

# NATIONAL BANK OF BELGIUM

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## GENERAL MEETING

OF THE

SHAREHOLDERS OF THE NATIONAL BANK OF BELGIUM

ON 25th FEBRUARY, 1957

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# REPORT

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

on the activities of the Bank in 1956

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1957

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

On 28th November, 1956 the Government tabled in Parliament a bill defining the gold value of the Belgian franc on the basis of its present parity, and making it again obligatory for the National Bank to keep as cover for its sight liabilities a gold holding equal to not less than one-third of these.

The measures proposed by the Government will fix the legal status of the currency. They call for strict financial discipline on the part both of the public authorities and of private interests.

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Supported by the international trend, the prosperity in the Belgian economy was maintained throughout 1956. It spread to industries which until then had scarcely benefited from the expansion. Farm production was however affected by bad weather.

By comparison with 1955 total industrial production will certainly show a further substantial advance in 1956. This has been achieved despite the reduction in weekly hours of labour, agreed by many boards of employers and employed, together with the resulting rise in hourly wage rates. The effect of this on total output was on the whole offset by the improvement in productivity, by a decrease in absenteeism, by the working of overtime or, in some branches of activity, by the recruiting of additional labour. It is still too early to estimate how costs will be affected.

This increase in output, obtained in spite of the labour shortage in certain fields, enabled the Belgian economy not only to meet greater

expenditure on consumption and capital investment but also to achieve a large surplus on exchanges of goods and services with foreign countries.

Foreign demand was particularly steady for the main products exported by the Belgian-Luxemburg Economic Union. The course of prices was such that their level in relation to those abroad moved if anything in favour of Belgium.

While it can be said that there has been no serious disturbance of costs, prices or the country's economic equilibrium, it must nevertheless be stated that during the second part of the year certain strains characteristic of the state of prosperity began to appear. They were increased by the international political events of November.

The unfavourable trend in coal output, and the liquid fuel supply difficulties if they persist, might be such as to endanger the power supplies of which industry has a steadily growing need.

Retail prices as measured by the official index rose 3.2 points between January and December. Wholesale prices have also tended to rise since October, after remaining stable for most of the year, while the surpluses shown by the balance of payments are declining.

In the early months of the year the capital market remained easy, and funds continued abundant in the money market; requirements of commercial credit showed practically no change; and despite certain outward movements of capital, quotations on the free exchange market stayed relatively low.

Thereafter a lack of balance more serious and lasting than is generally caused by the seasonal tightness in July and August appeared in the capital market. Demands for capital which were too great in relation to available savings caused a rise in interest rates both in Belgium and abroad. Quotations for fixed-interest securities and shares began to fall away.

The international political crisis in November made the public seek instinctively to defend themselves against the rise in prices. There was ground for fearing that, as had been the case when the Korean conflict began, enterprises might be led to engage in speculative stockpiling on the expectation that raw material prices could rise.

In view of the general state of prosperity and full employment, and although there had been no sign in Belgium up till then of excessive resort to credit by private borrowers, it did then seem necessary to check capital expenditure and stockpiling. To prevent deterioration of the balance of payments it was also necessary to ensure that outward movement of capital should not be stimulated by too wide a gap between interest rates in Belgium and those abroad. A rise in short-term interest rates was also desirable in order to resist the pressure exerted on the money market by the considerable upward movement in yields on the capital market.

This led the National Bank to raise its discount rates by 0.50 % on 5th December.

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In a small country like Belgium, the exports of which include a high proportion of goods especially sensitive to variations in world demand, external pressures on prices are generally felt more strongly than in larger economies which are mainly based on their domestic market.

It is therefore essential in a period of high prosperity to watch carefully, to check and so far as possible to suppress the internal factors tending to raise prices if one wishes to avoid their combining with external factors to impair the country's competitive power in case the state of high activity should change.

Monetary policy can of course help towards the defensive action which is needed. One ought not however to over-estimate its possibilities. It represents after all merely the use of a method of defending monetary stability — a method of which the profound effects, often complex and slow to appear, are sometimes difficult to grasp as a whole.

