufacturers, home-workers and traders working for foreign markets.

In the woollen industry the growth of activity was smaller than in the other branches of textile production. While the output for the first half-year exceeded that for the corresponding period in 1959 at the stage of raw wool preparation, activity was on the other hand less well maintained in the second half-year.

Thanks to the demand from knitwear and furnishing manufacturers for woollen thread, the output of the combed wool spinners rose by 19 per cent for the first nine months as compared with the corresponding period of 1959; in the case of carded wool spinning the increase was only 0.5 per cent.

In the case of woollen weavers activity showed little change by comparison with 1959, one reason being the slackening of foreign demand, especially the demand for carpets on the part of American customers. On the other hand foreign competition remained particularly keen as regards clothing fabrics.

Output of Wool Washers and Combers
(in tons)

Source : National Statistical Institute.

Monthly Average for	Washing and Carbonising	Combed Sliver
1953	1,671	1,632
1957	2,001	1,965
1959	2,076	1,865
1959 3rd quarter	1,939	1,811
4th »	2,074	2,086
1960 1st quarter	2,215	2,261
2nd »	2,333	2,207
3rd »	1,813	1,863

In the cotton industry the outputs of spinners and weavers during the first nine months of the year were above those for the corresponding period in 1959 by 5 and 14 per cent respectively. In

Output of Wool Spinners and Weavers

Indices of Industrial Activity
(Basis 1953 = 100)

Source : National Statistical Institute.

Monthly Average for	Spinners		Weavers
	Carded Wool	Combed Wool	
1953	100	100	100
1957	125	127	124
1959	113	134	121
1959 3rd quarter	113	127	119
4th »	124	157	133
1960 1st quarter	117	158	122
2nd »	111	153	118
3rd »	103	133	114

the course of the first half-year the growth of activity was chiefly sustained by the export demand; when this fell off, especially in the United States and the United Kingdom, the recovery of domestic demand permitted the maintenance of activity at a high level.

To a large extent the linen industry shared in the high activity of textile industries as a whole. The recovery of demand which had begun in the second half of 1959 led the spinners to raise their output for the first nine

Cotton Production

Indices of Industrial Activity
(Basis 1953 = 100)

Source : National Statistical Institute.

Monthly Average for	Fine Cotton Spinners	Weavers
1953	100	100
1957	115	127
1959	105	112
1959 3rd quarter	101	106
4th »	110	126
1960 1st quarter	118	127
2nd »	105	124
3rd »	101	118

months to a level 17 per cent above that in 1959. In weaving the increase of production was 18 per cent. This was rendered possible by the size of the foreign demand.

The industry turning out artificial and synthetic textile products was also extremely active. The rise of output observed in 1959 continued in 1960. It was especially great in synthetic fibres, the use of which tends to become more and more general both for clothing and for industrial purposes. In rayon and staple fibre yarns the first ten months' production rose by 7 per cent between the two years; in rayon fabrics it did so by 16 per cent.

Difficulties over the supply of raw materials persisted on the jute markets throughout the year. Nevertheless the Belgian jute industry

Production of Linen, Jute and Rayon

Indices of Industrial Activity

(Basis 1953 = 100)

Source : National Statistical Institute.

Monthly Average for	Flax and Hemp Yarns	Linen Fabrics	Rayon Yarns	Rayon and Rayon Fibre Fabrics	Jute Yarns	Jute Fabrics
1953	100	100	100	100	100	100
1957	115	102	127	150	96	80
1959	111	102	104	144	110	85
1959 3rd quarter	104	97	93	131	101	81
4th »	128	124	114	163	117	102
1960 1st quarter	123	118	114	167	117	87
2nd »	124	115	111	165	113	87
3rd »	119	99	107	146	101	83

was able to increase its output by 2.5 per cent in yarns and 9 per cent in fabrics. It worked mainly for export markets, where the Asiatic raw material producing countries increased their competition, supplying their weavers with fibres on preferential terms.

In knitwear and ready-made clothing the gradual strengthening of home and foreign demand made it possible to raise output to levels higher by 11 and 7 per cent respectively than in the first nine months of 1959. There was a further

rise in knitwear exports to the United Kingdom and the Netherlands; the latter country accounted for more than two-thirds of the foreign sales.

Knitwear and Ready-Made Clothing

Indices of Industrial Activity

(Basis 1953 = 100)

Source : National Statistical Institute.

Monthly Average for	Knitwear	Ready-Made Clothing
1953	100	100
1957	134	104
1959	139	97
1959 3rd quarter	136	90
4th »	158	98
1960 1st quarter	147	104
2nd »	147	112
3rd » .. (p)	148	95

(p) Provisional figures.

The textile industry actively pursued its efforts in the field of scientific research; it set up organisations charged with promoting

the use of more efficient processes in the manufacture and distribution of its products.

Foodstuffs and Beverages

Activity in the food industries, which are not very sensitive to cyclical movements, continued its underlying expansion. It benefited from the growth of domestic consumption; exports moreover increased in the case of most products apart from sugar. Wholesale prices declined by 3.6 per cent as compared with the 1959 average; the fall was more marked for products of vegetable than of animal origin.

The production of dairy butter increased appreciably by comparison with 1959, which it is true had been an exceptionally poor year because of persistent drought. Butter deliveries exceeded the

Foodstuffs and Beverages

Production

Source : Economic and Social Research Institute.

Period	Index (basis 1958 = 100)
1953	100
1957	110
1959	115
1959 3rd quarter ...	116
4th » ...	116
1960 1st quarter ...	112
2nd » (p)	125
3rd » (p)	122

(p) Provisional figures.

needs of the Belgian market, this being still supplied to an extent which is difficult to determine by clandestine imports of Netherlands butter. With a view to regulating the market the authorities increased both stockpiling and exports; selling prices for butter were thus maintained at about the standard price laid down.

Activity in the margarine industry rose faster than in 1959 thanks to the structural growth of consumption within

the country; output for the first nine months was 9 per cent greater than in the corresponding period of the previous year.

The meat canners succeeded in enlarging their sales through continuous improvement of quality and through offering a wider range of products. The canners of vegetables for their part took advantage of a better crop of these, and of expansion in their export markets, to enlarge their output. Among jam makers activity was maintained at

its 1959 level despite an increase of foreign competition on the home market.

The position of the millers is still marked by keen competition on the domestic market. In 1960 however the authorities approved a rationalisation programme which aims at reducing output capacity with a view to better adapting it to that market's needs. Buying out of the surplus mills has already begun.

The brewing industry's production reached a figure comparable with that for the previous year; the weather conditions did not favour consumption of beverages.

The amount of sugar refined in the first eleven months rose from 162,000 tons in 1959 to 181,000 tons.

The activity of the Antwerp diamond centre remained comparable with that in 1959. Exports of cut stones were maintained at their high level despite some weakening of demand from the United States; prices showed no appreciable fluctuation.

Sundry Industries

The exclusive supply contract between Forminière and the London sales centralisation agency expired at the beginning of 1960. Since no new contract has yet been signed, and the Congo is the world's largest producer of industrial diamonds, there is some uncertainty as to the future. Supplies however remained completely normal throughout 1960.

For the first eleven months of the year the production of the paper industry was greater by 11 per cent than in the corresponding period of 1959. Home-market consumption and exports continued their structural expansion. The strengthening of demand, and the higher cost of paper pulps, caused a rise in prices.

The year was a good one for the footwear industry, the output of which exceeded the previous records. Its exports continued to grow faster than imports. The strengthening of demand from home

and abroad caused prices to rise at the end of the year. The trend was less favourable in the leather industry, especially in heavy leathers, where sale prices after their 1959 rise tended downwards throughout the year.

Both home and foreign demand increased in the wood-processing industry.

The structural growth of demand from which the tobacco industry is benefiting relates more and more to quality articles. Belgian consumption of cigars, cheroots and cigarettes showed increases ranging from 4 to 9 per cent, whereas that of tobacco continued to decline. Prices to the consumer remained stable, but wholesale prices of foreign tobaccos were raised by 3 per cent from April onwards.

Farming

Farm production suffered from the rainy summer, which impaired the quality of most crops. The wheat crop was indifferent in quality

Agricultural Production

(in thousands of tons)

Sources : National Statistical Institute — Ministry of Agriculture.

Description	1958	1958	1959	1960
<i>Vegetable Products :</i>				
Wheat	560	779	793	
Other Grains	997	983	1,046	
Sugar Beet	2,389	2,832	1,485	
Flax (Linseed and Straw)	193	170	125	
Chicory	34	56	40	
Potatoes	1,919	1,914	1,466	
<i>Animal Products :</i>				
Milk delivered to dairies (million litres)	1,091	1,319	1,303	1,400 ¹
Slaughterings (net weight of meat)	370	412	424	437 ¹

(1) Estimate on the basis of the first nine months' figures.

and smaller in quantity than that of 1959. The mean yield per hectare fell from 3,950 kg in that year to 3,850 kg in 1960. Besides this the reduction of sowings continued, the Government having decided to limit to 700,000 tons the amount of wheat for

which payment will be made at the domestic price. For the 1960-1961 crop year the average standard price was maintained at 470 francs per 100 kg, and the home-grown wheat content was kept at 70 per cent.

The harvest of sugar beet was abundant. The yields per hectare were excellent, at 45 tons in place of 23 tons in 1959, with an average sugar content. The production of potatoes was greater than in 1959, but because of the heavy rain they were of indifferent quality, the late potatoes being found not to keep well.

The fodder crops gave varying yields. The harvest of fodder grains was smaller than that for the previous year, and was of average quality; on the other hand the green fodders comprising hay, clover and mangels yielded well.

The satisfactory yields of green fodders stimulated stockraising and the turning out of animal products. Milk production was much greater than a year before, and tended to exceed the requirements for consumption within the country. Accordingly the public authorities continue to encourage the production of milk

Farm Livestock

(thousands of head)

Source : National Statistical Institute.

Category	15th May, 1958	15th May, 1958	15th May, 1959	15th May, 1960 (p) (1)
Farm Horses	219	178	170	159
Horned Cattle	2,291	2,596	2,630	2,690
of which : Cows	931	996	1,013	1,021
Pigs	1,156	1,423	1,447	1,726

(p) Provisional figures.

(1) The bases of the census having been changed, the figures for 1960 are not fully comparable with those for previous years.

derivatives, amongst others that of cheese, which is on the increase. Slaughterings are also rising, and largely cover the country's supplies. The opening of markets in neighbouring countries has made it possible to avoid glutting the home market.

The prices for farm products slightly declined. For the first eleven months the price index, calculated by the Ministry of Agriculture on the basis of the years 1951-1952, averaged 92 against 95 in 1959. The fall amounted to 4 per cent for products of vegetable origin, and to 2.5 per cent for those of stockraising. On the other hand the costs of production increased slightly.

In the field of agricultural policy the year was marked by two major decisions relating to European economic integration. The

first concerns the putting into force on 1st November, 1960 of the Treaty instituting the Benelux Economic Union. Through this Treaty Belgium, the Netherlands and the Grand Duchy of Luxemburg undertook to harmonise their agricultural policies within a period not to exceed five years.

The second decision relates to economic integration within the European Economic Community. The six member countries have set up a Special Agricultural Committee, charged with the duty of studying proposals submitted by the Economic Commission with a view to speeding integration of the member countries' agricultural activities. This Committee will work out a series of definite measures aimed at attaining that object.

The Economic Commission having considered that enough progress has been made towards a common agricultural policy, the Council of Ministers of the Community decided on 20th December, 1960 to hasten tariff disarmament for farm products. A 5 per cent reduction took place on 1st January, 1961 for certain non-liberalised products. The products which are not liberalised within the Community are the following : milk, butter, potatoes, sugar beet, tobacco, hops, chicory, cut flowers, celery, leeks and grapes. In addition the Council of Ministers has laid down a system of charges designed to make up the difference between prices for imported products and those charged on the member countries' national markets for agricultural products. This temporary arrangement aims at permitting trouble-free progress towards a common agricultural market.

Transport

The rising cyclical trend, hardly perceptible in the 1959 statistics for transport, led to great activity in that field during the past year. The increase in demand related to the carriage of ores, metallurgical products, building materials and chemical fertilisers. It was more marked in international traffic than within the country.

The amount of goods carried by rail showed an increase of 8 per cent for the first ten months. The increase especially related to international traffic, including that in transit; within the country the increase was only 5 per cent.

The carriage of bulky goods is tending to shift to inland waterways. In fact the total tonnage carried by water showed a rise of the order of 18 per cent as against the previous year; this overall figure is made up of 8 per cent for internal and 27 per cent for international traffic, including transit goods.

The economic expansion exerted a highly favourable influence on port traffic. At the port of Antwerp the amount of goods discharged in the first nine months was up by 14.5 per cent as compared with 1959, while loadings were up by 5.7 per cent over the same period. In the case of imports the increase relates to virtually all categories of goods, but especially to ores; on the other hand the decrease in the arrivals of coal and coke

persisted owing to the maintenance of restrictions on the import of those products into several European countries. Among exports the rise was especially marked in metallurgical products and chemical fertilisers.

