

NATIONAL BANK OF BELGIUM



REPORT

1967

NATIONAL BANK OF BELGIUM

REPORT

on the activities of the year 1967 presented to the General Meeting

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REPORT

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IN THE NAME OF THE

Council of Regency

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

The slowing of expansion which is affecting the Belgian economy was clearly reflected, during 1967, in the level of activity and employment, in the balance of current payments and in the forms into which savings were put as well as, but to a lesser extent, in the movement of prices and wages and in the recourse to credit.

Economic growth continued, but yet the progress made was small, particularly in the case of industrial production; agriculture on the other hand benefited from favourable weather.

The factors of production were not employed so fully as before. According to inquiries organised by the National Bank the degree to which production capacities were utilised in the manufacturing industries declined. Unemployment continued to increase.

The wholesale prices for Belgian industrial products showed in the course of the year only insignificant changes. Retail prices on the contrary underwent a further increase due, in part, to the spreading out of the rises as organised by the Government in 1966.

As regards the gross average hourly wage of workers in industry and transport, its rise between September, 1966 and September, 1967 equalled only about half of that in the twelve preceding months. Influenced by the raising of social charges, the rise in the hourly cost of labour in the manufacturing industries represented two-thirds of that which had occurred between September, 1965 and September, 1966. The increase of overall production costs which this rise entailed could not in all cases be fully offset, given the weakness of demand, by adaptation of the selling price.

Although the recession or slowing down observed in most industrialised countries adversely affected the Belgian economy's foreign markets, exports

continued to grow. On the other hand imports, the average prices of which fell while their volume was affected by the course of domestic demand, in particular by the movement of stocks, did not further increase. The Belgian-Luxemburg Economic Union's balance of current transactions, which had shown a deficit of Fr. 4.8 billion in 1966, yielded a surplus of some Fr. 10 billion in 1967.

The growth of private consumption appears to have been small; decisions to build dwellings decreased in comparison with the previous year.

Following the course of saving by households and the change which took place in the forms into which savings were put, the increase of financial assets was particularly large at Fr. 68.4 billion for the first ten months of 1967 against Fr. 51.5 billion for the corresponding period in 1966. Owing to the high level of interest rates, and to the prospect that these might fall, the new assets chiefly took the form of time or savings deposits and of bonds or medium-term notes; holdings of cash in the form of notes hardly changed.

One effect of these movements was appreciably to enlarge the accrual of resources at financial institutions. The effects produced by internal factors on the domestic supply of funds were moreover reinforced by an increase of foreigners' investments in Belgium.

Enterprises' demand for credit slowed down from July onwards. During the first half-year their drawings on credits opened by financial intermediaries as a whole were still large; during that period indeed fixed capital formation was still greater than in the corresponding half of 1966 and, at least at the start of the year, the stocks of finished products continued to grow by reason of the slowing in demand. From the middle of the year onwards, on the contrary, the growth in the outstanding amount of utilised credits was slower.

In consequence of these changes which took place on the money and capital markets the Treasury was able without difficulty to cover its total

deficit, even though this was greater by Fr. 5 billion in 1967 than in 1966. The Government's object is to reduce the proportion of automatic expenditure in the total budget and so enable itself to pursue, with greater freedom of manœuvre, an anticyclical policy through all the phases of the business cycle. As between the first eleven months in 1966 and 1967 the increase in expenditure resulting from execution of the ordinary budgets was of the same order as that in the receipts of similar nature. At the same time, with a view to sustaining economic activity and quickening the improvement of the country's infrastructure, the Government raised to a high level, appreciably higher than that for 1966, both the cash out-payments chargeable to the extraordinary budget and the expenditure of the Road Fund.

The increase of the national debt for the whole year was accordingly greater than in 1966. But the new indebtedness took the form, essentially, of consolidated loans in Belgian francs. The Government furthermore reduced its indebtedness to foreign markets and its drawing on its credit line at the National Bank; during part of October and December its account at this latter was even in credit.

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Given the slowing down of expansion, the relaxation on the markets for commodities as well as on those for money and capital, and the reversal of the balance of payments on current account, the National Bank adapted its credit and interest rate policy.

In June it decided not to prolong the policy, of quantitative limits on the expansion of credit granted by banks, which it had thought prudent to maintain during the first half of 1967 although rendering it appreciably more flexible. The banks were however asked to continue to observe moderation in their granting of credit, and more particularly, as required for sound management in a period of slowing down, to be highly selective in their choice of customers.

On being consulted at the end of May by the Government, which proposed to ease the terms for instalment sales, the National Bank found the draft provisions suitable, and they came into force in July.

With regard to its interest rate policy the National Bank assisted the decline which the great liquidity of the money market spontaneously started. With this object it reduced in February, March, May, September and October, each time by 0.25 p.c., the majority of its discount and advance rates; the rate of discount for bills accepted payable at a bank was thus reduced from 5.25 to 4 p.c.

This reduction caused a fall in the rates which borrowing enterprises pay on short-term credits by way of discount and advances. Certain rates were moreover reduced as a result of changes which the Rediscount and Guarantee Institute made in its terms of business.

The interest which banks and other financial intermediaries pay to depositors for periods less than one year was not reduced to the same extent. There was a risk that the abundance of domestic funds on offer might be compromised by outflows of capital if, with allowance for the cost of covering the exchange risk, too wide a disparity of yield had been created as against the American and British money markets, where the upward movement of rates was resumed towards the middle of the year and became greatly accentuated during the last few months. The rates for ordinary deposits at periods of six months or less were lowered by 0.20 p.c. in May; in December a further decrease, varying between 0.10 and 0.30 p.c. and applicable from 1st January onwards, was announced.

Rates declined only slowly and to a limited extent on the medium and long-term markets, where the demand for funds expanded in line with the supply, security issues by public authorities and organisations having in particular attained a total amount much greater than in 1966. The yields on the consolidated loans issued by the Government in October, and by the Road Fund in December, were a little lower than those on the similar loans issued in the first half-year. The twenty-year bonds issued on tap by public credit institutions showed, at the end of the year, a yield on issue lower than twelve months before; on ten-year bonds the yield slightly

rose in February but returned, at the end of the year, to the level of a year previously. The rates at which industrial loans to finance capital expenditure are granted were slightly reduced.

Anticyclical action by way of lowering interest rates of course runs the risk of coming up against the limits set to it by the size of the Belgian economy. During 1967 it was facilitated by the fact that the countries belonging to the European Economic Community were on the whole pursuing the same policy. The coordination of these countries' financial policies may be, given the uncertainties of the European business cycle and the problems set by international monetary relations, one of the conditions for maintaining economic stability in the Western economy.

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By reason both of the early prospects for the business cycle, and of the more fundamental changes taking place in the Western countries' economic organisation, decisions to invest have to be stimulated in Belgium and their realisation has to be facilitated. The problem is one of both quantity and quality.

Through its effects on total expenditure the capital investment by enterprises affects the course of the business cycle, and from this point of view its total amount is the factor to be considered. But if it is a matter of the trend in the national economy's structure the nature of the investments is more important. Maintenance of the country's competitive position in fact depends as much on adapting production to market demands, and on perfecting methods, as it does on the trend in the cost of production factors. This means that present-day capital projects must make use of the most up-to-date technical methods and must more often lead to the manufacture of new products. The progress of technological innovation depends, *inter alia*, on how much basic and applied scientific research is done. This calls for close cooperation between the private sector and the public authorities, and requires large financial resources; various institutions, including the National Bank, take part in the provision of these. Projects for rationalisation and reorganisation, while less costly,

are just as necessary; the tax exemptions allowed in cases where companies are transformed or merged, and temporarily in cases where they are hived off, also facilitate sectorial improvements.

A series of measures which the Government adopted pursuant to the « Special Powers » Law of 31st March, 1967 were designed precisely to facilitate the effecting of investments, and hence economic expansion.

Other measures were intended to favour regional reconversion.

Yet others were specifically directed to assisting exports, more particularly those for payment at medium term. At the same time the Creditexport pool members, who finance the great majority of such sales with a guarantee from the National Del Credere Office, completed the range of their operations and extended these to new categories; at the start of 1968 the cost of financing, with commission included, for exports on acceptances certified by the National Bank was reduced from 6.75 to 6.25 p.c. in the case of credits at five years or less, and from 7 to 6.50 p.c. in that of credits at more than five years.

In addition a Decree of 29th September broadened the methods of financing the Road Fund. Henceforth, in the circumstances stated in the Report to the Crown where it is proper that the Fund's expenditure shall be temporarily covered by short-term resources, the Fund may be authorised by the Ministers of Finance and of Public Works to resort with the Government's guarantee to the money market, either by issuing public securities at not more than one year or by accepting bills drawn at not more than 120 days by the contractors. In view of the cyclical situation the Government has authorised the Road Fund to employ this second method. To support these measures of economic revival the National Bank declared the bills accepted by the Fund to be eligible for rediscount on ordinary terms, without limit of amount, if they fall due before 1st July, 1968. By fixing this time limit the National Bank wished to make sure that it could adjust its action to fluctuations of economic activity, while at the same time trying out the technical methods of operation.

Apart from this a number of improvements were made in financial mechanisms; the idea underlying most of them is based on the recommendations made by the Government Committee appointed to consider the problems of financing economic expansion. Some of them aim at perfecting the instruments which make it possible to guide and coordinate the activity of financial institutions; others seek to eliminate the rigidities, often due to regulations, observed in the working of the financial system; others again are meant to promote transactions in securities, while still others should strengthen certain control facilities and so afford better protection to savers.

The Superior Finance Council and the Council of Public Credit Institutions were reorganised.

The Law of 3rd May, 1967 abolished all legal limitation on the holding of bonds by banks, and relaxed the conditions on which they may temporarily hold shares. In the same spirit the range of investments open to private savings banks was widened. Other changes were made in the legislation governing banks and private savings banks. The possibilities of action by the Banking Commission and by the Central Office for Small Savings were widened.

Steps were taken to improve the working of the stock exchange. Better information about the structure and the activity of holding companies was organised; these companies will henceforth be associated in the Government's economic programming.

Some of the laws which govern financial institutions rendering public service were amended.

Changes were in particular made in the Royal Decree of 24th August, 1939 concerning the activity, organisation and functions of the National Bank. They are of a technical character, and in no way alter the fundamental equilibria on which the Bank's Charter is based.

The amendments to the National Bank's Organic Law widen its powers to grant credit in three respects. Henceforth the National Bank is empowered to grant advances in current account and loans at short term

against collateral consisting in short, medium or long-term public securities issued or guaranteed by the Belgian Municipal Credit Institution, or in provinces' and local authorities' bonds quoted on the stock exchange. Moreover, in conformity with the undertaking assumed by Belgium towards the Grand Duchy of Luxemburg under the Special Protocol of Monetary Association dated 29th January, 1963, the Luxemburg economy will have access on the same terms as Belgian institutions to the credits which the National Bank can grant. Finally, in view of Belgium's participation in international financial institutions which may resort to the Belgian market, the National Bank has been authorised to accept as collateral security, on the usual terms, public securities issued or guaranteed by these institutions.

Among the Government measures designed to improve financial mechanisms it is further proper to mention those which aim at promoting the use of deposit money, the importance of which as a component of the total money supply is smaller in Belgium than in the principal developed countries. While the provisions of Decree No. 56 dated 10th November are neither very ambitious nor very constraining, they do form the first stage of an official action directed to solving a problem the significance of which the Finance Minister has emphasized. The Government moreover contemplates supplementing them, later on, by legislation of more general scope.

The National Bank unequivocally favours the use of deposit money. Within the existing institutional framework a change in the structure of the money supply towards this form of cash would undoubtedly facilitate the financing of economic expansion. It must be emphasized, however, that such a change would also modify the conditions for the conduct of monetary policy. At the present time indeed the conversion into notes of a large part of the deposits created through credits granted by banks obliges these to mobilise assets at the National Bank; the latter thus has de facto powers that enable it to control the extent to which credit is expanding. If payment habits were appreciably changed, these de facto powers would be weakened, and the problem of how to provide the National Bank with other means of action would arise.

One measure which might form a first step towards solution of this problem was adopted in execution of the Special Powers Law. It relates to the cash or liquidity ratios which the Banking Commission may impose pursuant to the Royal Decree dated 9th July, 1935 concerning the control of banks. The new provisions, while fitting it into a wider perspective, legally sanction the right of initiative given to the Bank by the Commission's Regulation of 21st December, 1961; according to this latter the obligations imposed on the banks in regard to monetary reserves are ordered on the National Bank's proposal, founded on the needs of monetary policy and of credit control. Henceforward the regulations requiring banks to observe cash or liquidity ratios will be drawn up in consultation with the National Bank. The latter may of its own initiative present to the Banking Commission reasoned proposals aimed at adopting or modifying such regulative measures whenever it deems this necessary on monetary grounds.

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An important step to improve the working of the international monetary system was taken in 1967. After long negotiations during which the Common Market countries had coordinated their positions the Board of Governors of the International Monetary Fund, at their September meeting, decided to charge the Fund with a new and important function; this is the creation of special drawing rights, which would be automatic, unconditional, defined and guaranteed in gold, transferable as well as convertible, in order to reinforce the stock of existing reserve instruments whenever the need for this may be felt. They furthermore took steps to initiate investigation of improvements desirable in the Fund's present rules and practices. The Executive Directors will submit to the Board of Governors, not later than 31st March, 1968, proposals concerning such amendments to the Articles of Agreement as may be required in order to achieve these two objects. After they have been approved by the Board of Governors the said amendments will be transmitted to the member countries for ratification. They will be adopted when they have been

ratified by two-thirds of the members, representing eighty per cent of the votes. Creation of the new drawing rights will depend on finding that there is a generalised shortage of reserves; such creation will be subject to an eighty-five per cent majority of the Fund members' votes.

While work thus continued with a view, inter alia, to creating a new reserve instrument, the existing credit arrangements, which include the facilities that Central Banks grant to each other as well as the International Monetary Fund drawing rights, financed if necessary under the General Arrangements to Borrow, continued to be utilised for meeting disequilibria in balances of payments.

Belgium took an ample part in this international monetary cooperation.

The Federal Reserve Bank of New York made use of the swap agreements which it had previously concluded with the National Bank. Apart from this, while the United States Treasury Certificates denominated in Belgian francs for which the National Bank had subscribed in May, 1963 to the extent of Fr. 1.5 billion were repaid in May, 1967, a new investment in certificates of the same type was proposed to the National Bank at the beginning of November by the American authorities; these had before then suggested that Belgium, as well as various other European countries, should repay before due date the long-term loans which the United States had granted to them after the war; since the Belgian Government could not accede to this request, the National Bank with the Government's consent agreed to give the United States Treasury equivalent assistance by subscribing for Fr. 3 billion of Belgian franc certificates, that is approximately the balance remaining due on the post-war loans; these certificates are issued on terms which make them an asset conforming to the provisions of Article 24 in the Statutes.

The Bank of England effected drawings on the credit which had been opened for it in June, 1966 by various Central Banks, including the National Bank of Belgium, so as to enable it to meet the effects produced by a decrease in foreigners' sterling balances on the United Kingdom's reserves. In addition, while the Bank of England in March, 1967 did not ask for

renewal of the very short-term facilities granted in September, 1966, new agreements were concluded for large amounts towards the end of the year.

In November indeed the Bank for International Settlements granted to the Bank of England a \$ 250 million credit, in various currencies, so as to enable it to finance a repayment which the United Kingdom had to make to the International Monetary Fund. At that time certain Central Banks placed short-term funds at the disposal of the Bank for International Settlements in order to strengthen the latter's resources. The National Bank of Belgium, in particular, deposited \$ 17 million with it.

International monetary cooperation also functioned in a particularly effective manner when sterling was devalued by 14.3 p.c. on 18th November. This operation was consequently effected in orderly conditions. In accordance with the procedure laid down there were consultations between the European Economic Community's member countries, which decided not to change their parities. The International Monetary Fund granted a stand-by credit of \$ 1.4 billion to the United Kingdom; if this credit should be used, Belgium would place Fr. 2 billion at the Fund's disposal under the General Arrangements to Borrow, the Fund would draw Fr. 0.5 billion on its balances in Belgian currency, and would sell gold worth Fr. 1.3 billion to Belgium. At the same time various Central Banks bilaterally granted the Bank of England new assistance totalling \$ 1.5 billion, mostly in the form of credit lines; the National Bank's contribution amounts to \$ 50 million.

The National Bank joined in the decisions which were reached by several Central Banks with a view to avoiding disorder on the foreign exchange markets through coordinated action, and to sustaining the present system of exchange rates based on the fixed price of \$ 35 per ounce of gold. One of these decisions was to increase the facilities arranged in the swap agreements concluded with the Federal Reserve Bank of New York; the National Bank consented to raise the limit of its facilities from \$ 150 to 225 million.

Although they decreased in 1967, the National Bank's assets at the International Monetary Fund amounted at the end of that year to

Fr. 16.6 billion; use by the United Kingdom of its credit line would increase that amount by Fr. 2.5 billion.

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The growth during recent years of the International Monetary Fund's operations, the extension of the short-term bilateral credit network, and the more recent adoption of the project for possibly creating additional reserves if there is generalised insufficiency of the existing stock, indicate the profound transformation which the international monetary system is undergoing.

This system, increasingly arranged on the basis of rational cooperation between the authorities of the various countries, is tending to be organised as follows. The bilateral facilities which the leading Central Banks grant to each other in sundry forms serve to meet purely temporary disequilibria in balances of payments; such short-term facilities are indeed the only kind which it would be proper for Central Banks to grant; the debtor country therefore has to give them up on maturity, even if it has not succeeded in redressing its position. But at this stage the option of resorting to the International Monetary Fund enables the debtor country to procure the required resources, repayable at longer periods, while at the same time obliging it to agree with that institution on measures suitable for reducing the imbalance in its external payments. Finally it will be possible to meet, through the contemplated creation of special drawing rights, the desire which the community of Central Banks as a whole may feel to have more reserves available so as to adapt their total amount to the growth of the world economy.

Within this international monetary organisation the role assigned to gold is indeed being reduced. The increasing of metallic reserves no longer remains the essential method of creating international liquidity. This means that for the precarious and disorderly trend in those reserves, dominated without any control by the hazards of gold production, by those of gold hoarding and by those of the Eastern bloc countries'

contributions, this system substitutes creation of liquidity determined on the basis of the requirements set by balanced growth of the entire world's economy, and furthermore subject to conditions likely to contribute towards eliminating localised disequilibria; that creation is effected in the form of drawing rights managed by an international institution.

These mechanisms enable the creditor countries to acquire reserves effectively consisting of assets which can be immediately used to cover their possible deficits, and the value of which in relation to their own monetary unit cannot be changed by unilateral outside decisions. To these countries, whose surplus is sanctioned or caused by the creation of international liquidity, the system affords an indispensable safeguard inasmuch as they are associated in the reaching of decisions, including the formulation of conditions for aid; the respecting of these conditions by the debtor countries, which are consequently forced to limit their deficit, is supervised by an international institution. The proper functioning of the system naturally rests on the essential role of international umpire played by that institution which has to determine with all due impartiality the share of responsibility that respectively falls, depending on their internal economic situation and their policy, on the debtor countries for their deficit, and on the creditor countries for their surplus; it is therefore important that the plurinational administration of the institution shall be properly balanced so as to ensure that the recommendations addressed to both debtors and creditors are correctly formulated, that is to the exclusion of any inflationary or deflationary bias which would be equally damaging to the stability and to the economic growth of all the countries forming the monetary community.

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By taking part in the short-term cooperation between Central Banks the National Bank added its efforts to those made by various other countries to ensure, in difficult circumstances, the functioning of the international monetary system; its decisions were inspired by conviction

that any serious derangement of that functioning might lead, by reason of the world economic situation, to consequences which would be especially damaging to the international economy on which the economy of our country closely depends.

The National Bank furthermore made an indirect contribution towards those efforts through the measures which it adopted in view of the domestic situation; by changing the course of its monetary policy it tried, within the field of action for which it is responsible, to sustain internal demand and thereby limit the surplus on the balance of payments.

So long as the economic situation does not change, the National Bank will continue to pursue the same object, thereby assisting the action which the Government has undertaken.

The year was marked by a slowing down of the expansion in the world economy, and by an increase in the external deficit of the United States and the United Kingdom. The devaluation of sterling on 18th November was preceded by international consultations about the rate of adjustment. Subsequently a sharp bout of speculation on a rise in the official price of gold twice disturbed the foreign exchange markets, compelling the Central Banks which are members of the gold pool to intervene on a large scale so as to balance the market.

It is probable that for the industrialised countries as a whole the rate of growth hardly exceeded 3 p.c., whereas it had been 5 p.c. in 1966; this slowing down of expansion was observed in most of the countries concerned, except in Italy, where the growth of activity held up well, and in Japan, where it further increased to an extremely high level.

This trend in the industrialised countries, accompanied by a moderate fall in prices for raw materials, affected the trade of the developing countries. Their exports, expressed in terms of value, increased only moderately between the second half of 1966 and the first half of 1967; afterwards, however, some broadening of the markets for these countries appears to have begun.

In the **United States** the expansion of the national product at constant prices, after having reached 5.8 p.c. in 1966, seems to have been reduced by about one-half. The slowing down took place in the first half-year, during which, while public expenditure appreciably increased, private investment decreased as the result of definitely slower stockbuilding.

Afterwards a resumption of capital expenditure, resulting especially from a marked expansion of inventories and from an increase of house-building, and the sustained level of public authorities' spending, caused a renewal of economic expansion accompanied by tensions.

The export surplus appears to have grown from \$ 3.9 billion in 1966 to \$ 4.3 billion in 1967; the effect of this improvement on the overall balance of payments was however outweighed by other factors, including the increase in Government spending abroad and the net outflows of capital, so that the total deficit rose from \$ 1.4 billion to more than \$ 3.5 billion.

Table 1.

GROSS NATIONAL PRODUCT AND EXTERNAL TRADE
OF THE MAIN INDUSTRIAL AREAS

	Gross national product (1) (Indices 1958 = 100)			Share in world exports (2) (Per cent)			Balance of trade (3) (In millions of U.S. dollars)		
	E.E.C.	United States	United Kingdom	E.E.C.	United States	United Kingdom	E.E.C. (4)	United States (5)	United Kingdom (4)
1962	126.2	118.4	114.2	18.7	19.0	10.3	-1,716	+4,525	-1,582
1963	131.7	123.2	119.3	18.1	18.9	10.3	-3,048	+5,260	-1,734
1964	139.5	129.9	126.3	18.1	19.4	9.6	-2,676	+7,084	-3,164
1965	145.9	137.9	129.2	18.8	18.6	9.5	-1,488	+5,323	-2,381
1966	151.6	145.9	130.9	18.7	18.8	9.3	-1,320	+3,873	-2,010
1967	155.4 (e)	149.5 (e)	132.6 (e)	19.1 (6)	19.0 (6)	9.2 (6)	+ 750 (e)	+4,300 (e)	-3,550 (e)

(1) At 1958 prices.

Sources : 1962 to 1966 : *European Economic Community* : Statistical Office of the European Communities; *United States* : Economic Indicators, October, 1967, page 2; *United Kingdom* : « National Income and Expenditure », Central Statistical Office, 1967, page 17. 1967 : *European Economic Community* : « La situation économique de la Communauté », September, 1967, page 19; *United States and United Kingdom* : National Institute Economic Review, November, 1967, page 23.

(2) Not including trade between countries of the European Economic Community and exports from the United States by way of military aid.

Sources : Calculations by the National Bank of Belgium on the basis of data obtained from the General Statistical Bulletin of the Statistical Office of the European Communities and from International Financial Statistics of the International Monetary Fund.

(3) Sources : *European Economic Community* : General Statistical Bulletin of the Statistical Office of the European Communities; *United States and United Kingdom* : International Financial Statistics of the International Monetary Fund.

(4) Exports f.o.b. less imports c.i.f.

(5) Exports f.o.b. (excluding exports by way of military aid) less imports f.o.b.

(6) Figures for the first nine months.

(e) Estimates.

The fall which took place in rates of interest during the last months of 1966, and at the beginning of 1967, was quite brief; their spontaneous rise in the second half-year, due above all to the demand for funds resulting

from the budget deficit, was supported towards the end of the year by the monetary authorities' action aimed at limiting the outflows of capital and at averting potential inflationary pressures; the official discount rate, which had been lowered in April, was raised by an equal amount in November; the interest equalization tax was increased in January, and its application was prolonged for two years.

In the **United Kingdom** the national product at constant prices appears to have risen by about 1.3 p.c., just as it did in 1966; in November the number of persons fully unemployed represented 2.3 p.c. of the total wage and salary earning population, against 1.8 p.c. a year before.

After improving at the end of 1966 and the start of 1967 the balance of payments deteriorated, even though the Government continued to restrict domestic spending. Exports were adversely affected by the slackening of demand on various foreign markets; from June onwards, moreover, the balance of current transactions as a whole was affected by the crisis in the Middle East. For speculative reasons, and following the rise of interest rates in the United States as well as on the Euro-dollar market, net outflows of short-term funds took place. With a view to checking these the Bank of England raised its discount rate in two steps, from 5.5 to 6 p.c. in October and from 6 to 6.5 p.c. at the beginning of November, thus abandoning the policy of lowering the rate which it had pursued during the first half of the year, as reflected by three successive reductions of 0.50 p.c. each in January, March and May.

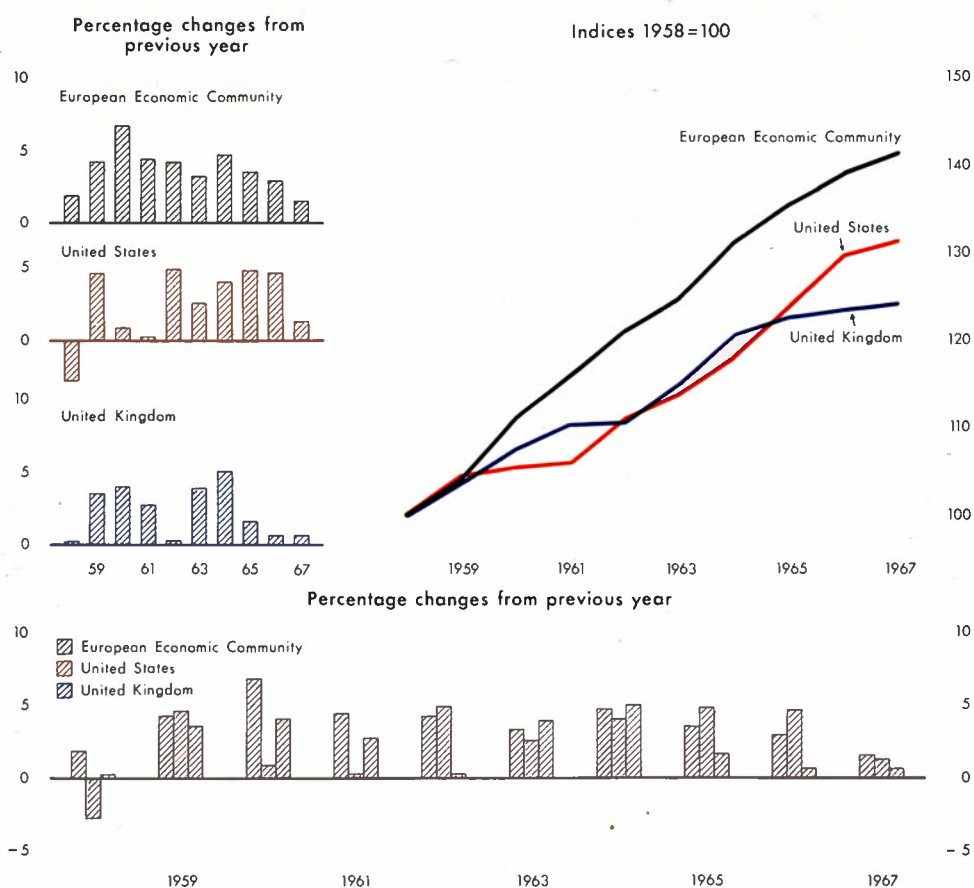
The new sterling parity, adopted on 18th November, is \$ 2.40 as against \$ 2.80 previously. At the same time as they effected this devaluation by 14.3 p.c. the British authorities adopted or announced measures designed to reinforce the restriction of domestic demand so as to ensure the effectiveness of the monetary adjustment as a means to restore the balance on current account; in addition the Bank of England's discount rate was raised from 6.5 to 8 p.c.

The United Kingdom called for international monetary cooperation on a large scale in support of its effort to restore the position.

The growth of the national product in the **European Economic Community countries** as a whole would appear to have dropped, at constant prices, from 4 p.c. in 1966 to around 2.5 p.c. The exports from the Community to other countries appear to have continued growing at a sustained rate, while the imports were probably affected by the slower growth of internal demand and by the fall in world prices for raw materials.

GROSS NATIONAL PRODUCT PER HEAD OF POPULATION

At constant prices ⁽¹⁾



Sources : *European Economic Community* : Gross national product per head of population : Statistical Office of the European Communities.

United States : Gross national product : Economic Indicators.
Population : Monthly Bulletin of Statistics of the United Nations.

United Kingdom : Gross national product : « National Income and Expenditure », Central Statistical Office, 1967.
Population : Monthly Bulletin of Statistics of the United Nations.

1967 : estimates.

(1) At 1958 prices.

The balance of trade seems to have shown a surplus of the order of \$ 0.8 billion, against a deficit of \$ 1.3 billion for the previous year.

In the Federal Republic of Germany the recession, which had appeared during the second half of 1966, became appreciably more marked during the first half of 1967. The German economy felt, among other things, the effects of a slowing down in fixed capital formation. The decrease of income was limited thanks to a particularly large surplus, of more than \$ 3.5 billion, on the balance of transactions in goods and services. The authorities tried to stimulate recovery of domestic demand by measures in the budgetary and monetary fields. The rate of discount was gradually lowered from 5 to 3 p.c.

A trend which was somewhat similar, but less pronounced and more delayed, was evident in the Netherlands. The authorities of that country likewise took steps to favour the revival of economic activity; the rate of discount was reduced from 5 to 4.5 p.c.

In France the increase of total demand was slowed down by some slackening in the expansion of external demand, and by a more hesitant tendency in private consumption; the French authorities, too, adopted measures to support economic activity.

In Italy, on the other hand, growth continued and was well sustained; the weakening of external demand was in fact offset by quickening of fixed capital formation.

With effect from 1st July, 1967 the member states set up a single Council and a single Commission for the **European Communities**. Thus they took the first step, as laid down by the Treaty of 8th April, 1965, to amalgamate the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community.

The said states proceeded on 1st July, 1967 further to reduce the remaining Customs duties on intra-Community trade in industrial products, and in the few agricultural products which are not yet subject to common

organisation of the market. The result of these reductions was to bring down the duties on intra-Community trade, as compared with the basic duties in force on 1st January, 1957, to 15 p.c. in the case of industrial and to 25 p.c. in that of agricultural products.

Within the sphere of agricultural market integration the stage of organising the single market has been reached in the case of cereals, pig meat, eggs and poultry; at the same time the system of single common prices, expressed in units of account at an invariable gold parity, has come into force.

So as to prepare for the change-over from customs union which has to be effected on 1st July, 1968 to economic union, the member states decided to harmonise the system of turnover taxes and to put into force, not later than 1st January, 1970, a common added value tax system. They are also finalising a definitive regulation, which is to come into force on 1st July, 1968, with a view to eliminating the few remaining obstacles to the free movement of workers.

In the field of relations with non-E.E.C. countries the European Economic Community, acting as one economic entity, signed on 30th June, 1967 the final act in the multilateral trade and tariff negotiations known as the Kennedy Round. The putting into force of this agreement will result in reducing by about 35 p.c. the level of the Community's common external tariff on industrial products.

The United Kingdom, Ireland, Denmark and Norway have officially lodged a request for accession, but the Council of the European Communities did not reach unanimous agreement on the opening of negotiations with these countries concerning their request.

OVERALL DATA CONCERNING THE BELGIAN ECONOMY.

According to the latest estimates the national product achieved in terms of volume, for the year 1967, a rate of increase close to the 2.7 p.c. attained in the previous year.

The expansion of industrial output was small; agricultural yields were on the other hand generally high, civil engineering work increased, and structural expansion of the services sector continued.

Prices having risen less in 1967 than in the previous year, the increase of the national product at current prices was smaller than the 7 p.c. achieved in 1966.

The growth of domestic demand was not marked; in fact, while Government consumption and capital expenditure showed vigorous expansion, the demand emanating from individuals and enterprises grew only quite slowly.

The trend of employment and the tapering off of wage increases slowed down the rate of expansion in total wages, and this affected the growth of private consumption. Demand for textile products, and for certain consumer durables other than automobiles, fell off; purchases of food products were on the other hand well maintained.

Residential construction did not noticeably decline in the first half-year, during which it was still influenced by the high level of decisions to build reached in 1966; but the decrease of such decisions from the start of the year onwards must have produced some effect on the level of building work during the second half of 1967.

Enterprises' fixed capital formation further increased in the first half-year as compared with 1966 ⁽¹⁾, but a more hesitant tendency later appeared.

According to inquiries conducted by the National Bank and addressed to heads of industrial enterprises concerning the state of economic activity the level reached by stocks of finished products, after having risen quite appreciably in the second half of 1966 and at the beginning of 1967, appears to have thereafter become stabilised with perhaps a tendency to

⁽¹⁾ In the absence of contrary indication the comparisons made in this Report between 1967 and 1966 must be understood as comparing facts observed at identical dates or for identical periods.

decline. The overall trend of the economy, and that of world prices, very likely caused some downward readjustment in stocks of raw materials.

The same factors led to a decrease in imports of producer goods, causing total imports to flatten out. Exports for their part expanded less rapidly than in 1966 because the state of economic activity was less favourable in certain countries important as markets.

The balance of current transactions, negative in 1966, became positive in 1967.

EMPLOYMENT.

The slowing down of economic activity, and the rationalisation carried out in several industries, further relaxed the labour market and caused a fresh increase of unemployment.

Vacancies unfilled at the ends of months reached their lowest level since 1958; they dropped from an average of 6,900 in the first eleven months of 1966 to 3,800 in 1967.