Monetary action may be hampered if those whose duty is to apply it have not in their hands all the weapons that they need.

The report presented last year to the Bank's General Meeting gave a reminder of what are the chief weapons of monetary policy apart from bank rate. The need to bring them into play is now greater still.

Certain steps of limited scope were taken during 1956 in regard to the money market. We again express the hope that a market may be created in which rates will vary in relation to supply and demand, while conforming to the course of economic activity.

It is desirable that the National Bank should be able to affect the economy's liquid resources by selling public securities which it holds, as well as by buying in the market.

It would be no less desirable to vary according to circumstances the cash reserve ratios required of the commercial banks.

Finally it ought to be open to the National Bank to act so as to regulate the financing of instalment sales.

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It is necessary to aim at a certain stability in economic activity so that the growth of prosperity and social progress may be smooth. Amongst other things it is important to prevent the economy from being exposed to violent and abrupt shocks which might endanger its further expansion.

With this in view it seems essential that the private and public sectors of the economy, without giving up modernisation and development of the productive apparatus, should try so far as possible to spread out their programmes of capital expenditure or to postpone the carrying of them out until economic activity is low. This policy would make it possible when activity is high to build up reserves which could be spent at times when it is low, and when the receipts of both public authorities and private enterprise generally tend to decrease.

Such formation of reserves would be a reasonable way to restrain the rise in prices by sterilising part of the excess purchasing power.

As to the public authorities, such reserve formation would *inter alia* enable them to repay external floating debt and to restore the real meaning of what is conventionally called « the Government's credit limit at the National Bank ».

This « ten-billion credit limit » is in reality the limit to possible action by the National Bank in the market for public securities. It results from the Convention of 14th September, 1948 between the Government and the Bank.

In the minds of the signatories of that Convention the object of the ten-billion credit was to enable the Government at the time, when the Belgian capital market was far from having regained its full capacity and foreign markets were not yet open to us, to obtain at the National Bank, if it could not do so in the market, funds for covering amounts by which its normal receipts fell short of its expenditure at certain times in the course of any financial year. Such advances as the National Bank might grant within the limits of the credit opened were therefore to be repaid, in the course of the same financial year, in such a way as to keep more or less permanently available a reserve of credit intended in the first place for dealing with passing strains.

Since the Convention was put into force the drawings on the credit have remained extremely high, and the Government has never in fact had any such reserve available.

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The main elements which can affect the money supply are three in number : transactions with foreign countries, lendings to the public sector, and lendings to the private sector of the economy.

Variations in the National Bank's gold reserve and foreign currency holdings of all kinds reflect the favourable or adverse balance of transactions with foreign countries. These variations partly depend on public authorities' operations which almost entirely escape action by the National Bank. In addition they depend on operations of the private sector which, while themselves strongly influenced by economic, political and psychological factors both national and international, also largely escape such action.

Although Belgium has enjoyed remarkable prosperity for years, so that unemployment has been reduced to a minimum, total lendings to the public authorities have not been reduced and no reserve has been formed. On the contrary those authorities draw with the greatest freedom on the capital market's medium and long-term resources, and even resort to the short-term money market.

The result is that for the purpose of controlling the money supply the National Bank can act only on commercial lendings.

The Central Bank can discourage the business and private demand for credit by raising bank rate, by following a more selective policy in certifying acceptances, or by lowering rediscount limits. During the last few years however there has been no excessive expansion of commercial credit.



That is why the Bank feels it must emphasise the need to use every means which would permit effective action on the market's resources.

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Now that prosperity in Belgium has reached an unprecedented level we cannot do better than conclude these general remarks by quoting the following from the General Budget Statement for the 1957 financial year :

« It would be highly dangerous to disregard the problems which prosperity actually creates in the spheres of prices, wages and monetary conditions. The possibility that the present high level of economic activity may end, or may decline for a time, must never be lost from sight. It is essential, in view of that possibility, to strengthen Government credit by practising a prudent and discreet financial policy.