Bulk Goods carried by Rail

Source : Belgian National Railways Company.

Monthly Average for	Thousands of tons carried	Millions of ton-kilometres
1953	5,150	477
1957	5,558	548
1959	4,873	505
1959 3rd quarter	4,673	482
4th »	5,488	572
1960 1st quarter	5,189	545
2nd »	5,053	521
3rd »	4,972	516
October	5,623	578

International Sea-borne Traffic at the Port of Antwerp

(in thousands of metric tons)

Source : National Statistical Institute.

Monthly Average for	Incoming Goods	Outgoing Goods
1953	1,201	1,147
1957	1,828	1,227
1959	1,668	1,266
1959 3rd quarter	1,498	1,282
4th »	1,828	1,357
1960 1st quarter	1,993	1,468
2nd »	1,698	1,266
3rd »	1,856	1,187

In air transport the results were better during 1960. The fact that Sabena put Boeing Intercontinental long-distance four-engined jet aircraft into service several months before most of its European competitors, combined with the political events in the Congo, gave that company a large increase of traffic. Besides this the carriage of goods continued its structural expansion. Sabena has on order some Caravelle type aircraft, which will enable it to increase its medium-distance transport services.

The year was marked by important achievements in connection with the improving of communications. The Meuse was made capable of taking 1,350-ton craft throughout its course in Belgian territory; this adjustment enables the large Rhine barges to reach the centres of heavy industry. Besides this the Government increased its aid towards financing the construction of new vessels with a view to quickening modernisation of the inland fleet. The Belgian National Railways Company continued to electrify its system, and started work on the lines linking the industrial centres in the South of the country. As regards road transport the building of the Baudouin motorway, running from Antwerp to the German frontier, is being actively pressed; a 46-kilometre section is already open to traffic. Finally in the port of Antwerp the fifth dock was put into service at the end of the year, while the putting of the sixth into use is expected to take place at the middle of 1961. Work is also in progress with a view to enlarging the capacity of the port of Zeebrugge.

**Employment and
Unemployment**

The downward tendency of unemployment which began in 1959 continued. Nevertheless the increase of employment remained on the whole moderate, because it is the resultant of two opposite movements. On the one hand the decline of employment persisted in the coal industry; but on the other hand manufacturing industries engaged workers sufficient in number to offset the fall in employment due to the coal crisis. The increase of employment which took place in the metal manufacturing industry, in basic metallurgy, in the

chemical and even in the textile industries, where it had been steadily declining for many years, will in particular be observed. On the other hand employment remained relatively stable in the fields of electricity, water and gas supply, while the number of persons occupied in transport slightly decreased.

Average Daily Number of Registered Unemployed
(in thousands)

Source : National Employment and Unemployment Office.

Daily Average	Total			Wholly Unemployed			Partly Unemployed		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
1953	158	88	246	117	67	184	41	21	62
1957	83	34	117	56	22	78	27	12	39
1959	150	49	199	92	33	125	58	16	74
1959 1st quarter	231	61	292	123	38	161	108	23	131
2nd »	134	48	182	86	33	119	48	15	63
3rd »	110	40	150	73	29	102	37	11	48
4th »	125	46	171	86	32	118	39	14	53
1960 1st quarter	175	46	221	105	33	138	70	13	83
2nd »	111	38	149	78	27	105	33	11	44
3rd »	90	33	123	68	24	92	22	9	31
October ...	88	33	121	69	25	94	19	8	27
November .	96	36	132	78	27	105	18	9	27

Side by side with the increase of employment, productivity continued to improve under the influence inter alia of the high level of production, which permits more efficient use of personnel. The output per man-hour worked in industry was up by about 7 per cent in the first half-year as compared with the corresponding period in 1959, which had already shown a similar advance in comparison with 1958. The reasons for the increase of efficiency in the coal mines have already been mentioned in the section devoted to that industry. Among the other industries where the movement in productivity was especially favourable those concerned with building materials, paper and footwear may be mentioned.

Unemployment continuously declined throughout the year. Thanks amongst other things to the good weather the winter seasonal peak was relatively less marked. For the first eleven months the overall total of complete and partial unemployment averaged 158,000,

against 199,000 in 1959 and 175,000 in 1958. By comparison with the previous year, therefore, the reduction amounted to 21 per cent.

The decrease of partial and incidental unemployment was considerable, and persisted until the end of the year. The level of such unemployment was then down again to what it had been in 1956 and 1957, years marked by virtually complete disappearance of cyclical unemployment. The reduction in complete unemployment, although appreciable, was not so great. The number of persons out of work fell considerably in the metal, textile, garment and chemical industries. On the other hand complete unemployment increased further in the coal mines. Among the persons registered as completely unemployed in November there were about 53 per cent unfit for work.

Because of the improvement in economic activity the number of unemployed persons set to work by public authorities was reduced from an average of 17,600 in 1959 to one of 10,350 in 1960.

Thanks to the reduction in unemployment the expenditure on benefit up to the end of November dropped from Fr. 5.8 billion in 1959 to Fr. 4.7 billion in 1960.

Prices

The movement of prices confirms the absence of strong speculative pressures in the present high economic activity. For the first eleven months of the year the rise in the overall wholesale price index reached only 1.2 per cent by comparison with the average for the corresponding period in 1959. The 1957 cyclical peak is far from having been reattained.

The upward movement which began in the third quarter of 1959 flattened out from February onwards, and then gave place to a slight downward tendency during the summer months. From October onwards, however, the fall in the overall index ceased.

Wholesale Price Indices

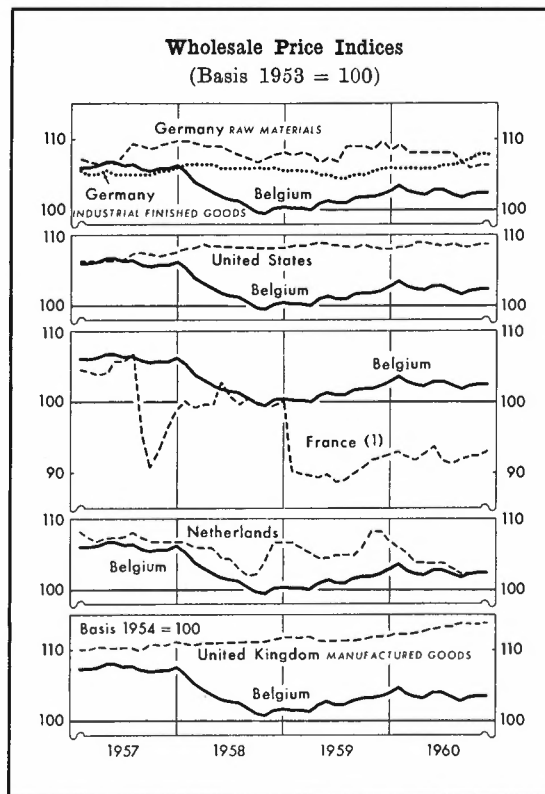
(Basis 1953 = 100)

Sources : Ministry for Economic Affairs — Economic and Social Research Institute.

Period	Overall Index	Home Products	Imported Products	All Industrial Products : prices at three stages of manufacture		
				Raw Materials	Semi-Finished Goods	Finished Goods
1953	100.0	100.0	100.0	100.0	100.0	100.0
1957	106.1	107.4	102.2	112.2	107.5	110.6
1959	101.3	104.7	95.2	95.7	99.3	105.5
1959 3rd quarter	101.5	104.9	95.1	94.7	98.9	105.6
4th »	102.3	105.5	97.0	95.7	99.7	107.6
1960 1st quarter	102.9	105.4	98.1	97.0	101.0	107.9
2nd »	102.7	105.7	97.1	96.3	99.9	106.8
3rd »	102.0	104.4	95.4	95.4	99.5	106.9
October	102.4	104.7	95.5	94.2	99.0	106.5
November	102.5	104.8	95.7	94.7	98.7	106.6

This overall movement covers tendencies which diverge slightly according to the products. Although prices for finished products reached their peak at the start of the year, they remained firmer than those for semi-finished goods and raw materials. This behaviour of industrial prices at the three stages of manufacture contrasts with the very sharp rise of raw material price indices which took place in 1957 as a result of the Suez affair.

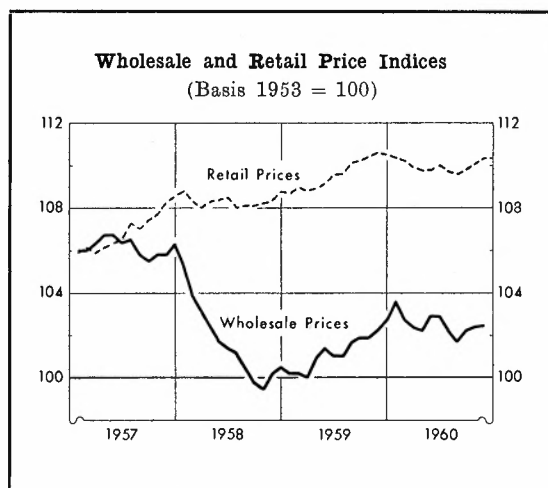
The decline in prices for industrial raw materials related inter alia to wool, rubber and copper, three products for which quotations were still



(1) The French index has been adjusted for variations in rates of exchange.

Sources : Belgium : Ministry for Economic Affairs.
 Germany : Federal Statistical Office.
 United States : U.S. Department of Labor.
 France : National Institute for Statistics and Economic Research.
 Netherlands : Central Office for Statistics.
 United Kingdom : Board of Trade.

rising at the beginning of the year. The fact that the output of wool was much greater than had been foreseen, and the competition which



wool has to meet from cotton and synthetic fibres, explain the market's reactions. Rubber prices for their part felt the consequences of the automobile industry's difficulties in spite of considerable buying by Eastern countries. The fall in copper from April onwards was due to the disappearance of certain upward-tending factors which

had affected the market during previous months. These included the strikes at American copper mines in December, 1959, the political events in the Congo, fear of strikes in Chile and the March events in

South Africa, which had prompted users to build up stocks.

Retail Price Indices
(Basis 1953 = 100)

Source : Ministry for Economic Affairs.

Period	Overall Index	Foodstuffs	Products other than Foodstuffs	Services
1953	100.00	100.0	100.0	100.0
1957	106.93	107.0	104.5	111.7
1959	109.64	109.5	106.6	120.0
1959 3rd quarter ...	109.99	109.7	107.0	120.7
4th » ...	110.51	110.6	107.1	121.2
1960 1st quarter ...	110.11	109.7	107.1	121.7
2nd » ...	109.84	109.3	106.8	122.3
3rd » ...	109.66	108.7	107.0	122.6
4th » ...	110.27	109.5	107.2	124.0

Nevertheless the prices for non-ferrous metals as a whole showed a rise by comparison with their average 1959 level. Tin in particular benefited from an increase of world

demand. The new terms for applying the international tin agreement appear to safeguard the market for that metal against sharp movements in quotations. In July these reached their highest level since the Suez crisis.

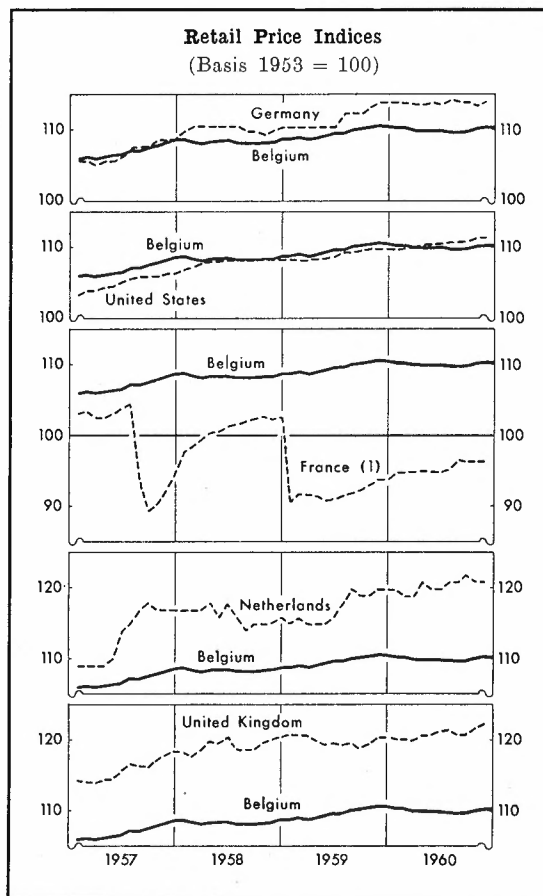
Among textile materials mention may be made of the firmness of cotton, and of the very sharp rise which took place during October in jute because of the poorness of the Indian crop and its late arrival. The prices for semi-finished and finished textile products moved parallel to those for the raw materials; only woollen products showed a fall.