Apart from this the number of industrial manufacturing enterprises which took part in the inquiries organised by the National Bank, and which attributed under-employment of their production capacities to shortage of skilled labour, has become very small. A certain lack of skilled labour did nevertheless continue to be felt in some industries.

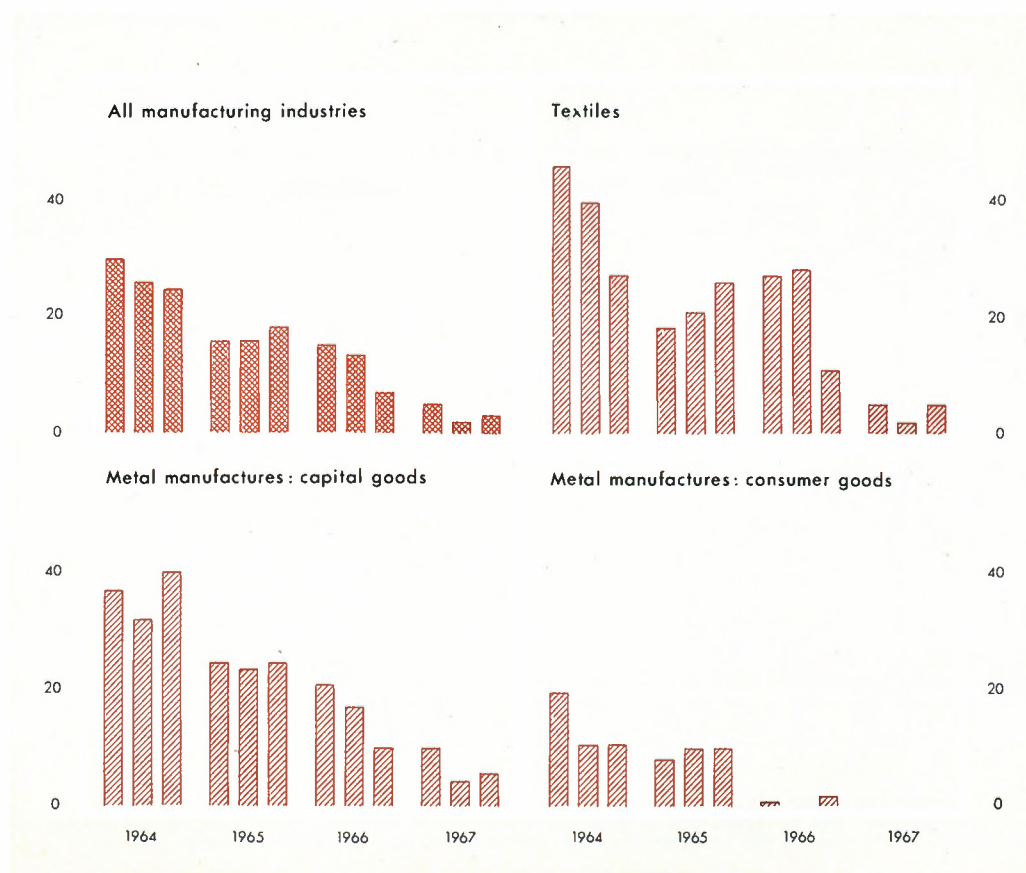
The easing of strain on the labour market affected the recruiting of foreign workers. During the first eleven months of last year 13,700 immigrants obtained a labour permit as against 17,600 in 1966.

The daily average total number of persons registered as unemployed was 107,400 in 1967 against 74,400 in 1966. Persons wholly unemployed in the same years numbered 61,500 and 38,700 respectively, while those partly unemployed were 45,900 and 35,700 in number.

Among the wholly unemployed the persons with normal capability for work averaged 44,800 during the first eleven months against 24,800 in 1966. The increase relates to both male and female workers; it particularly

ENTERPRISES ATTRIBUTING UNDER-EMPLOYMENT OF THEIR PRODUCTION CAPACITIES TO SHORTAGE OF SKILLED LABOUR

(In per cent of the total number of enterprises) (1)



(1) This refers to enterprises which replied to the inquiries organised by the National Bank of Belgium. Their replies have been weighted to allow for the relative importance of the firms and of the products. They relate to the months of January, May and October in each year.

affects ordinary labourers, as well as skilled workers in metallurgy and the textile industry; it is greatest for lower age groups, a feature characteristic of a period when economic activity is declining.

The number of work-seekers who are not included in the unemployment statistics because they have no right to unemployment pay, but who voluntarily register at the labour exchanges, confirms the existence of an increase in under-employment; in fact for the first eleven months of 1967 the number of such persons in search of work averaged 9,000, that is 12.1 p.c. more than a year previously.

DAILY AVERAGE NUMBERS OF REGISTERED UNEMPLOYED (1)

(In thousands)



Source : National Employment Office.

(1) Since February, 1962 the figures have no longer taken account of those persons out of work who are exempted, in pursuance of the Ministerial Decree dated 20th December, 1961, from municipal authorities' verification.

In virtue of the special powers conferred by the Law of 31st March, 1967 the Government adopted various measures designed to facilitate re-employment, in the public services, of workers dismissed on the closing down of coal mines. The Law of 30th June, 1967 also broadened the task of the Fund for compensating workers discharged on the closing down of enterprises.

MANUFACTURING INDUSTRIES.

According to the investigations of economic activity organised by the National Bank the extent to which production capacities were employed in the manufacturing industries declined. In October, 1967 it was 78 p.c. against 82 p.c. a year earlier; it had reached a maximum of 84 p.c. in October, 1964. An increasing number of enterprises — 79 p.c. as against 66 p.c. in 1966 — put down the under-employment of their capacities to lack of demand.

Table 2.

INQUIRIES CONCERNING EMPLOYMENT OF PRODUCTION CAPACITIES IN MANUFACTURING INDUSTRIES (1)

	Degree of employment (2)				Enterprises attributing under-employment to lack of demand (3)			
	October, 1966	January, 1967	May, 1967	October, 1967	October, 1966	January, 1967	May, 1967	October, 1967
Steel	87	89	89	87	88	66	76	76
Metal manufactures	80	77	76	75	67	77	77	83
of which : capital goods	79	75	73	73	67	77	81	83
consumer goods	82	80	79	76	67	78	70	88
Textiles	81	77	73	77	59	75	81	75
Paper	88	87	86	87	47	63	61	53
Leather	78	80	78	72	54	61	76	88
Wood processing	84	83	80	84	48	57	53	64
Glass	82	86	79	78	94	92	84	77
All manufacturing industries covered by the inquiries	82	79	77	78	66	73	76	79

(1) The participants' replies have been weighted to allow for the relative importance of the firms and of the products.

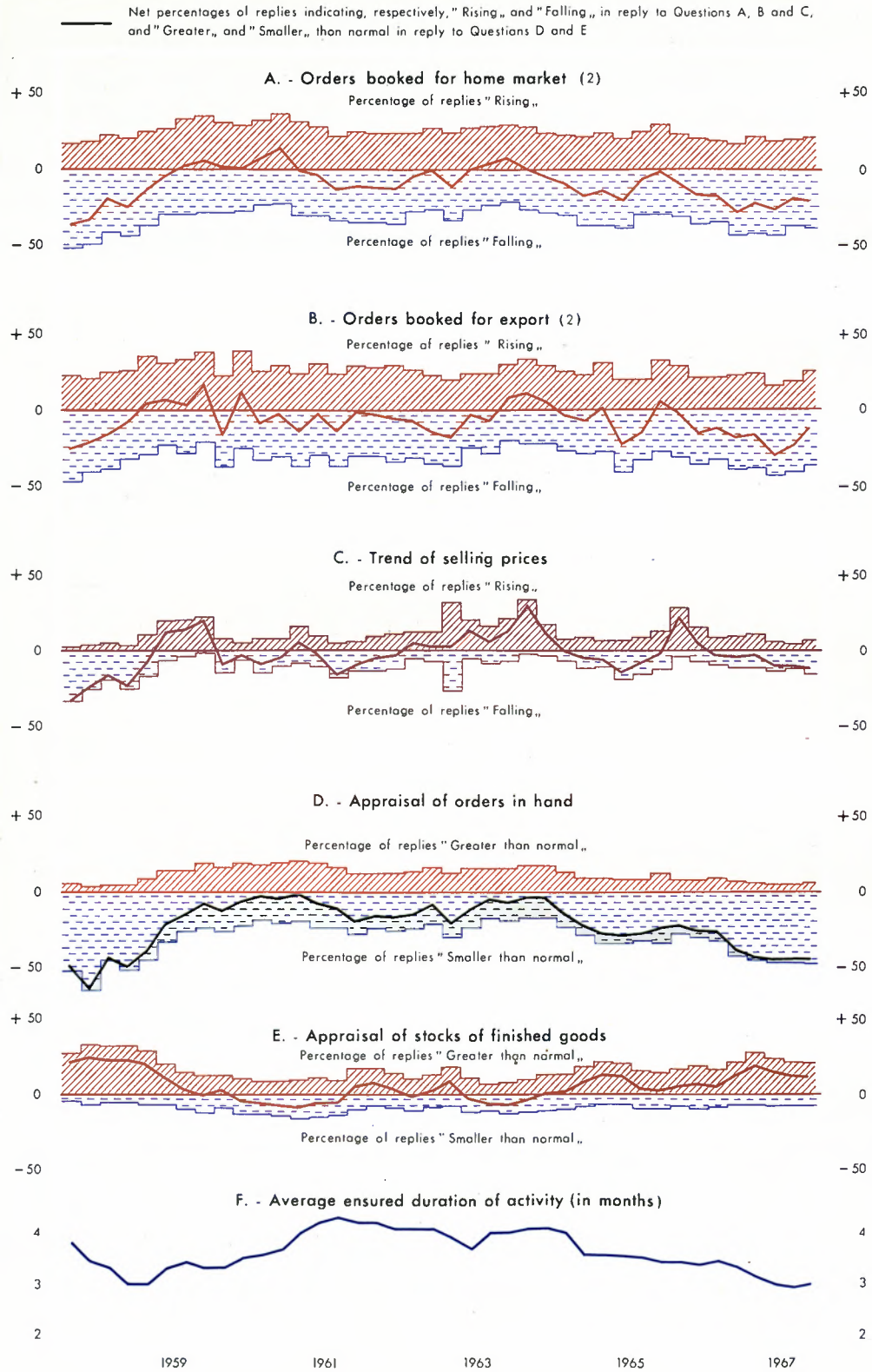
(2) In per cent of installed capacities.

(3) In per cent of the enterprises which replied to the inquiries.

The tapering off which had occurred during 1966 in orders booked was maintained during the first months of 1967 on the home market, and even became greater in regard to orders for export. In the case of these latter, in particular, a less unfavourable tendency then appeared. The amount of orders on hand is still regarded by a large number of those taking part as being smaller than normal.

The weakening of demand aggravated the more fundamental difficulties, and led to further closing down of enterprises, chiefly in certain

**DATA FOUND BY INQUIRIES INTO THE TREND OF ACTIVITY
IN MANUFACTURING INDUSTRIES (1)**

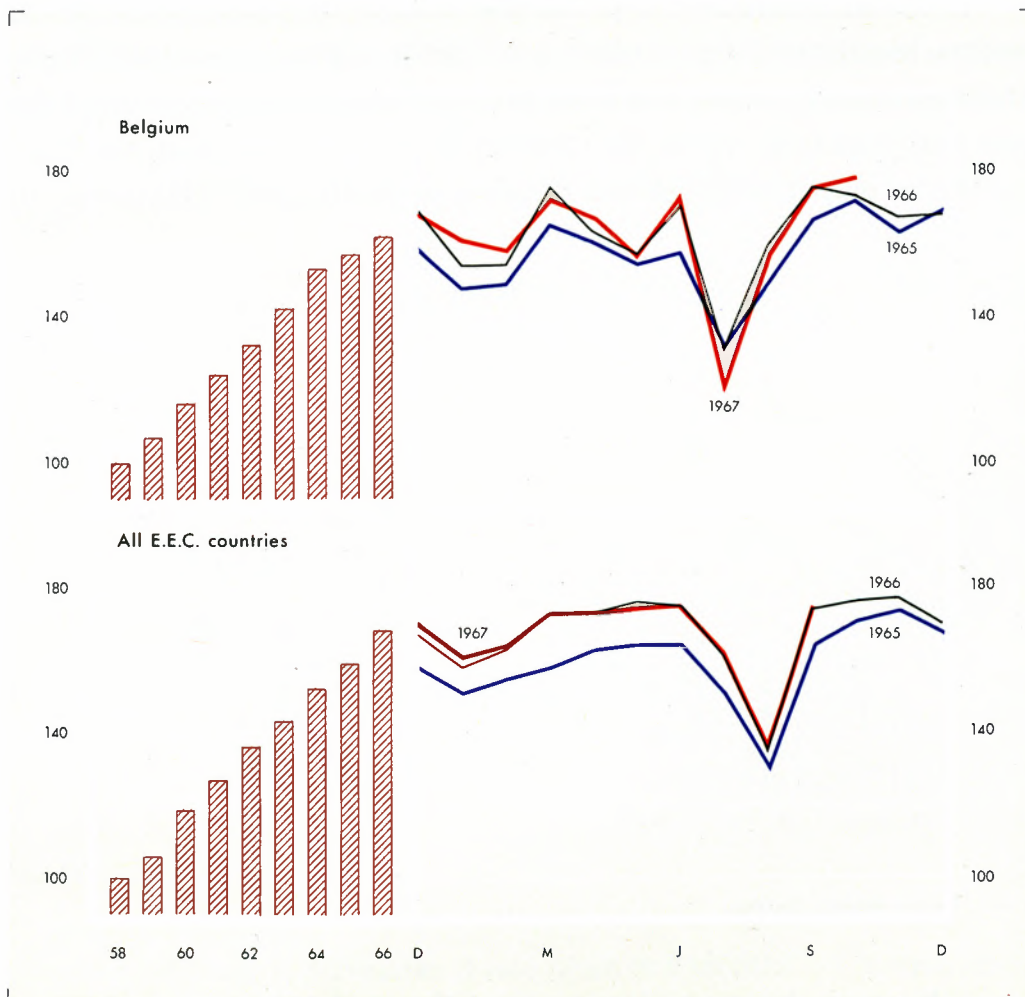


(1) These inquiries now cover the following industries : steel, non-ferrous metals, metal manufactures, textiles, paper, leather and wood processing. Monthly averages per quarter. Last period : Average for October-November, 1967.
(2) Seasonal movements eliminated.

sections of the industries concerned with non-ferrous metals, leather, textiles and metal manufacturing. Reorganisations were at the same time undertaken with a view to rationalisation; they are to continue and increase. Measures were adopted, in pursuance of the Special Powers Law, to provide for tax concessions on company mergers.

OUTPUT OF MANUFACTURING INDUSTRIES

(Indices 1958 = 100)



Sources : Belgium : National Statistical Institute.
 European Economic Community : Principal economic indicators of the Organisation for Economic Cooperation and Development.

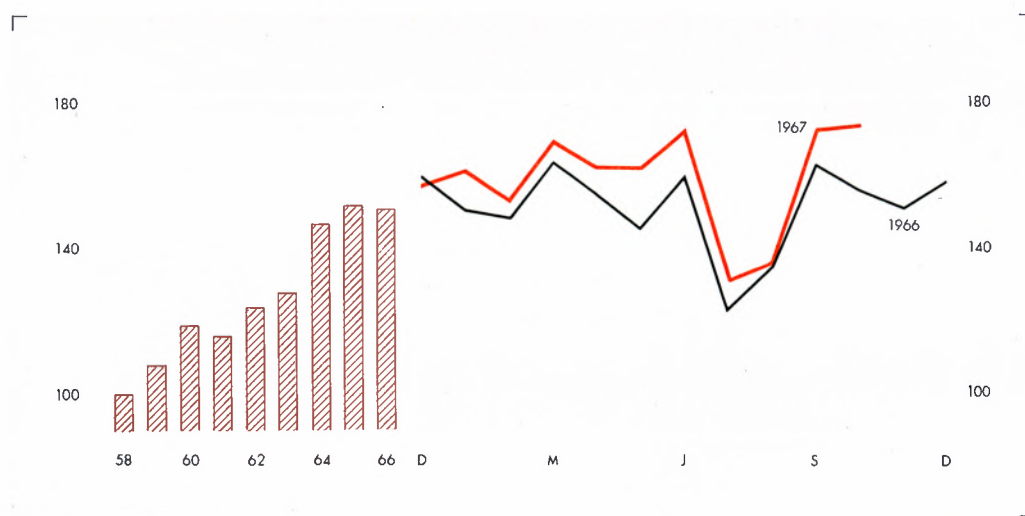
The output of all manufacturing industries was little greater in 1967 than in the year before. For the first ten months the recorded increase

reached only 0.5 p.c. against 4 p.c. in 1966. It was 1.5 p.c. for the first half-year alone; the decline during July and August was more pronounced than a year earlier, probably because holidays were longer. During those two months production was lower by 3 p.c., on the average, than its 1966 level; for the last two months of the period the total increase in comparison with 1966 amounted to 1.5 p.c.

In the steel industry the production of ingot steel was up during the first ten months by 7.5 p.c., whereas in 1966 it had been down by 2.5 p.c. This improvement, which was confirmed during the last two months of the year, was essentially due to the starting up of the Sidmar plant, the other steelworks' output having grown at only a moderate rate. There was an

OUTPUT OF THE STEEL INDUSTRY

(Indices 1958 = 100)



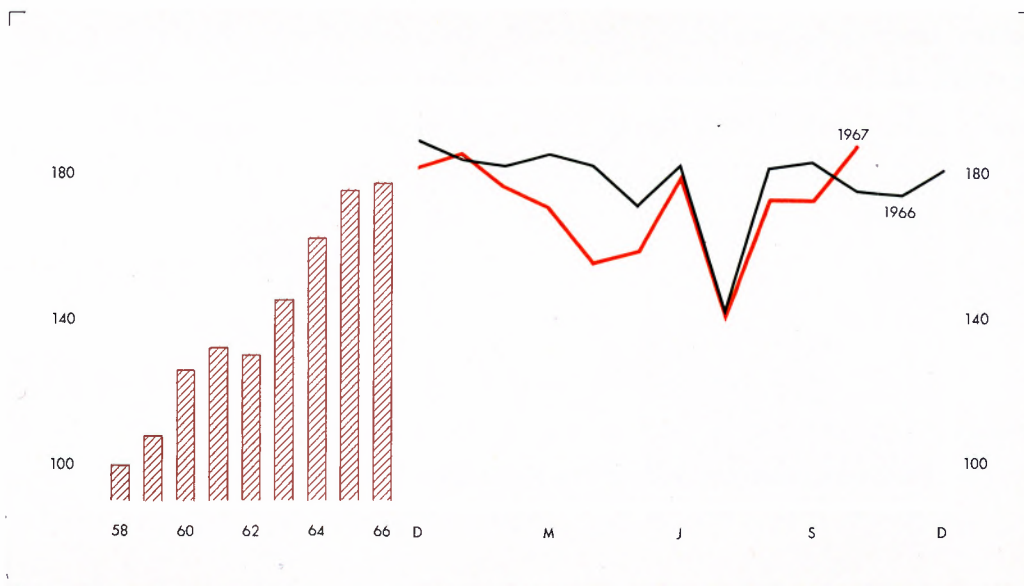
Source : National Statistical Institute.

especially marked increase in exports of the steel industry's products to the other countries of the European Economic Community. The growth of sales on the home market or to countries outside the E.E.C. was much less pronounced. Competition on the non-E.E.C. markets was extremely keen, particularly that of German producers, and caused prices on those

markets to fall; at the end of November the prices for Belgian merchant steel were lower by some 8 p.c. than the maximum reached at the start of the year.

The **non-ferrous metals industry's** output, the expansion of which had become slower in 1966, was down by 4 p.c. for the first ten months of 1967. The fall in production was due to that by 12 p.c. in semi-products, mainly of copper, aluminium and lead, for which demand decreased on both the Belgian market and abroad; the average ensured duration of activity in those industries declined from 1.8 month in January to 1.5 month in

OUTPUT OF THE NON-FERROUS METALS INDUSTRY
(Indices 1958 = 100)



Source : National Statistical Institute.

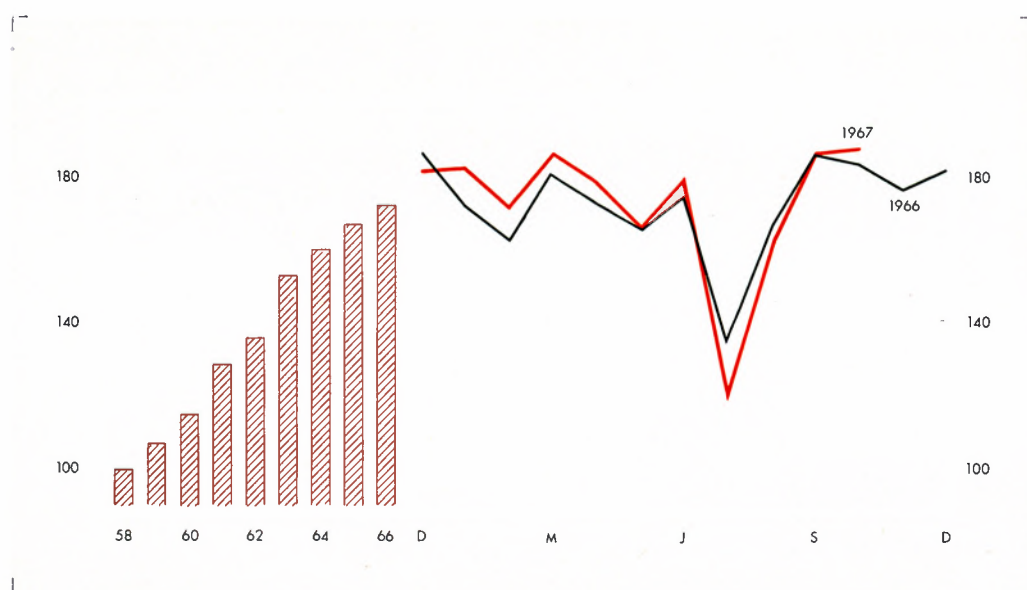
October, although in November it rose again to 2 months. The production of crude non-ferrous metals increased only a little, the fall in that of aluminium and zinc having almost entirely offset the rise of that in copper and lead. During the first nine months the total exports of non-ferrous products from the Belgian-Luxemburg Economic Union were down by 7 p.c. in volume. The world price for copper declined until July, but

thereafter appreciably rose. Quotations for the other principal non-ferrous metals hardly fluctuated in the course of the year.

The overall index for the metal manufacturing industries' output increased by only 1.5 p.c. in the course of the first ten months, against 3.5 p.c. in 1966; the growth of home-market demand was limited, and that of foreign demand extremely small. During the first eight months of 1967 the deliveries of primary products hardly increased. Those of capital goods rose slightly owing to the maintenance of foreign demand, principally

OUTPUT OF THE METAL MANUFACTURING INDUSTRIES

(Indices 1958 = 100)



Source : National Statistical Institute.

in the bridge and girder industry as well as in boilermaking. In the case of car and bicycle manufacturing the expansion of domestic markets outweighed the contraction of exports, and sales greatly increased. Order backlogs diminished in the various sectors except in weapon making, plate and miscellaneous metal manufacturing, as well as in the manufacture of measuring instruments and laboratory appliances.

Production in the **chemical industry** increased at a faster rate than during 1966. The increase was very noticeable in the case of plastics. Growth in the output of rubber was on the other hand slower than that achieved by the other branches of chemical manufacture as a whole. For the first eleven months the value of chemical exports was up by 12 p.c. in comparison with 1966. The increase was particularly marked in fertilisers and pharmaceuticals.

The total output of the **industries producing building materials** hardly changed; home-market demand continued to provide the chief support for these industries, exports being generally down. The increase of deliveries by the cement industry to the home market was favoured by sustained activity in public works, and offset the decrease of exports to neighbouring countries, chiefly the Netherlands; the total production of cement varied little during the first eleven months. The production of bricks likewise remained stationary. That of flat glass, mostly sold to the building and automobile industries, remained for the first eight months very close to the level of a year before; in that category the decline of exports chiefly affected sales to North America.

The **textile industry's** activity greatly decreased. For the first ten months its overall production index was down by 10 p.c. as compared with 1966. This percentage does not cover the garment industry, where activity remained practically stationary.

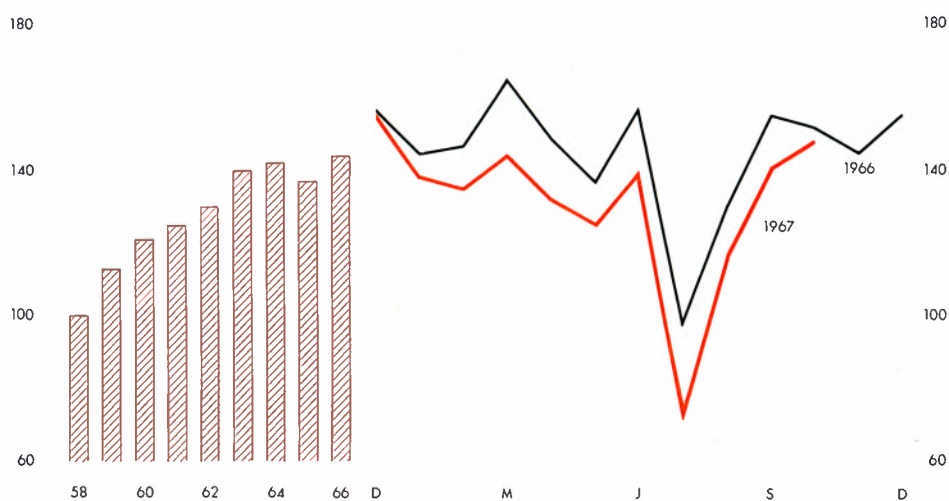
The observed decrease affected most sections of the textile industry. In the case of woollen spinners the slackening of activity affected both carded wool (down by 20 p.c. for the first nine months) and combed wool (down by 14.5 p.c. for the same period). Wool weavers' output was likewise down by 10.5 p.c. during the first eight months.

The same tendency was apparent in the cotton industry, where the spinners' and weavers' outputs declined by, respectively, 13.5 p.c. in the first ten and 10.5 p.c. in the first eight months.

In hosiery the reduction reached 7 p.c. during the first ten months.

The artificial and synthetic fibres industry showed a decrease of only 1.5 p.c. during the first eleven months for spinners, while weavers escaped the general decline and expanded their activity by 15.5 p.c. during the first eight months.

OUTPUT OF THE TEXTILE INDUSTRY
(Indices 1958 = 100)



Source : National Statistical Institute.

The weakness of foreign demand for textile products was reflected in the decrease of exports, the value of which was down by 8.5 p.c. in comparison with 1966 during the first eleven months; the decrease of sales was particularly clear in cotton and woollen products.

Output in the industry producing **leather** and in that producing **shoes and slippers** was down during the first ten months by, respectively, 6 and 10 p.c. as compared with 1966; improvement appeared to have taken place at the end of the year, at least in the tanneries, where foreign sales expanded.

Production in the **paper industry** was up during the first ten months by 3.5 p.c. in comparison with 1966; this increase related to producers, especially of writing and printing paper, and to processors, more particularly to makers of impregnated papers and cardboards.

The expansion of activity in the **wood processing industry** became slower; the increase for the first ten months amounted to 4.5 p.c. against 8 p.c. in 1966. This slowing down is explained by the course of demand both at home and abroad. The movements diverged rather widely as between the different sectors; thus the value of invoiced sales increased in joinery as well as in the manufacture of compressed boards and of furniture; but it decreased in connection with plywood, which was affected by a structural decline.

Activity in the **diamond industry** seems to have remained about the same. Net exports of cut diamonds amounted, for the first ten months, to Fr. 5.5 billion against Fr. 5.4 billion in 1966.

Production in the **tobacco industry** was up by 1.5 p.c. in the first ten months as compared with 1966.

The **food and beverage industries** mostly did well. Their production increased, during the first ten months, by 3.5 p.c. in comparison with 1966. Activity at the meat canneries, where exports rose, definitely quickened. The vegetable canners' great increase of output, due to the good crop, was accompanied by appreciable stockbuilding, partly due to the limitations imposed on imports towards the close of the year by the Federal Republic of Germany. The growth of home and foreign demand enabled the breweries to increase their production. Other increases were recorded at biscuit factories and oil mills. The dairies' activity increased not only in the case of milk and butter but also in that of most other products derived from milk. Production on the other hand declined among makers of chocolate and confectionery. Flour milling activity declined further

in 1967. The production of sugar during the 1966-1967 crop year remained slightly below the level attained in the previous year. That for the 1967-1968 crop year will be very large, since the European Economic Community's fixing of the quota for sugar benefits from the Community guarantee of prices and sales, and has led to an increase of sowings, while yields have also been very high.

ENERGY.

In 1967 the net production of **electricity** increased by 5 p.c. as against 5.5 p.c. in 1966. Low-voltage consumption grew at the same rate as in the previous year, that is by about 10 p.c., and high-voltage consumption by 4.5 p.c. as against 4 p.c.; net exports declined. The average price for current was moderately increased. The new plants completed during 1967 have attained a maximum capacity of 800 megawatts, that is about 15 p.c. of the maximum total capacity at all the plants in operation at the end of 1966.

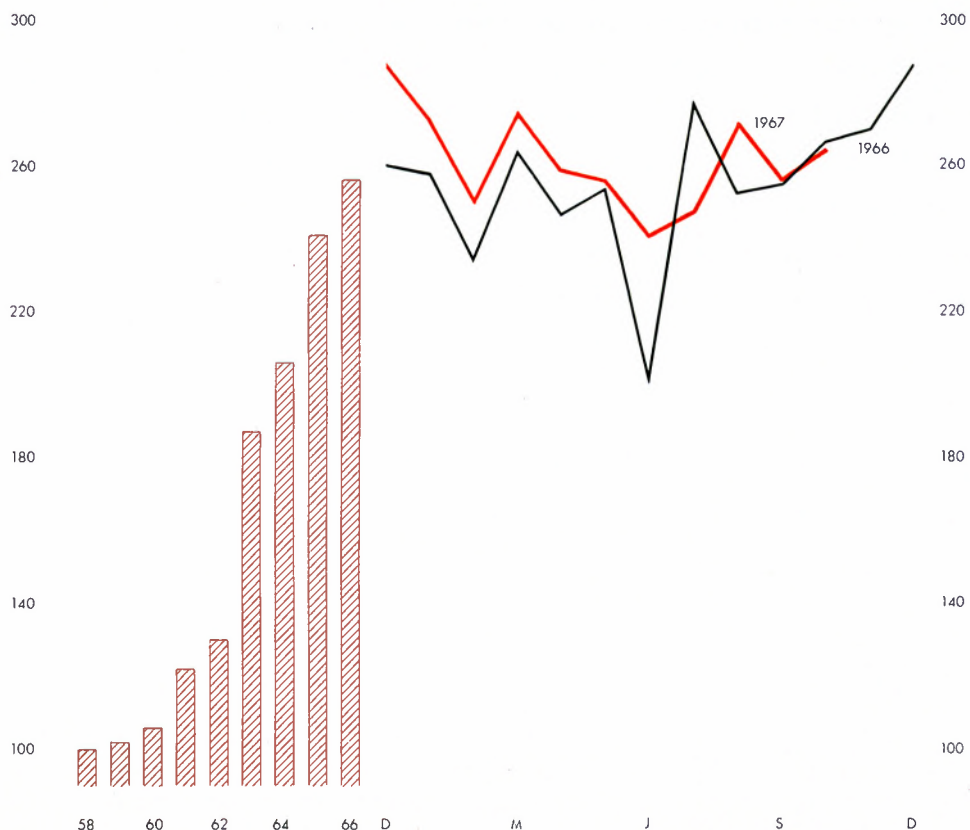
During the first ten months of 1967 the **petroleum refineries** increased their input of crude petroleum by 4 p.c. against 5.5 p.c. in 1966. Supplies to consumers were not affected by the events in the Middle East. Sales of petrol for cars were up by 13 p.c. during the first ten months as compared with 1966. During the same period the demand for heating oils rose by about 17 p.c., while industrial consumption increased by some 4.5 p.c., partly owing to substitution of residual fuel oil for coal.

For the period from January to October the production of **coke** was down by 2.5 p.c. in comparison with 1966. Needs were partly met by drawing down stocks, which were reduced from 190,000 tons at the end of 1966 to 138,000 tons at the end of October, 1967.

Adaptation of the distribution system as well as of industrial equipment and household appliances to **natural gas**, at a total cost estimated to be

OUTPUT OF PETROLEUM REFINERIES

(Indices 1958 = 100)



Source : National Statistical Institute.

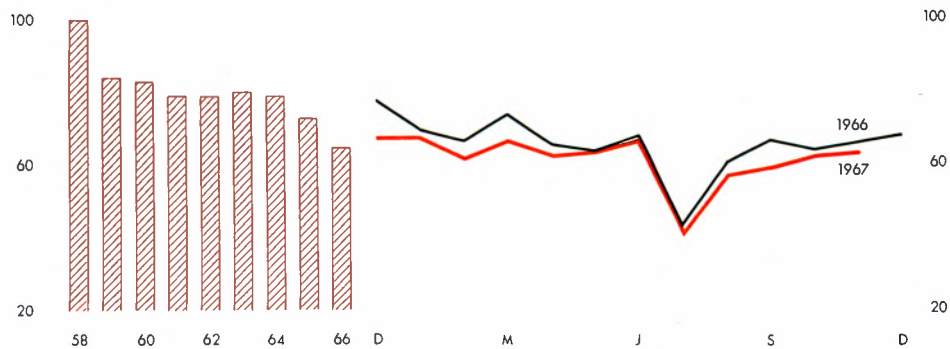
around Fr. 15 billion, is proceeding at a rate faster than had been foreseen. It resulted during 1967 in growing imports of Netherlands gas; these reached 274 million cubic metres during the first ten months, that is about 15 p.c. of total gas consumption. One consequence of the progressive change-over to natural gas will be considerably to improve the conditions for supplying industry with power.