» By its very nature a political democracy is exposed to pressing demands from all sides. The wisdom of Governments, the political maturity of Parliaments, and indeed the moderation of all who are on the « receiving end » of the budget must combine to safeguard the very foundations of all social and economic progress in the shape of the soundness and equilibrium of the public finances. »

To these observations we have nothing to add. We can only urge the public authorities to keep their expenditure and receipts in such relation that it may soon be possible to restore the Treasury to a state of ample ease, and the money and capital markets to normal working.

That is the best way to ensure that monetary policy shall have every possibility of acting so as to meet successfully the consequences of any decline in prosperity, and effectively to preserve the integrity of the Belgian franc.

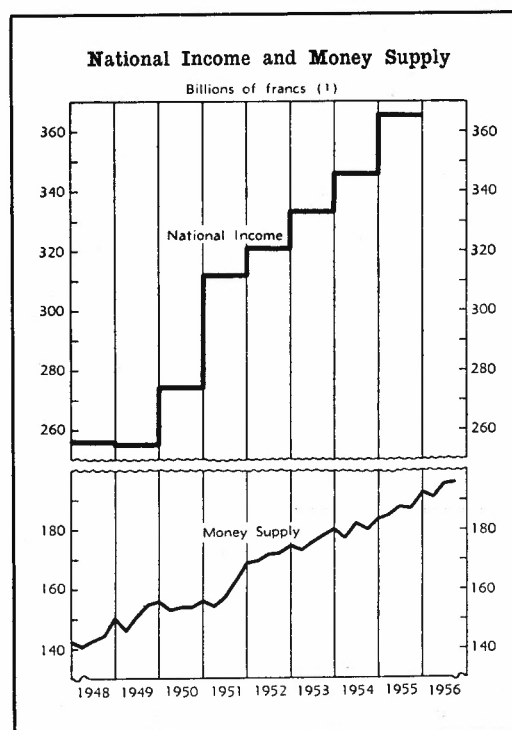


## MONEY AND FINANCE

The boom-like growth of transactions kept the need for money high. But the expansion of Fr. 6 billion in the money supply between November, 1955 and November, 1956 was less than that of Fr. 9 billion in the preceding twelve months.

The movement in the money supply was at first marked by exceptional contraction in January; the usual effects of liquidating the end-of-year expansion and of the concentrating of tax payments in that month were increased by the issue of a Government loan. Thereafter the growth in the money supply was resumed, and continued from month to month, although it was not until the end of May that the figure for the end of 1955 was reached and passed. The half-yearly settlement caused especially marked expansion of the

**Overall Monetary Situation**



Source for National Income : National Statistical Institute.  
(1) 1 Billion = 1,000,000,000.

money supply, which then reached Fr. 195 billion. Thereafter the expansion ceased except for a temporary peak at the end of September.

**Money Supply**  
(in billions of francs) <sup>(1)</sup>

At end of	Notes and Coin (2)	Sight Deposits (3)	Total
1950 June .....	90.7	62.9	153.6
1954 December .	106.7	76.9	183.6
1955 November .	108.8	79.8	188.6
December .	110.7	82.0	192.7
1956 January ...	107.8	79.1	186.9
February .	109.2	79.2	188.4
March ...	109.5	81.5	191.0
April .....	110.0	81.8	191.8
May .....	110.1	82.8	192.9
June .....	111.4	83.7	195.1
July .....	113.1	81.3	194.4
August ...	113.0	81.9	194.9
September .	112.8	83.2	196.0
October ...	113.6	82.1	195.7
November .	112.9	81.8	194.7

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

(2) Notes of the National Bank of Belgium, Treasury notes and coin, less amounts held by the monetary institutions mentioned in (3) below.

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

**Percentage of Notes and Coin  
in the Total Money Supply**

Period	Average for Period
1953 .....	59.0
1954 .....	58.3
1955 January to April .....	58.2
May to August .....	58.4
September to December .....	57.9
1956 January to April .....	57.6
May to August .....	57.6
September .....	57.6
October .....	58.1
November .....	58.0

incomes within the economy.