Wholesale prices for solid fuels and for energy were down by comparison with the previous year; the work done on rationalisation in the electricity industry under pressure from the Electricity Control Committee, and in the coal mines, permitted very substantial price reductions. On the other hand the prices for petroleum products showed great stability.

The sustained activity in the building industry caused large increases in prices for building materials, including bricks, tiles and clayware.

The average level of wholesale agricultural prices calculated by the Economic and Social Research Institute changed little, the fall in products of stockraising having been roughly offset by the rise in cultivated products.

The disparities between Belgian and foreign wholesale prices, as measured by the official indices on the basis of 1953, moved generally



(1) The French index has been adjusted for variations in rates of exchange.

Sources : Belgium : Ministry for Economic Affairs.
 Germany : Federal Statistical Office.
 United States : U.S. Department of Labor.
 France : National Institute for Statistics and Economic Research.
 Netherlands : Central Office for Statistics.
 United Kingdom : Ministry of Labour.

in favour of Belgium. In relation to the Netherlands the position of the Belgian index appreciably improved.

The slow rising tendency of retail prices was reversed from December, 1959 onwards, giving way to an almost imperceptible decline. As from September the movement was again reversed, the fall in food and beverage prices having ended.

The rise in prices for services continued, although at a less rapid rate than during the previous year.

The movement in the disparities between Belgian and foreign retail price indices in relation to France and the Netherlands was likewise favourable to Belgium. The other disparities changed little.

Wages and Salaries

The index for collectively agreed hourly wages rose only slightly, since the sliding scale mechanism caused no general fresh increases of wages and salaries. Collective agreements relating to wage increases, and to other social advantages, were concluded in the metal manufacturing and textile industries.

This index, however, reflects the movement of wages only very imperfectly; thus the index determined by the National Bank for average gross hourly earnings increased by 3.2 per cent between the end of September, 1959 and the end of September, 1960. The employers had moreover to meet an increase estimated at 0.9 per cent in the cost of labour owing to the raising of the upper limit for social insurance contributions at the beginning of April.

On 11th May, 1960 an agreement on the programming of social measures was reached between representatives of the employers and the trade unions. It provides for new benefits in the shape of additional annual holiday allowances corresponding in fact to 1 1/2 days in 1960, 3 days in 1961, 4 1/2 days in 1962 and 6 days in 1963. Over and above this the contribution paid by the employers

for family allowances rose by 0.5 per cent with effect from 1st January, 1961. In return the trade unions undertook to put forward no further claims at national and inter-occupational level regarding wages and other conditions of employment before the end of 1962, except as regards any plans or proposals on which the parties might have reached agreement within the National Labour Council.

Certain other social benefits which do not appear in the movement of wages were granted in 1960. Mention may be made of the Law of 27th June, 1960 on the compensating of workers dismissed because of the closing down of enterprises, as well as the Law of 20th July, 1960 on guaranteed weekly wages.

In terms of the reference year 1953 the indices showing disparity between Belgian and foreign wages moved in favour of Belgium, especially as compared with Federal Germany and the Netherlands. In relation to France the negative disparity was reduced; on the other hand the Belgian index rose faster than that for the United Kingdom, and above all faster than that for the United States.

The vigorous expansion which had appeared in the Belgian-Luxemburg Economic Union's foreign trade from the second quarter of 1959 onwards continued in 1960. The value of the trade exceeded

Foreign Trade

Indices of Volume, Average Unit Values and Terms of Trade

(Basis 1953 = 100)

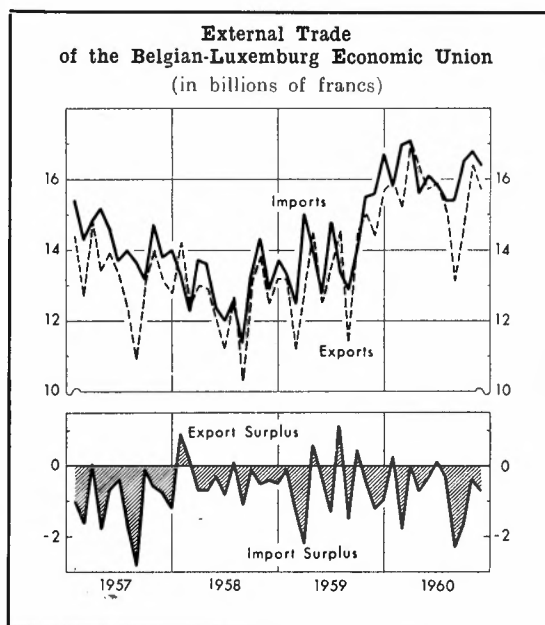
Source : Economic and Social Research Institute.

Period	Indices of Volume		Indices of Average Unit Value		Terms of Trade
	Imports	Exports	Imports	Exports	
1957	136.7	131.8	102.0	104.8	102.7
1958	130.6	132.6	96.4	98.5	102.1
1959	144.9	146.2	93.4	95.4	102.1
1959 3rd quarter	136.4	143.1	93.3	94.4	101.2
4th »	162.1	158.2	93.5	96.3	103.0
1960 1st quarter	165.4	169.7	96.1	98.1	102.1
2nd »	154.8	168.7	97.3	97.2	99.9
3rd »	154.8	156.8	94.9	96.1	101.2
October		177.6		96.1	

the previous records. For the first eleven months together the imports reached 180 billion francs, against 155.3 billion for the corresponding period in 1959, representing a rise of 15.9 per cent. The increase in exports was 15.6 per cent for the first eleven months, their absolute value having risen from Fr. 149 to 172.2 billion. Exports ceased to grow in the second quarter, but resumed their growth after the seasonal fall in the third.

For the first eleven months of the year the ratio of exports to imports was 95.6 per cent as against 95.9 per cent in 1959; the balance showed a large deficit in the third quarter, perhaps partly

under the influence of the Congo events, which may have caused some quickening of imports. From October onwards this speculative factor probably ceased to produce its effect.



with the corresponding period of 1959. While the mean unit values remained higher than the corresponding indices for 1959, they started to fall in the second quarter for exports and in the third for imports. On the average the index for the terms of trade remained roughly at the same level as in the previous year, but its trend became less favourable.

The needs of an economy engaged in cyclical expansion entailed a general increase of imports. By comparison with the corresponding

External Trade of the Belgian-Luxemburg Economic Union

(in billions of francs)

Source : National Statistical Institute.

Monthly Average for	Imports c.i.f.	Exports f.o.b.	Balance of Trade	Proportion of Exports to Imports (in per cent)
1953	10.1	9.4	- 0.7	93
1957	14.3	13.3	- 1.0	93
1958	13.0	12.7	- 0.3	97
1959	14.3	13.7	- 0.6	96
1959 3rd quarter	13.6	13.6	—	100
4th »	16.1	15.2	- 0.9	95
1960 1st quarter	16.6	16.1	- 0.5	97
2nd »	15.9	16.0	+ 0.1	100
3rd »	16.3	14.5	- 1.8	89
October	16.8	16.4	- 0.4	98
November(p)	16.4	15.7	- 0.7	96

(p) Provisional figures.

period in 1959 these showed for the first ten months of the year a rise in value of 17 per cent for raw materials and 20 per cent for manufactured products. As regards raw materials the rise related especially to non-ferrous metal ores, iron ore and cotton; for these

Imports into the Belgian-Luxemburg Economic Union broken down as between the Main Sections of the Standard Classification for International Trade

(monthly averages, in millions of francs)

Source : National Statistical Institute.

Category	1953	1957	1959	1960 (first 10 months)
Raw Materials and Fuels (Sections 2 and 3)	3,366	5,001	4,300	4,915
of which : wool	667	741	563	604
cotton	320	349	219	267
iron ore	292	385	374	442
non-ferrous metal ores	269	321	305	460
solid fuels	340	717	677	635
mineral oils (crude petroleum) ...	308	643	619	623
Foodstuffs (Sections 0 and 1)	1,812	1,998	2,077	2,109
Manufactured Goods (Sections 5, 6, 7 and 8) ...	4,717	7,135	7,811	9,139
of which : base metals	820	1,156	1,187	1,550
machinery and electrical apparatus	1,076	1,550	1,566	1,830
transport material	546	879	1,114	1,453
textiles (semi-finished and finished products)	470	684	711	814
chemical products	502	837	950	1,048
Sundries (Sections 4 and 9)	199	168	153	176
Total ...	10,094	14,302	14,341	16,839

three products it reached roughly 56, 19 and 33 per cent. On the other hand coal imports further declined as the result of quotas being imposed. In the case of manufactured products there were increases of 34 per cent for transport material, 36 per cent for base metals and 19 per cent for electrical machinery and apparatus.

In regard to exports the rise in value was most appreciable for steel products, non-ferrous metals, metal manufactures and textiles; for the first ten months the year-to-year rises in these were

Classification of Exports from the Belgian-Luxemburg Economic Union

(monthly averages, in millions of francs)

Source : National Statistical Institute. Calculations by the Research and Documentation Department.

Principal Products	1953	1957	1959	1960 (first 10 months)
Steel Products	1,902	3,142	2,777	3,503
Metal Manufactures	1,720	2,455	2,741	3,149
Non-Ferrous Metals	900	954	1,130	1,312
Textiles and Clothing	1,810	2,203	2,053	2,333
Chemical Products	741	1,009	1,191	1,190
Solid Fuels	347	492	225	209
Diamonds	290	515	701	631
Foodstuffs	275	256	250	258
Mineral Oils	251	443	490	476
Agricultural Products	192	284	398	410
Glass	184	294	430	480
Paper and Books	106	207	224	260
Hides and Leather	100	105	135	140
Cement	95	91	72	66
Products of Quarrying	55	81	79	89
Rubber	52	78	85	88
Timber and Furniture	44	93	97	131
Ceramics	22	30	32	40
Tobacco	9	21	30	36
Sundries	319	522	590	794
Grand Total ...	9,414	13,275	13,730	15,595

respectively 29, 20, 18 and 18 per cent. Very substantial growth was also shown by the sales of most of the industries producing building materials, as well as by the paper and tobacco industries. Exports of coal on the other hand continued to fall. There was also a decline in industrial diamond deliveries, which had been exceptionally high in 1959.

For the first eleven months the overall trade deficit rose from Fr. 6.4 billion in 1959 to Fr. 7.8 billion. The Fr. 4.4 billion deficit

shown at the end of the first ten months of 1959 in relation to the European Economic Community countries disappeared completely in 1960, chiefly as the result of a further reduction of the deficit on trade with Federal Germany. For the period considered the exports to that country increased by Fr. 7.3 billion, of which Fr. 2.1 billion

**Geographical Distribution
of the External Trade of the Belgian-Luxemburg Economic Union**

Source : National Statistical Institute. Calculations by the Research and Documentation Department.

Area	Imports c.i.f.			Exports f.o.b.		
	1953	1959	1960 (first 10 months)	1953	1959	1960 (first 10 months)
A. Values : (monthly averages, in millions of francs)						
European Economic Community .	3,895	6,749	7,798	3,617	6,346	7,826
of which : Netherlands	1,385	2,264	2,410	1,677	2,917	3,283
Federal Germany ⁽¹⁾	1,239	2,344	2,767	876	1,822	2,468
France ⁽¹⁾	1,117	1,804	2,225	755	1,247	1,604
Sterling Area	1,912	2,304	2,168	1,293	1,490	1,643
of which : United Kingdom ...	913	1,195	1,197	732	812	827
North America	1,279	1,549	1,818	1,090	1,996	1,717
Latin America ⁽²⁾	773	627	760	371	701	655
Ex-Belgian Congo and Ruanda- Urundi	755	816	1,055	551	378	281
Eastern Europe	244	466	491	378	373	563
Other Countries	1,236	1,830	2,249	2,114	2,446	2,910
Total ...	10,094	14,341	16,339	9,414	13,730	15,595
B. In per cent of Total Values :						
European Economic Community .	38.6	47.1	47.7	38.4	46.2	50.2
of which : Netherlands	13.7	15.8	14.7	17.8	21.2	21.1
Federal Germany ⁽¹⁾	12.3	16.3	16.9	9.3	13.3	15.8
France ⁽¹⁾	11.1	12.6	13.6	8.0	9.1	10.3
Sterling Area	18.9	16.1	13.3	13.7	10.9	10.5
of which : United Kingdom ...	9.0	8.3	7.3	7.8	5.9	5.3
North America	12.7	10.8	11.1	11.6	14.5	11.0
Latin America ⁽²⁾	7.7	4.4	4.6	3.9	5.1	4.2
Ex-Belgian Congo and Ruanda- Urundi	7.5	5.7	6.5	5.9	2.8	1.8
Eastern Europe	2.4	3.2	3.0	4.0	2.7	3.6
Other Countries	12.2	12.7	13.8	22.5	17.8	18.7
Total ...	100.0	100.0	100.0	100.0	100.0	100.0

⁽¹⁾ Since the beginning of July, 1959 the Saar has been included in Germany, whereas previously it formed part of France.