The quantities of coal sold on the home market continued to decline; they amounted for the first eleven months to 19.2 million tons against

20.1 million in 1966. Exports between January and November reached 1.5 million tons at falling prices.

Both production and imports of coal were down. The amount mined was only 15.1 million tons for the first eleven months against 16 million a year before. Since the programme for gradual reorganisation made it necessary in 1967 to close a number of pits, which had together produced some 1.8 million tons in the previous year, the imbalance as between production capacity and the quantities produced was cut down. The quantity of coal imported between January and November was 5.3 million tons as compared with 5.6 million in 1966.

MINING OF COAL
(Indices 1958 = 100)



Source : National Statistical Institute.

For the first time in four years there was a slight reduction of coal stocks; it was of the order of 300,000 tons for the first eleven months.

The 1967 budget appropriations for granting direct subsidies to coal mines totalled roughly Fr. 4 billion against Fr. 2.8 billion in 1966.

BUILDING.

After having risen in 1966 the output index for the whole building industry has tended to fall since March, 1967. For the first ten months its level was nevertheless above that for 1966 by 7 p.c.

Table 3.

BUILDING INDUSTRY (Monthly averages)

	Building permits (1) (Thousands of cubic metres)		Average ensured duration of activity (in months) (2)						
			Bare shells of buildings					Civil engineering	
	Dwellings	Other buildings	Total	Series-built houses	Individually built houses	Apartment houses having three or more storeys	Buildings for industrial, commercial or administrative use	Total	of which : road-making
1962	2,318	1,829	7.5	8.0	3.7	8.9	13.0	15.1	12.7
1963	2,335	2,117	7.8	8.3	3.9	8.9	13.6	17.0	16.9
1964	2,881	2,177	8.0	7.5	3.8	9.7	14.0	14.8	13.0
1965	2,343	2,250	7.2	7.5	3.2	8.6	13.0	12.2	9.2
<i>(New series)</i>									
1965	2,343	2,250	8.5	9.6	3.2	12.3	14.1	12.5	9.6
1966	2,977	2,126	8.2	7.4	3.2	10.2	15.2	13.1	13.7
1966 1st quarter	2,792	2,211	7.9	8.7	3.2	9.5	14.5	12.3	11.4
2nd quarter	3,465	2,317	8.1	7.7	3.4	9.7	15.2	12.5	12.6
3rd quarter	2,967	1,972	8.2	6.5	3.1	10.6	15.2	13.7	15.5
October-November	2,741	1,443	8.6	6.8	3.1	11.1	16.3	13.5	15.1
1967 1st quarter	2,746	2,909	8.1	6.3	2.7	10.2	15.9	14.8	17.4
2nd quarter	3,267	1,941	8.0	5.4	3.2	9.1	16.3	16.6	19.9
3rd quarter	2,571	2,180	7.4	4.3	2.9	7.8	16.1	15.8	19.1
October-November	n.a.	n.a.	6.8	5.0	2.4	7.3	14.8	14.8	18.3

(1) Source : National Statistical Institute.

(2) Source : Monthly inquiries into economic activity organised by the National Bank of Belgium; average of participants' replies weighted to allow, in each category, for the relative importance of the firms.
n.a. Figures not available.

Trends differed according to the categories of work. In private-sector building the number of man-hours worked during the first nine months was slightly below the 1966 level; in connection with public works, on the other hand, activity as so measured was up by 8.5 p.c. between 1966 and 1967.

The demand for dwellings was reduced in comparison with 1966; expressed in cubic content, the building permits granted during the first nine months were down by 7 p.c. What is more, the average ensured duration of activity declined as regards bare shells of series-built houses and apartment buildings; so it did, in lesser degree, as regards individually built houses.

Demand in the category of buildings intended for use other than habitation was sustained. For the first nine months of 1967 the amount of building permits in terms of cubic content was up by 8 p.c. as compared with 1966. The average ensured duration of activity among enterprises constructing bare shells for such buildings was maintained at a high level with, however, some falling off at the end of the year.

In civil engineering for the first eleven months the average ensured duration of activity was definitely longer than in 1966 owing to the effect of expansion in the programmes for public capital expenditure. In the course of the year the lengthening of the ensured average duration was particularly marked until the second quarter in the case of roadmaking, after which a downward tendency appeared.

The rise of prices for construction work tended to become slightly slower. Between the third quarter of 1966 and that of 1967 the cost of publicly assisted dwellings, and that of public buildings as well as civil engineering work, rose by 5.6 and 4.5 p.c., respectively, as compared with 6.7 and 4.8 p.c. between the corresponding periods in 1965 and 1966.

AGRICULTURE.

According to the agricultural census of 15th May the structural reduction of cultivated area was slightly accentuated in 1967, when it reached 13,000 hectares as against 12,000 in 1966.

The areas devoted to bread grains were down by 15,000 hectares. Among those allocated to industrial plants there was an increase by

11,000 hectares in the case of sugar beet, this being largely offset by a decrease of 10,000 in that of flax.

Agricultural production increased in 1967 as a result, among other things, of exceptionally favourable weather.

The increase was noticeable in most products of large-scale cultivation; the output of these had declined or remained stationary in 1966 owing to bad weather.

Table 4.

AGRICULTURE

	1962	1963	1964	1965	1966	1967
Cultivated area (1) : (Thousands of hectares)						
Bread grains	252	246	262	265	247	232
of which : wheat	209	200	216	227	212	199
Coarse grains	260	255	239	253	260	259
Sugar beet	57	57	64	65	67	78
Flax	33	34	39	27	24	14
Potatoes	68	69	61	57	59	62
Meadows and pasture	829	825	815	810	810	811
Livestock (1) : (Thousand head)						
Horned cattle	2,832	2,805	2,663	2,731	2,773	2,756
of which : milking cows ...	1,051	1,044	999	1,010	1,019	1,029
Pigs	2,053	1,795	1,833	1,847	1,971	2,320
Milk delivered to dairies : (Millions of litres)						
Year	1,630	1,644	1,712	1,953	2,199	n.a.
First 10 months	1,422	1,441	1,486	1,694	1,928	2,113
Slaughterings : (Net weight of meat in thousands of tons)						
Year	462	458	429	461	500	n.a.
First 9 months	336	346	316	337	371	403

Source : National Statistical Institute.

(1) Census on 15th May in each year.

n.a. Figures not available.

Animal production also increased. The growth in deliveries of milk to the dairies was greater than that in production; it reached 9.5 p.c. for the first ten months of 1967 in comparison with 1966.

Between the census in May, 1966 and that in May, 1967 the number of horned cattle remained practically unchanged, while the number of pigs rose by 18 p.c. Slaughterings of Belgian and imported animals, expressed in net meat weight, were up by 8.5 p.c. during the first three quarters of 1967 as compared with 1966. The increase was greatest in the case of pigs.

The average prices paid to producers during the first eleven months of the year were down by 13 p.c., in the case of vegetable products, as compared with 1966. This fall was due to that in potato prices, which had reached a very high level in 1966 because of poor yields. Between the first eleven months of 1966 and the corresponding months of 1967, moreover, the prices paid to producers for animal products showed a slight fall. On the whole the prices paid to producers for vegetable and animal products were down by 3.7 p.c. between the first eleven months in 1966 and the corresponding period in 1967.

Between the same two periods the prices paid by producers rose by 1.5 p.c., chiefly owing to the rise in the cost of animal feedingstuffs.

Efforts to improve productivity were continued.

TRANSPORT.

In seaborne traffic the volume of exported goods increased during the first ten months of 1967 by 2.5 p.c.; that of imported goods decreased by 5.5 p.c. as compared with 1966. The tonnage of ships entering the ports of Antwerp and Ghent was up by 2 p.c. between the first ten months of 1966 and of 1967.

On inland waterways the amount of ton-kilometres transported during the first eight months of 1967 was up by 4 p.c. in comparison with 1966.

On the other hand the amount of goods carried by rail continued to decrease in terms of ton-kilometres. The decrease reached 2.5 p.c. during

the first eleven months of 1967 as compared with a year before. It was due, more particularly, to the decline in loadings of fuels, lubricants and industrial oils. Passenger traffic was likewise down; the number of passenger-kilometres decreased by 2 p.c. for the first eleven months of the year in comparison with 1966.

Sabena's air traffic, after having contracted in 1966, showed definite expansion in the case of both travellers and goods; for the first eleven months of 1967 the figure for passenger-kilometres was up by 18 p.c., and that for ton-kilometres was up by 24.5 p.c., in comparison with the previous year's traffic.

WAGES AND OTHER INCOMES.

The easing of strain on the labour market slowed down the growth of wages and salaries; the index for the average gross hourly wage of workers in industry and transport increased by 5.9 p.c. between September, 1966 and September, 1967, against 10.4 p.c. for the preceding twelve months; the index for collectively agreed salaries rose, as between the same periods, by 7 and 9.1 p.c. respectively.

During those two periods the rate of increase in pay was greater than that in the retail price index, but the gap between the two rates was narrowed. Retail prices in fact increased by 3.2 p.c. between September, 1966 and September, 1967 as against 3.7 p.c. during the twelve previous months.

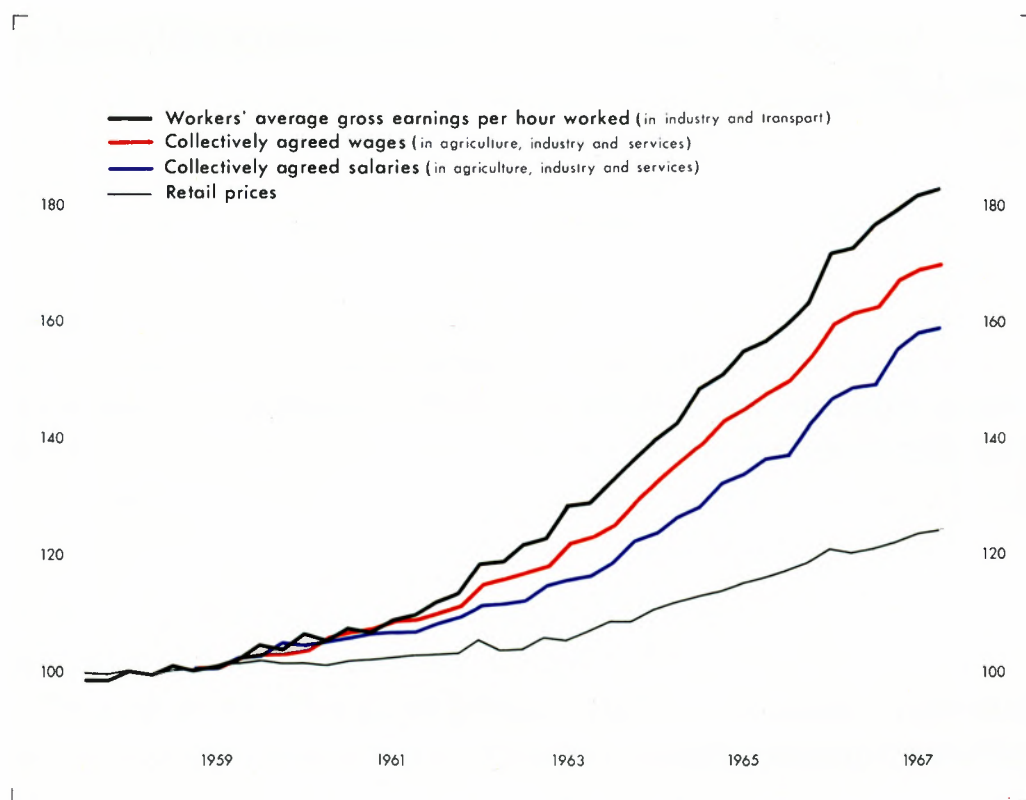
The linking of wages to the retail price index caused, in the majority of sectors, an increase by something like 2 or 2.5 p.c. between September, 1966 and September, 1967.

During the same period the rise of average gross hourly wages was greater in Belgium than in the United States, the United Kingdom, Italy and the Federal Republic of Germany; it was of the same order as in France, and smaller than in the Netherlands.

Average hourly wages for the first three quarters were higher by 7.3 p.c. in 1967 than in 1966. The rate of increase in total wages must have been smaller, since the total number of man-hours worked was reduced in comparison with 1966. The net pay of wage and salary earners was moreover affected by the raising of social security contributions.

EMPLOYED PERSONS' REMUNERATION AND RETAIL PRICES

(Indices 1958 = 100)



Sources : Collectively agreed wages and salaries : Ministry of Employment and Labour.
Retail prices : Ministry for Economic Affairs.

The social charges falling on employers were likewise increased, their percentage ratio to gross pay having risen in the case of wage-earners from 44.01 in 1966 to 45.56 in 1967. Hence the hourly cost of labour increased by more than the pay per man-hour worked. The rise of hourly average labour costs in manufacturing industries was probably 8.6 p.c. for the first three quarters as compared with 1966.

The advance of productivity was affected by the limited expansion of demand; for enterprises as a whole it did not make good the increase of labour costs, so that the average cost of labour per unit of output increased. What is more, enterprises' costs felt the effect of rises in the cost of services. On the other hand the unit value of imported raw materials declined during the first nine months as compared with 1966. Given the weakness of demand, selling prices were not in all cases fully adjusted to the rise in costs. On the average for the first eleven months the prices of industrial finished products in fact rose by only about 1 p.c. in comparison with 1966.

WHOLESALE PRICES OF INDUSTRIAL PRODUCTS.

Under the influence of the cyclical setback in the industrialised countries the world wholesale prices of some basic products for industrial use declined, in 1967, at least up till the third quarter.

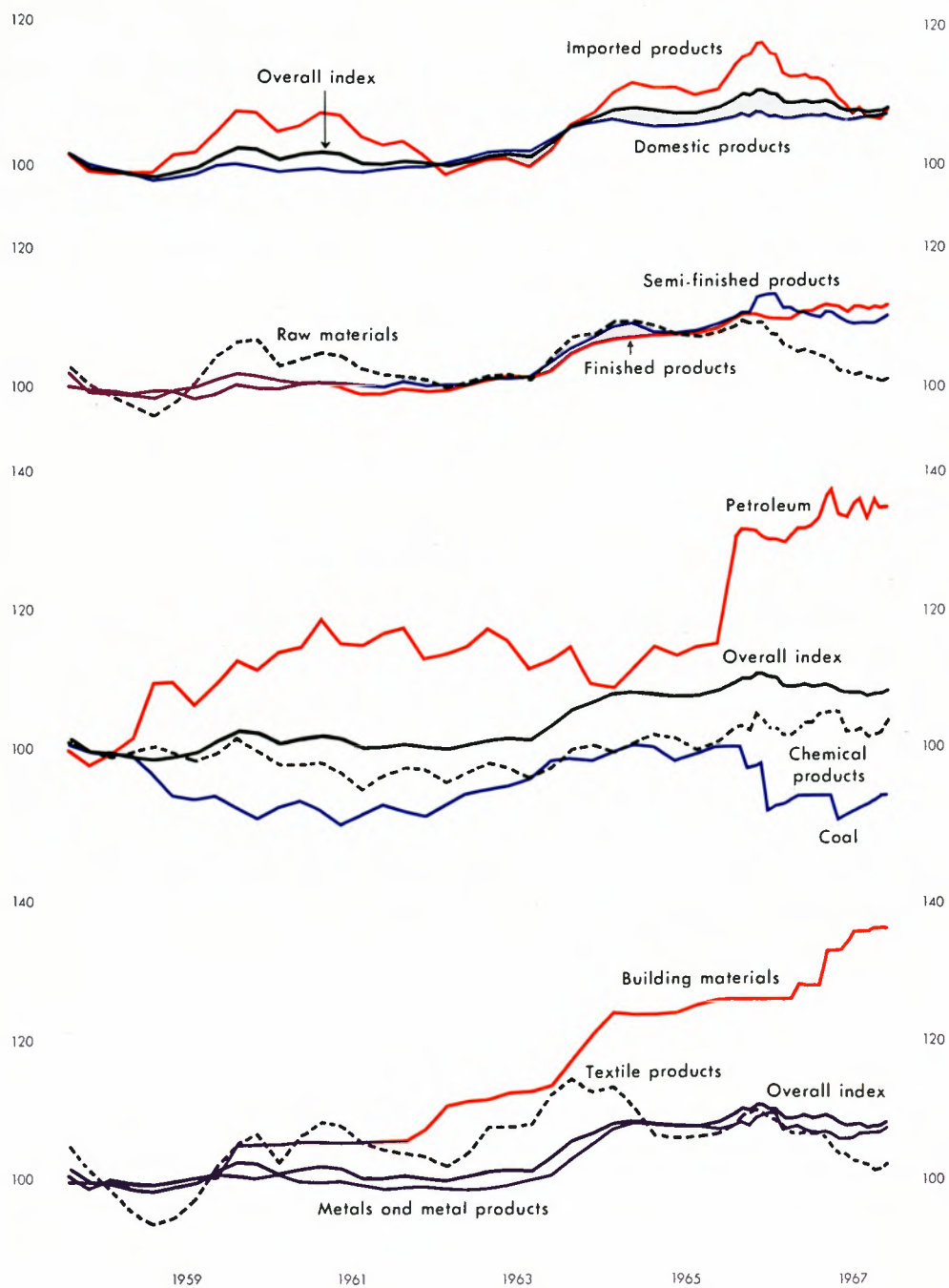
In Belgium the wholesale prices of imported industrial products were lower by 4.5 p.c. in November than they had been in 1966; on the other hand the index for prices of Belgian industrial products had hardly changed, so that the overall index fell by only 0.8 p.c.

Prices for raw materials were down by 3.9 p.c., and those for semi-products by 0.4 p.c., between November, 1966 and November, 1967; on the other hand the prices for finished products were up by 0.9 p.c.

The prices for textile products were lower by 4.3 p.c. in November than their 1966 level; their movement was thus opposite to that in prices for building materials, which rose during the same period by 6.2 p.c. Prices for petroleum fluctuated rather widely during 1967, mainly because of the events in the Middle East; in November they were above their 1966 level by 2.4 p.c. The other groups of products showed only relatively limited variation in price.

The 1967 movement of wholesale prices for finished industrial products appears to have been quite similar as between Belgium and the other

WHOLESALE PRICES OF INDUSTRIAL PRODUCTS (1)
 (Indices 1958 = 100)



Source: Ministry for Economic Affairs.

(1) Years 1958 to 1965 : monthly averages per quarter. 1966 and 1967 : monthly data.

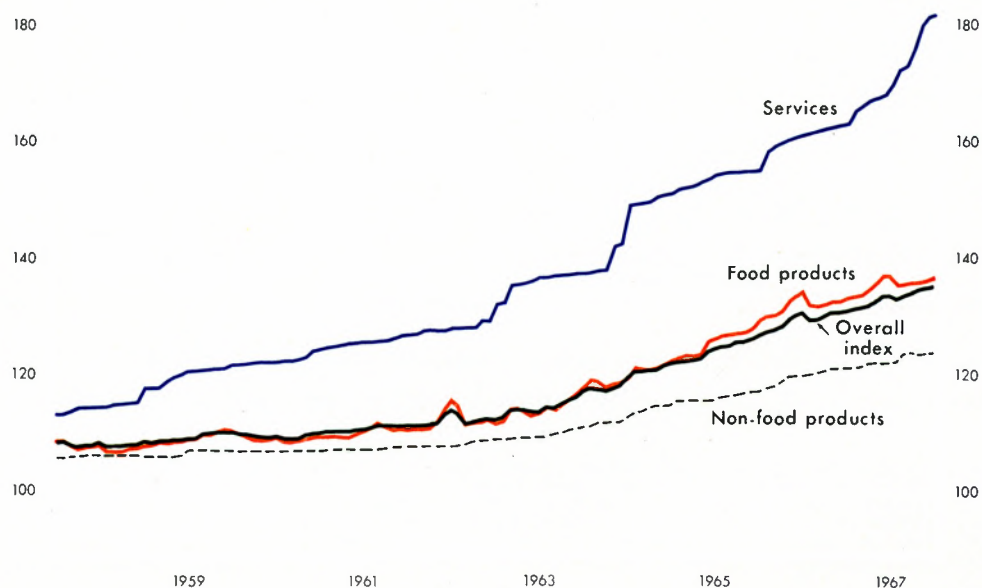
industrialised countries, except the Federal Republic of Germany and France, where they tended downwards.

RETAIL PRICES.

The rise of retail prices was slowed down by Government action in the second half of 1966, but became marked again between March and May of 1967, mainly because of increases which had been postponed by the effect of that action. During the rest of the year the rise continued as a whole, but in moderate fashion.

RETAIL PRICES IN BELGIUM

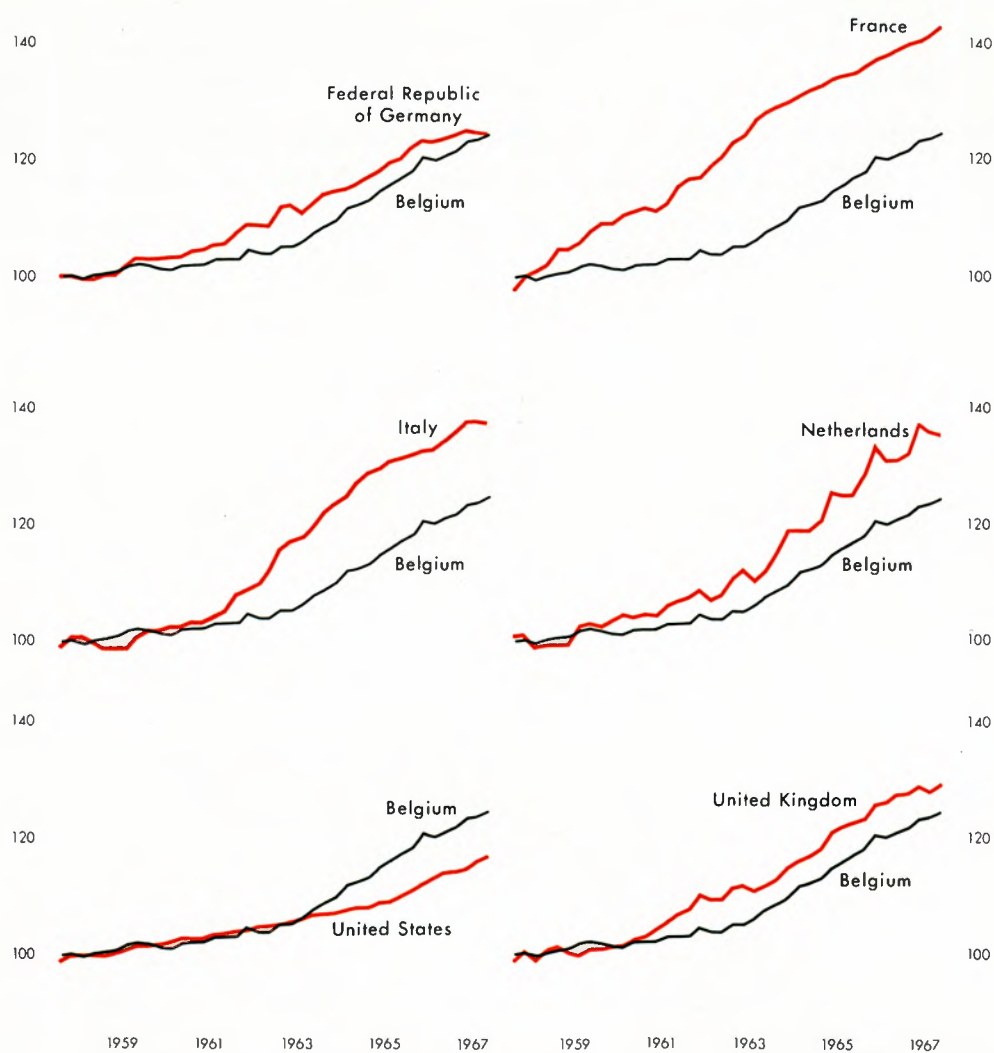
(Indices 1953 = 100)



Source : Ministry for Economic Affairs.

RETAIL PRICES : COMPARISON WITH FOREIGN COUNTRIES

(Indices 1958 = 100)⁽¹⁾



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

(1) Indices not adjusted for variations in rates of exchange. Monthly averages per quarter. Last period : average for October-November, 1967 or October 1967.

Between December, 1966 and December, 1967 retail prices increased by 11.1 p.c. for services, by 2.4 p.c. for food products and by 2.2 p.c. for non-food products; the overall index rose by 3.2 p.c.

The rise of retail prices would seem to have been of the same order of magnitude in Belgium as in the other industrialised countries, except the United Kingdom and above all the Federal Republic of Germany, where the rise was smaller.

For the last ten years, however, the rise has been smaller in Belgium than in the other principal European countries, except the Federal Republic of Germany, where the cumulative rise for that period was approximately the same as in Belgium.

EXTERNAL TRADE.

For the first eleven months the Belgian-Luxemburg Economic Union's exports increased, as compared with a year previously, by 2.9 p.c. in 1967 against 7.6 p.c. in 1966 and 13.5 p.c. in 1965; the 1967 increase was due to growth in volume.

Deliveries to France, Italy and the Eastern bloc countries (Comecon and Yugoslavia) increased; on the other hand those to the Federal Republic of Germany were appreciably reduced ⁽¹⁾.

Sales to foreign countries increased in most main categories of products, but exports of textile and non-ferrous metal products declined.

The first eleven months' imports, influenced by a fall in unit values, were down by 0.3 p.c. as compared with a year previously, whereas they had increased by 11.5 p.c. in 1966.

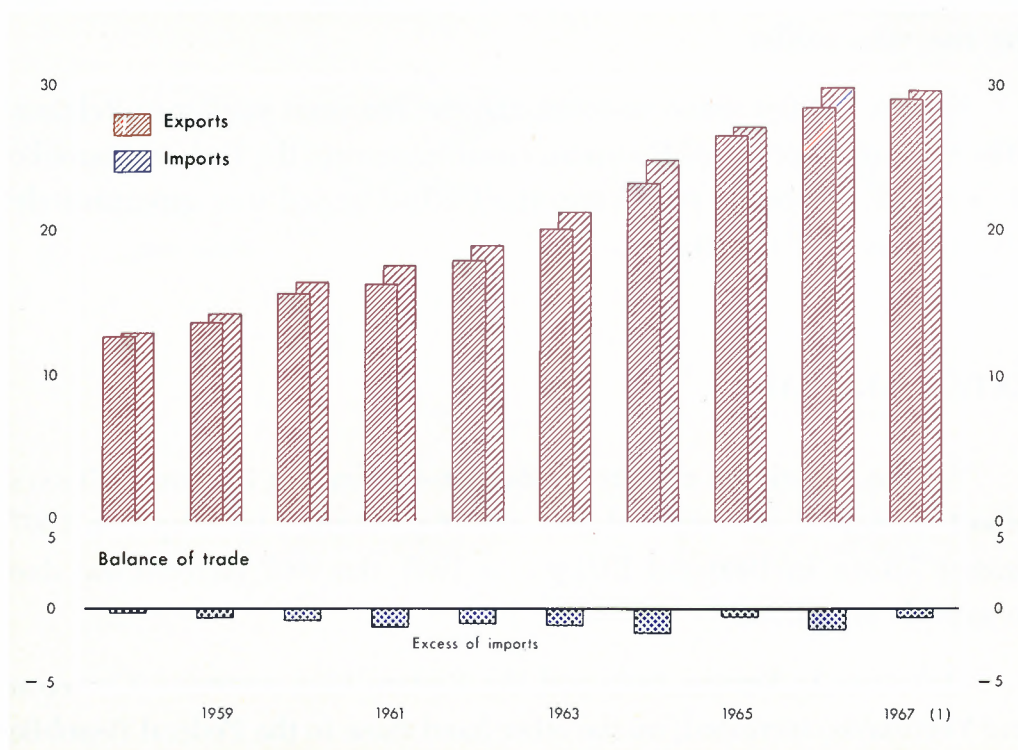
Imports of producer goods declined, but those of consumer and capital goods continued to rise; the decrease in imports of producer goods

⁽¹⁾ See Annex 3, Table 1.

was connected with the flattening out of industrial production, but is also explained through the effect which the course of world prices for raw materials produced on import prices and on the movement of stocks.

EXTERNAL TRADE OF THE BELGIAN-LUXEMBURG ECONOMIC UNION

(Monthly averages in billions of francs) (*)



Source : National Statistical Institute.

(*) 1 billion = 1,000,000,000.

(1) First eleven months.

The trade deficit, measured by Customs statistics, declined for the first eleven months from Fr. 16.3 billion in 1966 to Fr. 6.2 billion in 1967.

BALANCE OF PAYMENTS.

For the first ten months the Belgian-Luxemburg Economic Union's balance of current transactions yielded a surplus of Fr. 9.3 billion in 1967, as compared with a deficit of Fr. 2.6 billion in 1966. This reversal was

caused chiefly by improvement in net payments for goods and, in addition, by that in net transactions for services.

The payments for goods, which relate to substantially the same transactions as the Customs statistics, produced a surplus of Fr. 8.7 billion against a deficit of Fr. 1 billion in 1966.

BALANCE OF PAYMENTS OF THE BELGIAN-LUXEMBURG ECONOMIC UNION ⁽¹⁾

(Billions of francs)



(1) See Tables 5 to 7.

(2) Public operating organisations, non-monetary financial intermediaries of the public sector, and private sector.

The balance of transactions in services likewise changed from a deficit to a surplus. The deficit on foreign travel became greater, but on the one hand the Belgian-Luxemburg Economic Union obtained larger receipts

from European and international institutions located on its territory, and on the other hand the movement of net freight and insurance on carriage of goods was highly favourable.

Table 5.

BELGIAN-LUXEMBURG ECONOMIC UNION'S
BALANCE OF CURRENT TRANSACTIONS WITH FOREIGN COUNTRIES
(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967 (p)
						(First 10 months)	
Exports	181.1	200.7	230.5	253.6	266.4	219.4	233.1
Imports	187.5	209.7	239.2	256.2	283.0	232.1	235.5
1. Balance of exports and imports ...	- 6.4	- 9.0	- 8.7	- 2.6	-16.6	-12.7	- 2.4
2. Other transactions in goods, net (1)	+ 6.9	+ 5.7	+10.6	+ 9.8	+13.4	+11.7	+11.1
3. Services, net (2)	+ 2.9	- 1.3	- 2.6	+ 0.3	- 0.7	- 1.2	+ 1.5
4. Private transfers, net	+ 2.6	+ 2.5	+ 3.0	+ 2.5	+ 1.6	+ 1.5	+ 1.2
5. Government transfers, net	- 1.8	- 3.1	- 2.4	- 2.4	- 2.5	- 1.9	- 2.1
Total ...	+ 4.2	- 5.2	- 0.1	+ 7.6	- 4.8	- 2.6	+ 9.3

(1) Goods bought from one foreign country and resold to another foreign country (trade arbitrage transactions); commission processing.

(2) Costs of transport, insurance, foreign travel, investment income, transactions of public authorities as well as of European and international institutions, frontier and seasonal workers, etc. Owing to improvement of the statistics the amounts relating to 1965, 1966 and 1967 are not strictly comparable to those for the preceding periods.

(p) Provisional figures.

As regards the **movement of capital** the first ten months' net outflows, resulting from operations of the Government and other public authorities, increased from Fr. 3.6 billion in 1966 to Fr. 9.2 billion in 1967. These movements do not include the movement of funds which banks obtain for the Government by themselves incurring foreign debt; for the Treasury these operations amount in effect to borrowing from residents ⁽¹⁾.

Borrowing by public operating organisations, and by non-monetary financial intermediaries of the public sector, amounted to Fr. 1.6 billion against Fr. 1.5 billion in 1966; it consisted to the extent of Fr. 0.4 billion in funds obtained at short term, and to that of Fr. 1.2 billion in resources obtained at more than one year, inter alia by the National Industrial Credit Company and by the National Institute for Agricultural Credit.

⁽¹⁾ Indirectly, however, it is a matter of recourse by the Treasury to foreign borrowing; an estimate of the Government's total recourse to foreign markets is given hereafter in the description of trends in the public finances, and more particularly in the first item of Table 11.

The private sector's capital transactions brought a net inflow of Fr. 5.4 billion, whereas they had been in balance for 1966. On the one hand the net outflows of funds for direct and portfolio investments abroad were reduced. On the other hand the net receipts from foreigners' direct and portfolio investments in the Belgian-Luxemburg Economic Union were increased, chiefly because more funds were brought in to finance direct investments.

Table 6.

NET MOVEMENT IN CAPITAL FUNDS OF THE BELGIAN-LUXEMBURG
ECONOMIC UNION TO AND FROM FOREIGN COUNTRIES

(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967 (p)
						(First 10 months)	
1. Government and other public authorities (1)	- 1.8	+ 2.5	+ 1.5	- 5.8	- 2.5	- 3.6	- 9.2
2. Public operating organisations and non-monetary financial intermediaries of the public sector .	- 0.8	+ 0.6	+ 2.3	+ 2.1	+ 1.7	+ 1.5	+ 1.6
3. Private sector :							
a) Investments in foreign countries of which : in securities (2) ...	- 4.4	- 9.5	- 6.7	- 5.4	- 8.9	- 6.9	- 5.9
b) Non residents' investments in the B.L.E.U.	- 3.6	- 5.5	- 1.3	- 2.1	- 6.5	- 5.1	- 4.8
of which : direct investments .	+ 6.4	+ 9.7	+12.2	+ 8.5	+ 7.2	+ 6.3	+11.0
c) Investments not classified	n.a.	n.a.	n.a.	+ 7.1	+ 7.0	+ 6.4	+ 9.1
of which : direct investments .	- 0.8	+ 1.3	+ 1.0	+ 0.8	+ 0.6	+ 0.6	+ 0.3
Total for the private sector ...	+ 1.2	+ 1.5	+ 6.5	+ 3.9	- 1.1	...	+ 5.4
Grand total ...	- 1.4	+ 4.6	+10.3	+ 0.2	- 1.9	- 2.1	- 2.2

(1) Not including the movement in public debt located at Belgian banks and financed by means of resources obtained abroad. The changes in the external engagements thus contracted by the banks are included, in the part of Table 7 which relates to financing of the balance of payments, in item b) « Movement of monetary institutions' net gold and foreign assets ».