The trend in recent years has favoured expansion of activity in the heavy industries, comprising large companies which keep their cash reserves in sight deposit form. Thus the ratio of notes and coin to total payment media has declined since the end of 1953. For the first eleven months of 1956 it averaged 57.7 %, against 58.2 % in 1955. The seasonal rise in this

proportion caused by the demand for notes in July and August was quite small in 1956. But from September onwards the tendency observed seems to have become weaker. Despite the return from circulation of hoarded notes owing to the public's speculative buying in November the proportion of notes and coin in the total money supply is tending to rise again. Other factors have influenced it, including no doubt the spreading of prosperity

In terms of absolute amount, however, the note and coin circulation does show an increase. This has applied only to the notes issued by the National Bank.

The amount of notes and coin circulating for account of the Treasury decreased by Fr. 0.2 billion between December, 1955 and November, 1956.

It is impossible to estimate the extent to which notes actively circulate. But one can calculate the frequency of turnover of balances on sight accounts.

For every month except September the ratio measuring the frequency of turnover of bank deposits was equal to or higher than that for the corresponding month in 1955. With allowance for the growth of deposits as well the total amount of payments effected

**Notes and Coin**  
(in billions of francs)

At end of	Notes of N.B.B.	Treasury Notes and Coin (1)
1950 June .....	87.3	4.5
1954 December .....	102.7	5.4
1955 November .....	105.8	4.9
December .....	107.6	4.9
1956 January .....	104.7	4.8
February .....	106.1	4.8
March .....	106.4	4.8
April .....	107.0	4.7
May .....	107.2	4.7
June .....	108.4	4.7
July .....	110.1	4.8
August .....	109.9	4.7
September .....	109.8	4.7
October .....	110.7	4.7
November .....	110.0	4.7
December .....	111.5	4.7

(1) Less the National Bank of Belgium's holding.

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

Monthly Averages per Standard Month of 25 days	Rate of Turnover		Total Amount of Payments Effected through		
	of Sight Deposits at Banks	of Balances at Postal Cheque Office (2)	Sight Deposits at Banks (3)	Balances at Postal Cheque Office (2)	Total
			(billions of francs)		
1955 (first 11 months) ...	1.92	3.05	75.2	66.4	141.6
1956 (first 11 months) ...	1.98	3.00	84.1	70.3	154.4
1956 1st quarter .....	1.86	3.00	75.7	69.1	144.8
2nd » .....	2.15	2.94	90.7	70.5	161.2
3rd » .....	1.90	2.99	82.5	70.4	152.9
October .....	1.92	3.03	83.6	70.9	154.5
November .....	2.14	3.18	95.3	71.6	166.9

(1) Approximation given by the total of debits in account. The frequency of turnover is obtained by expressing this total, for each period, in relation to the total average balance on accounts for the same period.

(2) After certain duplications have been eliminated.

(3) The data are incomplete, since the survey does not cover all banks.

showed a considerable increase. In the same way as in the previous year the frequency of turnover was reduced in August and September, the reduction being greater than the normal seasonal movement. In October and November the ratio rose again, but did not regain the level reached before the summer.

For balances at the Postal Cheque Office the variations in the frequency of turnover were different. It declined during the first half-year; but it was already rising again when the frequency in turnover of bank deposits was falling.

The amount of transactions settled through sight deposits during the first eleven months of the year was much greater than in 1955 owing to the expansion of economic activity.