⁽²⁾ Excluding the overseas territories forming part of the Sterling Area.

was in steel products and Fr. 1 billion in textiles. At the same time the imports from that country showed an increase of Fr. 4.5 billion, particularly in motor vehicles, machinery and base metals.

The large deficit which had appeared in 1959 on the balance of trade with France following the monetary measures adopted in that country became greater in 1960, the imports from it having risen by Fr. 4.8 billion as against Fr. 4.2 billion for the exports to it.

In relation to the Netherlands the trade surplus rose further above the 1959 level as the result of increases which were more marked in exports than in imports. The increase of sales related especially to textile and steel products as well as to machinery and automobiles.

Per contra the Fr. 5.2 billion surplus shown on trade with the United States in the first ten months of 1959 was replaced by an Fr. 0.8 billion deficit; this was the combined result of the fall shown in exports to that country of steel products (minus Fr. 1.6 billion) and diamonds (minus Fr. 0.9 billion) and of a substantial increase in the Belgian-Luxemburg Economic Union's imports, principally of aircraft (plus Fr. 1.2 billion), machinery (plus Fr. 0.8 billion) and cotton (plus Fr. 0.9 billion).

The deficit in relation to the sterling area was reduced by Fr. 3 billion through an increase in exports, more especially of steel products sent to the United Kingdom and to various Asiatic countries belonging to the area.

Similarly an increase in imports from Latin American countries, chiefly Peru and Brazil, converted into a deficit the trade surplus which had been recorded in 1959 in relation to that group of countries.

Finally the deficit on trade with the Congo increased by Fr. 3.7 billion owing to a rise in imports, particularly of ores and non-ferrous metals, together with an appreciable reduction of exports.

Rome Treaty continued at the intended pace. It may be recalled that it was on 1st January, 1959, one year after the Treaty came into force, that the first demobilisation measures were put into effect. As from that date the member countries granted each other a 10 per cent reduction of their import duties as these existed on 1st January, 1957. On 1st July, 1960 a further reduction of 10 per cent was effected on the same basis, so that the tariff reduction which has so far taken place equals 20 per cent of the import duties in the Benelux tariff.

The putting into force by member countries of the Rome Treaty's provisions also continued as regards the progressive removal of quotas. In particular the European Economic Commission's review of the quotas applied by member countries for 1960 showed that, at least for the industrial sector as a whole, they largely conformed to the requirements of the Rome Treaty as to the progressive eliminating of quantitative restrictions. The examining of questions relating to the common tariff also formed the subject of various decisions taken and proposals made by the Council of Ministers and by the Commission mentioned.

Apart from this the Council of Ministers of the Community on 12th May, 1960 adopted a « decision as to quickening the rate of achievement of the Treaty's objects ». Actual application of this decision with effect from 1st January, 1961 was ordered by the Council of Ministers on 20th December, 1960. The result on the plane of intra-Community exchanges was a third 10 per cent lowering of import duties. This reduction however, which is being made a year in advance of the Treaty time-table, relates only to industrial products. For non-liberalised agricultural products the reduction is 5 per cent. On the other hand no acceleration has been laid down for those farm products which are liberalised. Up to 1st January, 1961 the import duties inside the Community had thus been reduced by 30 per cent for industrial products, by 25 per cent for unliberalised farm products and by 20 per cent for liberalised farm products.

As regards the common external tariff the first stage in closing the gap between this latter and the national tariffs, except for farm products, was also completed with effect from 1st January, 1961, that is a year in advance. The gap between the rates charged on 1st January, 1957 and those in the common tariff less 20 per cent has been narrowed in accordance with the arrangements laid down in Article 23 of the Treaty.

From 1st January, 1961 onwards a Customs charge equal to 25 per cent of the duties laid down by the common external tariff has been applied to goods exported to any member country of the Community where they have been wholly or partly manufactured out of products imported from non-member countries.

Finally, as regards quotas, it has been decided that quantitative restrictions on imports of industrial products within the Community shall completely disappear on 31st December, 1961. As to the quotas relating to farm products, these were enlarged with effect from 1st January, 1961.

The Council of Ministers has sent to the Economic and Social Committee and to the European Parliamentary Assembly, for advice, two proposals made by the European Economic Commission with a view to suppressing restrictions on freedom of establishment and on the free rendering of services. Apart from this a number of decisions affecting the member countries' economic and social policy have been adopted by the Council. Thus for instance a Cyclical Policy Committee and a European Social Fund have been set up. Finally certain directives have been given with regard to the free movement of capital and the terminating of various forms of discrimination in connection with transport.

**ANALYSIS OF THE
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR 1960**

ASSETS

The gold holding is valued on the basis of the legal parity of the franc. **Gold Holding**

It amounted on 31st December, 1960 to Fr. 58,524,922,734.—
and consisted of :

Gold in foreign countries	Fr. 58,150,272,785.—
Gold in Belgium	Fr. 374,649,949.—
	Fr. 58,524,922,734.—

On 31st December of the previous year the gold holding amounted to Fr. 56,692,868,764.—.

The countervalue of the Bank's foreign currency assets convertible into gold or dollars and deposited with its correspondents abroad amounted on 31st December, 1960 to Fr. 12,605,328,665.—. **Foreign Currencies**

On 31st December, 1959 the corresponding assets had amounted to Fr. 4,407,511,386.—.

**Foreign Currencies
and Gold Receivable**

The amount of Fr. 6,774,429,798.— which appears in the present Balance Sheet in the item « Foreign Currencies and Gold Receivable » has its counterpart on the liabilities side under the title « Foreign Currencies and Gold to be Delivered » (1). It corresponds to the countervalue of sundry currencies purchased by the Bank on forward terms against other currencies.

In the Balance Sheet of 31st December, 1959 this item appeared at Fr. 223,684,436.—.

**International
Agreements**

(Laws of 28th July,
1948 and 19th June,
1959)

The claims on foreign countries under international agreements were subdivided as follows :

	On 31st December, 1959	On 31st December, 1960
a) European Payments		
Union Fr.	5,536,380,550.—	3,509,081,739.—
b) European Monetary		
Agreement	—	—
c) International Monetary		
Fund Fr.	4,387,706,338.—	4,387,706,338.—
d) Other Agreements	—	—

The essential characteristics of each of these subdivisions are set forth below.

a) *European Payments Union.*

The Agreement on the establishment of a European Payments Union having terminated on 29th December, 1958, Belgium's residual claim on that organisation, amounting on 15th January, 1959 to Fr. 6,992,092,800.—, was apportioned in conformity with the provisions of the Agreement (2).

The bilateral claims and debt resulting from this apportionment formed the subject, as between the Belgian Government and the Government of each country concerned, of new or complementary

(1) See page 113 of this Report.

(2) See the Report on the Activities of the Bank in 1959, page 93.

agreements for consolidation and repayment except in the case of the claims on the Netherlands, Switzerland, Italy, Portugal and Austria, which were fully repaid in March and April, 1959.

The Bank provides for execution of the consolidation and repayment agreements in accordance with its Convention of 16th April, 1959 with the Belgian Government ⁽¹⁾.

In the course of 1960 the Bank received from abroad, and credited to the « Public Treasury, E.P.U. Special Liquidation Account », repayments totalling Fr. 3,417,756,288.—

By the debit of this account it effected repayment of the balance of Belgium's debt to Germany, amounting to Fr. 1,390,988,836.—

The amount available, namely Fr. 2,026,767,452.— was credited to the asset account « European Payments Union ».

The state of the accounts relating to liquidation of the European Payments Union consequently changed as follows :

on the assets side :

	On 31st December, 1959	On 31st December, 1960
European Payments Union Fr.	5,536,380,550.—	3,509,081,739.—

on the liabilities side :

Public Treasury, E.P.U. Special Liquidation Account Fr.	531,359.—	—
Net amount Fr.	5,535,849,191.—	3,509,081,739.—

⁽¹⁾ See the Report on the Activities of the Bank in 1959, page 94.

The repayments received and effected during the past year were as follows :

	Ordinary repayments	Anticipated repayments	Total
1) Repayments received from abroad :			
France	300,150,000	898,468,350	1,198,618,350
United Kingdom	1,224,566,500	—	1,224,566,500
Norway	169,200,000	—	169,200,000
Denmark	200,000,000	300,000,000	500,000,000
Sweden	70,000,000	194,408,050	264,408,050
Turkey	32,123,388	—	32,123,388
Greece	17,520,000	—	17,520,000
Iceland	11,320,000	—	11,320,000
	<u>2,024,879,888</u>	<u>1,392,876,400</u>	<u>3,417,756,288</u>
2) Repayments effected by Belgium :			
Federal Republic of Germany	—	1,390,988,836	1,390,988,836
	<u>2,024,879,888</u>	<u>1,887,564</u>	<u>2,026,767,452</u>

Belgium's debt towards the Federal Republic of Germany was completely cleared off before the due date.

The sums remaining due to Belgium from various countries, making a total of Fr. 3,509,081,739.—, and the contractual repayments receivable during the 1961 accounting year, namely Fr. 1,404,629,888.—, are made up as follows :

	Balances on 31st December, 1960	Repayments due in 1961
France (1)	1,690,975,000	—
United Kingdom	1,225,116,500	1,225,116,500
Norway	304,650,000	120,650,000
Turkey	163,293,889	32,123,388
Greece	88,654,450	17,520,000
Iceland	36,391,900	9,220,000
	<u>3,509,081,739</u>	<u>1,404,629,888</u>

(1) The repayments will be resumed on 15th January, 1962.

In virtue of the above-mentioned Convention of 16th April, 1959 the Government pays each year to the Bank an amount of interest equal to the difference between the interest received by Belgium and the interest paid by it in accordance with the bilateral consolidation agreements.

b) *European Monetary Agreement.*

Under the heading « International Agreements : b) European Monetary Agreement », which appears on the assets side of the Balance Sheet, there are entered any Belgian franc advances which may be granted by the Bank to Central Banks of E.M.A. countries in accordance with the provisions of the Agreement.

The said Convention of 16th April, 1959 between the Government and the Bank regulates the special arrangements for the Bank's action in execution of the European Monetary Agreement (1).

The advances granted by the Bank since the coming into force of the European Monetary Agreement have been regularly repaid at the ends of months. Just as on 31st December, 1959, no amount appears on this account in the Balance Sheet.

The rate of interest payable by the debtor countries is fixed by the Board of Management of the European Monetary Agreement. In 1960 it was successively 2 1/2 and 3 per cent.

The interest on the advances granted by the Bank accrues to the Bank.

c) *International Monetary Fund.*

The account « International Agreements : c) International Monetary Fund » is governed by the Conventions concluded between the Government and the Bank on 1st August, 1959 and 14th October, 1959 with a view to regulating the special arrangements for the Bank's

(1) See the Report on the Activities of the Bank in 1959, pages 96 and 97.

action in financing the Government's obligations to the International Monetary Fund (1).

No new transaction was effected during 1960 in pursuance of these Conventions.

The balance of this account is thus unchanged at Fr. 4,387,706,338.—.

It corresponds to the amounts paid to the International Monetary Fund in gold, in dollars or in Belgian francs.

The difference between these amounts and the total amount of Belgium's participation is represented by Treasury Bills deposited and held in the name of the Fund (2).

If the International Monetary Fund should decide to encash all or part of these Treasury Bills with a view to transferring Belgian francs to other member countries, or in order to cover expenditure of its own, the Bank would supply the necessary Belgian francs in relief of the Government.

Per contra, if Belgium used the Fund's resources, the foreign currencies would be delivered to the Bank against payment of their countervalue in Belgian francs to the Fund's account in the Bank's books; these Belgian francs would be kept on that account, which would be entered on the liabilities side of the Balance Sheet under a separate heading.

The Government pays to the Bank, on the Belgian francs supplied to the Fund in relief of the Government, an allowance of 0.50 per cent per annum.

d) *Other Agreements.*

The item « International Agreements : d) Other Agreements » is reserved for recording any foreign currency or Belgian franc claims on

(1) See the Report on the Activities of the Bank in 1959, page 97.

(2) See Memorandum Accounts on page 120 of the present Report.

foreign countries, not taking part in the European Monetary Agreement, with which Belgium has concluded payment agreements.

The advances to be granted in virtue of these agreements are governed by the Convention of 25th February, 1947 between the Government and the Bank, and by that of 1st July, 1959 between the Government, the Bank and the National Industrial Credit Company (1).

The interest payable to the Bank is calculated at the rate of discount for bills accepted payable at a bank.

No advance was outstanding on 31st December, 1960.

The liabilities towards the Bank of buyers of foreign currencies or of gold, deliverable at forward dates against payment in Belgian francs, are shown in the item « Debtors in respect of Foreign Exchange and Gold at Forward Dates » (2).