(2) Since 1965 fuller recording of transactions in securities has made it possible to show in this item certain transactions which, for the preceding periods, could not be isolated from the total for item a).

(p) Provisional figures.

n.a. Figures not available.

On the whole, with allowance for errors and omissions, the first ten months' current transactions and capital movements yielded a surplus of Fr. 8.5 billion against a deficit of Fr. 5 billion in 1966.

This surplus was reflected by an increase of Fr. 2.7 billion in the commercial claims which the market holds on foreign countries as a result

of having repurchased them from monetary institutions, and by a rise of Fr. 5.8 billion in the said institutions' net gold and foreign assets.

The operations just described relate to the Belgian-Luxemburg Economic Union. For Belgium alone there is no available classification of external transactions, but it is possible to identify the total surplus on

Table 7.

BELGIAN-LUXEMBURG ECONOMIC UNION'S
BALANCE OF PAYMENTS AND ITS FINANCING
(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967 (p)
						(First 10 months)	
Balance of payments :							
a) Net current transactions	+ 4.2	- 5.2	- 0.1	+ 7.6	- 4.8	- 2.6	+ 9.3
b) Net movement in capital funds .	- 1.4	+ 4.6	+ 10.3	+ 0.2	- 1.9	- 2.1	- 2.2
c) Errors and omissions	+ 1.4	+ 0.6	+ 0.5	+ 0.7	+ 0.3	- 0.3	+ 1.4
Total ...	+ 4.2	...	+ 10.7	+ 8.5	- 6.4	- 5.0	+ 8.5
Financing of the balance of payments :							
a) Refinancing, outside monetary institutions, of commercial claims on foreign countries	+ 0.2	+ 0.1	...	+ 1.2	- 1.1	- 1.4	+ 2.7
b) Movement of monetary institutions' net gold and foreign assets :							
— National Bank of Belgium (1)	- 1.7	+ 11.2	+ 12.6	+ 8.0	+ 1.7	+ 0.5	+ 7.3
— Belgian and Luxemburg banks (2)	+ 5.9	- 10.1	- 2.1	- 1.2	- 8.1	- 5.1	- 2.5
— Others	- 0.2	- 1.2	+ 0.2	+ 0.5	+ 1.1	+ 1.0	+ 1.0
Total b) ...	+ 4.0	- 0.1	+ 10.7	+ 7.3	- 5.3	- 3.6	+ 5.8
Total financing(a) + b) ...	+ 4.2	...	+ 10.7	+ 8.5	- 6.4	- 5.0	+ 8.5

(1) See Table 8.

(2) The plus sign indicates a decrease, and the minus sign an increase, of the banks' net liabilities to foreign countries.

(p) Provisional figures.

these for the first ten months; this was Fr. 6.5 billion, whereas a deficit of Fr. 6.5 billion had been shown in 1966. The 1967 surplus was covered, to the extent of Fr. 2.1 billion, through credits originally granted by banks to foreign enterprises and individuals. As a result of mobilisations the part of these credits which is financed through monetary institutions was reduced by Fr. 0.6 billion; per contra the other net external assets of such institutions rose by Fr. 4.4 billion.

The trend of the Belgian-Luxemburg Economic Union's transactions with foreign countries did not appreciably change during November; a feature of December was the appearance of a deficit on current transactions.

For the whole year the National Bank's net gold and foreign assets increased by Fr. 12.4 billion.

Table 8.

NET GOLD AND FOREIGN ASSETS OF THE NATIONAL BANK OF BELGIUM ⁽¹⁾

(Changes in billions of francs)

	Gold holding	Claims on the International Monetary Fund	Assets in convertible foreign currencies	Other net assets and liabilities		Total
				Assets abroad in Belgian francs	Others	
1962	+ 5.9	- 1.3	- 7.6	...	+ 1.3	- 1.7
1963	+ 0.3	+ 0.4	+ 8.7	+ 1.5	+ 0.3	+ 11.2
1964	+ 3.9	+ 3.1	+ 5.5	...	+ 0.1	+ 12.6
1965	+ 5.4	+ 5.4	- 5.1	...	+ 2.3	+ 8.0
1966	- 1.7	+ 3.0	- 0.5	...	+ 0.9	+ 1.7
1967	- 2.2	- 2.0	+ 14.7	+ 1.5	+ 0.4	+ 12.4
1966 First 10 months .	- 1.7	+ 3.0	...	...	- 0.8	+ 0.5
1967 First 10 months .	- 0.6	- 1.5	+ 14.0	- 1.5	- 3.1	+ 7.3

(1) See Annex 3, Table 2.

The gold holding declined by Fr. 2.2 billion, chiefly because of the National Bank's contributions to the pool for regularising the market in gold.

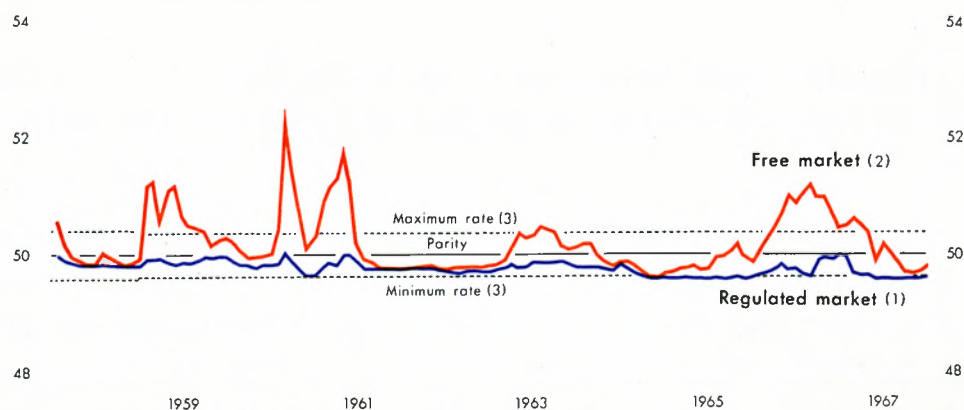
The assets acquired at the International Monetary Fund were reduced by Fr. 2 billion. Thus in May and November the United Kingdom repaid its December, 1964 drawing of \$ 1 billion on the Fund. At the same time the Fund's recourse to Belgium's part in the General Arrangements to Borrow was reduced by Fr. 1.5 billion, and its Belgian franc assets increased by Fr. 0.9 billion; but other countries' Belgian franc transactions with the Fund caused a net reduction of Fr. 0.4 billion in the latter's Belgian franc assets.

The National Bank's assets in foreign convertible currencies increased by Fr. 14.7 billion. This increase has as its counterpart a similar increase in the net amount of the foreign currencies sold forward by the National Bank against Belgian francs. Some of these forward sales are to the Treasury, which thereby covers forthcoming maturities on its debt in foreign currencies; such covering increased during the past year. In other cases the said sales are linked with spot transactions effected within the framework of international monetary cooperation, the arrangements for which were described in detail at the start of this Report.

As has also been emphasized, the Belgian franc assets held abroad by the National Bank grew by Fr. 1.5 billion. The National Bank in fact subscribed in November for United States Treasury Certificates, expressed in Belgian francs, to the extent of Fr. 3 billion; the similar certificates, held to the extent of Fr. 1.5 billion since May, 1963, had been repaid in May, 1967.

The National Bank's other net foreign assets and liabilities increased by Fr. 0.4 billion.

FOREIGN EXCHANGE MARKET
 RATES IN BELGIAN FRANCS FOR THE UNITED STATES DOLLAR (TRANSFER)
(Daily averages per month)



(1) Official rate fixed by the bankers meeting at the Brussels Clearing House.
 (2) Rates by way of indication.
 (3) Rates defining the margin within which the National Bank maintains quotations on the regulated market pursuant to the International Monetary Fund's Articles of Agreement and to the European Monetary Agreement of 28th December, 1958. These rates were respectively 49.60 and 50.40 up till 27th December, 1958, and have been 49.625 and 50.375 with effect from 28th December, 1958.

The course of the foreign exchange market was affected by the surplus on the principal components of the balance of payments. The mean monthly quotation for the dollar on the regulated market, after having been at par in January, progressively declined to the lower intervention point in the course of May; it remained practically at that level until November, and then very slightly rose ⁽¹⁾. On the free market the quotations also tended to fall, but more erratically. Between September and November they came close to those on the regulated market; in December the gap between the two quotations became a little wider.

PUBLIC FINANCES.

The Government pursued a policy of balancing the ordinary budget; it also aimed at carrying out a large investment programme designed to alleviate the consequences of the cyclical setback and to start economic revival. The expansion of expenditure chargeable to the extraordinary budget or to the Road Fund enlarged the cash deficit; this latter was however financed without difficulty, inter alia because of the marked

Table 9.

CASH RECEIPTS AND EXPENDITURE RESULTING FROM BUDGETARY TRANSACTIONS ⁽¹⁾

(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967
						(First 10 months)	
1. Ordinary budget :							
Receipts	131.2	139.5	157.8	172.7	200.6	165.5	183.1
Expenditure ⁽²⁾	130.1	143.0	155.3	176.5	203.9	170.0	185.0
Balance ...	+ 1.1	- 3.5	+ 2.5	- 3.8	- 3.3	- 4.5	- 1.9
2. Balance of the extraordinary budget	- 17.3	- 21.6	- 23.8	- 25.0	- 24.0	- 19.4	- 22.4
Balance of budgetary transactions ...	- 16.2	- 25.1	- 21.3	- 28.8	- 27.3	- 23.9	- 24.3

Source : Ministry of Finance.

⁽¹⁾ Receipts and expenditure actually effected during each period, whatever the financial year to which they relate, internal transfers being excluded.

⁽²⁾ From 1963 onwards including the Autonomous War Damage Fund's expenditure previously shown in extra-budgetary transactions (see Table 10, item 2).

⁽¹⁾ See Annex 3, Table 3.

increase, as compared with 1966, in loans granted by Belgian non-monetary sectors.

The deficit on execution of the **ordinary budget** reached Fr. 1.9 billion for the first ten months, against Fr. 4.5 billion in 1966. The increase of receipts, chiefly due to that of the national product in terms of value, also partly results from the growth of certain indirect taxes and the time-lags in the periods for collection; the rise of expenditure essentially reflects its structural tendency to expand, but it also reflects the charges which result for the Government from the less favourable economic situation, for example in connection with aid to enterprises and with unemployment pay.

Between 1966 and 1967 the deficit on the **extraordinary budget** increased by Fr. 3 billion; the Road Fund's expenditure, which forms the greater part of the operations outside the budget, grew by Fr. 1.4 billion.

The cash deficit totalled Fr. 33.6 billion, that is Fr. 3.4 billion more than in 1966; the **Government's net financial requirements**, which correspond to the difference between that deficit and the public debt repayments included in budget expenditure, rose between 1966 and 1967 from Fr. 18.3 to 20.7 billion.

Table 10.

THE GOVERNMENT'S NET FINANCIAL REQUIREMENTS
(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967
						(First 10 months)	
1. Balance of budgetary transactions ⁽¹⁾	- 16.2	- 25.1	- 21.3	- 28.8	- 27.3	- 23.9	- 24.3
2. Balance of extra-budgetary transactions ⁽²⁾	- 4.3	- 9.0	- 6.3	- 7.8	- 4.1	- 6.3	- 9.3
3. Cash deficit (3 = 1 + 2)	- 20.5	- 34.1	- 27.6	- 36.6	- 31.4	- 30.2	- 33.6
4. Public debt repayments, included in budgetary expenditure ⁽³⁾	8.2	10.8	12.6	14.5	14.3	11.9	12.9
5. The Government's net financial requirements (5 = 3 + 4)	- 12.3	- 23.3	- 15.0	- 22.1	- 17.1	- 18.3	- 20.7

(1) See Table 9.

(2) Including the expenditure of the Road Fund. From 1963 onwards not including the Autonomous War Damage Fund's expenditure, which appears thenceforward in item 1.

(3) According to public debt statements.

These requirements were entirely met through the resources, amounting to Fr. 25.8 billion, which the Government procured on the Belgian market. Of this total amount Fr. 17 billion represents the proceeds of the increase in the consolidated debt, and Fr. 8.5 billion that of the increase in short-term liabilities; on the whole year the proportion of consolidated debt was greater still.

Table 11.

MEETING OF THE GOVERNMENT'S NET FINANCIAL REQUIREMENTS

(Billions of francs)

Source of funds	1962	1963	1964	1965	1966	1966	1967
						(First 10 months)	
1. Foreign countries (1)	- 7.8	+12.5	+ 1.1	- 4.8	+ 4.9	+ 3.0	- 5.1
2. Monetary institutions	+ 8.9	+11.0	+11.5	+11.8	+ 6.9	+ 5.2	<i>p</i> + 6.6
3. Private savings banks, General Savings Fund, public financial credit intermediaries	+ 7.0	- 2.7	- 5.7	+ 5.6	- 1.4	+ 0.7	+ 8.0
4. Others (2)	+ 4.2	+ 2.5	+ 8.1	+ 9.5	+ 6.7	+ 9.4	<i>p</i> +11.2
5. Total (3)	+12.3	+23.3	+15.0	+22.1	+17.1	+18.3	+20.7
of which :							
a) Monetary financing of the Government (= 1 + 2) ...	+ 1.1	+23.5	+12.6	+ 7.0	+11.8	+ 8.2	<i>p</i> + 1.5
b) Recourse by the Government to the Belgian market (= 2 + 3 + 4)	+20.1	+10.8	+13.9	+26.9	+12.2	+15.3	+25.8

(1) This item shows the movement of all the debts, both in foreign currencies and in Belgian francs, owed by the Government to non-residents either directly or through the intermediary of Belgian institutions.

(2) The figures for this item are calculated as residues : it chiefly includes the individuals, the enterprises which are not financial intermediaries, the insurance companies and the pension funds.

(3) See Annex 3, Tables 4 and 4bis.

(*p*) Provisional figures.

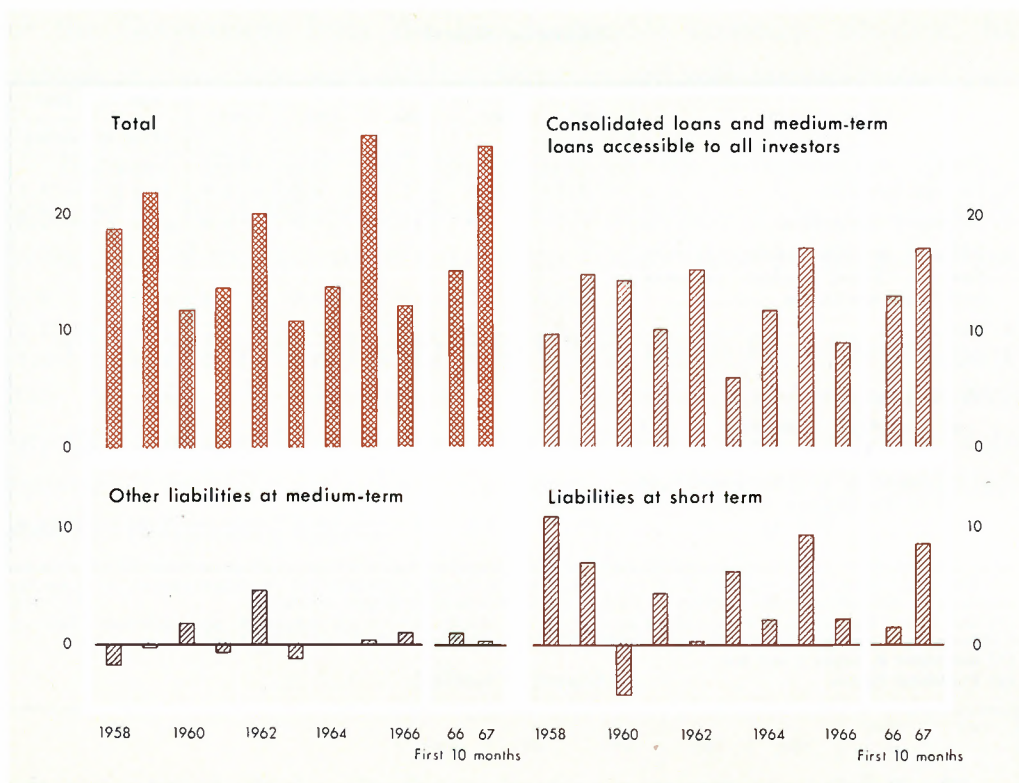
The Belgian non-monetary sectors' contributions in the first ten months amounted to Fr. 19.2 billion, comprising Fr. 8 billion from financial intermediaries concerned with saving and with credit, and Fr. 11.2 billion from individuals, enterprises, insurance companies and pension funds.

The contributions from monetary institutions reached Fr. 6.6 billion. That sum allows for reduction in the outstanding used amount of the Treasury's credit line at the National Bank; this declined from Fr. 9.6 billion at the end of 1966 to Fr. 2.8 billion at the end of October, 1967.

During the same period the Treasury reduced by Fr. 5.1 billion its total foreign borrowing, effected both directly and through the intermediary of banks and other Belgian institutions; in 1966, on the other hand, such indebtedness had increased by Fr. 3 billion. The said reduction by Fr. 5.1 billion comprises an increase by Fr. 0.6 billion in total foreign

THE GOVERNMENT'S RECOURSE TO THE BELGIAN MARKET ⁽¹⁾

(Changes in billions of francs)



(1) See Table 11, item 5 b).

currency debt plus swap certificates placed at Belgian banks, and a decrease by Fr. 5.7 billion in the Treasury's direct or indirect Belgian franc liabilities to foreign countries.

The Government's monetary financing was therefore limited to Fr. 1.5 billion, whereas it had reached Fr. 8.2 billion in the previous year.

CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS.

For the whole of the first ten months the outstanding used amount of credits granted to enterprises and individuals increased by Fr. 40.7 billion, as against Fr. 39.5 billion in 1966.

The rate of expansion thus fell from 10.5 p.c. in 1966 to 9.4 p.c. in 1967. It should however be observed that the growth recorded in 1967 was affected by the fact that the amount outstanding on 31st December, 1966 had been abnormally swollen because the bills falling due on that day, which was a Saturday, could not be collected. But for this accidental factor the rates of increase in the outstanding used amount would have been very similar for the two periods compared.

Table 12.

CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS (1)
Classified according to the institutions which originally granted them
(Changes in billions of francs)

	1962	1963	1964	1965	1966	1966	1967
						(First 10 months)	
Monetary institutions :							
Banks (2)	+11.4	+15.7	+11.5	+15.9	+19.9	+13.6	+16.3
National Bank of Belgium	+ 0.1	+ 0.7	- 0.5	+ 0.1	+ 0.1	- 0.5	- 0.5
Total (3) ...	+11.5	+16.4	+11.0	+16.0	+20.0	+13.1	+15.8
Non-monetary institutions :							
Public financial credit intermediaries :							
— which specialise in business lendings	+ 5.7	+ 8.5	+10.9	+ 6.4	+15.8	+11.2	+11.5
— which specialise in loans for housing	+ 1.7	+ 2.1	+ 2.6	+ 2.6	+ 2.9	+ 3.1	+ 3.8
General Savings and Pensions Fund .	+ 5.5	+ 5.3	+ 6.9	+ 6.7	+ 8.0	+ 5.3	+ 2.8
Private savings banks	+ 4.2	+ 3.8	+ 5.5	+ 6.9	+ 7.7	+ 6.8	+ 6.8
Total ...	+17.1	+19.7	+25.9	+22.6	+34.4	+26.4	+24.9
Grand total ...	+28.6	+36.1	+36.9	+38.6	+54.4	+39.5	+40.7

(1) Outstanding used amount of credits granted by way of discount, advance and acceptance. The enterprises include the public operating organisations, but not the financial intermediaries. The figures include the General Savings and Pensions Fund's net purchases of enterprises' bonds (including those of public operating organisations).

(2) See Table 18.

(3) See Annex 3, Table 5.

During the first six months of 1967 the expansion had been faster than in 1966; on the other hand it slowed down from July onwards, whereas in the corresponding months of 1966 the expansion had been marked.

The first ten months' increase in the outstanding used amount of credits originally granted by monetary institutions rose from Fr. 13.1 billion in 1966 to Fr. 15.8 billion in 1967.

The credits used at banks by enterprises and individuals increased by Fr. 16.3 billion during the first ten months, whereas they had increased by only Fr. 13.6 billion in 1966. The rise was fast in the first half-year; its pace definitely slowed down in the third quarter, but quickened again in October.

Table 13.

CREDITS ORIGINALLY GRANTED BY BANKS TO ENTERPRISES AND INDIVIDUALS (1)
(Changes in billions of francs)

	1963	1964	1965	1966	1966	1967
					(First 10 months)	
Specifically financing :						
— industrial, agricultural and craftsmen's capital expenditure (2)	+ 3.5	+ 3.2	+ 2.8	+ 4.5	+ 3.5	+ 4.7
— building and real estate transactions (3)	+ 1.2	+ 0.6	+ 1.3	+ 1.0	+ 1.0	+ 1.7
— instalment sales and loans(4)	+ 1.4	+ 1.5	+ 0.8	+ 1.3	+ 0.9	+ 1.1
— imports .....	...	+ 0.8	+ 2.3	+ 1.0	- 0.2	- 2.3
Credits of which the apparent economic destination could not be identified	+ 9.6	+ 5.4	+ 8.7	+ 12.1	+ 8.4	+ 11.1
Total ...	+ 15.7	+ 11.5	+ 15.9	+ 19.9	+ 13.6	+ 16.3

(1) Outstanding used amount of credits granted by way of discount, advance and acceptance. The enterprises include the public operating organisations, but not the financial intermediaries.

(2) Credits granted pursuant to the Laws of 24th May, 17th and 18th July, 1959, 15th February, 1961 and 14th July, 1966 (subsidised and/or guaranteed credits) and credits, neither subsidised nor guaranteed, of which at least a part initially ran for 5 years or more, provided that they were neither purely commercial credits nor credits principally financing the construction or purchase of residential buildings, of offices, of schools, of nursing homes, etc.

(3) Credits granted to enterprises which have as their object building and/or civil engineering work, credits granted to real estate companies and credits chiefly intended to finance the purchase or construction of residential buildings, of offices, of schools, of nursing homes, etc.

(4) Credits granted to purchasers and sellers on instalment terms (whether or not the banks are party to the contract of sale), personal loans directly granted by banks, and credits granted by banks to finance companies.

The credits specifically granted to finance capital expenditure increased by Fr. 4.7 billion during the first ten months against Fr. 3.5 billion in 1966. A rapid increase of the outstanding used amount during the first half-year was followed by a noticeable slowing down from the third quarter onwards; these movements confirm the other indications available concerning the trend in fixed capital formation.

The increase of credits to finance the building industry as well as the construction or acquisition of buildings intended for use other than in industry, agriculture or crafts was appreciably faster in 1967 than in 1966; this appears to have been due to growth, during 1967, in the bank indebtedness of construction enterprises which specialise in large-scale civil engineering work.

The rate of increase in the outstanding amount of loans on instalment terms, and to provide funds for financing instalment sales and loans, remained similar during 1967 to what it had been in 1966.

On the other hand the credits financing imports showed a marked decline, which may be put down to the decrease in imports of producer goods.

The net increase in credits of which the apparent economic destination could not be identified was Fr. 11.1 billion for the first ten months of 1967, that is Fr. 2.7 billion more than in 1966. During the first half-year the expansion of such credits was particularly considerable; this expansion during a period of economic setback may be put down, at least in part, to slower turnover of the circulating assets held by enterprises, including stocks of finished goods. The strains which had tightened the cash position of many enterprises appear to have eased off in the third quarter, one feature of which was a less marked increase in credits of unspecified economic destination.

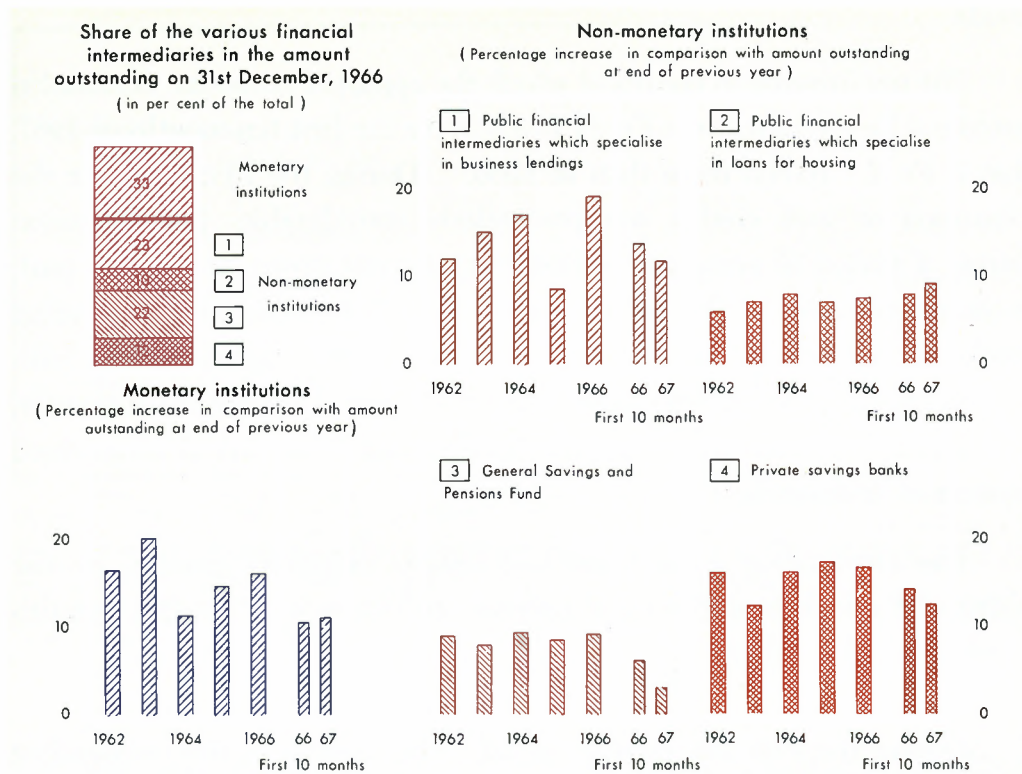
The outstanding used amount of credits originally granted by the National Bank showed the usual seasonal reduction; on 31st October this reached Fr. 1.4 billion.

During the first ten months of 1967 the growth in the outstanding used amount of credits originally granted to enterprises and individuals by **non-monetary institutions** was slightly smaller than in 1966 at Fr. 24.9 billion as against Fr. 26.4 billion.

Those of the public financial credit intermediaries which specialise in business lendings, namely the National Industrial Credit Company, the

National Fund for Credit to Trade and Industry, the National Institute for Agricultural Credit, and the Belgian Municipal Credit Institution as regards its lending to public operating organisations, increased their assistance to enterprises by an amount which was similar to that for the previous year, although a little smaller in terms of percentage increase; the increase amounted to Fr. 11.5 billion during the first ten months of 1967 against Fr. 11.2 billion in 1966. Just as in the case of the banks, the increase during the first half-year was greater than that of a year previously, but the trend was subsequently reversed.

OUTSTANDING USED AMOUNT ON CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS (1)



(1) See Table 12.

The outstanding used amount of credits originally granted by public financial credit intermediaries which specialise in financing house construction, namely the National Housing Company, the National

Smallholders' Company, the Central Office for Mortgage Credit and the Housing Fund of the Large Families' League, increased more rapidly than in 1966; the increase amounted to Fr. 3.8 billion for the first ten months of 1967 against Fr. 3.1 billion in 1966. These credits chiefly relate to publicly assisted housing.

The net drawings on credits originally granted by the General Savings and Pensions Fund grew by only Fr. 2.8 billion during the first ten months against Fr. 5.3 billion in 1966. The increase in credits directly allocated to residential financing did not attain the same size as in 1966, but the observed slowing down chiefly relates to the direct contribution which that institution makes to the financing of industry, agriculture and the crafts.

Finally during the first ten months the outstanding used amount of credits originally granted by private savings banks increased by Fr. 6.8 billion, that is by the same amount as in 1966. This equivalence relates to lendings both by the agricultural savings banks and by the other savings banks which chiefly finance housing, small-scale industry and the crafts.

The total amount of guarantees given by the **National Bank's Discount Agencies** for the benefit of the National Bank, of the General Savings and Pensions Fund, of the National Industrial Credit Company or of the National Fund for Credit to Trade and Industry amounted at the end of October to Fr. 28 billion, or more than a year previously by 14.3 p.c. More than 80 p.c. of that amount consisted of mortgage loans financed by the General Savings and Pensions Fund.

MONETARY SYSTEM.

The principal factors which give rise to changes in the liquid assets held at monetary institutions are due to the course of the balance of payments, of the public finances and of lendings to enterprises and individuals. Some indications concerning them have already been given. Thus during the first ten months of 1967 Belgium's balance of payments

showed a surplus of Fr. 6.5 billion; the surplus reaches Fr. 15.5 billion, as against a deficit of Fr. 2.7 billion in 1966, on exclusion of the public authorities' capital transactions which form an element in the Government's monetary financing; this amounted to only Fr. 1.5 billion, as against Fr. 8.2 billion in 1966. Finally the credits originally granted to enterprises and individuals by monetary institutions showed an increase of Fr. 15.8 billion against Fr. 13.1 billion.

Table 14.

ORIGINS OF CHANGES IN THE MONEY SUPPLY
AND IN QUASI-MONETARY LIQUID ASSETS AT BANKS

(Billions of francs)

	Money supply (1)	Quasi-monetary liquid assets at banks (2)	Total	Origins				
				Transactions with foreign countries (3)	Monetary financing of the Government (4)	Credits granted to enterprises and individuals (5)	Refinancing outside monetary institutions (increase: -) (6)	Miscellaneous (7)
1962	+17.1	+ 4.3	+21.4	+ 4.7	+ 1.1	+11.5	- 0.1	+ 4.2
1963	+25.6	+ 8.2	+33.8	- 1.4	+23.5	+16.4	+ 1.2	- 5.9
1964	+19.6	+ 6.1	+25.7	+ 7.0	+12.6	+11.0	- 1.6	- 3.3
1965	+21.1	+11.6	+32.7	+13.2	+ 7.0	+16.0	- 2.8	- 0.7
1966	+21.2	+12.8	+34.0	- 4.0	+11.8	+20.0	+ 3.5	+ 2.7
1966 First 10 months	+ 5.4	+10.6	+16.0	- 2.7	+ 8.2	+13.1	+ 1.4	- 4.0
1967 First 10 months	- 0.7	+18.5	+17.8	<i>p</i> +15.5	<i>p</i> + 1.5	+15.8	- 8.0	<i>p</i> - 7.0

(1) See Annex 3, Tables 6 and 7. The totals of the amounts included in the last column of these two tables are equal to the amounts appearing in this column.

(2) Belgian franc deposits at more than one month, deposits received on deposit or savings books, foreign currency deposits of persons residing in Belgium.

(3) Current transactions and movement in capital funds of enterprises and individuals. The figures relate to Belgium; they are therefore not entirely comparable with those in Tables 5 to 7, which relate to the Belgian-Luxemburg Economic Union.

(4) Including monetary financing of the Road Fund. The movement in capital funds of the Government and of the Road Fund to and from foreign countries is treated as monetary financing. See Table 11, item 5 a).

(5) See Table 12 and Annex 3, Table 5.

(6) Refinancing of commercial claims on foreign countries and of credits granted to enterprises and individuals.

(7) Includes monetary financing of public authorities other than the Government and the Road Fund, including the movement in their capital funds to and from foreign countries, monetisation of public securities, net claims on the other financial intermediaries, bonded debt of banks, claims and liabilities (not classed elsewhere) on and to persons residing in Belgium.

(*p*) Provisional figures.

The creation of money through the effect of these various expansive factors having definitely exceeded the desired increase of cash holdings, economic agents converted the surplus into quasi-monetary liquid assets and other financial assets. This conversion was effected partly within the monetary institutions themselves and partly outside them, inter alia

through formation of deposits at non-monetary financial intermediaries or through subscription for bonds and medium-term notes issued by them. The said institutions used a part of the resources thus collected to provide funds for financing credits originally granted by banks to enterprises, individuals and foreign borrowers; the procurement of funds to finance these credits was also done in large part abroad, and increased to a total of Fr. 8 billion during the first ten months of 1967, whereas it had decreased by Fr. 1.4 billion in 1966.

With allowance for various other causes of variation the total amount comprising the money supply and the quasi-monetary liquid assets at banks increased by Fr. 17.8 billion during the first ten months of 1967, as against Fr. 16 billion in 1966.

This increase relates solely to quasi-monetary liquid assets, the money supply having decreased by Fr. 0.7 billion during the first ten months of 1967, whereas it had increased by Fr. 5.4 billion in 1966.

Table 15.

MONEY SUPPLY
(Changes in per cent) ⁽¹⁾

	Notes and coin	Sight deposits	Money supply
1962	+ 5.4	+ 9.1	+ 7.0
1963	+ 9.8	+ 10.8	+ 10.2
1964	+ 5.8	+ 6.3	+ 6.0
1965	+ 6.8	+ 9.0	+ 7.8
1966	+ 4.7	+ 9.2	+ 6.7
1966 First 10 months	+ 5.1	+ 9.1	+ 6.8
1967 First 10 months	+ 1.6	+ 8.2	+ 4.6

⁽¹⁾ Changes in the average for the period as compared with that for the corresponding previous period.