**Quasi-Monetary  
Liquid Resources**

The liquid resources formed by enterprises and the public in the shape of time and foreign currency deposits at banks, which are

**Quasi-Monetary Liquid Resources**  
(in billions of francs)

At end of	Time Deposits (1)	Foreign Currency Deposits (2)	Total
1950 June .....	13.9	1.5	15.4
1954 December .....	21.3	2.0	23.3
1955 November .....	22.9	2.1	25.0
December .....	23.4	2.4	25.8
1956 January .....	22.8	2.2	25.0
February .....	23.5	2.3	25.8
March .....	24.5	2.4	26.9
April .....	24.6	2.5	27.1
May .....	24.6	2.6	27.2
June .....	24.4	2.8	27.2
July .....	22.6	2.7	25.3
August .....	23.1	2.6	25.7
September .....	23.6	2.6	26.2
October .....	23.8	2.7	26.5
November .....	23.1	2.9	26.0

(1) Belgian residents' balances in Belgian francs on time accounts and deposit books at commercial banks.

(2) Belgian residents' balances in foreign currency on sight and time accounts at commercial banks.

defined as quasi-monetary assets, increased in amount up till June. This reflected amongst other things the accumulation of time balances by Congo companies with a view to payment of their dividends. The distribution of these did in fact cause seasonal contraction in July. Just as in 1955, this movement brought

down the balances on time accounts below the level reached at the beginning of the year. Formation of such balances was resumed

during the subsequent months, but at a slower rate than a year earlier.

The growth of foreign currency deposits belonging to Belgian residents was more regular, amounting to Fr. 0.8 billion in the year.

During the first three quarters the surplus of Fr. 3.9 billion on foreign payments resulting from current transactions and private capital movements was by far the most important factor in the creation of money. That surplus, as shown in the table below, is

**Origins  
of Variations  
in the Money  
Supply and in  
Quasi-Monetary  
Liquid Resources**

**Origins of Variations in the Money Supply**  
(movements in billions of francs)

Period	Transactions with Foreign Countries (1)	Claims on Public Authorities and Foreign Borrowings of Public Authorities (2)	Commercial Lendings (3)	Sundries	Total of Foregoing Movements (4)	Money Supply	Quasi- Monetary Liquid Resources
1950 2nd half .....	- 12.3	+ 7.3	+ 5.9	+ 1.8	+ 2.7	+ 2.5	+ 0.2
1951 .....	+ 10.5	+ 2.9	+ 3.0	- 1.5	+ 14.9	+ 12.4	+ 2.5
1952 .....	+ 6.4	+ 5.6	+ 0.3	- 2.8	+ 9.5	+ 6.0	+ 3.5
1953 .....	- 1.0	+ 6.9	+ 2.2	- 1.6	+ 6.5	+ 5.8	+ 0.7
1954 .....	- 4.7	+ 3.6	+ 3.0	+ 2.5	+ 4.4	+ 3.3	+ 1.1
1955 .....	+ 4.1	+ 5.2	+ 2.7	- 0.4	+ 11.6	+ 9.1	+ 2.5
1956 (first 3 quarters)	+ 3.9	- 0.5	+ 0.7	- 0.5	+ 3.6	+ 3.2	+ 0.4
From 30 June 1950 to 30 September 1956 ...	+ 6.9	+ 31.0	+ 17.8	- 2.5	+ 53.2	+ 42.3	+ 10.9

(1) Net balance, excluding public authorities' capital transactions and official donations, which are included in the next column.

(2) Movement in claims on the Treasury, in public authorities' net capital transactions with foreign countries, in official donations and in monetisation of Government debt and of other public securities.