Debtors in respect
of Foreign Exchange
and Gold at
Forward Dates

These liabilities appear in the Balance Sheet as at 31st December, 1960 at a sum of Fr. 11,821,228,987.—

On 31st December, 1959 they amounted
to Fr. 1,205,209,600.—

The holding of commercial bills includes, apart from the discounted bills payable in Belgium, the discounted Belgian franc bills payable abroad.

Commercial Bills

The figures at 31st December, 1959 and 31st December, 1960 compare as follows :

	On 31st December, 1959	On 31st December, 1960
Bills on Belgium . Fr.	7,559,416,246.—	6,772,593,123.—
Belgian franc bills on foreign countries . . Fr.	451,860.—	255,059.—
Total . . Fr.	7,559,868,106.—	6,772,848,182.—

(1) See the Report on the Activities of the Bank in 1959, page 100.
(2) See page 113 of the present Report.

**Advances against
Pledged Security**

The advances made against pledged security in accordance with the provisions of Article 17, paragraphs (5) and (8) of the Statutes amounted on 31st December, 1960 to . . . Fr. 50,847,643.—

The total on 31st December, 1959 was . Fr. 102,500,922.—

Public Securities
(Article 20 of the
Statutes.
Conventions of 14th
September, 1948
and 15th April, 1952)

The holding of public securities amounted on 31st December, 1960 to Fr. 6,040,000,000.— against Fr. 8,215,000,000.— on 31st December, 1959.

This holding comprises securities acquired by the Bank in accordance with the Conventions, mentioned in the margin, concluded between it and, on the one hand, the Belgian Government, and on the other hand the Luxemburg Government, in application of Article 20 of the Bank's Statutes.

It may not exceed ten billion francs in the case of certificates issued by the Belgian Government or by institutions whose liabilities that Government guarantees, and Fr. 333 million in the case of those issued by the Luxemburg Government.

Just as on 31st December, 1959, the Bank on 31st December, 1960 held only certificates of the Belgian Treasury. No transaction was effected during the year 1960 either in securities issued by institutions whose liabilities are guaranteed by the Government, or in other Belgian public securities, or in certificates of the Luxemburg Treasury.

The advances granted by the Bank under the provisions of the Conventions mentioned above are charged at the Bank's rate of discount for bills accepted payable at a bank, except as regards a sum of Fr. 2,465,000,000.— representing the part of the Belgian Government's debt to the Bank which, on 13th September, 1948, exceeded the consolidated amount of Fr. 35 billion.

The interest produced by the holding of public securities appears among the receipts entered on the credit side of the Profit and Loss Account in the item « Discount, Exchange, Interest and Commissions ».

In accordance with Article 37 of the Statutes, amended by the General Meeting's Resolution of 29th July, 1959, the profit arising for the Bank from the difference between interest at 3 per cent and the interest rate charged on its discount, advance and loan transactions is paid to the Government by the debit of the Profit and Loss Account. This provision applies both to the transactions in public securities and to the transactions recorded in the asset accounts entitled « Commercial Bills », « Advances against Pledged Security » and « International Agreements : d) Other Agreements ».

The breakdown of the Treasury notes and coin is as follows :

	On 31st December, 1959	On 31st December, 1960	Treasury Notes and Coin
a) Divisional currency :			
Treasury notes . . . Fr.	114,700,620.—	114,797,435.—	
Silver coin . . . Fr.	497,786,660.—	472,547,560.—	
b) Small coin . . . Fr.	32,775,830.70	29,613,859.—	
	Fr. <u>645,263,110.70</u>	<u>616,958,854.—</u>	

The limit on the Bank's holding of coin and notes circulating for account of the Treasury, which has been fixed at Fr. 700 million in accordance with the Conventions existing between the Minister of Finance and the Bank, is subject to the following provisions laid down on 14th October, 1955 :

1) if the limit is exceeded in all the weekly returns published during a given month, the Bank will invite the Treasury to pay to it on the date of the last return for that month the average excess for the month in question;

2) if despite the payment so effected the Bank's holding of Treasury notes and coin should remain during the following month at a level higher than Fr. 700 million, the Bank will request the Treasury to pay to it on the date of the last weekly return for that

month the total amount which on that date exceeds the contractual limit of Fr. 700 million.

There was no need for these provisions to come into play during 1960.

**Balances
at the Postal
Cheque Office**

The Bank's balances at the Postal Cheque Office amounted to the following :

on 31st December, 1960	Fr.	1,424,144.—
on 31st December, 1959	Fr.	1,894,917.—

**Consolidated Claim
on the Government**
(Article 3,
paragraph b
of the Law of
28th July, 1948
and Article 3
of the Law of
19th June, 1959)

The Bank's consolidated claim on the Government, originally amounting to Fr. 35 billion, appeared in the Balance Sheet for 31st December, 1959 at Fr. 34,029,880,281.90

In 1960 it was reduced to Fr. 34,000,000,000.— through use of the Government's share in the Bank's profits.

It was fixed at this figure in pursuance of Article 3 of the Law of 19th June, 1959, which reduced from five to one billion francs the repayments laid down by Article 3, paragraph b of the Law of 28th July, 1948 concerning the reorganisation of the Bank's Balance Sheet.

**Public Long-term
Securities**
(Articles 18 and 21
of the Statutes)

The public long-term securities and other securities acquired under Articles 18 and 21 of the Statutes amounted to the following :

on 31st December, 1960	Fr.	2,519,428,863.—
on 31st December, 1959	Fr.	2,468,615,054.—

<p>The « Items Receivable » appeared in the Balance Sheet on 31st December, 1960 at Fr. 524,154,389.— as compared with Fr. 318,324,157.99 on 31st December, 1959.</p>	<p>Items Receivable</p>
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The current transactions entered under this head consist in cheques, coupons and redeemable securities for collection, in amounts receivable from third parties in connection with transactions in securities or foreign currencies and the printing of notes and printer's sundries, as well as in postage or revenue stamps.

There was also shown there on 31st December, 1960 the amount of the reductions of Income Tax and National Crisis Tax, on the dividend relating to the year 1958, of which the Bank was advised on 8th December, 1960.

<p>After rounding off to the nearest franc the value of land and buildings appeared in the Balance Sheet for 31st December, 1960 at Fr. 1,519,047,361.—</p>	<p>Premises, Furniture and Equipment</p>
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<p>In the Balance Sheet for 31st December, 1959 it stood at Fr. 1,507,643,088.92</p>	
--	--

The increase of Fr. 11,404,273.— represents the amounts spent during 1960 on purchase of a building at Brussels and, in addition, the completion of work in progress at Brussels and in the provinces.

The furniture and equipment, having been completely written off, are included in this item only « pro memoria ».

<p>The item « Securities of the Staff Pension Fund » has on the liabilities side its counterpart entitled « Staff Pension Fund ». It was shown in the Balance Sheet for 31st December, 1960 at Fr. 1,074,994,576.— against, on 31st December, 1959 Fr. 1,032,091,546.—</p>	<p>Securities of the Staff Pension Fund</p>
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The increase of Fr. 42,903,030.— results from the ordinary grant of Fr. 38,350,000.— paid by the Bank, from the premiums on redemption and lottery prizes collected during the year, and from the deductions from staff salaries and wages, less the out-payments effected by the Fund.

The Bank's contribution towards the payment of pensions amounted in 1960 to Fr. 12,532,277.— against Fr. 15,451,204.— in 1959.

The amount of this contribution for the year 1960 was abnormally low; it was affected by the use of reserves released for the period from 1st January, 1955 to 31st December, 1959 as regards the workers, and from 1st July, 1957 to 31st December, 1959 as regards the clerical staff (¹), following the provisions adopted in 1959 in agreement with the members with a view to avoiding in future the cumulation of statutory pensions with the pensions paid by the Staff Pension Fund.

**Assets Written
Off pending
Collection**

Under the heading « Assets Written Off pending Collection » there are shown « pro memoria » those assets which cannot serve as counterpart for the Bank's sight liabilities because of uncertainty as to the date when they can be realised, or as to whether they can be realised at all.

The sum of Fr. 24,000.—, credited to the Profit and Loss Account on 31st December, 1960 in respect of the item « Amounts collected on Assets Written Off pending Collection », represents the proceeds of recovery of disputed claims.

(¹) The statutory arrangements applicable :

1) to the workers;

2) to the clerical staff;

form the subject, respectively, of the Laws of 21st May, 1955 (*Moniteur belge* of 19th June, 1955) and 12th July, 1957 (*Moniteur belge* of 21st July, 1957).

On 31st December, 1960 the Transitory Assets consisted of the following : Transitory Assets

a) Fractional interest receivable on claims resulting from international agreements . Fr.	54,088,408.—
b) Fractional interest receivable on investments abroad Fr.	11,311,633.—
c) Fractional interest receivable on public long-term securities acquired in accordance with the Statutes Fr.	58,032,642.—
d) Fractional moratory interest on reduction of Income Tax and of National Crisis Tax (1) Fr.	13,499,913.—
e) Provision for the making of bank notes and printer's sundries, for the staff restaurant and the Premises Department Fr.	31,890,656.—
f) Claim on the Ministry of National Defence for repayment of cash removed by secret formations during the occupation . . . Fr.	2,173,265.—
Following execution of the Judgment given at the end of 1958 by the Court of First Instance at Huy the Bank has so far been able to recover Fr. 70,135.— on this claim, which originally amounted to Fr. 2,243,400.—.	
g) Securities of the Centenary Fund. The income on this Fund, which was created on the occasion of the Bank's centenary, permits the provision of prizes and rewards for particularly deserving clerical employees and workmen Fr.	2,698,340.—
Carried forward . . Fr.	173,694,857.—

(1) See page 107 of the present Report.

	Brought forward . . Fr.	173,694,857.—
<i>h)</i>	Balances with foreign correspondents, being foreign exchange blocked in pursuance of foreign countries' exchange legislation . Fr.	178,221.—
	(The counterpart of the three last items <i>f</i>), <i>g</i>) and <i>h</i>) appears among the Transitory Liabilities.)	
	Total . . Fr.	<hr/> 173,873,078.—

LIABILITIES

On 31st December, 1960 the amount of notes of the Bank in circulation was Fr. 124,090,392,400.— Bank Notes
in Circulation

On 31st December, 1959 it was Fr. 118,324,567,600.—

These totals were made up as follows, by denominations :

	On 31st December, 1959	On 31st December, 1960
Fr. 1,000	Fr. 103,274,215,000.—	108,414,714,000.—
Fr. 500	Fr. 8,119,613,500.—	8,344,313,500.—
Fr. 100	Fr. 6,930,739,100.—	7,331,364,900.—
Total	Fr. 118,324,567,600.—	124,090,392,400.—

The breakdown of the balances on « Current and Sundry Accounts » was as follows : Current and
Sundry Accounts

	On 31st December, 1959	On 31st December, 1960
Public Treasury, Ordinary Account Fr.	6,660,434.67	24,281,720.—
Public Treasury, Exceptional Counter- Cyclical Tax (Law of 12th March, 1957) . Fr.	494,404,846.25	184,899,460.—
Public Treasury, E.P.U. Special Liquidation Account Fr.	531,359.—	—
Banks in Foreign Countries, Ordinary Accounts . Fr.	252,232,801.—	308,369,930.—
Carried forward . . Fr.	753,829,440.92	517,551,110.—

Brought forward : Fr.	753,829,440.92	517,551,110.—
Institutions Governed by a Special Law, and Public Authorities . . . Fr.	280,244,880.72	549,898,935.—
Banks in Belgium . . Fr.	2,267,282,647.—	1,026,783,069.—
Individuals . . . Fr.	243,865,257.—	300,881,690.—
Items Payable . . . Fr.	370,425,409.50	728,520,460.—
Fr.	<u>3,915,647,635.14</u>	<u>3,123,635,264.—</u>

Under the head « Items Payable » there appear the following liabilities : letters of credit; cheques payable at a place other than that on which they are drawn; payment orders; dividends; the equivalent of foreign exchange due to outside parties; taxes payable; payments to be made to suppliers of goods and to the National Social Insurance Office; credit advices pending; and transactions in course of settlement which will later give rise to payments or to the crediting of current accounts.

**International
Agreements**
(Laws of 28th July,
1948 and 19th June,
1959)

The following table compares, as between 1959 and 1960, the net liabilities to foreign countries under international agreements :

	On 31st December, 1959	On 31st December, 1960
European Monetary Agreement . . . Fr.	343,909,830.—	249,129,358.—
Other Agreements . . Fr.	223,787,366.—	263,368,377.—
Fr.	<u>567,697,196.—</u>	<u>512,497,735.—</u>

**Total Sight
Liabilities**

The sight liabilities are the sum of the bank notes in circulation, the current and sundry accounts, and the liabilities to foreign countries under payment agreements.

On 31st December, 1960 they amounted to Fr. 127,726,525,399.— as against Fr. 122,807,912,431.14 on 31st December, 1959.