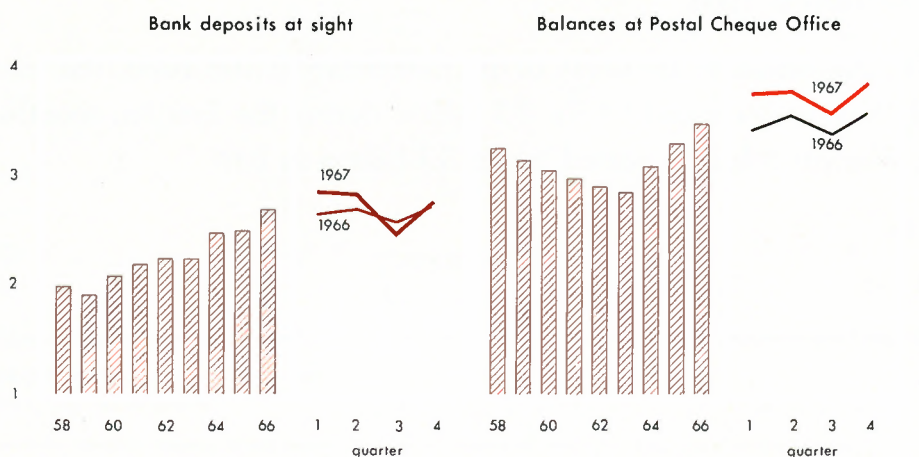
If attention is directed to average outstanding amounts so as to eliminate seasonal or accidental variations it is found that during the first ten months of the year, as compared with the corresponding previous period, there was expansion of the money supply by 4.6 p.c. in 1967 against 6.8 p.c. in 1966. The slowing down of expansion was more marked in notes and

coin, which increased by only 1.6 p.c. in 1967 as against 5.1 p.c. in 1966, than in sight deposits, which increased by 8.2 p.c. in 1967 against 9.1 p.c. in 1966.

For the whole year the rate of expansion in the average money supply was probably lower than that in the national product at current prices.

For the whole of the first eleven months the rate of turnover of bank deposits at sight and that of balances at the Postal Cheque Office were higher in 1967 than in 1966; the average monthly rates of turnover were

RATE OF TURNOVER OF SIGHT DEPOSITS ⁽¹⁾



(1) See Annex 3, Table 8. Monthly averages per year or quarter; fourth quarter of 1966 and 1967 : average for October-November.

in fact 2.71 and 3.73, respectively, against 2.64 and 3.47 in 1966. At least in regard to bank deposits, however, the acceleration ceased from the second quarter onwards.

CASH HOLDINGS AND OTHER FINANCIAL ASSETS.

The trend in the money supply and in the rate of turnover results from economic agents' decisions about the formation and management of their financial assets.

Individuals and enterprises during the first ten months of the year built up financial assets, in the forms recorded below, to a total extent of Fr. 68.4 billion against Fr. 51.5 billion in 1966.

Table 16.

PRINCIPAL FINANCIAL ASSETS ⁽¹⁾
(Changes in billions of francs)

	Cash holdings (2)	Quasi-monetary assets				Bonds and medium-term notes (6)	Grand total
		Deposits at date and notice (3)	Deposits on deposit or savings books (4)	Other deposits (5)	Total		
1962	+ 16.5	+ 1.7	+ 18.1	+ 0.3	+ 20.1	+ 24.2	+ 60.8
1963	+ 24.1	- 2.0	+ 22.8	+ 2.4	+ 23.2	+ 13.2	+ 60.5
1964	+ 20.9	+ 4.5	+ 16.5	- 3.9	+ 17.1	+ 25.0	+ 63.0
1965	+ 20.1	+ 6.8	+ 24.8	+ 0.2	+ 31.8	+ 27.6	+ 79.5
1966	+ 18.0	+ 6.6	+ 24.5	+ 2.0	+ 33.1	<i>p</i> + 30.4	<i>p</i> + 81.5
1966 First 10 months .	+ 5.7	+ 6.2	+ 15.6	- 1.1	+ 20.7	<i>p</i> + 25.1	<i>p</i> + 51.5
1967 First 10 months .	+ 0.4	<i>p</i> + 8.5	+ 23.5	<i>p</i> - 0.5	<i>p</i> + 31.5	<i>p</i> + 36.5	<i>p</i> + 68.4

(1) Held by individuals and enterprises (other than financial intermediaries), including public operating organisations and certain financial intermediaries which could not be excluded in 1967 : life assurance companies, employers' liability insurance companies and pension funds.

(2) The cash holdings of the sectors described in footnote (1) have been calculated by deducting from the total money supply the sight deposits held by public authorities.

(3) Held in Belgian francs at banks, at the General Savings Fund, at public financial credit intermediaries, and at companies concerned with mortgage lending, saving and capital accumulation.

(4) See Annex 3, Table 9.

(5) Residents' deposits at banks in foreign currencies, sight deposits at the General Savings Fund, at public financial credit intermediaries, and at companies concerned with mortgage lending, saving and capital accumulation.

(6) See Annex 3, Table 10.

(*p*) Provisional figures.

The size of the increase is largely explained by growth of the propensity to save felt by individuals, who moreover devoted a smaller proportion of their savings to investment in residential buildings and in foreign countries. Reductions of inventories no doubt enabled certain enterprises to add to their cash.

The increase was limited to non-monetary financial assets, the accumulation of cash holdings having become appreciably slower. In fact, given the course of the business cycle, the increase of needs for transaction cash must have been less marked. In addition the high level of interest rates and the prospect of a fall in these, as well as the efforts made by

certain financial intermediaries to collect funds, tended to substitute non-monetary financial assets for cash holdings. Accordingly such holdings, that is the total money supply less sight deposits held by public authorities, grew by only Fr. 0.4 billion during the first ten months of 1967 as compared with Fr. 5.7 billion in 1966.

The growth of Belgian franc **time deposits** reached Fr. 8.5 billion for the first ten months of 1967 against Fr. 6.2 billion in 1966. The slight fall in the maximum rates of interest allowed with effect from 1st May on most deposits at short term produced no marked or lasting effect. From 1st January, 1968 onwards the rates were reduced on deposits at six months or less.

CASH HOLDINGS AND OTHER FINANCIAL ASSETS

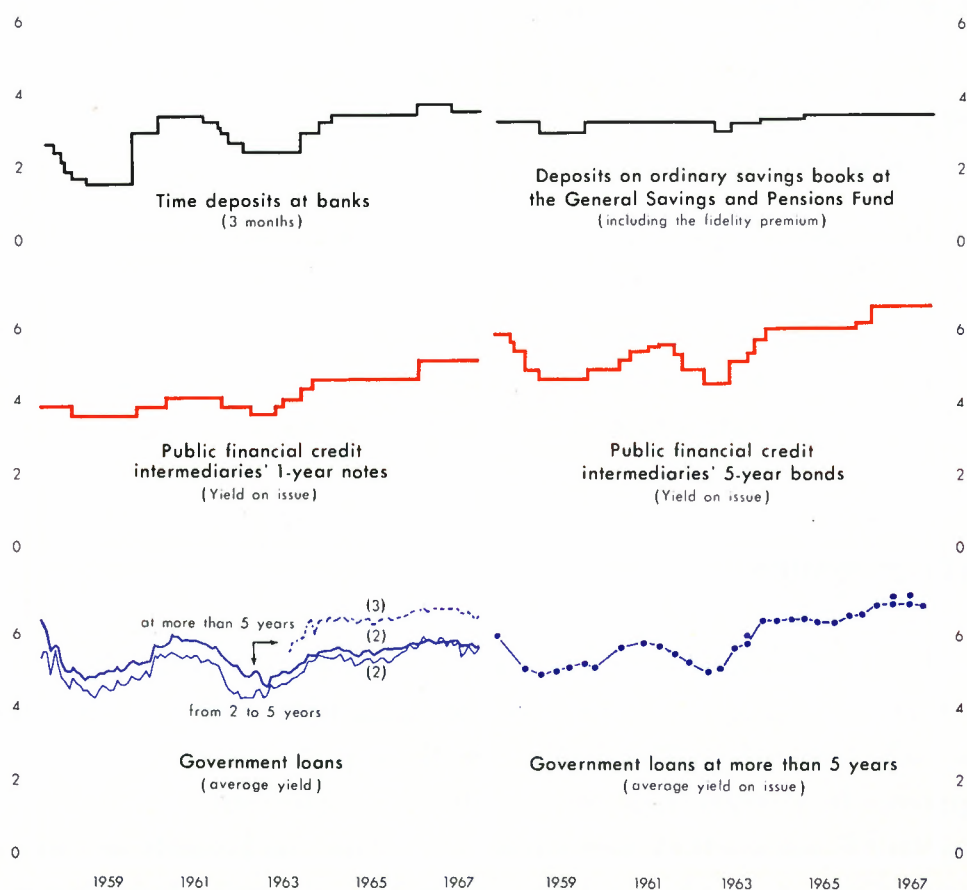
(Percentage increases in comparison with amount held at end of previous year)



(1) Cash holdings have been calculated as indicated in Table 16, footnote (2).
 (2) These assets are defined in Table 16.

The formation of savings deposits reached Fr. 23.5 billion during the first ten months of 1967, against Fr. 15.6 billion in 1966. To the extent of Fr. 4.3 billion this increase in deposit formation took place at banks, which with effect from 1st January allowed a fidelity premium on deposits entered in ordinary savings books, as the savings banks were already previously doing. The growth in the formation of deposits at savings banks resulted for the most part from the movement in time savings deposits.

RATES ON INVESTMENTS ACCESSIBLE TO THE GENERAL PUBLIC (1)
(Per cent)



(1) Rates before deduction of taxes at source. See Annex 3, Table 11.
(2) Loans issued before 1st December, 1962.
(3) Loans issued after 1st December, 1962.

Quasi-monetary assets as a whole increased by a total of Fr. 31.5 billion during the first ten months of 1967 as against Fr. 20.7 billion in 1966.

Assets in the form of **bonds and medium-term notes** increased by Fr. 36.5 billion, against Fr. 25.1 billion during the first ten months of 1966. The increase in comparison with 1966 chiefly relates to securities issued on tap by public financial credit intermediaries, and to Government loans.

The average yield on public debt securities bought and sold on the stock exchange slightly declined. For Government loans still having more than five years to run it amounted at the beginning of January, 1968 to 5.70 and 6.58 p.c., according to whether the securities were issued before or after 1st December, 1962, as against 5.85 and 6.76 p.c. respectively at the beginning of January, 1967.

The average yield on issue of Government consolidated loans fell from 6.86 p.c., for the 1967-1972-1978 loan issued in January, to 6.82 p.c. for the 1967-1974-1982 loan issued in October.

The yields on bonds and medium-term notes issued on tap by public financial credit intermediaries remained unchanged, apart from a slight rise in the yield on ten-year bonds which occurred at the beginning of February but was cancelled out by 1st December, and from a slight fall with effect from that date in the yield on twenty-year bonds.

MONEY MARKET.

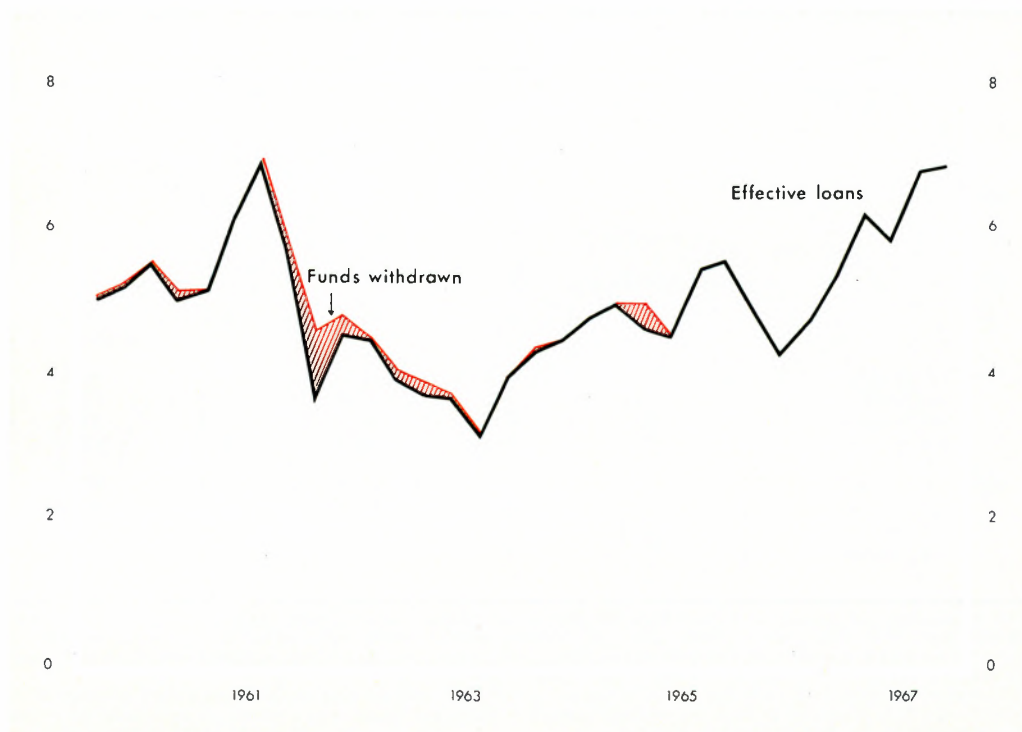
During the year the non-monetary institutions had the benefit of large new resources, greater than the medium and long-term credits which they originally granted. The banks for their part found their liquidity supported by external surpluses, as well as by the formation of large quasi-monetary liquid assets in their hands; to sum up, the liquidity of financial intermediaries as a whole led, in a context of economic slackening, to a clear easing of tension on the money market.

The indices which most markedly revealed easing of tension comprised the increase of funds offered on the call money market, the decrease of the National Bank's commercial bill holding, the increase in the outstanding amount of Belgian franc public securities at not more than one year, and the generalised fall in rates of interest, a fall which the National Bank supported by gradually reducing its discount and advance rates. The basic discount rate, applied to bills accepted payable at a bank, was brought down in the course of the year from 5.25 to 4 p.c. by successive downward steps of 0.25 p.c. in February, March, May, September and October.

On the call money market the total transactions were greater than in 1966. The banks' net lendings decreased, but the Securities Stabilisation Fund, which had been a net borrower in 1966, became a net

CALL MONEY ⁽¹⁾

(Daily averages per quarter in billions of francs)



(1) See Annex 3, Table 12

lender of large amounts especially from August onwards. The other institutions likewise increased their contributions to the market. Thus the borrowings from the Rediscount and Guarantee Institute showed a very large increase in comparison with the previous year. The weighted average of daily rates quoted on the call money market declined from 3.88 p.c. in 1966 to 3.19 p.c. in 1967.

The average total outstanding amount of **commercial bills discounted and bank acceptances** rose from Fr. 87.6 billion in the third quarter of 1966 to Fr. 101.1 billion in 1967.

The increase of the average outstanding amount was financed, to the extent of Fr. 11.1 billion, by the banks. The portfolio located at the Rediscount and Guarantee Institute reached a particularly high level from

Table 17.

LOCATION OF COMMERCIAL BILLS DISCOUNTED BY BANKS,
AND OF BANK ACCEPTANCES (1)
(Billions of francs)

Average of amounts outstanding at ends of months (2)	Amount located				Total
	in banks	at the Rediscount and Guarantee Institute (3)	in other Belgian market institutions, outside the National Bank, and abroad	at the National Bank of Belgium (4)	
1963	39.3	0.7	14.8	4.7	59.5
1964	47.4	1.2	15.6	5.3	69.5
1965	56.6	1.9	14.9	4.0	77.4
1966	62.6	0.8	15.6	8.8	87.8
1966 1st quarter	59.5	1.4	17.0	7.0	84.9
2nd quarter	61.2	0.7	16.4	8.8	87.1
3rd quarter	62.3	0.4	14.8	10.1	87.6
4th quarter	67.5	0.6	14.3	9.2	91.6
1967 1st quarter	70.0	1.5	16.9	8.1	96.5
2nd quarter	74.3	0.6	17.8	7.6	100.3
3rd quarter	73.4	3.8	17.4	6.5	101.1
4th quarter	78.5 (5)	4.0	17.7 (5)	4.7	n.a.

(1) Outstanding used amount of Belgian franc discount and acceptance credits originally granted by banks to enterprises and individuals (other than financial intermediaries, but including public operating organisations) and to foreign countries.

(2) These averages have been calculated by taking, once, the amounts outstanding at the beginning and end of the period, and twice the amounts outstanding at the ends of intermediate months.

(3) Amount currently held, excluding the part financed by recourse to rediscounting at the National Bank of Belgium.

(4) As the Table relates solely to credits originally granted by banks the figures in this column do not include the credits directly granted by the National Bank of Belgium.

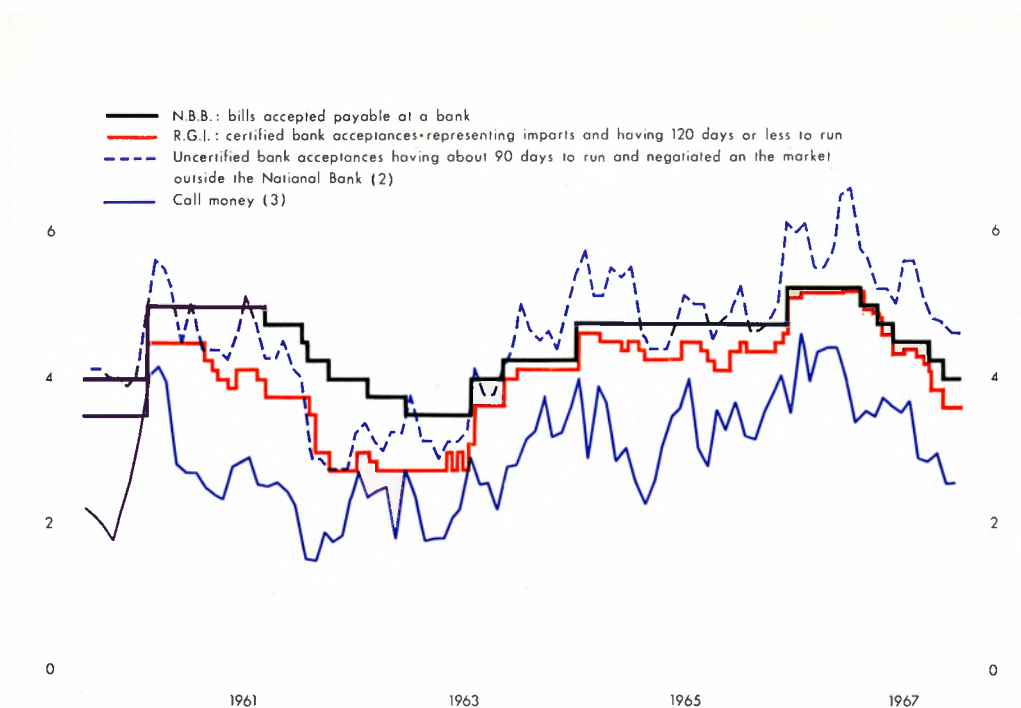
(5) October-November.
n.a. Figure not available.

the third quarter of 1967 onwards; so did the amount of resources which the Institute was able to procure on the call money market. The average outstanding amount of commercial bills and bank acceptances located outside the institutions mentioned above, and outside the National Bank, considerably increased. As a result of these movements in the portfolios of the various institutions the average outstanding amount of commercial bills and bank acceptances located at the National Bank was gradually reduced, falling from Fr. 10.1 billion in the third quarter of 1966 to Fr. 6.5 billion during the third quarter, and Fr. 4.7 billion during the fourth quarter of 1967.

Thanks to the more plentiful resources which it found on the call money market, at falling rates, the Rediscount and Guarantee Institute was able to reduce its rates by more than the National Bank's rates were

RATES FOR COMMERCIAL BILLS AND FOR CALL MONEY (1)

(Per cent)



(1) See Annex 3, Tables 13 and 14.

(2) Rates ruling at ends of months.

(3) Daily averages per month

reduced. Thus the gap between the rates applied by that institution to certified acceptances at not more than 120 days and the corresponding rates of the National Bank, after having been 0.05 p.c. at the end of 1966, widened to 0.40 p.c. at the end of 1967. The rates ruling on the market outside the National Bank likewise considerably fell; the rate for uncertified bank acceptances at about 90 days dropped from 6.60 p.c. at the end of December, 1966 to 5.10 p.c. at the end of December, 1967.

Operations to mobilise medium-term bills and notes, the market for which is organised by the Rediscount and Guarantee Institute, were further expanded; the rates applied to these operations were likewise brought down in the course of the year.

The increase of financial intermediaries' liquidity was also reflected in the movement of their **short-term public security holdings**. The average

Table 18.

BELGIAN FRANC PUBLIC SECURITIES, RUNNING FOR UP TO ONE YEAR,
AND HELD BY FINANCIAL INTERMEDIARIES OPERATING IN THE MONEY MARKET ⁽¹⁾
(Billions of francs)

Average of amounts outstanding at ends of months (2)	Securities held by		Total securities	Resources placed at disposal (3)	
	banks	other institutions		of the Treasury	of the Securities Stabilisation Fund
1962	20.0	22.4	42.4	34.5	7.9
1963	16.2	19.1	35.3	29.9	5.4
1964	16.3	11.9	28.2	25.5	2.7
1965	20.9	17.0	37.9	33.2	4.7
1966	19.9	17.1	37.0	34.4	2.6
1967	20.6	25.2	45.8	42.8	3.0
1966 1st quarter	19.7	18.5	38.2	34.2	4.0
2nd quarter	21.0	19.0	40.0	36.2	3.8
3rd quarter	19.5	15.9	35.4	34.6	0.8
4th quarter	19.3	15.2	34.5	32.9	1.6
1967 1st quarter	18.6	22.3	40.9	39.0	1.9
2nd quarter	19.4	26.5	45.9	44.8	1.1
3rd quarter	22.5	23.5	46.0	42.1	3.9
4th quarter	21.8	28.8	50.6	45.6	5.0

(1) Securities issued by the Treasury and the Securities Stabilisation Fund, and held by banks (not including swap certificates), the National Industrial Credit Company, the Belgian Municipal Credit Institution, the National Fund for Credit to Trade and Industry, the Central Office for Mortgage Credit, the National Institute for Agricultural Credit, the General Savings and Pensions Fund and the private savings banks.

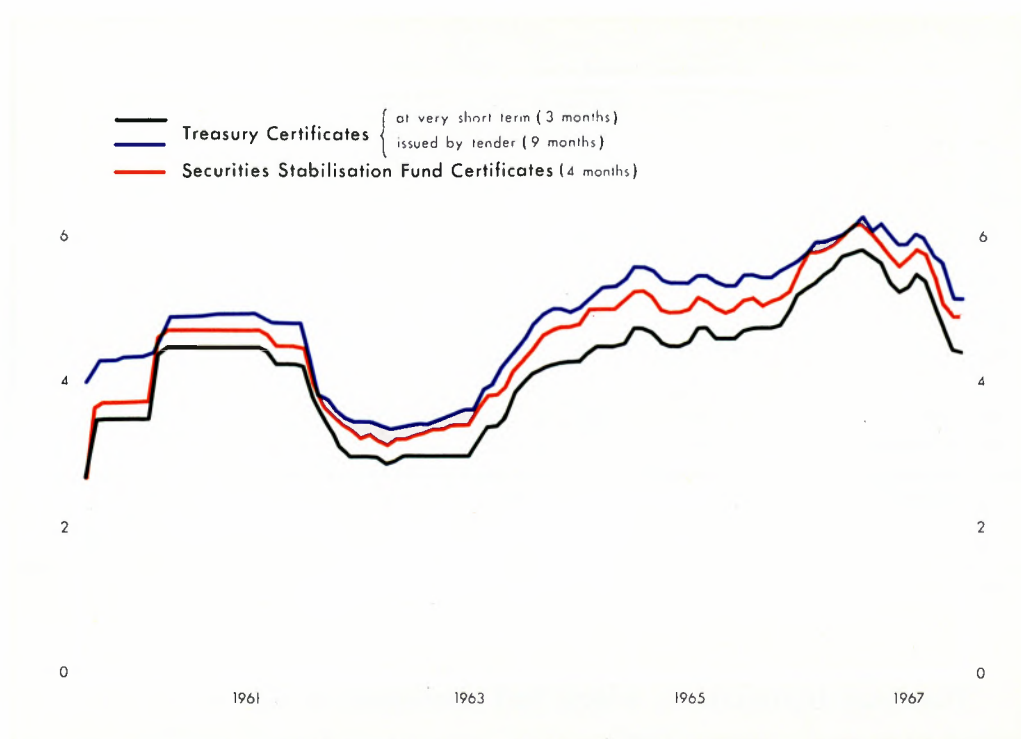
(2) These averages have been calculated by taking, once, the amounts outstanding at the beginning and end of the period, and twice the amounts outstanding at the ends of intermediate months.

(3) Securities issued by the Treasury and held by the Securities Stabilisation Fund have been treated as resources placed at the disposal of the Treasury and as a deduction from those which the Fund received.

outstanding amounts of Securities Stabilisation Fund Certificates and Treasury Certificates at not more than one year, for which banks, public financial credit intermediaries, private savings banks and the General Savings and Pensions Fund subscribed with Belgian franc resources, rose from Fr. 34.5 billion in the last quarter of 1966 to Fr. 50.6 billion in 1967. This rise mostly resulted from the growth of non-banking institutions' holdings. The resources thus supplied to the Treasury increased, on the average, from Fr. 32.9 billion in the fourth quarter of 1966 to Fr. 45.6 billion in 1967. The amount of funds placed at the disposal of the Securities Stabilisation Fund likewise became much greater, in the second quarter, than they had been in 1966.

RATES FOR PUBLIC SHORT-TERM SECURITIES (1)

(Per cent)



(1) See Annex 8, Table 14.

The rates for Treasury Certificates and Securities Stabilisation Fund Certificates tended to fall. This fall was interrupted only by the usual

season rises; it was particularly pronounced after the Government loan in October had appreciably improved the Treasury's situation.

STOCK MARKET AND SHARE ISSUES.

During the first nine months of the year the yields on quoted Belgian shares tended to fall, and the quotations to rise, on the market both for cash dealings and for time bargains. More hesitant tendencies emerged towards the end of the year.

Table 19.

MARKETS FOR VARIABLE-INCOME SECURITIES

	Total dealings (1) (Averages per session, in millions of francs)	Indices of quotations (2) (1958 = 100)				Yield on Belgian securities (3) (Per cent)	
		Belgian and Congolese securities	For cash		Time bargains	Total	Industrial companies
			Belgian securities				
			Total	Industrial companies			
1962	82	88	118	121	97	3.5	3.4
1963	88	90	120	120	99	3.4	3.3
1964	91	93	128	126	98	3.2	3.0
1965	83	91	125	116	97	3.4	3.5
1966	71	79	108	96	87	4.1	4.2
1967	81	77	102	95	89	4.2	4.0
1966 December	50	68	93	84	76	4.7	4.8
1967 December	109	80	106	100	97	4.1	3.8

(1) Transactions in companies' bonds or in shares on the Brussels Stock Exchange (time and cash bargains).

Source : Committee of the Brussels Stock Exchange.

(2) Average of the indices on the 10th and 25th of each month for the Brussels and Antwerp Stock Exchanges.

Source : National Statistical Institute.

(3) Ratio of the last net dividend, announced or paid, to the price quoted at the end of the month on the Brussels Stock Exchange.

Source : Kredietbank.

The total transactions, which had decreased in the course of 1966, tended to increase during 1967; a peak was reached in September, but the volume of transactions remained high during the fourth quarter.

For the first eleven months of 1967, according to provisional figures, net share issues reached Fr. 8.2 billion against Fr. 8.9 billion in 1966.

Changes from partnerships into limited companies also involved large amounts, chiefly owing to one big conversion.

The Government has taken steps to promote the use of equity capital for financing investment projects. Thus Decree No 9 of 18th April, issued pursuant to the Special Powers Law, subjects companies, temporarily and on certain conditions, to the same taxation in respect of amounts paid out either as interest on loans or as dividends. This provision, although of limited scope, meets the views expressed about the equilibrium of enterprises' financial structures by the Government Committee appointed to study the problems of financing economic expansion.

AMENDMENT OF THE STATUTES

Shareholders will find in an Annex ⁽¹⁾ the text of Royal Decree No. 42, dated 4th October, 1967 and issued pursuant to the Law of 31st March, 1967, as well as the Report to the Crown preceding that Decree. This Decree has made, in the legal provisions governing the National Bank, a certain number of improvements which are summarised in the Introduction to the present Report ⁽²⁾.

The Statutes have to be brought into accordance with the amendments made by the said Decree in Royal Decree No. 29 of 24th August, 1939 concerning the activity, organisation and functions of the National Bank of Belgium, issued pursuant to the Law of 1st May, 1939 (Article 1, 1, h).

With this object the Shareholders are invited to assemble in an Extraordinary General Meeting on 5th February, 1968.

⁽¹⁾ See Annex No. 4.

⁽²⁾ See pages 13 and 14.

ANALYSIS OF THE
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR 1967

ASSETS

GOLD HOLDING.

The gold holding is valued at the price of Fr. 56,263.7994 per kilogramme of fine gold, corresponding to the legal parity of the franc.

It amounted on 31st December, 1967 to . . Fr. 73,962,929,530
and consisted of :

Gold in foreign countries	Fr.	73,593,313,894
Gold in Belgium	Fr.	369,615,636
	Fr.	73,962,929,530

On 31st December of the previous year it had amounted to Fr. 76,232,579,821.

According to Article 30 of the Statutes the Bank is required to have a gold holding at least equal to one-third of its sight liabilities.

On 31st December, 1966 the proportion of cover was 42.72 p.c.; on 31st December, 1967 it was 40.73 p.c.

FOREIGN CURRENCIES.

FOREIGN CURRENCIES AND GOLD RECEIVABLE AND TO BE DELIVERED ⁽¹⁾.

The position of the Bank's assets and liabilities in foreign currencies changed as follows :

	On 31st December, 1966	On 31st December, 1967
Foreign Currencies Fr.	21,404,778,082	36,086,762,509
Foreign Currencies and Gold Receivable ⁽²⁾ Fr.	11,477,124,106	12,468,491,810
Total . . Fr.	32,881,902,188	48,555,254,319
Foreign Currencies and Gold to be delivered ⁽²⁾ Fr.	32,799,702,149	48,217,935,796
Net position . . Fr.	82,200,039	337,318,523

With allowance for the margins required for regularising current fluctuations of the regulated foreign exchange market the Bank maintains equilibrium as between its assets and its liabilities.

The assets and liabilities in foreign currencies include forward transactions concluded with the Belgian Treasury and with foreign Central Banks.

ASSETS ABROAD IN BELGIAN FRANCS.

These assets are represented by American Treasury Certificates denominated in Belgian francs : the conditions which they carry make these securities an asset conforming to the provisions of Article 24 of the Statutes.

The certificates of this kind, held by the Bank since May, 1963 and amounting to Fr. 1,500,000,000, were repaid at their respective maturities

⁽¹⁾ See page 101 of this Report.

⁽²⁾ On 31st December, 1967, just as on 31st December, 1966, all the operations current were in foreign currencies.

on 16th and 22nd May, 1967; the new certificates, acquired in November, 1967 and totalling Fr. 3,000,000,000, mature on 24th November, 1969.

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

The claims resulting from the execution of international agreements comprise only :

	On 31st December, 1966	On 31st December, 1967
International Monetary Fund :		
— Quota Fr.	15,189,500,000	14,736,500,000
— Loans Fr.	3,375,000,000	1,875,000,000

Quota.

Belgium's quota in the International Monetary Fund, namely \$ 422,000,000 or B.Fr. 21,100,000,000, appears in the Bank's books as follows :

in the Assets :

International Monetary Fund - Quota Fr.	14,736,500,000
among the Memorandum Accounts :	
Sundry Deposits - International Monetary Fund ⁽¹⁾ Fr.	6,363,500,000
	Fr. 21,100,000,000

The asset account 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 action in financing the obligations which result for the Belgian Government from the said quota ⁽²⁾.

The sum of Fr. 14,736,500,000 is made up as below :

1) 25 p.c. of the quota paid in gold Fr.	5,275,000,000
2) Use of Belgian francs by the Fund Fr.	9,461,500,000
	Fr. 14,736,500,000

⁽¹⁾ See page 106 of this Report.

⁽²⁾ See the Report on the activities of the Bank in 1959, page 97.

The Fund's deposit at the Bank consists of Belgian Treasury Bills bearing no interest. It increased during the year by the amount of the decrease in the asset account, that is by Fr. 453,000,000

These movements resulted from the following operations :

1) Reconstitution of the Fund's resources by reason of repayments effected in Belgian francs by the following countries, and subscription by the Fund for Treasury Bills of equivalent amounts :		
— Argentina Fr.	202,500,000	
— Burundi Fr.	75,000,000	
— Chile Fr.	60,000,000	
— Cyprus Fr.	5,000,000	
— Colombia Fr.	80,000,000	
— Nicaragua Fr.	141,000,000	
— Pakistan Fr.	10,000,000	
— Dominican Republic . Fr.	50,000,000	
— United Kingdom . . . Fr.	850,000,000	
— Rwanda Fr.	50,000,000	
— Turkey Fr.	22,500,000	
— Uruguay Fr.	10,000,000	
	<i>minus</i> . . Fr.	1,556,000,000
2) Encashment by the Fund of Treasury Bills, paid by the Bank in relief of the Government, for the following purposes :		
Transfers of Belgian francs to the following countries :		
— Burundi Fr.	250,000,000	
— India Fr.	500,000,000	
— Rwanda Fr.	100,000,000	
— Sudan Fr.	250,000,000	
The Fund's own expenditure in Belgian francs Fr.	3,000,000	
	<i>plus</i> . . Fr.	1,103,000,000
	<i>Net decrease</i> . . Fr.	453,000,000

On the Belgian francs provided in relief of the Government the latter pays the Bank an allowance of 0.50 p.c. per annum.

Loans.

Under the heading « International Monetary Fund — Loans » there appears the amount of the loans granted to the International Monetary Fund in pursuance of the Belgian Government's adhesion, approved by the Law of 4th January, 1963, to the decision adopted on 5th January, 1962 by the Executive Board of the Fund, that is at 31st December,

1967	Fr.	1,875,000,000
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The loan of Fr. 1,875,000,000 is covered by special Belgian Treasury Bills which the Bank acquired according to the Convention concluded with the Government on 1st February, 1963, as amended by that of 1st December, 1964.

It was granted to the International Monetary Fund so as to enable the latter to finance a part of the Belgian franc purchases effected by the United Kingdom under a \$ 1,400,000,000 credit which was opened for it by the Fund in May, 1965.