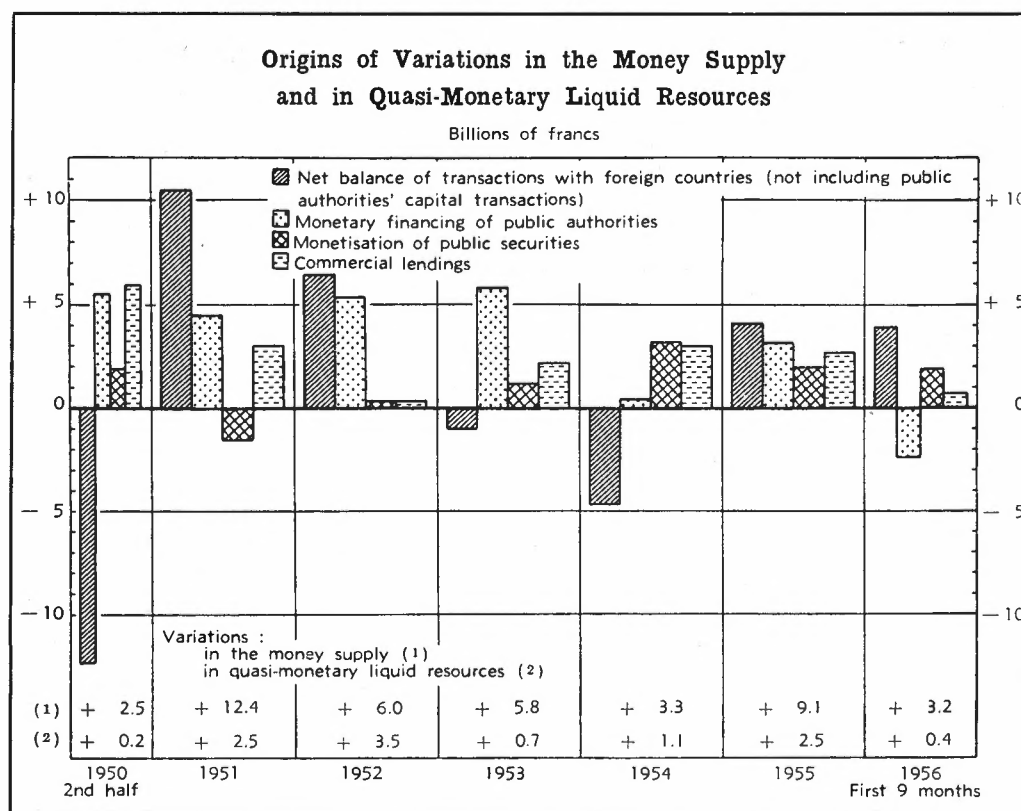
(3) Movement in credits by way of discount, advance and acceptance granted to resident business and private customers and located in monetary institutions.

(4) Corresponding to the total of variations in the money supply and in quasi-monetary liquid resources.

in fact understated; the figures do not take account of the banking system's liabilities towards Congo companies and the European Coal and Steel Community. During the first three quarters of 1956 these liabilities were reduced by about a billion; the actual surplus was therefore to that extent greater than the apparent surplus on foreign

transactions. This latter surplus was especially large in the first months of the year.

For the first three quarters of the year together there was a decrease in the total of the monetary system's <sup>(1)</sup> claims on public authorities plus its foreign currency balances resulting from public



borrowings abroad. The monetary institutions form these assets either through directly financing the Treasury by purchases of securities or foreign exchange or through acquiring bonds of public authorities on the market.

In this latter event there is monetisation of a part of the debt, and in an indirect way the Treasury can partly benefit from such monetary expansion because of arbitrage dealings. Up till September

<sup>(1)</sup> Taken as comprising the National Bank of Belgium, the Rediscount and Guarantee Institute, the commercial banks, the Belgian Monetary Fund, the Postal Cheque Office, the National Fund for Credit to Trade and Industry and the Belgian Municipal Credit Institution.



the resources which the public authorities collected elsewhere enabled them to reduce their foreign liabilities by Fr. 2.5 billion without obtaining credit from the monetary system. Monetisation of public securities continued, reaching a total of Fr. 1.9 billion.

The outstanding total of bank credit granted to business and private customers rose from February onwards. But the part located in the monetary system declined in January, and did not regain until September the level attained at the end of the previous year. The non-monetary institutions in fact played a larger part in the financing of the lendings, so that to that extent these latter did not add to the monetary expansion.