In the same way as on 31st December, 1959 the liabilities shown on 31st December, 1960 in the item « Foreign Currencies and Gold to be Delivered » comprise only transactions concluded in foreign currencies.

Foreign Currencies
and Gold to be
Delivered

Their countervalue was Fr. 18,643,720,641.— as against Fr. 1,436,125,080.— a year before.

Except for a small amount of foreign currencies to be delivered spot, these liabilities consisted of foreign currencies deliverable at forward dates :

- a) against other foreign currencies to the extent of the amount appearing on the assets side under « Foreign Currencies and Gold Receivable », that is Fr. 6,847,114,853.—
- b) against payment in Belgian francs to the extent of the amount appearing on the assets side under « Debtors in respect of Foreign Exchange and Gold at Forward Dates », that is Fr. 11,768,649,637.—

The Bank's net position in foreign currencies on 31st December, 1960 was as follows :

Assets	
Foreign Currencies	Fr. 12,605,328,665.—
Foreign Currencies and Gold Receivable . .	Fr. 6,774,429,798.—
Total . .	Fr. <u>19,379,758,463.—</u>
Liabilities	
Foreign Currencies and Gold to be Delivered .	Fr. 18,643,720,641.—
Net asset . .	Fr. <u>736,037,822.—</u>

On 31st December, 1960, therefore, the forward liabilities did not affect the gold holding.

The increase of the amount appearing on the assets side in the item « Debtors in respect of Foreign Exchange and Gold at Forward Dates » is due to the movement of the Belgian Government's indebtedness in foreign currencies. When the Treasury borrows foreign currencies at short term, most frequently at three or six months, it sells them to the Bank spot and repurchases them from the Bank forward, on the same day, so as to fix the exchange rate which it will have to pay at maturity. The purchase and the sale are effected at the same rate, and without expense for the Treasury.

The increase of the amount appearing in the assets under the head « Foreign Currencies and Gold Receivable » is on the other hand only an indirect consequence of that movement. In fact the Bank is able without running any exchange risk to retain, until the maturity dates, the foreign currencies sold forward to the Treasury. Naturally it does not leave its asset unproductive. It is not however always able to make an investment in the currency which the Treasury has sold to it. The arbitrage transactions which in practice it has to carry out are recorded in the items entitled « Foreign Currencies and Gold Receivable » and « Foreign Currencies and Gold to be Delivered », but they leave the net asset in foreign currencies unaffected because their liquidation restores the previous state of affairs. In other words, at the end of the period the actual outflow of exchange does not exceed the amount of the foreign currencies, to be delivered to the Treasury against payment of their countervalue in Belgian francs, entered in the account « Debtors in respect of Foreign Exchange and Gold at Forward Dates ».

Staff Pension Fund

The item « Staff Pension Fund » has, as its counterpart on the assets side, the Securities of the Staff Pension Fund.

It amounted on 31st December, 1960 to Fr.	1,074,994,576.—
against, on 31st December, 1959 Fr.	1,032,091,546.—

On 31st December, 1960 the Transitory Liabilities were as follows :

**Transitory
Liabilities**

a) Unaccrued discount on bills and Treasury Certificates held Fr.	53,155,313.—
b) Instalments paid by outside parties . . Fr.	61,508.—
c) Cash removed by secret formations during the occupation, to be recovered Fr.	2,173,265.—
d) Centenary Fund. Fr.	2,698,340.—
e) Creditors in respect of blocked currencies Fr. The counterpart of the three items c), d) and e) is included in each case in the Transitory Assets.	178,221.—
f) Provision for expenses of acquiring, selling and shipping gold Fr.	30,000,000.—
g) Provision for building of premises and purchasing equipment Fr.	140,979,287.—
h) Provision for Taxes Fr.	96,018,691.—
i) Provision against Sundry Contingencies . Fr.	230,000,000.—
Total . . Fr.	555,264,625.—

The transactions recorded during 1960 in the account « Provision for Taxes » may be subdivided as follows :

Balance as at 1st January, 1960 Fr.	68,468,099.72
Payments of taxes effected in 1960, consisting almost entirely of the National Crisis Tax on the dividend payable on 1st March, 1960, together with an additional amount of Earned Income Tax relating to the earnings for the 1957 accounting year Fr.	52,049,408.—
Carried forward . . Fr.	16,418,691.72

Brought forward . . . Fr.	16,418,691.72
A transfer appearing on the debit side of the Profit and Loss Account with a view to payment of the taxes on income, as well as the Land and Buildings Tax and the miscellaneous taxes which the Bank expects to have to meet in 1961 . . . Fr.	
	79,600,000.—
Balance as at 31st December, 1960 Fr.	96,018,691.72
Rounded off to Fr.	96,018,691.—

The Land and Buildings Tax and the miscellaneous taxes had not hitherto formed the subject of any provision. In 1960 the Bank paid on this account Fr. 7,256,302.—, included in the General Expenses. Henceforth all taxes of whatever kind falling on the Bank will be included in the Provision for Taxes, and their payment will be charged to this.

Capital

The Capital of Fr. 400,000,000.— is divided into 400,000 shares of Fr. 1,000 each, registered or to bearer, including 200,000 registered and untransferable shares in the name of the Government.

Reserve Funds

The Reserve Funds, which are provided under Article 14 of the Bank's Statutes, comprise the following items :

	On 31st December, 1959	On 31st December, 1960
Statutory Reserve . . . Fr.	461,723,780.20	497,505,363.—
Extraordinary Reserve . Fr.	254,233,244.72	260,416,520.—
Account for Depreciation of Premises, Furniture and Equipment Fr.	1,372,654,088.92	1,375,073,096.—
Total . . . Fr.	2,088,611,113.84	2,132,994,979.—

The increase arises from the share in the distribution of the profits as at 31st December, 1959 which went to the Statutory

Reserve, plus the sum of Fr. 2,419,008.— which was applied on 31st December, 1960 to writing off the year's expenses relating to the building of new premises for the Bank, less Fr. 1.84 in respect of rounding off the balance of these three items to the nearest franc.

The difference between the amount of the asset item « Premises, Furniture and Equipment » and that of the liability item « Account for Depreciation of Premises, Furniture and Equipment », namely a sum of Fr. 143,974,265.—, represents a reasonable valuation of the land.

In addition the Extraordinary Reserve was increased by debiting the Profit and Loss Account with Fr. 6,183,276.—, being the amount of the tax-exempted part of the profits earned in 1960 on the sale and encashment of securities comprising the Bank's holding of Public Long-term Securities.

Article 8 of the Law of 8th March, 1951, amending the laws and decrees relating to taxes on income, provides in certain circumstances for exempting all or part of these profits from tax. According to Article 27, paragraph 2bis of these coordinated laws the part thus immunised must remain unavailable. It amounted on 31st December, 1960 to a total of Fr. 14,455,395.—.

The favourable balance on the Profit and Loss Account, which forms the net profit to be distributed in accordance with Article 38 of the Statutes, amounts to Fr. 382,775,131.— as against Fr. 379,720,159.93 on 31st December, 1959.

**Net Profit
for Distribution**

MEMORANDUM ACCOUNTS

**Minister of Public
Instruction :**
Balance for his
account at the
Postal Cheque
Office (Schools Pact,
Law of 29th May,
1959, Article 15)

The Memorandum Account « Minister of Public Instruction : Balance for his account at the Postal Cheque Office (Schools Pact, Law of 29th May, 1959, Article 15) » is published in the Bank's weekly return below the total of the liabilities.

Its counterpart « Postal Cheque Office : Balance for account of the Minister of Public Instruction (Schools Pact, Law of 29th May, 1959, Article 15) » appears in the weekly return below the total of the assets Fr. 2,113,511,836.—

Items for Collection

The items — bills of exchange, foreign currencies, etc. — which had been lodged for collection by holders of current accounts or by foreign correspondents amounted on 31st December, 1960 to Fr. 38,400,404.—

**Documentary
Credits Opened**

Under the head « Documentary Credits Opened » there appear the import credits opened by the Bank for public financial institutions and for Belgian companies or firms which are customers of its Discount Agencies, as well as

export credits opened by foreign Central Banks Fr.	7,653,871.—
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<p>The bank or commercial acceptances which were in circulation on 31st December, 1960 and carried the Bank's certificate, in virtue of which the Bank undertakes to discount them whenever they shall have not longer than 120 days to run, in so far as they conform to the conditions laid down at the time of certification, amounted to Fr.</p>	<p>Certification of Acceptances relating to Exports and Imports</p> <p>5,677,362,818.—</p>
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<p>The Bank has given to an international institution an undertaking to repurchase on the day before their maturity certain Congo Treasury Bills, amounting to a total of 20 million U.S. dollars, which were issued on 19th May, 1960 at six months with a guarantee from the Belgian Government and were prolonged to 16th March, 1961.</p>	<p>Undertaking given to an International Institution</p>
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<p>This undertaking was assumed at the request of the Minister of Finance, who for his part promised the Bank that he would ensure that in accordance with the existing conventions his account should on the day before the date of maturity hold sufficient funds Fr.</p>	<p>1,000,000,000.—</p>
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<p>The breakdown of the Sundry Deposits is as follows :</p>	<p>Sundry Deposits</p>
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<p>Bonds of the Currency Reform Loan Fr.</p>	<p>1,152,000.—</p>
<p style="padding-left: 100px;">Carried forward . . . Fr.</p>	<p style="border-top: 1px solid black;">1,152,000.—</p>

Brought forward . . . Fr.	1,152,000.—
International Monetary Fund Fr.	12,486,793,661.—
International Bank for Reconstruction and Development Fr.	290,634,057.—

The sums appearing in respect of the items « International Monetary Fund » and « International Bank for Reconstruction and Development » represent the amount of Belgian Treasury Bills held in the name of each of these institutions.

The bills in question, delivered by the Belgian Government in respect of Belgium's quota to the appropriate extent, are payable at sight and do not bear interest.

In accordance with the Convention of 1st August, 1959 and the additional Convention of 14th October, 1959, both concluded between the Government and the Bank regarding Belgium's participation in the International Monetary Fund, the Bank is required to supply out of its own funds, in the name and for account of the Government and in relief of the latter, the Belgian francs needed in case the Fund should encash all or part of these bills.

Other Deposits Fr.	74,439,397,704.—
Total . . . Fr.	<u>87,217,977,422.—</u>

Securities received
by way of
Guarantee from
outside parties

The Securities received by way of Guarantee from outside parties comprise the items below :

Cover for advance limits against Pledged Security Fr.	<u>22,298,091,445.—</u>
Carried forward . . . Fr.	22,298,091,445.—

Brought forward . . . Fr.	22,298,091,445.—
Guarantees given by persons lodging bills for discount Fr.	7,814,650.—
Sundry Guarantees Fr.	216,849,303.—
Security provided in Commercial Bills by Borrowers of Call Money Fr.	991,102,697.—
Total . . . Fr.	23,513,858,095.—

The Guarantee Certificates received from the Public Treasury cover the advances granted by the Bank for the purpose of carrying out international agreements, this being in accordance with the provisions of the Law of 28th July, 1948, which amended Decree Law No. 5 of 1st May, 1944 relating to the terms for purchase and sale of gold and foreign currencies Fr.

Guarantee
Certificates
received from
the Public
Treasury

1,020,000,000.—

These guarantees, given by the Bank to certain Discount Agencies in respect of loans granted by the General Savings and Pensions Fund to members of the Bank's staff to enable them to build or buy their house, amount to Fr.

Guarantees given
on behalf
of the Staff

183,132,593.—

In 1959 the Bank undertook a commitment to subscribe for Fr. 600,000,000 of the Fr. 3 billion loan to be issued by the National Foundation for Financing Scientific Research Fr.

Commitment
towards
the National
Foundation for
Financing
Scientific
Research

540,000,000.—

This subscription was paid in 1960 to the extent of Fr. 60 million out of the amounts paid into the Reserve Fund.

Public Treasury

The Memorandum Accounts listed under the title « Public Treasury » call for no comment.

Portfolio and Sundry Assets Fr. 1,020,000,000.—

Sundry Securities owned by the Government :

Preference Shares of the
Belgian National
Railways Company . Fr. 5,000,000,000.—

Ordinary Shares of the
Belgian National
Railways Company . Fr. 1,000,000,000.—

Participating Debentures of
the Belgian National
Railways Company . Fr. 638,305,187.—

Treasury Bills of the
Government of the
Grand Duchy of
Luxemburg (Belgian-
Luxemburg Agreement)
Fr. 1,406,719,713.—

Federal Republic of
Germany Government
Bonds (London
Agreements of
27th February, 1953) Fr. 267,905,400.—

4.50 % Certificates of the
National Housing
Company Fr. 4,005,160,000.—

Fr. 12,318,090,300.—

Carried forward . . Fr. 13,338,090,300.—

	Brought forward . . . Fr.	13,338,090,300.—
4.50 % Certificates of the National Smallholders' Company Fr.		713,850,000.—
Sundry Items Fr.		743,082,084.—
		<hr/>
	Fr.	14,795,022,384.—

*Sundry Items for which the Government is the
Depositary :*

Items lodged by outside parties Fr.		6,236,405,120.—
Service of the Registered Debt Fr.		15,086,637,300.—
Deposit and Consignment Office Fr.		65,506,959,930.—
Items lodged by way of Guarantee Fr.		2,554,585,043.—
		<hr/>
	Fr.	89,384,587,393.—

*Securities lodged in pursuance of the Regent's
Decree of 17th January, 1949 regarding the
cancellation of undeclared Belgian bearer
securities Fr.*

8,925,708.—

Items to be delivered Fr.