The following do not appear in this year's Balance Sheet :

European Monetary Agreement.

The heading « European Monetary Agreement » applies to the Belgian franc advances granted by the Bank to other Central Banks in accordance with the stipulations of the Agreement dated 5th August, 1955 according to the provisions of the Convention of 16th April, 1959, concluded with the Belgian Government ⁽¹⁾, and at the rate fixed by the Board of Management of the European Monetary Agreement. Since February, 1960 this rate has remained unchanged at 3 p.c.

The advance facilities opened by the European Monetary Agreement have not been used since 1st April, 1963.

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

Other Agreements.

The item « International Agreements — Other Agreements » remains reserved for recording foreign currency or Belgian franc claims on countries, other than those taking part in the European Monetary Agreement, with which Belgium has concluded payment agreements.

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

DEBTORS IN RESPECT OF FOREIGN EXCHANGE AND GOLD AT FORWARD DATES ⁽²⁾.

The liabilities to the Bank undertaken by purchasers of foreign currencies or of gold ⁽³⁾, 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 ».

These liabilities appear in the Balance Sheet as at 31st December, 1967 at a sum of Fr. 35,520,677,533

On 31st December, 1966 they amounted to . Fr. 21,311,552,708

COMMERCIAL BILLS.

The holding of commercial bills includes discounted Belgian franc bills payable in Belgium and abroad.

⁽¹⁾ See the Report on the activities of the Bank in 1959, page 100.

⁽²⁾ See page 101 of this Report.

⁽³⁾ Both on 31st December, 1967 and on 31st December, 1966 all the transactions current were in foreign currencies.

The figures at 31st December, 1966 and at 31st December, 1967 compare as follows :

	On 31st December, 1966	On 31st December, 1967
Bills on Belgium ⁽¹⁾ Fr.	15,502,556,666	13,833,061,444
Belgian franc bills on foreign countries Fr.	27,500	761,346
Total . . Fr.	15,502,584,166	13,833,822,790

ADVANCES AGAINST PLEDGED SECURITY.

The advances against pledged security amounted on 31st December, 1967 to Fr.	345,091,778
The total on 31st December, 1966 was . . . Fr.	338,210,549

PUBLIC SECURITIES (Article 20 of the Statutes, Convention of 14th September, 1948).

The holding of public securities mentioned in Article 20 of the Bank's Statutes may include :

— in Belgian public securities Fr.	10,000,000,000 ⁽²⁾
(Convention of 14th September, 1948)	
— in Luxemburg public securities Fr.	333,000,000
(Convention of 15th April, 1952)	

On 31st December, 1967 the Bank held Fr. 2,650,000,000 of Belgian Treasury Certificates as against Fr. 9,575,000,000 on 31st December, 1966.

The Luxemburg Government makes no use of its facility for discounting Treasury Bills.

⁽¹⁾ Of which certified acceptances :

	On 31st December, 1966	On 31st December, 1967
— export Fr.	7,613,303,165	8,059,523,389
including maturities on 31st December, 1966 and 30/31 December, 1967 Fr.	(385,551,548)	(99,266,525)
— import Fr.	4,037,000,000	763,000,000

⁽²⁾ Not including the special bills issued by the Belgian Treasury (Convention of 1st February, 1963) to finance the loans to the International Monetary Fund (see page 91 of this Report).

The public securities acquired by the Bank are discounted at the rate for bills accepted payable at a bank.

TREASURY NOTES AND COIN.

The Bank's holding of Treasury notes and coin is made up as follows :

	On 31st December, 1966	On 31st December, 1967
Divisional currency :		
Treasury notes Fr.	222,434,570	153,230,480
Silver coin Fr.	41,835,730	117,671,450
Small coin Fr.	37,408,022	48,795,425
	<hr/>	<hr/>
Fr.	301,678,322	319,697,355

The provisions applicable to the arrangements for repaying the excess over the contractual limit of Fr. 700 million ⁽¹⁾ have not operated since 1959.

BALANCES AT THE POSTAL CHEQUE OFFICE.

The Bank's balances at the Postal Cheque Office amount to Fr.	1,511,029
against, on 31st December, 1966 Fr.	1,622,884

CONSOLIDATED CLAIM ON THE GOVERNMENT (Laws of 28th July, 1948 and 19th June, 1959).

The Bank's consolidated claim on the Government, originally Fr. 35 billion, is unchanged at Fr.	34,000,000,000
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⁽¹⁾ See the Report on the activities of the Bank in 1962, page 140.

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

on 31st December, 1967	Fr.	3,366,896,722
against, on 31st December, 1966	Fr.	3,196,829,574

ITEMS RECEIVABLE.

The « Items Receivable » appeared in the Balance Sheet on 31st December, 1967 at	Fr.	498,748,444
against, on 31st December, 1966	Fr.	592,374,431

They consist in cheques, coupons and redeemable securities for collection, in amounts recoverable or receivable from third parties, among others in connection with transactions in securities or foreign currencies and with printing work.

PREMISES, FURNITURE AND EQUIPMENT.

The value of land and buildings appeared in the Balance Sheet for 31st December, 1967 at	Fr.	1,998,641,257
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In the Balance Sheet for 31st December, 1966 it stood at	Fr.	1,908,648,372
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The item « Premises, Furniture and Equipment » thus increased by	Fr.	89,992,885
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The past year's expenditure related to premises the building of which had previously begun.

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

SECURITIES OF THE STAFF PENSION FUND.

The item « Securities of the Staff Pension Fund » has on the liabilities side its counterpart entitled « Staff Pension Fund ».

It appears in the Balance Sheet for 31st December,
1967 at Fr. 2,328,785,038
against, on 31st December, 1966 Fr. 2,035,565,942

The increase on the year results from the grants paid by the Bank, from the premiums received and lottery prizes collected during the year, and from the deductions from staff salaries and wages, less the out-payments effected by the 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 collected, or as to whether they can be collected at all.

TRANSITORY ASSETS.

On 31st December, 1967 the Transitory Assets consisted of the following :

a) Fractional interest receivable on bills held and on special Belgian Treasury Bills (loans to the International Monetary Fund) Fr. 13,702,704
Carried forward . . Fr. 13,702,704

Brought forward . . Fr.	13,702,704
b) Fractional interest receivable on investments abroad Fr.	314,923,629
c) Fractional interest receivable on public long-term securities acquired in accordance with the Statutes Fr.	77,136,457
d) Provisions for making bank notes and printer's sundries, for the staff restaurant and the Premises Department Fr.	48,200,368
e) Anticipated payment to cover the Corporation Tax to which the Bank will be subject for 1967 . . Fr.	400,000,000
f) Securities of the Centenary Fund. The income on the Fund, which was created on the occasion of the Bank's Centenary and completed in 1964, permits the awarding of prizes to encourage studies pursued by children of members of the staff as well as the payment of rewards for useful suggestions . . Fr.	5,279,231
The counterpart of this item appears among the Transitory Liabilities.	
Total . . Fr.	859,242,389

LIABILITIES

BANK NOTES IN CIRCULATION.

On 31st December, 1967 the amount of the Bank's notes in circulation was Fr. 177,481,847,400

On 31st December, 1966 it was Fr. 175,311,216,800

The breakdown by denominations was as follows :

	On 31st December, 1966	On 31st December, 1967
Fr. 1,000 Fr.	155,687,979,000	158,650,496,000
Fr. 500 Fr.	10,753,696,500	10,381,760,500
Fr. 100 Fr.	8,869,541,300	8,449,590,900
Total . . Fr.	175,311,216,800	177,481,847,400

CURRENT AND SUNDRY ACCOUNTS.

The balances on « Current and Sundry Accounts » compare with a year previously as follows :

	On 31st December, 1966	On 31st December, 1967
Public Treasury, Ordinary Account Fr.	12,089,894	1,730,365
Public Treasury, Exceptional Counter-Cyclical Tax (Law of 12th March, 1957) Fr.	13,317,510	9,684,718
Carried forward . . Fr.	25,407,404	11,415,083

Brought forward . . Fr.	25,407,404	11,415,083
Bank in Foreign Countries, Ordinary Accounts Fr.	389,921,485	316,544,476
Institutions Governed by a Special Law, and Public Authorities . Fr.	216,375,410	153,572,213
Banks in Belgium Fr.	1,280,708,319	2,195,851,128
Enterprises and Individuals . Fr.	293,276,974	308,136,409
Items Payable Fr.	490,621,449	548,559,976
	<hr/>	<hr/>
Fr.	2,696,311,041	3,534,079,285

Under the head « Items Payable » there appear certain liabilities, denominated in Belgian francs, such as : 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 liabilities to foreign countries under international agreements were as follows :

	On 31st December, 1966	On 31st December, 1967
European Monetary Agreement Fr.	127,638,185	270,748,826
Other Agreements Fr.	324,831,544	326,507,567
	<hr/>	<hr/>
Fr.	452,469,729	597,256,393

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 international agreements.

On 31st December, 1967 they amounted to Fr. 181,613,183,078 against Fr. 178,459,997,570 on 31st December, 1966.

BELGIAN BANKS, MONETARY RESERVE.

Under this heading there is no balance in this year's Balance Sheet.

FOREIGN CURRENCIES AND GOLD TO BE DELIVERED ⁽¹⁾.

The countervalue of the liabilities shown on 31st December, 1967 in the item « Foreign Currencies and Gold to be Delivered » ⁽²⁾ was Fr. 48,217,935,796 against Fr. 32,799,702,149 a year before.

Apart from a small amount for spot settlement these liabilities consisted of foreign currencies deliverable at forward dates, either against other foreign currencies following arbitrage transactions effected by the Bank or against Belgian francs following transfers to the Belgian Treasury, and to foreign banks.

Their counterpart appears on the assets side under the headings « Foreign Currencies and Gold Receivable » and « 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, 1967 to . . . Fr.	2,328,785,038
against, on 31st December, 1966 Fr.	2,035,565,942

⁽¹⁾ See pages 88 and 92 of this Report.

⁽²⁾ Both on 31st December, 1967 and on 31st December, 1966 all the transactions current were in foreign currencies.

TRANSITORY LIABILITIES.

On 31st December, 1967 the Transitory Liabilities were as follows :

a) Unaccrued discount on bills and Treasury Certificates held Fr.	89,340,434
b) Instalments paid by outside parties Fr.	62,181
c) Centenary Fund Fr.	5,279,231
The counterpart of this item is in the Transitory Assets.	
d) Provision for Taxes ⁽¹⁾ Fr.	528,455,407
e) Provision for expenses of acquiring, selling and shipping gold Fr.	80,000,000
f) Provision for building of premises and purchasing of furniture and equipment ⁽¹⁾ Fr.	216,231,657
g) Provision against Sundry Contingencies ⁽¹⁾ . . Fr.	900,000,000
Total . . Fr.	<u>1,819,368,910</u>

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 FUND.

The Reserve Fund, which is provided under Article 14 of the Bank's Statutes, comprises the following items :

	On 31st December, 1966	On 31st December, 1967
Statutory Reserve Fr.	694,795,041	731,921,342
Extraordinary Reserve Fr.	481,769,671	502,221,348
Account for Depreciation of Premises, Furniture and Equipment Fr.	1,753,227,841	1,843,220,726
Total . . Fr.	<u>2,929,792,553</u>	<u>3,077,363,416</u>

⁽¹⁾ See pages 118 and 119 of this Report.

The increase represents the part accruing to the Statutory Reserve in the distribution of profits as at 31st December, 1966, a transfer to the Extraordinary Reserve, and the depreciation applied to premises as on 31st December, 1967.

The transfer on 31st December, 1967 to the Extraordinary Reserve, namely Fr. 20,451,677, is the subject of comment in the analysis of the Profit and Loss Account ⁽¹⁾.

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. 155,420,531, represents a reasonable valuation of the land.

NET PROFIT FOR DISTRIBUTION.

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. 396,161,946 as against Fr. 379,925,829 on 31st December, 1966.

⁽¹⁾ See page 117 of this Report.

MEMORANDUM ACCOUNTS

MINISTER OF NATIONAL EDUCATION : Balance for his account at the Postal Cheque Office (Schools Pact, Law of 29th May, 1959, Article 15).

The Memorandum Account «Minister of National Education : 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 National Education (Schools Pact, Law of 29th May, 1959, Article 15)» appears in the weekly return below the total of the assets Fr. 1,672,055,436

ITEMS FOR COLLECTION.

The items — commercial bills, foreign currencies, etc. — which had been lodged for collection by holders of current accounts or by foreign correspondents amounted on 31st December, 1967 to Fr. 23,386,808

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 the export credits opened by foreign Central Banks Fr. 1,894,867

CERTIFICATION OF ACCEPTANCES RELATING TO EXPORTS AND IMPORTS.

The bank or commercial acceptances which were in circulation on 31st December, 1967 ⁽¹⁾ and were certified by the Bank, which thereby 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. 15,331,865,304

SUNDRY DEPOSITS.

The breakdown of the Sundry Deposits is as follows :

International Monetary Fund ⁽²⁾ Fr.	6,363,500,000	
International Development Association Fr.	415,250,000	
Asian Development Bank . . Fr.	25,000,000	
Other Deposits Fr.	88,506,848,399	
	<u>Total . . Fr.</u>	95,310,598,399

(1) Other than those forming part of the Bank's portfolio (see page 93 of this Report), namely :

	On 31st December, 1966	On 31st December, 1967
Certified acceptances :		
— export Fr.	7,584,255,335	9,160,357,378
— import Fr.	3,257,852,788	6,171,507,926
	<u>Fr.</u>	<u>15,331,865,304</u>
	10,842,108,123	

(2) See page 89 of this Report.

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.	20,993,861,860
Guarantees given by persons lodging bills for discount Fr.	7,808,500
Cover provided in Securities and Commercial Bills by Borrowers of Call Money Fr.	3,941,983,821
Sundry Guarantees Fr.	569,021,048
Total . . Fr.	25,512,675,229

GUARANTEE CERTIFICATES RECEIVED FROM THE PUBLIC TREASURY.

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.

1,020,000,000

GUARANTEES GIVEN ON BEHALF OF THE STAFF.

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.

312,236,167

COMMITMENT TOWARDS THE NATIONAL FOUNDATION FOR FINANCING
SCIENTIFIC RESEARCH.

In 1959 the Bank undertook a commitment to subscribe, in ten Fr. 60,000,000 tranches, for Fr. 600,000,000 of the Fr. 3,000,000,000 loan to be issued by the National Foundation for Financing Scientific Research. In addition it agreed in 1962 to take the place, to the extent of Fr. 30,000,000, of a subscriber who wished to be partly discharged from his undertaking.

The Bank's subscription has been paid to a total extent of Fr. 438,750,000. Accordingly there remains payable Fr. 191,250,000

The eighth tranche will be paid at the beginning of 1968.

PUBLIC TREASURY.

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

Sundry Assets Fr. 1,666,667

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	
	<hr/>	
Carried forward . . Fr.	6,000,000,000	1,666,667

Brought forward . . Fr.	6,000,000,000	1,666,667
Participating Debentures of the Belgian National Railways Com- pany Fr.	638,305,187	
Treasury Bills of the Government of the Grand Duchy of Luxemburg (Belgian-Luxemburg Agreement) Fr.	1,344,262,495	
4.50 p.c. Certificates of the National Housing Company . Fr.	3,793,490,000	
4.50 p.c. Certificates of the National Smallholders' Company Fr.	469,687,000	
Sundry Items Fr.	3,618,786,373	
	Fr.	15,864,531,055

Sundry Items for which the Government is the Depositary :

Items lodged by outside parties Fr.	13,881,365,112	
Service of the Registered Debt Fr.	47,193,695,900	
Deposit and Consignment Office Fr.	91,555,404,067	
Items lodged by way of Guarantee Fr.	5,260,556,017	
	Fr.	157,891,021,096

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

Items to be delivered Fr. 8,797,756,284

Monetary Fund :

Public Long-term Securities Fr. 3,638,572,076

Total . . Fr. 186,194,417,831

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. 9,546,048,601

GENERAL SAVINGS AND PENSIONS FUND.

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

<i>Provisional investments</i>	Fr.	64,492,919,192
<i>Cover for Loans</i>	Fr.	9,883,850
<i>Guarantee Deposits</i>	Fr.	363,566,563
		<hr/>
Total	Fr.	64,866,369,605

PROFIT AND LOSS ACCOUNT

CREDIT

DISCOUNT, EXCHANGE AND INTEREST.

	On 31st December, 1966	On 31st December, 1967
Fr.	1,930,923,112	1,878,437,802

These figures have been reached after deduction of an amount paid to the Government by reason of the change made in the terms governing forward exchange cover provided by the Bank in connection with the Treasury's operations ⁽¹⁾. In 1966 this amount was Fr. 265,767,830; in 1967 it was Fr. 285,223,733.

There also appears in a separate item, on the debit side of the Profit and Loss Account, that part of the proceeds obtained from discount, advance and loan operations which is allocated to the Government in accordance with Article 37 of the Statutes ⁽²⁾, namely :

	On 31st December, 1966	On 31st December, 1967
Fr.	423,352,226	278,116,252

The net receipts accruing to the Bank accordingly compare as follows :

	On 31st December, 1966	On 31st December, 1967
Fr.	1,507,570,886	1,600,321,550

The increase from 1966 to 1967 amounts to Fr. 92,750,664

⁽¹⁾ See the Report for 1966, page 119.

⁽²⁾ See page 117 of this Report.

While the total amount of, and the rates of interest on domestic lendings were lower than those of the previous year, the investments effected abroad were on the other hand greater in 1967 than in 1966, and the rates of interest obtained rose a little further in 1967.

FEEs FOR SAFE CUSTODY, COMMISSIONS AND ALLOWANCES.

	On 31st December, 1966	On 31st December, 1967
Fr.	149,415,311	156,242,653

The commissions received by the Bank cover the expenses entailed by various services rendered for account of outside parties.

The round-sum allocation of Fr. 34,000,000 on the Bank's consolidated claim on the Government, not productive of interest, for partly reimbursing the expenses of maintaining the note and coin circulation, appears among the allowances.

INCOME ON PUBLIC LONG-TERM SECURITIES (Articles 18 and 21 of the Statutes).

	On 31st December, 1966	On 31st December, 1967
Fr.	155,691,648	159,313,306

The holding of public long-term securities and other securities acquired in accordance with the Statutes rose on the year from Fr. 3,197,000,000 to Fr. 3,367,000,000; the income on this holding increased by Fr. 3,621,658 as against Fr. 7,993,975 in 1966.

PROFIT ON SALE OF, AND COLLECTION OF PROCEEDS OF, SECURITIES.

	On 31st December, 1966	On 31st December, 1967
Fr.	16,661,479	28,478,097

This item relates to the collection of bonds drawn for redemption or repaid at maturity, as well as to switching operations designed to increase the total return on the holding.

AMOUNTS COLLECTED ON ASSETS WRITTEN OFF PENDING COLLECTION.

	On 31st December, 1966	On 31st December, 1967
Fr.	814,284	370,058

The sums received in 1967 represent receipts arising from the sale of assets which had been written off, or had become useless to the Bank.

TRANSFERRED FROM THE TRANSITORY LIABILITIES ITEM « PROVISION FOR BUILDING OF PREMISES AND PURCHASING OF FURNITURE AND EQUIPMENT ».

	On 31st December, 1966	On 31st December, 1967
Fr.	120,991,828	89,992,885

The object of the transfer on 31st December, 1967 from the « Provision for Building of Premises and Purchasing of Furniture and Equipment » was to meet the capital expenditure effected in the course of the year on new buildings.

DEBIT

GENERAL EXPENSES.

	On 31st December, 1966	On 31st December, 1967
Fr.	673,766,255	704,449,007

The increase by Fr. 30,682,752 in 1967 is entirely attributable to that in the expenditure relating to remuneration of the staff.

This expenditure depends partly on the general trend in salaries, wages and social charges, and partly on advances in productivity.

Its growth in 1967 followed the rise of the retail price index and the increase of pay due to the conclusion of collective agreements applicable to bank employees.

The effect of these factors was reduced by the favourable results of the growth in productivity, one tangible sign of which is the decrease in the numbers employed.

ORDINARY GRANT TO THE STAFF PENSION FUND.

	On 31st December, 1966	On 31st December, 1967
Fr.	63,985,000	67,530,000

EXTRAORDINARY GRANT TO THE STAFF PENSION FUND.

	On 31st December, 1966	On 31st December, 1967
Fr.	115,000,000	165,000,000

The ordinary grant to the Staff Pension Fund depends on total salaries and wages. The provision of an extraordinary grant is the corollary to the increase of pay; its object is to raise the actuarial reserves to the level required in order to cover pensions which are not yet running.

DEPRECIATION OF PREMISES, FURNITURE AND EQUIPMENT.

	On 31st December, 1966	On 31st December, 1967
Fr.	181,577,861	163,125,919

The capital expenditure on premises (except the sites), on furniture and on equipment has been completely written off in the books.

The expenditure for the year 1967 was apportioned as follows :

Expenditure relating to buildings in course of construction at Brussels and in the provinces . . Fr.		89,992,885
Work on modernising premises Fr.	44,896,897	
Purchases of equipment for the printing works, technical departments and offices . . . Fr.	18,680,806	
Purchases of furniture for the offices at Brussels and in the provinces Fr.	9,555,331	
	Fr.	73,133,034
Total . . Fr.		163,125,919

AMOUNT DUE TO THE GOVERNMENT.

	On 31st December, 1966	On 31st December, 1967
Fr.	423,352,226	278,116,252

In accordance with Article 37 of the Statutes the difference between the rate charged by the Bank on its discount, advance and loan transactions, and interest at 3 p.c., is allocated to the Government.

TRANSFERRED TO THE EXTRAORDINARY RESERVE.

	On 31st December, 1966	On 31st December, 1967
Fr.	11,890,491	20,451,677

Just as in 1966, the transfer to the Extraordinary Reserve in 1967 corresponds to the part which is exempt from tax, provided that it remains unavailable, of the profit realised on the sale and encashment of public securities held ⁽¹⁾.

ALLOCATION OF THE PROFIT.

After the transfer to the Extraordinary Reserve the favourable balance on the Profit and Loss Account is Fr. 914,161,946.

It has been allocated as follows :

Transferred to the Transitory Liabilities as :

Provision for Taxes	Fr.	293,000,000
Provision for Building of Premises and Purchasing of Furniture and Equipment	Fr.	75,000,000
Provision against Sundry Contingencies	Fr.	150,000,000
	Fr.	518,000,000
<i>Net Profit for Distribution</i>	Fr.	396,161,946
Total	Fr.	914,161,946

⁽¹⁾ Articles 34 and 105 of the Income Taxes Code.

The position of these three transitory items is as follows :

a) *Provision for Taxes.*

On 31st December, 1966 Fr.	804,551,080
Tax payments made in 1967, including Corporation Tax for 1965 and 1966, the Preliminary Land and Buildings Tax and sundry taxes Fr.	569,095,673
	<hr/>
Fr.	235,455,407
Transfer appearing on the debit side of the Profit and Loss Account to provide for payment of future taxes Fr.	293,000,000
	<hr/>
Balance on 31st December, 1967 Fr.	528,455,407

b) *Provision for Building of Premises and Purchasing of Furniture and Equipment.*

On 31st December, 1966 Fr.	231,224,542
Drawn in 1967 ⁽¹⁾ Fr.	89,992,885
	<hr/>
Fr.	141,231,657
Transfer by the debit of the Profit and Loss Account Fr.	75,000,000
	<hr/>
Balance on 31st December, 1967 Fr.	216,231,657

The expenses which this provision is intended to meet relate to the modernising of branches and agencies in the provinces, and to the completion of work in progress at Brussels.

The execution of the building programme is spread over several years.

⁽¹⁾ See page 113 of this Report.

c) *Provision against Sundry Contingencies.*

On 31st December, 1966 Fr.	750,000,000
Transfer by the debit of the Profit and Loss Account Fr.	150,000,000
	<hr/>
Balance on 31st December, 1967 Fr.	900,000,000

The Provision against Sundry Contingencies was created at the end of 1957 in view of the risks inherent in the Bank's activity, and of the fluctuations to which its earnings are subject.

The provision of Fr. 900,000,000 thus represents 2.43 p.c. of the cumulated average amount of foreign currency assets plus commercial bills held in 1967.

DISTRIBUTION OF THE NET PROFIT.

The Net Profit has been distributed as follows in conformity with Article 38 of the Statutes :

1. To the Shareholders, a First Dividend of 6 p.c. on the Nominal Capital Fr.	24,000,000
2. As to the rest, namely Fr. 372,161,946	
a) 10 p.c. to Reserve Fr.	37,216,195
b) 8 p.c. to the Staff Fr.	29,772,956
3. As to the remainder, namely Fr. 305,172,795	
a) To the Government, one-fifth Fr.	61,034,559
b) To the Shareholders, a Second Dividend . Fr.	244,111,786
c) The balance to Reserve Fr.	26,450
	<hr/>
<i>Total Net Profit to be distributed</i> . . Fr.	396,161,946

DIVIDEND DECLARED FOR THE YEAR 1967

First Dividend, Total Fr.	24,000,000
Second Dividend, Total Fr.	244,111,786
Total . . Fr.	268,111,786
on 400,000 Shares, that is per Share a Dividend of Fr.	670.28

Coupon No. 166 will be payable with effect from 1st March, 1968 at the rate of Fr. 545, free of Preliminary Income Tax.

Since the Net Dividend amounts to Fr. 545, the taxable income per Share to be declared by individuals for tax purposes is Fr. 827.25 ⁽¹⁾, including the tax relief and the Preliminary Income Tax, together amounting to Fr. 282.25.

The Council of Regency :

Franz DE VOGHEL, *Vice-Governor*,
Marcel LEFEBVRE, *Director*,
Jean BRAT, *Director*,
Cecil de STRYCKER, *Director*,
Paul CALLEBAUT, *Director*,
Roland BEAUVOIS, *Director*,
August COOL, *Regent*,
Robert VANDEPUTTE, *Regent*,
Max DRECHSEL, *Regent*,
Roger DE STAERCKE, *Regent*,
Constant BOON, *Regent*,
Henri LEMAIRE, *Regent*,
Jean de COOMAN d'HERLINCKHOVE, *Regent*,
Willy SCHUGENS, *Regent*,
Henri CAPPUYNS, *Regent*,
Lucien BOËL, *Regent*.

The Governor,
Hubert ANSIAUX.

⁽¹⁾ Fr. 545 × $\frac{85}{56}$ = Fr. 827.25

Balance Sheet

Profit and Loss Account

Memorandum Accounts

ASSETS

BALANCE SHEET AS

Gold Holding	73,962,929,530
Foreign Currencies	36,086,762,509
Foreign Currencies and Gold Receivable	12,468,491,810
Assets Abroad in Belgian Francs	3,000,000,000
International Agreements (Laws of 28th July, 1948 and 19th June, 1959) :	
International Monetary Fund :	
— Quota	14,736,500,000
— Loans (1)	1,875,000,000
Debtors in respect of Foreign Exchange and Gold at Forward Dates	35,520,677,533
Commercial Bills	13,833,822,790
Advances against Pledged Security	345,091,778
Public Securities (Article 20 of the Statutes, Convention of 14th September, 1948)	2,650,000,000
Treasury Notes and Coin	319,697,355
Balances at the Postal Cheque Office	1,511,029
Consolidated Claim on the Government (Laws of 28th July, 1948 and 19th June, 1959)	34,000,000,000
Public Long-term Securities (Articles 18 and 21 of the Statutes)	3,366,896,722
Items Receivable	498,748,444
Premises, Furniture and Equipment	1,998,641,257
Securities of the Staff Pension Fund	2,328,785,038
Assets Written Off Pending Collection	pro memoria
Transitory Assets	859,242,389
Total Assets	237,852,798,184

(1) Special Belgian Treasury Bills (Law of 4th January, 1963, Convention of 1st February, 1963).

AT 31ST DECEMBER, 1967

LIABILITIES

Bank Notes in Circulation 177,481,847,400

Current and Sundry Accounts :

Public Treasury	{	Ordinary Account	1,730,365	
		Exceptional Counter-Cyclical Tax (Law of 12th March, 1957)	9,684,718	

Banks in Foreign Countries, Ordinary Accounts 316,544,476

Institutions Governed by a Special Law, and Public Authorities 153,572,213

Banks in Belgium 2,195,851,128

Enterprises and Individuals 308,136,409

Items Payable 548,559,976 3,534,079,285

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

European Monetary Agreement 270,748,826

Other Agreements 326,507,567 597,256,393

Total Sight Liabilities 181,613,183,078

Belgian Banks, Monetary Reserve —

Foreign Currencies and Gold to be Delivered 48,217,935,796

Staff Pension Fund 2,328,785,038

Transitory Liabilities 1,819,368,910

Capital 400,000,000

Reserve Fund :

Statutory Reserve 731,921,342

Extraordinary Reserve 502,221,348

Account for Depreciation of Premises, Furniture and Equipment 1,843,220,726

Net Profit for Distribution 396,161,946

Total Liabilities 237,852,798,184

DEBIT

PROFIT AND LOSS ACCOUNT

General Expenses	704,449,007
Ordinary Grant to the Staff Pension Fund	67,530,000
Extraordinary Grant to the Staff Pension Fund	165,000,000
Depreciation of Premises, Furniture and Equipment	163,125,919
Amount due to the Government :	
Produce, exceeding 3 %, of Discounts and Advances on Pledged Security	278,116,252
Transferred to the Extraordinary Reserve	20,451,677
Transferred to the Transitory Liabilities as :	
Provision for Taxes	293,000,000
Provision for Building of Premises and Purchasing of Furniture and Equipment	75,000,000
Provision against Sundry Contingencies	150,000,000
Net Profit for Distribution	396,161,946
	2,312,834,801

MEMORANDUM ACCOUNTS

Minister of National Education :

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

Items for Collection**Documentary Credits Opened****Certification of Acceptances relating to Exports and Imports****Sundry Deposits :**

International Monetary Fund

International Development Association

Asian Development Bank

Other Deposits

Securities received by way of Guarantee from Outside Parties :

Cover for advance limits against Pledged Security

Guarantees given by persons lodging bills for discount

Security provided by Borrowers of Call Money

Sundry Guarantees

Guarantee Certificates received from the Public Treasury**Guarantees given on behalf of the Staff****Commitment towards the National Foundation for Financing of
Scientific Research****Public Treasury :**

Sundry Assets

Sundry Securities owned by the Government :

Preference Shares of the Belgian National Railways Co.

Ordinary Shares of the Belgian National Railways Co.

Participating Debentures of the Belgian National Railways Co.

Treasury Bills of the Government of the Grand Duchy of Luxembourg (Belgian-Luxemburg Agreement)

4.50 % Certificates of the National Housing Co.

4.50 % Certificates of the National Smallholders' Co.

Sundry Items

Sundry Items for which the Government is the Depositary :

Items lodged by outside parties

Service of the Registered Debt

Deposit and Consignment Office

Items lodged by way of Guarantee

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

Items to be delivered

Monetary Fund : Public Long-term Securities

Securities Stabilisation Fund, Securities Deposited**General Savings and Pensions Fund :**

Provisional Investments

Cover for Loans

Guarantee Deposits

AS AT 31ST DECEMBER, 1967

CREDIT

Discount, Exchange and Interest	1,878,437,802
Fees for Safe Custody, Commissions and Allowances	156,242,653
Income on Public Long-term Securities (Articles 18 and 21 of the Statutes)	159,313,306
Profit on Sale of, and Collection of Proceeds of, Securities	28,478,097
Amounts Collected on Assets Written Off Pending Collection	370,058
Transferred from the Transitory Liabilities Item « Provision for Building of Premises and Purchasing of Furniture and Equipment »	89,992,885
	<hr/>
	2,312,834,801

AS AT 31ST DECEMBER, 1967

		1,672,055,436
		23,386,808
		1,894,867
		15,331,865,304
	6,363,500,000	
	415,250,000	
	25,000,000	
	88,506,848,399	
	<hr/>	95,310,598,399
	20,993,861,860	
	7,808,500	
	3,941,983,821	
	569,021,048	
	<hr/>	25,512,675,229
		1,020,000,000
		312,236,167
		191,250,000
	1,666,667	
5,000,000,000		
1,000,000,000		
638,305,187		
1,344,262,495		
3,793,490,000		
469,687,000		
3,618,786,373		
	15,864,531,055	
13,881,365,112		
47,193,695,900		
91,555,404,067		
5,260,556,017		
	157,891,021,096	
	870,653	
	8,797,756,284	
	3,638,572,076	
	<hr/>	186,194,417,831
		9,546,048,601
	64,492,019,192	
	9,883,850	
	363,566,563	
	<hr/>	64,866,369,605

ANNEXES

**PUBLIC LONG-TERM SECURITIES
ACQUIRED PURSUANT
TO ARTICLES 18 AND 21 OF THE STATUTES**

Statement as at 31st December, 1967

3.50 % Belgian Debt 1943.
4 % Liberation Loan 1945.
4.50 % Belgian Loan 1953/73.
4.50 % Belgian Loan 1954/72.
4.25 % Belgian Loan 1954/74, Series 1.
4.25 % Belgian Loan 1954/74, Series 2.
4 % Belgian Loan 1955/75.
5 % Belgian Loan 1958/68.
4.75 % Belgian Loan 1959/71.
5 % Belgian Loan 1959/70.
4.75 - 5 - 5.25 % Belgian Loan 1962/72/77/82, Series 3.
5.50 - 5.75 % Belgian Loan 1963/73/78/83, Series 2.
6 % Belgian Loan 1963/83.
6.25 - 6.50 % Belgian Loan 1964/69/74, Series 1.
6.25 - 6.50 % Belgian Loan 1964/69/74, Series 2.
6.25 - 6.50 % Belgian Loan 1964/69/75.
6.25 - 6.50 % Belgian Loan 1965/70/76.
6.25 - 6.50 % Belgian Loan 1965/71/78.
6.25 - 6.50 % Belgian Loan 1965/71/80.
6.25 - 6.50 % Belgian Loan 1966/71/76, Series 1.
6.25 - 6.50 % Belgian Loan 1966/71/76, Series 2.
6.75 - 7 % Belgian Loans 1972/78, Amalgamated.
7 % Belgian Loan 1967/82, Series 1.
7 % Belgian Loan 1967/82, Series 2.
6.75 - 7 % Belgian Loan 1967/74/82.
4 % Belgian Premium Bonds 1941.
4 % War Damage 1922.
4 % War Damage 1923.
4.25 % Belgian National Railways Company 1954/74.
4 % Belgian National Railways Company 1955/75, Series 2.