9,749,418,542.—

Securities withdrawn from circulation Fr.

4,405.—

Monetary Fund :

Public Long-term Securities Fr.

5,220,668,880.—

Total Fr. 119,158,627,312.—

**Securities
Stabilisation Fund
(Securities
Deposited)**

The securities which belong to the Securities Stabilisation Fund set up in pursuance of the Decree Law of 18th May, 1945, and which are held in safe custody at the Bank, amount to Fr. 9,205,363,489.—

**General Savings
and Pensions Fund**

The deposits of the General Savings and Pensions Fund are made up as follows :

a) <i>Provisional Investments</i>	Fr.	20,769,440,189.—
b) <i>Cover for Loans</i>	Fr.	18,868,100.—
c) <i>Guarantee Deposits</i>	Fr.	202,533,133.—
Total	Fr.	<u>20,990,841,422.—</u>

DISTRIBUTION OF THE NET PROFIT FOR THE YEAR 1960

1. To the Shareholders : a First Dividend of 6 % of the Nominal Capital	24,000,000
2. As to the rest, namely Fr. 358,775,131	
a) 10 % to Reserve	35,877,513
b) 8 % to the Staff	28,702,010
3. As to the remainder, namely Fr. 294,195,608	
a) To the Government : one-fifth	58,839,122
b) To the Shareholders : a Second Dividend	235,270,072
c) The balance to Reserve	86,414
Total Net Profit to be distributed	382,775,131

DIVIDEND DECLARED FOR THE YEAR 1960

First Dividend, Gross Total	Fr. 24,000,000.—
Second Dividend, Gross Total	Fr. 235,270,072.—
Total	Fr. 259,270,072.—

against Fr. 257,142,857.14 for the year 1959.

The dividend of Fr. 259,270,072.— will be distributed on 1st March, 1961 between the 400,000 Shares of the Bank, less retained taxes.

It will be payable on presentation of Coupon No. 159.

The Council of Regency :

Franz DE VOGHEL, *Vice-Governor*,
 Marcel LEFEBVRE, *Director*,
 Jean BRAT, *Director*,
 Cecil de STRYCKER, *Director*,
 Léon-A. BEKAERT, *Regent*,
 Yvan FEYERICK, *Regent*,
 August COOL, *Regent*,
 Alfons CONIX, *Regent*,
 Robert VANDEPUTTE, *Regent*,
 Hector MARTIN, *Regent*,
 Victor VAN ROSSEM, *Regent*,
 Max DRECHSEL, *Regent*,
 Emile MASQUELIER, *Regent*.

The Governor,
 Hubert ANSIAUX.

Balance Sheet

Profit and Loss Account

Memorandum Accounts

ASSETS

BALANCE SHEET AS AT 3

Gold Holding	58,524,922,734
Foreign Currencies	12,605,328,665
Foreign Currencies and Gold Receivable	6,774,429,798
International Agreements (Laws of 28th July, 1948 and 19th June, 1959) :	
a) European Payments Union	3,509,081,739
b) European Monetary Agreement	—
c) International Monetary Fund	4,387,706,338
d) Other Agreements	—
Debtors in respect of Foreign Exchange and Gold at Forward Dates	11,821,228,987
Commercial Bills	6,772,848,182
Advances against Pledged Security	50,847,643
Public Securities (Article 20 of the Statutes, Conventions of 14th September, 1948 and 15th April, 1952) :	
a) Treasury Certificates	6,040,000,000
b) Securities issued by Institutions whose liabilities are guaranteed by the Government	—
c) Other Public Belgian Securities	—
Treasury Notes and Coin	616,958,854
Balances at the Postal Cheque Office	1,424,144
Consolidated Claim on the Government (Article 3, paragraph b of the Law of 28th July, 1948 and Article 3 of the Law of 19th June, 1959)	34,000,000,000
Public Long-term Securities (Articles 18 and 21 of the Statutes)	2,519,428,863
Items Receivable	524,154,389
Premises, Furniture and Equipment	1,519,047,361
Securities of the Staff Pension Fund	1,074,994,576
Assets Written Off pending Collection	pro memoria
Transitory Assets	173,873,078
Total Assets	150,916,275,351

31st DECEMBER, 1960

LIABILITIES

Notes in Circulation		124,090,392,400
Current and Sundry Accounts :		
Public Treasury	Ordinary Account 24,281,720 Exceptional Counter- Cyclical Tax (Law of 12th March, 1957) 184,899,460 E.P.U. Special Liquidation Account —	
Banks in Foreign Countries : Ordinary Accounts	308,369,930	
Institutions governed by a Special Law, and Public Authorities	549,898,935	
Banks in Belgium	1,026,783,069	
Individuals	300,881,690	
Items Payable	728,520,460	3,123,635,264
International Agreements (Laws of 28th July, 1948 and 19th June, 1959) :		
a) European Monetary Agreement	249,129,358	
b) Other Agreements	263,368,377	512,497,735
Total Sight Liabilities		127,726,525,399
Foreign Currencies and Gold to be Delivered		18,643,720,641
Staff Pension Fund		1,074,994,576
Transitory Liabilities		555,264,625
Capital		400,000,000
Reserve Funds :		
a) Statutory Reserve		497,505,363
b) Extraordinary Reserve		260,416,520
c) Account for Depreciation of Premises, Furniture and Equipment		1,375,073,096
Net Profit for Distribution		382,775,131
Total Liabilities		150,916,275,351

DEBIT

PROFIT AND LOSS ACCOUNT

General Expenses	406,955,732
Expenses of Acquiring, Selling and Shipping Gold	1,322,220
Ordinary Grant to the Staff Pension Fund	38,350,000
Depreciation of Old Premises, Furniture and Equipment	25,211,095
Written off New Premises	2,419,008
Amount due to the Government :	
Produce, exceeding 3 %, of Discounts and Advances on Pledged Security	137,636,957
Transferred to the Extraordinary Reserve :	
Profit on Sale of, and on Collection of Proceeds of, Securities	6,183,276
Transferred to the Transitory Liabilities as :	
a) Provision for Building of Premises and Purchasing Equipment	72,500,000
b) Provision for Taxes	79,600,000
c) Provision against Sundry Contingencies	70,000,000
Net Profit for Distribution	382,775,131
	<hr/>
	1,222,953,419

MEMORANDUM ACCOUNTS

Minister of Public Instruction : Balance for his account at the Postal Cheque Office (Schools Pact, Law of 29th May, 1959, Article 16)
Items for Collection
Documentary Credits Opened
Certification of Acceptances relating to Exports and Imports
Undertaking given to an International Institution
Sundry Deposits :
<i>Bonds of the Currency Reform Law</i>
<i>International Monetary Fund</i>
<i>International Bank for Reconstruction and Development</i>
<i>Other Deposits</i>
Securities received by way of Guarantee from outside parties :
<i>Cover for advance limits against Pledged Security</i>
<i>Guarantees given by persons lodging bills for discount</i>
<i>Sundry Guarantees</i>
<i>Security provided in Commercial Bills by Borrowers of Call Money</i>
Guarantee Certificates received from the Public Treasury
Guarantees given on behalf of the Staff
Commitment towards the National Foundation for the Financing of Scientific Research
Public Treasury :
<i>Portfolio and Sundry Assets</i>
<i>Sundry Securities owned by the Government</i>
Preference Shares of the Belgian National Railways Co.
Ordinary Shares of the Belgian National Railways Co.
Participating Debentures of the Belgian National Railways Company
Treasury Bills of the Government of the Grand Duchy of Luxemburg (Belgian-Luxemburg Agreement)
Federal Republic of Germany Government Bonds (London Agreements of 27th February, 1953)
4.50 % Certificates of the National Housing Co.
4.50 % Certificates of the National Smallholders' Co.
Sundry Items
<i>Sundry Items for which the Government is the Depositary :</i>
Items lodged by outside parties
Service of the Registered Debt
Deposit and Consignment Office
Items lodged by way of Guarantee
<i>Securities lodged in pursuance of the Regent's Decree of 17th January, 1949 regarding the cancellation of undeclared Belgian bearer securities</i>
<i>Items to be delivered</i>
<i>Securities withdrawn from circulation</i>
<i>Monetary Fund :</i>
Public Long-term Securities
Securities Stabilisation Fund (Securities Deposited)
General Savings and Pensions Fund :
<i>Provisional Investments</i>
<i>Cover for Loans</i>
<i>Guarantee Deposits</i>

Discount, Exchange, Interest and Commissions	912,650,690
Income on Public Long-term Securities and Other Securities acquired in accordance with the Statutes	130,692,925
Profit on Sale of, and Collection of Proceeds of, Securities	9,660,964
Fees for Safe Custody, Brokerages and Rent of Safes	23,173,120
Amounts collected on Assets Written Off pending Collection	24,000
Repayment of Taxes collected in excess	128,570,598
Amounts allowed by the Government :	
Allowance of 0.10 % per annum on the amount of the Small Notes issued for account of the Treasury (Convention of 18th March, 1946)	2,265,978
Transferred from the Transitory Liabilities « Provision for Building of Premises and Purchasing Equipment »	15,915,144
	<hr/>
	1,222,953,419

AS AT 31st DECEMBER, 1960

		2,113,511,836
		38,400,404
		7,653,871
		5,677,362,818
		1,000,000,000
	1,152,000	
	12,486,793,661	
	290,634,057	
	74,439,397,704	
	<hr/>	87,217,977,422
	22,298,091,445	
	7,814,650	
	216,849,303	
	991,102,697	
	<hr/>	23,513,858,095
		1,020,000,000
		183,132,593
		540,000,000
	1,020,000,000	
5,000,000,000		
1,000,000,000		
638,305,187		
1,406,719,713		
267,905,400		
4,005,160,000		
713,850,000		
743,082,084		
	13,775,022,384	
6,236,405,120		
15,086,637,300		
65,506,959,930		
2,554,585,043		
	89,384,587,393	
	8,925,708	
	9,749,418,542	
	4,405	
	5,220,668,880	
	<hr/>	119,158,627,312
		9,205,363,489
	20,769,440,189	
	18,868,100	
	202,533,133	
	<hr/>	20,990,841,422



Consultative Council for External Trade	Conseil Consultatif pour le Commerce Extérieur
Council of Ministers (of E.E.C.)	Conseil des Ministres (de la C.E.E.)
Council of Regency	Conseil de Régence
Council of State	Conseil d'Etat
Court of Justice	Cour de Justice
Credit Institutions Council	Conseil des Institutions de Crédit
Currency Reform Loan	Emprunt de l'Assainissement monétaire
Cyclical Policy Committee (of E.E.C.)	Comité de politique conjoncturelle (de la C.E.E.)
Deposit and Consignment Office	Caisse des Dépôts et Consignations
Development Company of the Congo	Société de Développement du Congo
Direct Taxes Department	Administration des Contributions directes
Directing Committee (of N.B.B.)	Comité de direction (de la B.N.B.)
Directorate General of Mines	Direction Générale des Mines
Discount Agency	Comptoir d'Escompte
Discount Committee	Comité d'Escompte
Economic and Social Committee	Comité Economique et Social
Economic and Social Research Institute (of Louvain University)	Institut de Recherches Economiques et Sociales (de l'Université de Louvain)
Economic Commission (of E.E.C.)	Commission Economique (de la C.E.E.)
Economic Programming Office	Bureau de Programmation Economique
European Agricultural Markets Organi- sation	Organisation Européenne des Marchés Agricoles
European Atomic Energy Community (Euratom)	Communauté Européenne de l'Energie Atomique (Euratom)
European Coal and Steel Community (E.C.S.C.)	Communauté Européenne du Charbon et de l'Acier (C.E.C.A.)
European Economic Community (E.E.C.)	Communauté Economique Européenne (C.E.E.)
European Fund	Fonds Européen
European Investment Bank	Banque Européenne d'Investissement
European Monetary Agreement (E.M.A.)	Accord Monétaire Européen (A.M.E.)
European Nuclear Energy Agency	Agence Européenne pour l'Energie Nucléaire
European Parliamentary Assembly	Assemblée Parlementaire Européenne
European Payments Union (E.P.U.)	Union Européenne de Paiements (U.E.P.)
European Social Fund (of E.E.C.)	Fonds social européen (de la C.E.E.)
Excise Department (Ministry of Finance)	Service des Accises (Ministère des Finances)
External Trade Fund	Fonds du Commerce Extérieur
Federation of Belgian Industries	Fédération des Industries Belges
Fund for the Development of Overseas Countries and Territories	Fonds de développement pour les pays et les terri- toires d'outre-mer
General Agreement on Tariffs and Trade (G.A.T.T.)	Accord Général sur les Tarifs douaniers et le Com- merce international (G.A.T.T.)
General Budget Statement	Exposé Général du Budget