- 6 % Road Fund 1963/83.
- 5 % Autonomous War Damage Fund 1953, Series 1, and 1959, Series 7.
- 4.75 % Autonomous War Damage Fund 1954, Series 2, and 1955, Series 3.
- 4.75 % Autonomous War Damage Fund 1956, Series 4.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 1st tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 2nd tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 3rd tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 4th tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 5th tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 6th tranche.
- 2 % National Foundation for Financing Scientific Research
1960/69 - 1990/99, 7th tranche.
- 4 % Telegraphs and Telephones Board 1954/74, Series 2.
- 6.25 - 6.50 % Belgian National Railways Company 1965/71/77.
- 6.75 - 7 % Belgian National Railways Company 1966/72/78.
- 5.50 % National Industrial Credit Company 1960/70.
- 6.25 - 6.50 % National Industrial Credit Company 1965/71/78.
- 3.50 % Loan of the Belgian-Congolese Amortisation and Management Fund
1965-2005.
- National Industrial Credit Company Shares.
- Bank for International Settlements Shares :
 - Belgian tranche.
 - Danzig tranche.
- Belgian National Railways Company Dividend Right Certificates.

WEEKLY RETURNS
PUBLISHED IN THE « MONITEUR BELGE » DURING 1967

WEEKLY RETURNS PUBLISHED IN THE « MONITEUR BELGE » DURING 1967

(Millions of francs)

ASSETS

DATE	Gold holding	Foreign currencies	Foreign currencies and gold receivable	Assets abroad in Belgian francs	International Agreements : (Laws of 28th July, 1948 and 19th June, 1959)			Debtors in respect of foreign exchange and gold at forward dates	Commercial bills	Advances against pledged security	Public securities (Art. 20 of the Statutes, Convention of 14th September, 1948)	Treasury notes and coin	Balances at Postal Cheque Office	Consolidated claim on the Government (Laws of 28th July, 1948 and 19th June, 1959)	Public long-term securities (Articles 18 and 21 of the Statutes)	Premises, furniture and equipment	Securities of the Staff Pension Fund	
					European Monetary Agreement	International Monetary Fund												Other agreements
						Quota	Loans (1)											
January 2	76.233	21.562	11.128	1.500	—	15.190	3.375	—	21.463	13.709	18	9.850	306	1	34.000	3.197	1.787	2.005
» 9	76.179	25.012	11.345	1.500	—	15.190	3.375	—	24.777	7.730	17	9.875	280	1	34.000	3.197	1.787	1.998
» 16	76.179	25.093	11.458	1.500	—	15.190	3.375	—	24.835	7.632	14	6.875	300	1	34.000	3.197	1.787	1.999
» 23	76.179	24.455	11.208	1.500	—	15.190	3.375	—	24.326	7.004	16	5.900	318	2	34.000	3.316	1.908	2.112
» 30	76.179	23.089	10.905	1.500	—	15.190	3.375	6	22.402	9.527	174	6.125	336	1	34.000	3.366	1.908	2.112
February 6	76.141	21.874	10.613	1.500	—	15.190	3.375	25	21.140	12.424	1.798	3.800	344	2	34.000	3.367	1.908	2.108
» 13	76.154	21.417	10.293	1.500	—	15.190	3.375	43	20.628	6.568	16	9.275	358	1	34.000	3.367	1.908	2.108
» 20	76.144	20.945	10.293	1.500	—	15.190	3.375	50	20.306	9.256	17	5.400	380	1	34.000	3.367	1.908	2.122
» 27	76.144	20.787	10.293	1.500	—	15.190	3.375	42	20.110	8.359	17	8.475	388	2	34.000	3.367	1.908	2.135
March 6	76.215	22.346	10.172	1.500	—	15.190	3.375	84	21.654	9.769	27	7.525	376	2	34.000	3.367	1.908	2.129
» 13	76.215	22.609	10.285	1.500	—	15.190	3.375	118	22.026	5.312	22	9.275	399	2	34.000	3.367	1.908	2.129
» 20	76.215	22.823	10.083	1.500	—	15.190	3.375	110	21.944	4.849	29	8.775	403	1	34.000	3.367	1.908	2.133
» 24	76.215	22.458	10.083	1.500	—	15.190	3.375	115	21.869	4.864	18	9.300	413	2	34.000	3.366	1.908	2.134
April 3	76.215	21.847	10.271	1.500	—	15.190	3.375	160	21.301	8.028	31	9.900	393	2	34.000	3.367	1.908	2.134
» 10	76.250	23.458	10.953	1.500	—	15.190	3.375	178	22.978	5.951	23	9.775	375	1	34.000	3.367	1.908	2.127
» 17	76.250	23.459	10.953	1.500	—	15.330	3.375	167	22.978	4.337	21	9.225	385	2	34.000	3.367	1.908	2.127
» 24	76.250	23.344	10.953	1.500	—	15.310	3.375	160	22.648	5.215	21	9.725	379	1	34.000	3.367	1.908	2.131
» 28	76.250	22.087	10.424	1.500	—	15.305	3.375	188	21.215	9.770	595	9.525	353	1	34.000	3.367	1.908	2.131
May 8	76.175	23.655	11.373	1.500	—	15.355	3.375	186	22.671	8.317	566	9.125	338	2	34.000	3.367	1.908	2.124
» 12	76.187	24.544	11.542	1.500	—	15.273	3.375	209	23.711	5.266	1.032	9.400	329	2	34.000	3.367	1.908	2.137
» 22	76.187	24.470	12.008	—	—	15.273	3.375	231	23.595	5.853	1.053	9.075	312	1	34.000	3.367	1.908	2.138
» 29	76.189	24.698	11.834	—	—	15.273	1.875	272	23.566	7.419	1.287	9.800	303	2	34.000	3.367	1.908	2.144
June 5	76.075	27.774	15.463	—	—	15.273	1.875	17	26.906	9.245	1.939	9.225	286	2	34.000	3.367	1.908	2.143
» 12	76.067	28.947	16.155	—	—	15.273	1.875	2	27.996	6.117	1.707	9.850	286	2	34.000	3.367	1.908	2.143
» 19	76.067	29.197	16.502	—	—	15.273	1.875	—	28.463	5.303	1.276	9.525	282	1	34.000	3.367	1.908	2.144
» 26	76.067	29.454	16.923	—	—	15.273	1.875	—	28.380	6.097	1.185	9.900	272	2	34.000	3.366	1.908	2.144
July 3	75.953	31.353	17.468	—	—	15.176	1.875	—	30.389	10.160	2.568	9.175	250	2	34.000	3.367	1.908	2.144
» 10	75.953	30.716	15.294	—	—	15.176	1.875	—	29.794	11.321	2.357	9.800	227	2	34.000	3.367	1.908	2.142
» 17	75.956	30.669	15.112	—	—	15.145	1.875	—	29.905	10.946	2.245	8.050	270	2	34.000	3.367	1.908	2.142
» 24	75.956	31.930	14.612	—	—	15.195	1.875	—	31.182	11.633	2.547	5.225	287	2	34.000	3.367	1.908	2.142
» 31	75.956	31.753	14.612	—	—	15.195	1.875	5	30.987	10.652	2.542	7.500	272	1	34.000	3.366	1.908	2.158
August 7	75.814	33.427	14.720	—	—	15.195	1.875	—	32.611	8.099	2.503	8.800	272	2	34.000	3.366	1.908	2.151
» 11	75.821	33.969	14.716	—	—	15.145	1.875	—	33.095	5.758	2.501	7.650	276	2	34.000	3.366	1.908	2.151
» 21	75.798	33.833	14.161	—	—	15.145	1.875	—	32.992	5.503	2.504	5.600	286	2	34.000	3.367	1.908	2.151
» 28	75.793	33.637	14.372	—	—	15.146	1.875	—	33.203	4.708	2.504	5.500	313	2	34.000	3.367	1.908	2.151
September 4	75.776	34.435	14.750	—	—	15.146	1.875	—	33.613	5.840	2.517	7.525	286	2	34.000	3.367	1.908	2.144
» 11	75.760	34.317	14.128	—	—	15.146	1.875	—	33.783	3.715	2.507	7.975	300	2	34.000	3.367	1.908	2.144
» 18	75.760	34.157	13.629	—	—	15.146	1.875	99	33.384	3.117	2.464	6.400	315	1	34.000	3.366	1.908	2.144
» 25	75.760	33.670	14.024	—	—	15.146	1.875	142	33.345	2.546	2.332	7.450	394	1	34.000	3.366	1.908	2.150
October 2	75.727	34.932	14.321	—	—	15.291	1.875	172	34.117	4.425	1.984	9.175	488	1	34.000	3.363	1.908	2.150
» 9	75.671	35.742	14.770	—	—	15.291	1.875	171	34.747	6.776	2.524	3.300	601	1	34.000	3.366	1.908	2.163
» 16	75.664	36.066	14.805	—	—	15.211	1.875	184	35.324	7.043	2.419	—	684	2	34.000	3.367	1.908	2.163
» 23	75.659	35.845	14.605	—	—	15.211	1.875	174	35.284	6.387	2.352	—	738	2	34.000	3.367	1.908	2.169
» 30	75.650	35.619	14.319	—	—	15.211	1.875	227	34.662	5.499	2.167	3.250	424	2	34.000	3.367	1.908	2.169
November 6	75.519	36.015	15.162	—	—	15.136	1.875	225	35.116	5.613	2.158	3.450	406	2	34.000	3.363	1.908	2.162
» 13	75.518	36.716	14.920	—	—	15.086	1.875	217	36.259	2.843	2.089	4.975	424	2	34.000	3.367	1.908	2.162
» 20	75.518	37.645	14.237	—	—	14.236	1.875	214	36.928	3.156	2.413	2.250	424	1	34.000	3.367	1.908	2.163
» 27	75.518	36.780	13.916	3.000	—	14.236	1.875	177	36.484	2.736	15	2.825	415	1	34.000	3.367	1.908	2.165
December 4	75.507	36.792	13.205	3.000	—	14.236	1.875	—	36.467	2.972	1.472	7.125	394	1	34.000	3.366	1.908	2.164
» 11	73.963	37.301	12.868	3.000	—	14.236	1.875	—	36.503	2.994	1.469	6.025	400	2	34.000	3.367	1.908	2.164
» 18	73.963	36.873	12.719	3.000	—	14.236	1.875	—	36.453	7.236	1.318	—	386	1	34.000	3.366	1.908	2.164
» 22	73.963	36.631	12.470	3.000	—	14.237	1.875	—	36.318	9.930	1.062	—	373	1	34.000	3.367	1.908	2.164
» 29	73.963	36.087	12.468	3.000	—	14.737	1.875	—	35.521	13.834	509	2.650	320	1	34.000	3.367	1.908	2.164

(1) Special Belgian Treasury Bills (Law of 4th January, 1963. Convention of 1st February, 1963).

(2) Of which capital : Fr. 400 million.

* The figures in this table being reprinted from the French version of the Report, billions are marked by a full-stop, instead of by a comma as would be usual in English.

WEEKLY RETURNS PUBLISHED IN THE « MONITEUR BELGE » DURING 1967

(Millions of francs)

LIABILITIES

Sundries	TOTAL ASSETS	Memorandum Account : Postal Cheque Office : Balance for account of the Minister of National Education (Schools Pact, Law of 29th May, 1959, Article 15)	Notes in circulation	Current Accounts :				International Agreements : (Laws of 28th July, 1948 and 19th June, 1959)		Total sight liabilities	Belgian banks, monetary reserve	Foreign currencies and gold to be delivered	Staff Pension Fund	Sundries	Capital, reserves and depreciation accounts (2)	TOTAL LIABILITIES	DATE
				Public Treasury		Banks in foreign countries : ordinary accounts	Sundry current accounts	European Monetary Agreement	Other agreements								
				Ordinary account	Exceptional Counter-cyclical Tax (Law of 12th Mar., 1957)												
3.120	218.444	1.350	174.775	—	13	387	1.291	116	295	176.877	—	32.603	2.005	3.762	3.197	218.444	January 2
2.918	219.181	1.350	172.554	3	13	398	743	148	246	174.105	—	36.077	1.998	3.804	3.197	219.181	» 9
2.832	216.267	1.332	169.526	9	13	346	752	107	246	170.999	—	36.248	1.999	3.824	3.197	216.267	» 16
1.865	212.174	1.298	167.726	3	13	335	1.013	105	217	169.412	—	35.491	2.112	1.792	3.367	212.174	» 23
1.804	211.499	1.261	168.048	17	13	336	2.164	100	206	170.884	—	33.282	2.112	1.854	3.367	211.499	» 30
1.323	210.932	1.239	170.348	—	13	343	939	105	60	171.808	—	31.748	2.108	1.901	3.367	210.932	February 6
1.440	207.641	1.200	167.623	24	13	362	1.087	89	60	169.258	—	30.918	2.108	1.990	3.367	207.641	» 13
1.495	205.749	1.165	165.986	13	13	337	1.091	152	60	167.652	—	30.601	2.122	2.007	3.367	205.749	» 20
1.433	207.525	1.093	167.368	19	13	328	1.653	141	60	169.582	—	30.406	2.135	2.035	3.367	207.525	» 27
1.507	211.146	1.093	170.210	3	13	363	900	133	60	171.682	—	31.890	2.129	2.078	3.367	211.146	March 6
1.521	209.313	1.093	168.020	9	13	349	788	144	60	169.383	—	32.304	2.129	2.130	3.367	209.313	» 13
1.499	208.204	1.018	166.886	22	13	357	1.043	117	61	168.499	—	32.059	2.133	2.146	3.367	208.204	» 20
1.519	208.329	961	166.217	23	13	351	1.927	133	62	168.726	—	31.949	2.134	2.153	3.367	208.329	» 24
1.703	211.325	900	170.125	21	13	331	1.350	145	65	172.050	—	31.585	2.134	2.189	3.367	211.325	April 3
1.638	213.047	900	169.966	10	13	351	768	145	67	171.320	—	33.956	2.127	2.277	3.367	213.047	» 10
1.625	211.009	852	167.808	10	13	380	814	159	65	169.249	—	33.959	2.127	2.307	3.367	211.009	» 17
1.190	211.477	829	167.179	25	13	369	2.554	152	61	170.353	—	33.626	2.131	2.000	3.367	211.477	» 24
1.913	213.907	792	172.483	17	13	418	1.523	159	98	174.711	—	31.666	2.131	2.032	3.367	213.907	» 28
1.979	216.016	792	171.603	3	13	396	2.061	133	97	174.306	—	34.075	2.124	2.144	3.367	216.016	May 8
1.288	215.070	736	170.350	21	13	381	998	133	100	171.996	—	35.340	2.137	2.230	3.367	215.070	» 12
1.422	214.268	702	169.308	1	13	394	876	92	94	170.778	—	35.699	2.138	2.286	3.367	214.268	» 22
1.622	215.559	670	170.501	6	13	352	860	106	95	171.933	—	35.799	2.144	2.316	3.367	215.559	» 29
1.850	227.348	670	175.475	20	13	347	1.027	94	79	177.055	—	42.458	2.143	2.325	3.367	227.348	June 5
1.763	227.458	615	173.955	1	13	342	816	89	83	175.299	—	44.253	2.143	2.396	3.367	227.458	» 12
1.491	226.674	549	172.346	17	13	319	763	122	100	173.680	—	45.066	2.144	2.417	3.367	226.674	» 19
1.579	228.425	521	173.348	8	13	309	1.107	106	97	174.988	—	45.425	2.144	2.501	3.367	228.425	» 26
2.466	238.254	473	180.514	16	13	364	1.091	80	130	182.208	—	47.977	2.144	2.558	3.367	238.254	July 3
2.420	236.352	427	181.518	1	13	359	881	97	100	182.969	—	45.217	2.142	2.657	3.367	236.352	» 10
2.165	233.757	427	178.822	22	13	374	975	95	99	180.400	—	45.152	2.142	2.696	3.367	233.757	» 17
1.740	233.601	327	176.730	17	13	337	2.176	103	78	179.454	—	45.936	2.142	2.702	3.367	233.601	» 24
1.842	234.624	326	178.749	16	13	305	1.416	71	63	180.633	—	45.728	2.158	2.738	3.367	234.624	» 31
1.823	236.566	298	177.872	13	13	317	2.427	82	67	180.791	—	47.477	2.151	2.780	3.367	236.566	August 7
1.987	234.220	221	175.843	15	13	306	1.550	104	94	177.925	—	47.953	2.151	2.824	3.367	234.220	» 11
1.866	230.991	221	173.673	16	13	285	1.089	170	97	175.343	—	47.299	2.151	2.831	3.367	230.991	» 21
1.800	230.284	221	171.969	11	13	296	1.613	136	159	174.197	—	47.723	2.151	2.846	3.367	230.284	» 28
2.013	235.197	856	176.017	23	13	341	1.612	125	148	178.279	—	48.524	2.144	2.883	3.367	235.197	September 4
1.783	232.710	856	173.875	4	13	348	1.750	118	98	176.206	—	48.063	2.144	2.930	3.367	232.710	» 11
1.964	229.729	856	171.408	2	13	338	2.110	119	98	174.088	—	47.162	2.144	2.968	3.367	229.729	» 18
2.008	230.117	806	170.992	24	13	413	2.443	93	95	174.073	—	47.522	2.150	3.005	3.367	230.117	» 25
2.419	236.348	755	176.302	1	13	335	2.300	95	105	179.151	—	48.641	2.150	3.039	3.367	236.348	October 2
2.111	235.017	703	174.954	11	13	298	1.167	125	109	176.677	—	49.704	2.163	3.106	3.367	235.017	» 9
2.329	233.044	641	171.696	1.008	13	308	794	138	107	174.064	—	50.323	2.163	3.127	3.367	233.044	» 16
1.935	231.511	641	170.065	631	13	289	1.527	115	111	172.751	—	50.082	2.169	3.142	3.367	231.511	» 23
2.300	232.649	1.253	172.498	16	13	281	1.719	127	109	174.763	—	49.170	2.169	3.180	3.367	232.649	» 30
2.007	234.117	1.253	173.119	19	13	320	1.220	79	103	174.873	—	50.498	2.162	3.217	3.367	234.117	November 6
2.196	234.557	1.183	170.741	19	13	301	3.071	77	104	174.326	—	51.406	2.162	3.296	3.367	234.557	» 13
2.042	232.377	1.183	169.199	7	13	361	2.299	137	104	172.120	—	51.378	2.163	3.349	3.367	232.377	» 20
3.787	233.205	1.830	168.297	12	13	384	4.637	190	139	173.672	—	50.608	2.165	3.393	3.367	233.205	» 27
2.215	236.699	1.770	173.042	2	10	337	4.145	188	145	177.869	—	49.887	2.164	3.412	3.367	236.699	December 4
2.295	234.370	1.739	171.030	17	10	301	4.062	157	189	175.766	—	49.596	2.164	3.477	3.367	234.370	» 11
2.635	232.133	1.739	170.278	1.151	10	301	1.616	154	203	173.713	—	49.396	2.164	3.493	3.367	232.133	» 18
2.555	233.854	1.681	173.002	967	10	316	1.006	206	254	175.761	—	49.011	2.164	3.551	3.367	233.854	» 22
2.234	238.638	1.672	177.482	—	10	317	2.871	271	326	181.277	—	48.218	2.164	3.612	3.367	238.638	» 29



ECONOMIC AND FINANCIAL STATISTICS

Table 1.

**Geographical Distribution
of Exports from the Belgian-Luxemburg Economic Union**

	Monthly averages in billions of francs							In per cent of the total value	
	1962	1963	1964	1965	1966	1966	1967 (p)	1958	1967 (First 10 months) (p)
						(First 10 months)			
European Economic Community ...	10.24	12.26	14.58	16.45	17.87	17.66	18.11	45.1	62.7
Federal Republic of Germany ...	(3.18)	(3.73)	(4.83)	(5.81)	(6.00)	(6.00)	(5.63)	(11.5)	(19.5)
France	(2.23)	(2.94)	(3.53)	(3.87)	(4.60)	(4.47)	(5.09)	(10.6)	(17.6)
Italy	(0.72)	(1.04)	(0.88)	(0.91)	(0.94)	(0.91)	(1.16)	(2.3)	(4.0)
Netherlands	(4.11)	(4.55)	(5.34)	(5.86)	(6.33)	(6.28)	(6.23)	(20.7)	(21.6)
United States and Canada	1.91	1.89	2.10	2.49	2.72	2.72	2.63	10.4	9.1
United Kingdom	0.90	1.16	1.15	1.28	1.34	1.34	1.36	5.7	4.7
Other European O.E.C.D. countries and Finland	2.22	2.20	2.36	2.84	2.78	2.75	2.76	13.0	9.5
Japan	0.10	0.14	0.13	0.15	0.20	0.19	0.26	0.6	0.9
Comecon countries and Yugoslavia	0.39	0.36	0.39	0.45	0.58	0.55	0.80	2.3	2.8
Sterling area, excluding European O.E.C.D. countries	0.65	0.72	0.78	0.92	0.93	0.88	0.98	5.9	3.4
Democratic Republic of the Congo	0.19	0.19	0.26	0.26	0.27	0.27	0.22	3.8	0.8
Countries not included elsewhere :									
of Latin America	0.56	0.44	0.58	0.60	0.59	0.57	0.61	5.9	2.1
of Africa	0.33	0.25	0.29	0.39	0.36	0.35	0.36	2.4	1.3
of Asia	0.41	0.42	0.51	0.55	0.61	0.60	0.57	4.2	2.0
Miscellaneous	0.11	0.13	0.16	0.21	0.20	0.20	0.19	0.7	0.7
Total ...	18.01	20.16	23.29	26.59	28.45	28.08	28.85	100.0	100.0

Source : National Statistical Institute. Calculations by the National Bank of Belgium.
(p) Provisional figures.

Table 2.

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

(Billions of francs)

At end of	Gold holding (1)	Claims on the International Monetary Fund (2)	Assets in convertible foreign currencies	Other net assets and liabilities		Total (5)	Annual changes in total
				Assets abroad in Belgian francs (3)	Others (4)		
1961	62.4	8.0	20.4	...	1.9	92.7	
1962	68.3	6.7	12.8	...	3.2	91.0	- 1.7
1963	68.6	7.1	21.5	1.5	3.5	102.2	+11.2
1964	72.5	10.2	27.0	1.5	3.6	114.8	+12.6
1965	77.9	15.6	21.9	1.5	5.9	122.8	+ 8.0
1966 October	76.2	18.6	21.9	1.5	5.1	123.3	+ 0.5 ⁽⁶⁾
December	76.2	18.6	21.4	1.5	6.8	124.5	+ 1.7
1967 October	75.6	17.1	35.4	...	3.7	131.8	+ 7.3 ⁽⁶⁾
December	74.0	16.6	36.1	3.0	7.2	136.9	+12.4

(*) See the Information Bulletin of the National Bank, Statistics, Table XIII-2a.

(¹) The end-of-year ratios between the gold holding and the amount of the sight liabilities were as follows : 1961 : 45.1 p.c.; 1962 : 47.7 p.c.; 1963 : 44.4 p.c.; 1964 : 44.6 p.c.; 1965 : 44.9 p.c.; 1966 : 42.7 p.c.; 1967 : 40.8 p.c.

(²) This is the claim which the Belgian Government has on the International Monetary Fund for repayment of its membership quota, and which the National Bank was authorised by the Law of 19th June, 1959 to show in its accounts as its own asset up to the amount of the notes issued, credits granted or gold payments made by it in relief of the Government. The figure for 31st December, 1964 and the subsequent figures also include the amount of the loans granted by Belgium to the International Monetary Fund in pursuance of the General Arrangements to Borrow, and financed by Belgian Treasury Certificates for which the National Bank subscribed according to its Convention with the Government of 1st February, 1963, as amended by that of 1st December, 1964.

(³) United States two-year Treasury Certificates, expressed in Belgian francs, for which the National Bank subscribed to the extent of Fr. 1.5 billion in May, 1963, being renewed for a period of two years in May, 1965 and repaid in May, 1967, and certificates of the same type for which the National Bank subscribed to the extent of Fr. 3 billion in November, 1967.

(⁴) Foreign assets in Belgian francs, other than the assets mentioned in footnote (³), but including the holding of Belgian franc certified acceptances representing exports from the Belgian-Luxemburg Economic Union; claims resulting from liquidation of the European Payments Union (Fr. 0.4 billion in 1961, Fr. 0.3 billion in 1962, Fr. 0.1 billion in 1963, Fr. 0.1 billion in 1964); liabilities to foreign countries.

(⁵) For the reason stated on page 110 of the Report on the National Bank's activities in 1962 this total takes no account of the foreign currencies and gold to be received or delivered at forward dates.

(⁶) Change in the first ten months.

Table 3.

Official Rates of Exchange Fixed by the Bankers meeting at the Brussels Clearing House

(Daily quotations in Belgian francs)

1967	1	1	1	1	1	100	1 Canadian dollar		1	1	1	1	100	100	100
	U.S. dollar	pound sterling	Nether- lands guilder	Deutsche Mark	French franc	Italian lire	Tele- graphic transfer	Mail transfer	Swiss franc	Swedish crown	Danish crown	Norwe- gian crown	Austrian schillings	100 escudos	100 pesetas
January															
Highest	50.09	139.78	13.87	12.60	10.12	8.02	46.38	46.38	11.57	9.68	7.26	7.01	193.65	174.35	83.64
Lowest	49.82	139.17	13.80	12.53	10.06	7.97	46.18	46.18	11.49	9.65	7.20	6.97	192.50	173.55	83.12
Mean	50.00	139.53	13.84	12.57	10.10	8.00	46.30	46.30	11.55	9.67	7.23	6.99	193.25	173.99	83.43
February															
Highest	49.80	139.17	13.79	12.53	10.08	7.97	46.11	46.11	11.48	9.64	7.20	6.96	192.60	173.55	83.07
Lowest	49.69	138.82	13.76	12.51	10.04	7.95	45.95	45.96	11.46	9.62	7.18	6.95	192.00	173.10	82.89
Mean	49.74	138.98	13.78	12.52	10.06	7.96	46.03	46.04	11.47	9.63	7.19	6.95	192.36	173.30	82.97
March															
Highest	49.73	139.10	13.78	12.52	10.05	7.97	45.96	45.96	11.48	9.64	7.20	6.96	192.50	173.50	82.97
Lowest	49.68	138.87	13.74	12.50	10.03	7.95	45.89	45.89	11.47	9.62	7.18	6.95	192.23	173.20	82.81
Mean	49.70	138.98	13.76	12.51	10.04	7.96	45.93	45.93	11.47	9.63	7.19	6.95	192.36	173.32	82.88
April															
Highest	49.74	139.20	13.76	12.52	10.07	7.96	45.96	45.96	11.51	9.65	7.20	6.96	192.53	173.65	82.92
Lowest	49.65	138.94	13.75	12.49	10.05	7.95	45.86	45.86	11.47	9.63	7.18	6.95	192.07	173.25	82.75
Mean	49.70	139.11	13.76	12.51	10.05	7.96	45.91	45.91	11.49	9.64	7.19	6.95	192.30	173.47	82.85
May															
Highest	49.65	138.98	13.78	12.50	10.10	7.95	45.90	45.90	11.51	9.64	7.19	6.95	192.23	173.33	82.76
Lowest	49.63	138.70	13.76	12.47	10.06	7.94	45.84	45.85	11.50	9.62	7.17	6.94	192.03	172.93	82.72
Mean	49.63	138.82	13.77	12.48	10.09	7.95	45.87	45.87	11.50	9.63	7.17	6.94	192.12	173.09	82.74
June															
Highest	49.67	138.68	13.79	12.48	10.12	7.95	46.00	46.00	11.51	9.66	7.18	6.95	192.35	173.23	82.81
Lowest	49.63	138.44	13.77	12.45	10.10	7.94	45.88	45.88	11.49	9.62	7.16	6.94	192.05	172.60	82.72
Mean	49.64	138.56	13.78	12.47	10.12	7.95	45.94	45.94	11.50	9.64	7.17	6.95	192.17	172.78	82.75
July															
Highest	49.64	138.42	13.80	12.44	10.13	7.96	46.17	46.17	11.49	9.64	7.16	6.95	192.35	172.60	82.79
Lowest	49.63	138.24	13.77	12.38	10.12	7.95	45.96	45.96	11.47	9.62	7.15	6.94	192.20	172.33	82.71
Mean	49.63	138.34	13.78	12.41	10.12	7.95	46.03	46.03	11.48	9.64	7.15	6.94	192.29	172.47	82.77
August															
Highest	49.64	138.35	13.80	12.41	10.12	7.97	46.20	46.20	11.46	9.64	7.16	6.94	192.35	172.45	82.89
Lowest	49.63	138.18	13.78	12.39	10.11	7.96	46.08	46.08	11.43	9.61	7.15	6.94	192.20	172.26	82.79
Mean	49.63	138.23	13.80	12.40	10.12	7.96	46.13	46.13	11.45	9.63	7.15	6.94	192.29	172.33	82.84
September															
Highest	49.64	138.26	13.80	12.41	10.12	7.97	46.21	46.22	11.44	9.63	7.16	6.94	192.35	172.35	82.93
Lowest	49.63	138.12	13.79	12.39	10.11	7.96	46.09	46.08	11.42	9.61	7.15	6.94	192.17	172.18	82.81
Mean	49.63	138.17	13.80	12.40	10.12	7.97	46.15	46.15	11.43	9.62	7.16	6.94	192.23	172.23	82.89
October															
Highest	49.64	138.22	13.81	12.40	10.13	7.98	46.27	46.27	11.45	9.62	7.16	6.94	192.28	172.30	82.85
Lowest	49.63	138.09	13.79	12.39	10.12	7.97	46.15	46.15	11.42	9.59	7.15	6.94	191.78	172.13	82.75
Mean	49.63	138.13	13.80	12.40	10.12	7.97	46.23	46.23	11.43	9.60	7.16	6.94	192.05	172.20	82.80
November															
Highest	49.66		13.81	12.47	10.13	7.98	46.28	46.28	11.50	9.60		6.95	192.15	173.29	
Lowest	49.63	(¹)	13.79	12.40	10.11	7.95	45.97	45.97	11.47	9.59	(¹)	6.89	190.60	170.65	(¹)
Mean	49.63		13.80	12.45	10.13	7.97	46.17	46.17	11.49	9.59		6.94	191.87	172.06	
December															
Highest	49.69	120.10	13.82	12.48	10.13	7.96	46.03	46.04	11.51	9.62	6.67	6.96	192.55	174.13	71.42
Lowest	49.63	119.18	13.80	12.41	10.11	7.95	45.92	45.92	11.48	9.59	6.65	6.94	192.00	172.00	71.29
Mean	49.65	119.48	13.81	12.46	10.12	7.95	45.97	45.96	11.50	9.61	6.66	6.95	192.24	173.28	71.36
Year															
Highest	50.09		13.87	12.60	10.13	8.02	46.38	46.38	11.57	9.68		7.01	193.65	174.35	
Lowest	49.63	(¹)	13.74	12.38	10.03	7.94	45.84	45.85	11.42	9.59	(¹)	6.89	190.60	170.65	(¹)
Mean	49.69		13.79	12.46	10.10	7.96	46.06	46.06	11.48	9.63		6.95	192.30	172.87	

(¹)

	November						Year					
	From 1st to 17th			From 18th to 30th			From 1st Jan. to 17th Nov.			From 18th Nov. to 31st Dec.		
	1 pound sterling	1 Danish crown	100 pesetas	1 pound sterling	1 Danish crown	100 pesetas	1 pound sterling	1 Danish crown	100 pesetas	1 pound sterling	1 Danish crown	100 pesetas
Highest												
Lowest	138.26	7.16	82.86	120.55	6.65	71.35	139.78	7.26	83.64	120.55	6.67	71.42
Mean	138.06	7.13	82.75	120.03	6.64	71.27	138.06	7.13	82.71	119.18	6.64	71.27
	138.12	7.15	82.80	120.17	6.65	71.31	138.65	7.17	82.89	119.68	6.65	71.35

Table 4.

National Debt

(Billions of francs)

At end of	Direct debt						Indirect debt (2)	Total debt, excluding debt taken over from the Congo (3)	Debt taken over from the Congo (4)	Total debt, including debt taken over from the Congo (3)
	in Belgian francs				in foreign currencies (1)	Total				
	Consolidated	Medium term	Short term	Total						
1961	217.4	17.4	103.6	338.4	47.1	385.5	25.5	411.0	...	...
1962	251.6	20.9	86.1	358.6	37.1	395.7	27.5	423.2	...	...
1963	261.6	13.7	94.9	370.2	46.5	416.7	29.3	446.0	...	...
1964	276.9	6.3	97.4	380.6	48.2	428.8	33.3	462.1	...	...
1965	293.6	6.8	104.9	405.3	45.4	450.7	33.9	484.6	4.4	489.0
1966 October	308.3	7.7	106.3	422.3	49.8	472.1	32.2	504.3	4.0	508.3
December ...	305.6	7.8	109.3	422.7	49.8	472.5	31.0	503.5	3.9	507.4
1967 October	319.1	8.0	105.2	432.3	55.8	488.1	34.9	523.0	3.5	526.5
December ...	317.1	8.5	103.7	429.3	55.4	484.7	40.7	525.4	3.5	528.9

Source : Treasury and Public Debt Administration.

(¹) Not including the inter-governmental debts resulting from the 1914-1918 war. The figures in this column represent only a fraction of the foreign debt, which also includes the Belgian franc liabilities on which the Government is a debtor to foreign countries either directly or through the intermediary of Belgian institutions. In particular the Fr. 5.6 billion increase recorded in 1967 was offset by repayment of the Fr. 6 billion swap certificates which Belgian banks held at the end of 1966. The Government's total recourse to foreign credit is given in item 1 of Table 11 on page 63.

(²) Debt which has been issued by public organisations but on which the interest and redemption are borne by the Government.

(³) The figures may contain duplications, and the changes between the end of one period and the other may be partly of an accounting nature. Table 4bis indicates the changes in the national debt which have given rise to payments or receipts for the Treasury.

(⁴) Debt assumed by the Belgian Government under the Convention of 6th February, 1965 between Belgium and the Democratic Republic of the Congo, approved by the Law of 23rd April, 1965.

Table 4bis.

National Debt

Changes which gave rise to payments or receipts for the Treasury

(Billions of francs)

	1962	1963	1964	1965	1966	1966	1967
						(First 10 months)	
1. Public debt :							
a) Direct and indirect debt (1)	+12.2	+22.8	+16.1	+22.5	+18.9	+19.7	+19.5
b) Debt taken over from the Congo (2)	- 0.6	- 1.2	- 1.2	- 2.1	- 0.5	- 0.4	- 0.4
Total public debt ...	+11.6	+21.6	+14.9	+20.4	+18.4	+19.3	+19.1
2. To be eliminated :							
a) Accounting movements :							
Treasury Certificates held by the International Monetary Fund (3)	+ 1.2	- 0.3	- 1.7	- 3.5	+ 1.3	+ 1.3	...
Treasury Certificates taken by the N.B.B. to finance loans to the International Monetary Fund pursuant to the General Arrangements to Borrow (4) ...	...	...	+ 1.5	+ 1.9	...	...	- 1.5
N.B.B.'s credit balance at the P.C.O. for account of the Minister of National Education (5)	- 0.3	- 0.4	+ 0.1	- 0.1	...	- 0.3	- 0.1
Sundries	- 1.2	...	...	...	...	...	...
b) Duplications :							
Treasury Certificates for the subscription of which the proceeds of indirect loans were used	- 0.4	- 1.0	...	...	...	...	...
Total to be eliminated ...	- 0.7	- 1.7	- 0.1	- 1.7	+ 1.3	+ 1.0	- 1.6
3. Changes in the public debt which gave rise to payments or receipts for the Treasury (3 = 1 - 2)	+12.3	+23.3	+15.0	+22.1	+17.1	+18.3	+20.7

(1) According to Table 4.

(2) The debt taken over from the Congo has appeared in the official statements of the public debt (Table 4) only since the Convention mentioned in footnote (4) to Table 4 was ratified. However, since the loans comprised in that debt were at the time of their issue guaranteed by the Government, the latter was already meeting their service with effect from 30th June, 1960, the date of the Congo's independence. That is why the changes in this debt are recorded here for the whole period under review.

(3) The repayments of Treasury Certificates held by the International Monetary Fund are borne, in accordance with the provisions of the existing laws and agreements, by the National Bank of Belgium; the latter on the other hand receives the proceeds of the Fund's subscriptions for certificates.

(⁴) The loans granted to the International Monetary Fund within the framework of the General Arrangements to Borrow, and the repayments made by the Fund on those loans, are regarded as not having given rise to outward payments or receipts for the Treasury, since they were financed by the National Bank of Belgium. By way of counterpart the movement of the certificates for which the Bank subscribed in order to ensure this financing must be regarded as not being reflected in receipts or payments for the Treasury.

(⁵) The movements of the National Bank's credit balance at the Postal Cheque Office for account of the Minister of National Education have, as their exact counterparts, movements of the balance held by the Minister of National Education at the Bank.

Table 5.

**Outstanding Used Amount of Credits Originally Granted by
Monetary Institutions to Enterprises and Individuals (*)**

(Changes in billions of francs)

	Bank acceptances	Commercial bills	Advances	Total
1962	+ 3.1	+ 2.8	+ 5.6	+ 11.5
1963	+ 0.1	+ 9.6	+ 6.7	+ 16.4
1964	+ 1.0	+ 4.6	+ 5.4	+ 11.0
1965	+ 2.3	+ 6.7	+ 7.0	+ 16.0
1966	+ 1.2	+10.3	+ 8.5	+ 20.0
1966 First 10 months	- 0.2	+ 3.2	+10.1	+ 13.1
1967 First 10 months	- 3.3	+ 5.4	+13.7	+ 15.8

(*) See the Information Bulletin of the National Bank, Statistics, Table XIII-9.

Table 6.

Notes and Coin (*)

(Billions of francs)

At end of	Notes issued by the National Bank of Belgium	Notes and coin issued by the Treasury (1)	Total notes and coin (2)	Annual changes in total
1961	129.1	5.5	132.2	
1962	138.5	5.8	141.7	+ 9.5
1963	150.5	6.1	153.7	+ 12.0
1964	160.3	6.4	163.7	+ 10.0
1965	170.3	6.6	173.4	+ 9.7
1966 October	172.9	6.8	176.0	+ 2.6 (3)
December	175.3	6.9	178.7	+ 5.3
1967 October	173.3	6.5	176.0	- 2.7 (3)
December	177.5	6.5	n.a.	n.a.

(*) See the Information Bulletin of the National Bank, Statistics, Table XIII-4.

(1) Less holdings of the National Bank of Belgium. These holdings are not deducted in column (1) « Treasury notes and coin » of the table in the Bulletin mentioned above.

(2) Notes and coin less holdings of monetary institutions. Since it is not known to what extent the holdings of monetary institutions other than the National Bank of Belgium consist of notes issued by the Bank, on the one hand, and of notes and coin issued by the Treasury, on the other, it has not been possible to effect the same deduction in the first column, and it has been possible to make it only partly in the second.

(3) Change on the first ten months.

n.a. Figures not available.

Table 7.

Sight Deposits (*)

(Billions of francs)

At end of	Held by public authorities (1)	Held by enterprises and individuals				Grand total	Annual changes in grand total (2)
		at the National Bank of Belgium	at the Postal Cheque Office	at banks and public institutions	Total		
1961	10.0	0.6	27.9	66.7	95.2	105.2	
1962	10.6	0.5	30.4	71.3	102.2	112.8	+ 7.6
1963	12.1	0.5	32.9	78.6 ⁽³⁾	112.0 ⁽³⁾	124.1 ⁽³⁾	+13.6
1964	10.8	0.6	35.9	86.4	122.9	133.7	+ 9.6
1965	11.8	0.4	37.5	95.4	133.3	145.1	+11.4
1966 October	11.5	0.3	40.7	95.4	136.4	147.9	+ 2.8 ⁽⁴⁾
December	14.9	0.5	41.5	104.1	146.1	161.0	+15.9
1967 October	13.6	0.4	42.9	105.9	149.2	162.8	+ 2.0 ⁽⁴⁾

(*) See the Information Bulletin of the National Bank, Statistics, Table XIII-4.

(1) Balances held by special accounting officers at the Postal Cheque Office, and balances at sight or not more than one month at the Belgian Municipal Credit Institution.

(2) After elimination of accounting changes, in particular of those which are due to revisions of the statistics mentioned in footnote (3) below.

(3) In the course of 1963 some changes were made in the statistics of sight deposits held by enterprises and individuals at banks and public institutions. In particular the adoption of uniform criteria by all banks as regards accounting for deposits of Luxemburg residents made it possible to eliminate these deposits completely (and no longer only in part, as had been the case before) from the figures for sight deposits held at banks.

(4) Change on the first ten months.

Table 8.

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

Monthly averages per standard month of 25 days	Total amount of payments effected (Billions of francs)			Frequency of turnover	
	through sight deposits at banks	through balances at Postal Cheque Office	Total	of sight deposits at banks	of balances at Postal Cheque Office
1962	119.0	99.3	218.3	2.23	2.89
1963	132.5	107.1	239.6	2.23	2.85
1964	154.7	121.0	275.7	2.46	3.08
1965	167.8	135.8	303.6	2.48	3.30
1966	191.3	149.3	340.6	2.67	3.47
1966 First 11 months	188.8	148.8	337.6	2.64	3.47
1967 First 11 months	208.1	164.1	372.2	2.71	3.73

(*) See the Information Bulletin of the National Bank, Statistics, Table XIII-13.

Table 9.

Savings Deposits on Deposit or Savings Books (1)
(Changes in billions of francs)

	Institutions receiving deposits				Total
	Banks (2)	General Savings and Pensions Fund (3)	Private savings banks	Public financial credit intermediaries	
1962	+ 3.6	+ 8.0	+ 5.4	+ 1.1	+ 18.1
1963	+ 9.4	+ 5.4	+ 6.5	+ 1.5	+ 22.8
1964	+ 6.3	+ 4.4	+ 5.2	+ 0.6	+ 16.5
1965	+ 6.4	+ 9.8	+ 7.6	+ 1.0	+ 24.8
1966	+ 6.5	+ 8.0	+ 8.5	+ 1.5	+ 24.5
1966 First 10 months	+ 4.4	+ 4.1	+ 6.0	+ 1.1	+ 15.6
1967 First 10 months	+ 8.7	+ 7.4	+ 6.6(4)	+ 0.8	+ 23.5

(1) The yearly changes result not only from in-payments and withdrawals but also from the crediting of interest added to the balance and, in the case of the General Savings and Pensions Fund, from the distribution in 1965 of a part of the reserve funds.

(2) Deposits on deposit books in Belgian francs and all other Belgian franc deposits, received on deposit or savings books, belonging to persons resident in Belgium.

(3) Deposits on savings books of individuals (ordinary savings books, time-deposit savings books and household books) and on endowment books.

(4) Excluding changes from 1st July, 1967 onwards in bearer certificates and savings bonds, but including the changes with effect from that date in certain deposits previously recorded among the deposits at fixed date and notice.

Table 10.

Bonds and Medium-term Notes in Belgian Francs
held by Individuals and Enterprises (1)

(Changes in billions of francs)

	Issuers						Total
	Government (2)	Public financial credit inter- mediaries	Other public authorities and institutions	Banks	Private savings banks, mortgage and capital accumu- lation companies	Other private companies	
1962	+ 2.5	+11.4	+ 4.2	+ 2.5	+ 1.7	+ 1.9	+24.2
1963	+ 3.6	+ 4.1	+ 1.7	+ 0.3	+ 0.4	+ 3.1	+13.2
1964	+12.6	+ 9.4	+ 0.1	...	+ 0.9	+ 2.0	+25.0
1965	+ 7.7	+ 9.0	+ 5.1	...	+ 1.3	+ 4.5	+27.6
1966	+ 7.5	+ 9.6	+ 9.2	+ 0.6	<i>p</i> + 1.9	+ 1.6	<i>p</i> +30.4
1966 First 10 months ...	+ 9.1	+ 8.1	+ 5.1	+ 0.4	<i>p</i> + 1.5	+ 0.9	<i>p</i> +25.1
1967 First 10 months(<i>p</i>)	+12.5	+15.1	+ 4.4	+ 1.2	+ 2.9 ⁽³⁾	+ 0.4	+36.5

(1) Bonds and medium-term notes issued, less amounts held by public authorities (including administrative and social security institutions) and by financial intermediaries. The figures, however, include the holdings of certain financial intermediaries which could not be excluded in 1967, namely those of life assurance companies and of employers' liability insurance companies as well as those of pension funds.

(2) Direct and indirect debt.

(3) Including changes from 1st July, 1967 onwards in bearer certificates and savings bonds.

(*p*) Provisional figures.

Table 11.

Rates for Investments Accessible to the General Public ⁽¹⁾

(Per cent)

At end of	Time deposits at banks (8 months)	Deposits on ordinary savings books at the G.S.P.F. (2)	Yield, at issue, on public financial credit intermediaries' bonds and medium-term notes		Average yield on Government loans (at more than 5 years) (3)	
			(1 year)	(5 years)	(4)	(5)
1961	3.15	3.30	4.25	5.62	5.74	
1962	2.50	3.30	3.80	4.60	4.96	
1963	3.00	3.30	4.50	5.80	5.32	5.98
1964	3.50	3.40	4.75	6.12	5.62	6.43
1965	3.50	3.50	4.75	6.12	5.66	6.45
1966 June	3.50	3.50	4.75	6.25	5.84	6.67
December	3.80	3.50	5.25	6.70	5.85	6.76
1967 January	3.80	3.50	5.25	6.70	5.88	6.74
February	3.80	3.50	5.25	6.70	5.88	6.76
March	3.80	3.50	5.25	6.70	5.86	6.76
April	3.80	3.50	5.25	6.70	5.86	6.77
May	3.60	3.50	5.25	6.70	5.89	6.77
June	3.60	3.50	5.25	6.70	5.92	6.77
July	3.60	3.50	5.25	6.70	5.74	6.64
August	3.60	3.50	5.25	6.70	5.77	6.64
September	3.60	3.50	5.25	6.70	5.77	6.66
October	3.60	3.50	5.25	6.70	5.81	6.57
November	3.60	3.50	5.25	6.70	5.71	6.54
December	3.60	3.50	5.25	6.70	5.70	6.58

(1) Rates before deduction of tax at source.

(2) Rates credited on amounts up to Fr. 250,000 before 1st January, 1965, up to Fr. 350,000 in 1965 and 1966, and up to Fr. 500,000 from 1st January, 1967 onwards. They include the fidelity premium which was paid until 1964 on amounts that remained on deposit throughout the calendar year, and from 1965 onwards on amounts that remained on deposit from 16th January to 31st December.

(3) Yield at the start of the following year or of the following month. Not including loans which are perpetual or are redeemable only through repurchase on the market, and not including premium bonds. See the Information Bulletin of the National Bank, Statistics, Table XIX-5.

(4) Yield on loans issued before 1st December, 1962. They are subject to a deduction of tax at source which is smaller than that on loans issued after this date.

(5) Yield on loans issued after 1st December, 1962. They are subject to a deduction of tax at source which is greater than that on loans issued before this date.

Table 12.

Call Money (*)
(Billions of francs)

Daily averages	Lent by			Borrowed by				Total lent or borrowed	Funds withdrawn
	banks	the Securities Stabilisation Fund	other institutions	banks	the Securities Stabilisation Fund	the Rediscount and Guarantee Institute	other institutions		
1962	1.5	1.0	1.7	1.5	...	1.4	1.3	4.2	0.3
1963	1.6	0.2	1.8	1.6	0.1	1.1	0.8	3.6	...
1964	1.9	...	2.7	1.3	0.5	1.7	1.1	4.6	...
1965	1.8	0.7	2.5	1.4	...	2.4	1.2	5.0	0.1
1966	1.9	0.3	2.6	1.2	0.8	1.7	1.1	4.8	...
1967	2.0	1.1	3.3	1.7	0.3	3.4	1.0	6.4	...

(*) See the Information Bulletin of the National Bank, Statistics, Table XVIII-1.

Table 13.

National Bank of Belgium's Discount and Advance Rates
(Per cent)

	Rates in force											
	on 31st December, 1961	on 31st December, 1962	on 31st December, 1963	on 31st December, 1964	on 31st December, 1965	on 31st December, 1966(1)	from 2nd Feb. to 22nd March, 1967	from 29rd March to 19th April, 1967	from 20th April to 10th May, 1967	from 11th May to 13th Sep., 1967	from 14th Sep. to 25th October, 1967	since 26th October, 1967
<i>Discount :</i>												
Bills accepted payable at a bank, warrants	4.50	3.50	4.25	4.75	4.75	5.25	5.00	4.75	4.75	4.50	4.25	4.00
Acceptances previously certified by the N.B.B. :												
Imports	4.50	3.50	4.25	4.75	4.75	5.25	5.00	4.75	4.75	4.50	4.25	4.00
Exports	3.50	2.75	3.75	4.25	4.25	4.75	4.50	4.25	4.25	4.00	3.75	3.50
Bills accepted but not payable at a bank	5.00	4.00	5.00	5.25	5.25	5.75	5.75	5.50	5.50	5.25	5.00	4.75
Bills not accepted payable at a bank	5.25	4.50	5.75	5.75	5.75	6.25	6.25	6.00	6.00	5.75	5.50	5.25
Bills not accepted and not payable at a bank, promissory notes ...	5.75	5.00	6.25	6.25	6.25	6.75	6.75	6.50	6.50	6.25	6.00	5.75
<i>Advances in current account and loans against</i> <small>Maximum proportion</small>												
Treasury Certificates issued at 1 15/16 p.c. ....95 p.c.	2.25	...	...	...	...	...	...	...	...	...	...	...
Treasury Certificates and Securities Stabilisation Fund Certificates issued at up to 130 days ....95 p.c.	4.50	3.50	4.50	5.25	5.25	6.00	6.00	6.00	5.75	5.50	5.25	5.00
Treasury Certificates issued at over 130 days and up to 366 days (2) ....95 p.c.	5.25	4.00	5.25	5.75	5.75	6.25	6.25	6.25	6.00	5.75	5.50	5.25
Other public securities (3) .80 p.c.	5.75	5.00	6.25	6.50	6.50	7.00	6.75	6.50	6.50	6.25	6.00	5.75

(1) Rates in force until 1st February, 1967.

(2) Maximum life raised to 374 days with effect from 20th December, 1967.

(3) Only public « bearer » securities expressed in Belgian francs are accepted as collateral.

Table 14.

Money Market Rates (*)

(Per cent)

	Call money (1)	Treasury Certificates at very short term (3 months) (2)	Certificates of the Securities Stabilization Fund (4 months) (3)	Treasury Certificates issued by tender (4)		R.G.I. : certified bank acceptances representing imports (120 days or less) (2)	Uncertified acceptances negotiated on the market outside the National Bank (2)	
				(9 months)	(12 months)		commercial (at about 30 days)	bank (at about 90 days)
1961	2.56	4.00	4.25	4.36	4.90	3.75	3.62	4.00
1962	2.14	3.00	3.30	3.42	3.45	2.75	3.37	3.75
1963	2.31	4.10	4.35	4.60	4.75	4.125	4.25	5.00
1964	3.35	4.75	5.25	5.55	5.65	4.50	4.50	5.50
1965	3.17	4.75	5.15	5.45	5.50	4.50	4.50	5.25
1966 June	3.49 ⁽⁵⁾	5.30	5.60	5.65	5.70	5.12	5.00	6.00
December	4.23 ⁽⁶⁾	5.85	6.15	6.10	6.25	5.20	5.15	6.60
1967 January	3.37	5.75	6.05	6.25	6.35	5.20	5.10	5.75
February	3.53	5.70	6.00	6.05	6.15	4.90	4.85	5.60
March	3.45	5.50	5.75	6.15	6.15	4.60	4.60	5.20
April	3.71	5.30	5.60	...	6.00	4.60	4.60	5.20
May	3.59	5.20	5.50	5.85	5.85	4.35	4.35	5.00
June	3.52	5.45	5.75	5.85	5.90	4.40	4.40	5.60
July	3.69	5.50	5.80	6.00	6.05	4.30	4.40	5.60
August	2.88	5.25	5.60	5.95	...	4.20	4.40	5.10
September	2.85	5.00	5.40	5.70	5.70	3.85	4.10	4.80
October	2.94	4.50	4.90	5.60	5.60	3.60	3.60	4.75
November	2.53	4.45	4.85	5.10	5.20	3.60	3.60	4.60
December	2.54	4.40	4.90	5.10	5.15	3.60	3.90	5.10

(*) See the Information Bulletin of the National Bank, Statistics, Tables XIX-2 and 3.

(1) Daily averages.

(2) End of period.

(3) End of period in 1961, then last weekly tender in the period.

(4) Tender in the month following the period until 1962, then last tender in the period or tender in the month. The reason for this change is that with effect from October, 1963 the monthly tender date was postponed from the first to the second Tuesday in the month. In the case of 12-month certificates the rate for 1961 is that for December, 1961, no certificates of this type having been issued in January, 1962.

(5) First half-year.

(6) Second half-year.

Royal Decree No. 42 amending Royal Decree No. 29 of 24th August, 1939 concerning the activity, organisation and functions of the National Bank of Belgium, issued pursuant to the Law of 1st May, 1939 (Article 1, 1, h).

REPORT TO THE CROWN

Sire,

On the basis of the Law dated 31st March, 1967, assigning certain powers to the Crown with a view to ensuring economic revival, accelerating regional reconversion and stabilising budgetary equilibrium, the Government has examined the technical improvements which it would be useful to make in the legal provisions governing the National Bank of Belgium so as to widen the framework of its credit possibilities.

The Government has among other things taken into consideration the role which the Belgian Municipal Credit Institution plays in financing investments at the level of provinces and municipalities as well as of interprovincial and intermunicipal associations, an activity which assimilates that institution to the other public credit institutions.

In their present state the legal provisions marking out the framework of the National Bank's activities are too narrow for the Bank to be able to grant advances in current account and loans at short term to holders of public securities at short, medium or long term. issued or guaranteed by the Belgian Municipal Credit Institution, or of provinces' and municipalities' bonds quoted on the stock exchange.

In addition, conformably to the commitment undertaken by Belgium towards the Grand Duchy of Luxemburg under the Special Protocol of Monetary Association dated 29th January, 1963, it is proper to give the Luxemburg Government and economy access to the credits which may be granted by the National Bank of Belgium.

It is finally proper to take into account Belgium's participation in the international financial institutions to the financing of which the Belgian market contributes, or may be invited to contribute, by subscribing for loans issued or guaranteed by those institutions, and to enable the National Bank to accept as collateral, on the usual terms, public securities issued or guaranteed by those institutions.

Such is the justification for the amendments made, in the legal provisions governing the National Bank, by Article 2 of the Royal Decree the text of which follows.

The comments on the Articles explain the other changes.

In conformity with Article 4 the National Bank's Statutes will be brought into accordance with the new provisions, and the amendments made in them will be submitted for approval by the Crown.

These new provisions, although widening the framework of the National Bank's activities, do not go beyond the technical improvements justified by the arguments, of an internal and external character, set forth above.

No change is made in the fundamental equilibria, such as that in the relations between the Government and the Bank, on which the Bank's Charter rests. In that connection the competence of Parliament, with all delegation of powers excluded, must remain the rule.

Nothing moreover makes it necessary to adopt special measures in order to enable the National Bank to contribute towards economic revival. The Bank has the means to do so, whether it acts as lender of last resort or whether it supplies resources to the Securities Stabilisation Fund when open market policy calls for provisioning of the money and capital markets.

Nor is it necessary for purposes of such policy to endow the Minister of Finance with new powers, since the Securities Stabilisation Fund is managed on terms of parity by his representatives and by those of the National Bank, and since in case of equality of votes the decision belongs to the Minister of Finance, on whom it is incumbent in any such case to make a communication within eight days to the legislative assemblies.

The present mechanisms are therefore adapted to the needs of economic revival.

Comments on the Articles

Article 1

Article 1 of the National Bank of Belgium's Organic Law has been reworded so that it shall no longer be necessary to amend this Article afresh each time that the duration of the Bank is prolonged.

Article 2

The amendments of substance to Article 11, 3° and 8°, of the Bank's Organic Law have been the subject of comment above. There are also two amendments of wording. One is to delete, as a matter of course, the words « by the Colony »; the other is to replace the words « by the Grand Duchy of Luxemburg », used in the same sense as the words « by the Belgian Government », by the expression « by the Luxemburg Government ».

Article 3

The second paragraph of Article 22 in the same provisions relates to the Discount Committee functioning at the Head Office of the Bank. The terms of this paragraph are more imperative than those of the last paragraph in Article 2, concerning the establishment of Discount Agencies or Discount Committees at the Bank's branches and agencies. It was desirable, with allowance for the changes in methods of discounting, to make them less strict. The practice nowadays is no longer directly to discount, at Brussels, commercial bills presented by industrial or commercial firms in the region; it is to rediscount such paper when the banks and other institutions holding it find reason to negotiate it so as to adjust their cash position.

Article 4

This Article calls for no particular comment.

*
**

4th OCTOBER, 1967. — Royal Decree No. 42 amending Royal Decree No. 29 of 24th August, 1939 concerning the activity, organisation and functions of the National Bank of Belgium, issued pursuant to the Law of 1st May, 1939 (Article 1, 1, h).

BAUDOUIN, King of the Belgians,

To all, present and to come, Greetings,

Considering the Law of 31st March, 1967, which assigns certain powers to the Crown with a view to ensuring economic revival, accelerating regional reconversion and stabilising budgetary equilibrium, in particular Article 1, 4°, c, and 6°;

Considering Royal Decree No. 29 of 24th August, 1939 concerning the activity, organisation and functions of the National Bank of Belgium, issued pursuant to the Law of 1st May, 1939 (Article 1, 1, h), confirmed and amended by the Law of 16th June, 1947, and amended by the Laws of 28th July, 1948, of 12th April, 1957 and of 19th June, 1959, in particular Articles 1, 11, 22 and 35;

Considering the advice of the Council of State;

On the proposal of Our Minister of Finance and on the advice of Our Ministers who have considered the matter in Council,

We have ordered and do order the following :

Art. 1. — Article 1 in Royal Decree No. 29 of 24th August, 1939 concerning the activity, organisation and functions of the National Bank of Belgium, issued

pursuant to the Law of 1st May, 1939 (Article 1, 1, *h*), is replaced by the following provision :

« Article 1. The National Bank of Belgium, instituted by the Law of 5th May, 1850, is governed by the provisions which follow. »

Art. 2. — In Article 11 of the same Decree the items 3° and 8° are replaced, respectively, by the following provisions :

» 3° To discount, buy and sell short or medium-term securities issued or guaranteed by the Belgian Government or by the Luxemburg Government, or issued by entities the liabilities of which are guaranteed by the Belgian Government or by the Luxemburg Government;

» 8° To make advances in current account and grant loans at short term against pledging :

» *a*) of public short, medium or long-term securities issued or guaranteed by the Belgian Government or by the Luxemburg Government, by the Belgian Municipal Credit Institution or by international financial institutions set up through agreements to which Belgium is a party;

» *b*) of like securities issued by entities the liabilities of which are guaranteed by the Belgian Government or by the Luxemburg Government;

» *c*) of provinces' and municipalities' bonds quoted on the stock exchange, as well as of Belgian National Railways Company Preference Shares which have formed the subject of a public issue.

» The conditions on which, and the limits within which such advances and loans are granted shall be fixed by the Council of Regency. »

Art. 3. — Article 22, paragraph 2 of the same Decree is replaced by the following provision :

« There may also be at the Head Office a Discount Committee, the composition and the role of which shall be determined by the Statutes. »

Art. 4. — Article 35, paragraph 1 of the same Decree is replaced by the following provision :

« The Statutes of the Bank shall be brought into accordance with these provisions and with any subsequent amendments made therein. »

Art. 5. — Our Minister of Finance is charged with the execution of this Decree.

Given at Brussels, 4th October, 1967.

BAUDOUIN

By the King :
The Minister of Finance,
R. HENRION

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

Agricultural Fund	Fonds Agricole
Agricultural Investment Fund	Fonds d'investissement agricole
Antwerp Port Administration	Administration du Port d'Anvers
Asian Development Bank	Banque Asiatique de Développement
Autonomous Funds	Fonds autonomes
Autonomous War Damage Fund	Caisse Autonome des Dommages de Guerre
Bank for International Settlements	Banque des Règlements Internationaux
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-Congolese Amortisation and Management Fund	Fonds Belgo-Congolais d'Amortissement et de Gestion
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 (B.N.R.C.)	Société Nationale des Chemins de fer belges (S.N.C.F.B. ou S.N.C.B.)
Belgian Office for Increasing Productivity	Office Belge pour l'Accroissement de la Productivité
Benelux Economic Union	Union Economique Benelux
Board of Management (of E.M.A.)	Comité directeur (de l'A.M.E.)
Brussels Entente	Entente de Bruxelles
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
Central Office for Mortgage Credit	Office Central de Crédit Hypothécaire
Central Office for Small Savings	Office Central de la Petite Epargne
Chamber of Representatives	Chambre des Représentants
Clearing House (at Brussels)	Chambre de Compensation (à Bruxelles)

Code of taxes payable by stamp or in similar ways	Code des taxes assimilées au timbre
Commercial Food Supply Office	Office Commercial du Ravitaillement (O.C.R.A.)
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 Central Bank Governors (of the E.E.C.)	Comité des Gouverneurs des banques centrales (de la C.E.E.)
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
Committee on Budgetary Policy (of E.E.C.)	Comité de politique budgétaire (de la C.E.E.)
Committee on Medium-term Economic Policy (of E.E.C.)	Comité de politique économique à moyen terme (de la C.E.E.)
Consultative Committee for Coordinating Medium-Term Export Financing, known as « Cofinex »	Comité Consultatif de Coordination du Financement à Moyen Terme des Exportations (Cofinex)
Consultative Council for External Trade	Conseil Consultatif pour le Commerce Extérieur
Council of Ministers (of E.E.C.)	Conseil de Ministres (de la C.E.E.)
Council of Public Credit Institutions	Conseil des Institutions Publiques de Crédit
Council of Regency	Conseil de Régence
Council of State	Conseil d'Etat
Council of the European Communities	Conseil des Communautés Européennes
Court of Justice	Cour de Justice
Currency Reform Loan	Emprunt de l'Assainissement monétaire
Cyclical Policy Committee (of E.E.C.)	Comité de politique conjoncturelle (de la C.E.E.)
Department of Applied Economics at the Free University of Brussels	Département d'Economie appliquée de l'Université Libre de Bruxelles
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
Directorate of the Coal Industry	Directoire de l'Industrie charbonnière
Discount Agency	Comptoir d'Escompte
Discount Committee	Comité d'Escompte
Economic and Social Committee	Comité Economique et Social
Economic Commission (of E.E.C.)	Commission Economique (de la C.E.E.)
Economic Programming Office	Bureau de Programmation Economique
Economic Research Centre (at Louvain)	Centre de Recherches Economiques (de Louvain)
Economic, Social and Political Research Institute (of Louvain University) (E.S.P.R.I.)	Institut de Recherches Economiques, Sociales et Politiques (de l'Université de Louvain) (I.R.E.S.P.)
European Agricultural Direction and Guarantee Fund (of E.E.C.)	Fonds Européen d'Orientation et de Garantie Agricole (de la C.E.E.)

European Agricultural Markets Organisation	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 de Charbon et de l'Acier (C.E.C.A.)
European Development Fund (of E.E.C.) (formerly Fund for the Development of Overseas Countries and Territories)	Fonds Européen de Développement (de la C.E.E.) (précédemment Fonds de Développement pour les Pays et Territoires d'Outre-mer)
European Economic Community (E.E.C.)	Communauté Economique Européenne (C.E.E.)
European Fund	Fonds Européen = Fonds de l'A.M.E.
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
Federation of Enterprises in the Metal Manufacturing Industries	Fédération des entreprises de l'industrie des fabrications métalliques
Franco-Belgian Nuclear Energy Company of the Ardennes	Société Franco-Belge d'Energie Nucléaire des Ardennes
General Agreement on Tariffs and Trade (G.A.T.T.)	Accord Général sur les Tarifs douaniers et le Commerce (G.A.T.T.)
General Arrangements to Borrow (I.M.F.)	Accords Généraux d'Emprunt (F.M.I.)
General Budget Statement	Exposé Général du Budget
General Savings and Pensions Fund (G.S.P.F.)	Caisse Générale d'Epargne et de Retraite (C.G.E.R.)
General Statistical Bulletin of the Statistical Office of the European Communities	Bulletin général de Statistiques de l'Office statistique des Communautés européennes
High Authority (of E.C.S.C.)	Haute Autorité (de la C.E.C.A.)
Housing Fund of the Large Families' League	Fonds du Logement de la Ligue des Familles Nombreuses
Housing Institute	Institut du Logement
Information Bulletin of the Ministry of Finance	Bulletin de Documentation du Ministère des Finances
Information Bulletin of the National Bank of Belgium	Bulletin d'Information et de Documentation de la Banque Nationale de Belgique
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 Development Association	Association Internationale de Développement
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	Bourses des Métaux de Londres
Minister of National Education	Ministre de l'Education Nationale
Ministry for Economic Affairs	Ministère des Affaires Economiques
Ministry of Agriculture	Ministère de l'Agriculture
Ministry of Employment and Labour	Ministère de l'Emploi et du Travail
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 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 Ducrire
National Employment Office (formerly National Employment and Unemployment Office)	Office National de l'Emploi (précédemment 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)
National Industrial Credit Company (N.I.C.C.)	Société Nationale de Crédit à l'Industrie (S.N.C.I.)
National Institute for Agricultural Credit	Institut National de Crédit Agricole
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 Institute	Institut 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 (N.S.I.)	Institut National de Statistique (I.N.S.)
National Water Distribution Company	Société Nationale des Distributions 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 Economic Cooperation and Development (O.E.C.D.) [formerly Organisation for European Economic Cooperation (O.E.E.C.)]	Organisation de Coopération et de Développement Economiques (O.C.D.E.) [précédemment Organisation Européenne de Coopération Economique (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 (P.C.O.)	Office des Chèques Postaux (O.C.P.)
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 Department (of the National Bank of Belgium)	Département des Etudes (de la Banque Nationale de Belgique)
Road Fund	Fonds des Routes
Royal Society for Political Economy	Société Royale d'Economie Politique
Sabena (see Belgian Air Navigation Company)	Sabena (cf. Société Anonyme Belge d'Exploitation de la Navigation Aérienne)
Savings Bank of the Grand Duchy of Luxemburg	Caisse d'Epargne du Grand-Duché de Luxemburg
Savings Bank Section of the General Savings and Pensions Fund	Caisse d'Epargne de la Caisse Générale d'Epargne et de Retraite
Securities Stabilisation Fund	Fonds des Rentes
Social Programming Agreement	Accord de programmation sociale
Special Agricultural Committee (of E.E.C.)	Comité Spécial Agricole (de la C.E.E.)
Special Council of Ministers (of the E.C.S.C.)	Comité Spécial des Ministres (de la C.E.C.A.)
Staff Pension Fund	Caisse de Pensions du Personnel
Statistical Office of the European Communities	Office statistique des Communautés européennes
Superior Finance Council	Conseil Supérieur des Finances
Telegraphs and Telephones Board	Régie des Télégraphes et des Téléphones
Textile Industry Federation	Fédération de l'Industrie Textile
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

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