GLOSSARY OF NAMES AS USED IN THIS AND PREVIOUS REPORTS OF THE NATIONAL BANK

Agricultural Fund	Fonds Agricole
Autonomous Funds	Fonds Autonomes
Autonomous War Damage Fund	Caisse Autonome des Dommages de Guerre
Bank of Issue	Banque d'Emission
Bank of the Belgian Congo	Banque du Congo Belge
Banking Commission	Commission Bancaire
Belgian Air Navigation Company (SABENA)	Société Anonyme Belge d'Exploitation de la Navigation Aérienne (SABENA)
Belgian Aluminium Syndicate	Syndicat Belge de l'Aluminium
Belgian Bankers' Association	Association Belge des Banques
Belgian Coal Mines Re-equipment Fund	Fonds de Rééquipement des Charbonnages Belges
Belgian-Luxemburg Economic Union (B.L.E.U.)	Union Economique Belgo-Luxembourgeoise (U.E.B.L.)
Belgian-Luxemburg Foreign Exchange Institute	Institut Belgo-Luxembourgeois du Change
Belgian Municipal Credit Institution	Crédit Communal de Belgique
Belgian National Railways Company	Société Nationale des Chemins de Fer Belges (S.N.C.F.B.)
Belgian Office for Increasing Productivity	Office Belge pour l'Accroissement de la Productivité
Belgian Textile Industry Federation	Fédération de l'Industrie Textile Belge
Benelux Economic Union	Union Economique Benelux
Board of Management (of E.M.A.)	Comité directeur (de l'A.M.E.)
Brussels Municipal Water Company	Compagnie Intercommunale Bruxelloise des Eaux
Brussels Universal and International Exhibition	Exposition Universelle et Internationale de Bruxelles
Centenary Fund	Fonds du Centenaire
Central Bank of the Belgian Congo and Ruanda-Urundi	Banque Centrale du Congo Belge et du Ruanda-Urundi
Central Council of the Economy	Conseil Central de l'Economie
Clearing Office	Chambre de Compensation
Code of taxes payable by stamp or in similar ways	Code des taxes assimilées au timbre
Commercial Food Supply Office	Office Commercial du Ravitaillement
Committee for the Study and Promotion of Exports of Small and Medium-sized Enterprises	Commission d'études pour la promotion des exportations de petites et moyennes entreprises
Committee of Control for Electricity	Comité de Contrôle de l'Electricité
Committee of Management for Electricity	Comité de Gestion de l'Electricité
Committee of the Brussels Stock Exchange	Commission de la Bourse de Bruxelles
Consultative Committee for Coordinating Medium-Term Export Financing, known as « Cofinex »	Comité Consultatif de Coordination du Financement à Moyen Terme des Exportations (Cofinex)

National Industrial Credit Company (N.I.C.C.)	Société Nationale de Crédit à l'Industrie (S.N.C.I.)
National Investment Company	Société Nationale d'Investissement
National Labour Council	Conseil National du Travail
National Mixed Mines Commission	Commission Nationale Mixte des Mines
National Sickness and Disablement Insurance Fund	Fonds National d'Assurance Maladie-Invalidité
National Smallholders' Company	Société Nationale de la Petite Propriété Terrienne
National Social Insurance Office	Office National de Sécurité Sociale
National Statistical Institute	Institut National de Statistique
National Water Distribution Company	Société Nationale de Distribution d'Eau
North Atlantic Treaty Organisation (N.A.T.O.)	Organisation du Traité de l'Atlantique-Nord (O.T.A.N.)
Nuclear Energy Research Centre	Centre d'Etudes de l'Energie Nucléaire
Organisation for European Economic Cooperation (O.E.E.C.)	Organisation Européenne de Coopération Economi- que (O.E.C.E.)
Permanent Budget Equalisation Fund	Fonds Permanent d'Egalisation des Budgets
Postal Cheque Account (P.C.A.)	Compte de Chèques Postaux (C.C.P.)
Postal Cheque Office	Office des Chèques Postaux
Public Debt Sinking Fund	Fonds d'Amortissement de la Dette Publique
Rediscount and Guarantee Institute (R.G.I.)	Institut de Réescompte et de Garantie (I.R.G.)
Research and Documentation Depart- ment (of the National Bank of Belgium)	Département d'Etudes et de Documentation (de la Banque Nationale de Belgique)
Road Fund	Fonds des Routes
Savings Bank of the Grand Duchy of Luxemburg	Caisse d'Epargne du Grand-Duché de Luxembourg
Securities Stabilisation Fund	Fonds des Rentes
Special Agricultural Committee (of E.E.C.)	Comité Spécial Agricole (de la C.E.E.)
Staff Pension Fund	Caisse de Pensions du Personnel
Telegraphs and Telephones Board	Régie des Télégraphes et des Téléphones
Treasury and Public Debt Administration	Administration de la Trésorerie et de la Dette Publique
Union of Non-Ferrous Metal Industries	Union des Industries des Métaux Non Ferreux
United Nations (Organisation of the)	(Organisation des) Nations Unies
Veterans' Endowment	Dotation des Combattants

CONTENTS

	Page
Report presented by the Governor in the name of the Council of Regency	7
Money and Finance	25
1. Money Supply and Quasi-Monetary Liquid Resources at the Banks and Savings Banks	25
a) Notes and Coin	26
b) Sight Deposits	27
c) Quasi-Monetary Liquid Resources at the Banks and Savings Banks	29
2. Counterparts of the Money Supply and of Quasi-Monetary Liquid Resources at the Banks and Savings Banks	31
a) Transactions with Foreign Countries	31
Balance of Payments	32
Balance of Payments with the Congo and Ruanda-Urundi	35
Net Gold and Foreign Assets of the National Bank	36
b) Transactions with the Public Authorities	39
Budgets	40
Execution of Budgets	43
National Debt	44
Monetary Financing of the Public Authorities	46
Operations by Monetary Institutions on the Market for Public Securities	47
c) Transactions with the Private Sector	48
Credits Granted by Monetary Institutions	49
Credits Granted by the Banks	50
Commercial Bill Holding of the Rediscount and Guarantee Institute	51
Commercial Bill Holding and Advances of the National Bank	52

	Page
New Issue Market and Borrowings at Medium and Long Term	53
Interest Rates	54
Market for Dividend-Bearing Securities	57
Economic Activity and Prices	59
Industrial Production	59
Coal Mines	60
Coking Plants	62
Mineral Oils	62
Electricity	63
Steel Industry	64
Metal Manufactures	65
Non-ferrous Metals	67
Building	69
Chemicals	71
Textile Industries	72
Foodstuffs and Beverages	76
Sundry Industries	77
Farming	78
Transport	80
Employment and Unemployment	82
Prices	84
Wages and Salaries	88
Foreign Trade	89
European Economic Community	94
Analysis of the Balance Sheet and Profit and Loss Account for the Year 1960	97

Assets

Gold Holding	97
Foreign Currencies	97

	Page
Foreign Currencies and Gold Receivable	98
International Agreements	98
Debtors in respect of Foreign Exchange and Gold at Forward Dates	103
Commercial Bills	103
Advances against Pledged Security	104
Public Securities	104
Treasury Notes and Coin	105
Balances at the Postal Cheque Office	106
Consolidated Claim on the Government	106
Public Long-term Securities	106
Items Receivable	107
Premises, Furniture and Equipment	107
Securities of the Staff Pension Fund	107
Assets Written Off pending Collection	108
Transitory Assets	109

Liabilities

Bank Notes in Circulation	111
Current and Sundry Accounts	111
International Agreements	112
Total Sight Liabilities	112
Foreign Currencies and Gold to be Delivered	113
Staff Pension Fund	114
Transitory Liabilities	115
Capital	116
Reserve Funds	116
Net Profit for Distribution	117

Memorandum Accounts

Minister of Public Instruction	118
Items for Collection	118

	Page
Documentary Credits Opened	118
Certification of Acceptances relating to Exports and Imports	119
Undertaking given to an International Institution	119
Sundry Deposits	119
Securities received by way of Guarantee from outside parties	120
Guarantee Certificates received from the Public Treasury	121
Guarantees given on behalf of the Staff	121
Commitment towards the National Foundation for Financing Scientific Research	121
Public Treasury	122
Securities Stabilisation Fund (Securities Deposited)	124
General Savings and Pensions Fund	124
Distribution of the Net Profit for the Year 1960	125
Balance Sheet	128-129
Profit and Loss Account	130-131
Memorandum Accounts	130-131
Glossary of Names as used in this and previous Reports of the National Bank	133

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Consultative Council for External Trade	Conseil Consultatif pour le Commerce Extérieur
Council of Ministers (of E.E.C.)	Conseil des Ministres (de la C.E.E.)
Council of Regency	Conseil de Régence
Council of State	Conseil d'Etat
Court of Justice	Cour de Justice
Credit Institutions Council	Conseil des Institutions de Crédit
Currency Reform Loan	Emprunt de l'Assainissement monétaire
Cyclical Policy Committee (of E.E.C.)	Comité de politique conjoncturelle (de la C.E.E.)
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Discount Committee	Comité d'Escompte
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European Economic Community (E.E.C.)	Communauté Economique Européenne (C.E.E.)
European Fund	Fonds Européen
European Investment Bank	Banque Européenne d'Investissement
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European Nuclear Energy Agency	Agence Européenne pour l'Energie Nucléaire
European Parliamentary Assembly	Assemblée Parlementaire Européenne
European Payments Union (E.P.U.)	Union Européenne de Paiements (U.E.P.)
European Social Fund (of E.E.C.)	Fonds social européen (de la C.E.E.)
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General Agreement on Tariffs and Trade (G.A.T.T.)	Accord Général sur les Tarifs douaniers et le Com- merce international (G.A.T.T.)
General Budget Statement	Exposé Général du Budget

General Savings Fund (administered by :)	Caisse Générale d'Epargne (gérée par la :)
General Savings and Pensions Fund	Caisse Générale d'Epargne et de Retraite
High Authority (of E.C.S.C.)	Haute Autorité (de la C.E.C.A.)
Housing Institute	Institut du Logement
Information Bulletin of the Ministry of Finance	Bulletin de Documentation du Ministère des Finances
Inland Water Transport Regulating Office	Office Régulateur de la Navigation Intérieure
International Bank for Reconstruction and Development (I.B.R.D.)	Banque Internationale pour la Reconstruction et le Développement (B.I.R.D.)
International Finance Corporation	Société Financière Internationale
International Forestry and Mining Company of the Congo	Société Internationale Forestière et Minière du Congo
International Lead and Zinc Study Group	Groupe d'Etudes International du Plomb et du Zinc
International Materials Conference	Conférence Internationale des Matières Premières
International Monetary Fund (I.M.F.)	Fonds Monétaire International (F.M.I.)
International Sugar Agreement	Accord International du Sucre
International Sugar Conference	Conférence Internationale des Sucres
International Tin Council	Conseil International de l'Etain
International Wheat Agreement	Accord International du Blé
Katanga-Dilolo-Leopoldville Railway Company (K.D.L.)	Compagnie des Chemins de Fer Katanga-Dilolo- Léopoldville (K.D.L.)
Katanga Railway Company	Compagnie du Chemin de Fer du Katanga
Leopoldville-Katanga-Dilolo Railway Company (LEOKADI)	Société des Chemins de Fer Léopoldville-Katanga- Dilolo (LEOKADI)
London Metal Exchange	Bourse de Métaux de Londres
Ministry for Economic Affairs	Ministère des Affaires Economiques
Ministry of Agriculture	Ministère de l'Agriculture
Ministry of Finance	Ministère des Finances
Ministry of National Defence	Ministère de la Défense Nationale
Monetary Committee (of E.E.C.)	Comité Monétaire (de la C.E.E.)
Monetary Fund	Fonds Monétaire
National Bank of Belgium (N.B.B.)	Banque Nationale de Belgique (B.N.B.)
National Coal Mines Council	Conseil National des Charbonnages
National Committee for Economic Expansion	Comité National de l'Expansion Economique
National Del Credere Office	Office National du Ducroire
National Employment and Unemploy- ment Office	Office National du Placement et du Chômage
National Foundation for Financing Scientific Research	Fondation Nationale pour le Financement de la Recherche Scientifique
National Fund for Credit to Trade and Industry	Caisse Nationale de Crédit Professionnel
National Housing Company (formerly National Cheap Dwellings Company)	Société Nationale du Logement (précédemment Société Nationale des Habitations et Logements à Bon Marché)