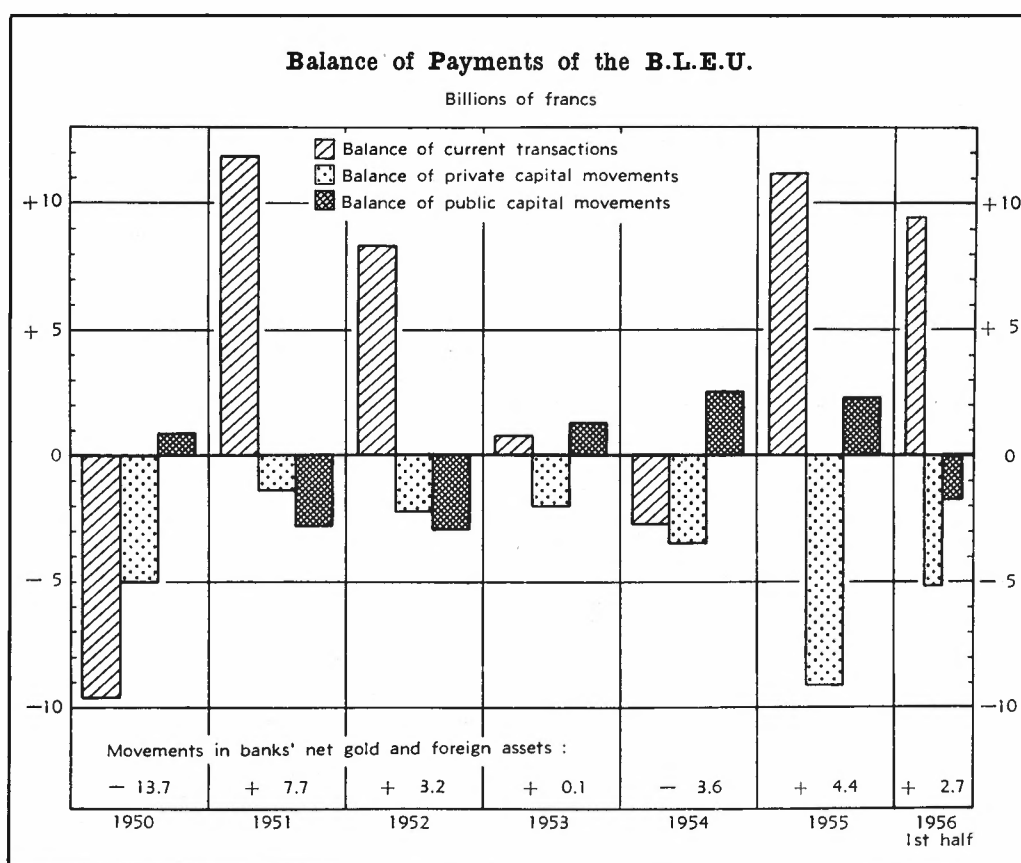
The main facts of the domestic monetary situation changed as from the end of the third quarter. According to the indications now available for October and November together there was then a net deficit on foreign payment transactions, whereas financing of the Treasury and in lesser degree the granting of fresh credit to business and private borrowers became factors of expansion. Various other factors contributed to the monetary contraction observed during these two months.

The balance of payment statistics do not amount to a general statement of all the Belgian-Luxemburg Economic Union's transactions with foreign countries; in principle they include only transactions which gave rise to a bank payment during the period considered. The banks' net gold and foreign assets, the movement in which corresponds to the balance of payments, comprise those of the National Bank, the Savings Bank of the Grand Duchy of Luxemburg and the commercial banks; in the case of these latter they cover the foreign currency reserves of the regulated and the free market as well as all liabilities towards foreign countries, including balances on financial accounts and liabilities towards the Congo and the European Coal and Steel Community.

Balance  
of Payments

During the first half-year the banks' net gold and foreign assets increased by Fr. 2.7 billion.

In the course of that period the growth of receipts from exports was more marked than that in payments for imports, and the surplus on transactions in goods reached Fr. 7 billion. Since there were also



surpluses of Fr. 1.5 billion on invisible transactions and of Fr. 0.4 billion on private donations, all current transactions together yielded a favourable balance of Fr. 8.9 billion, or definitely more than the average for the two halves of 1955.

The net outflow of private capital amounted to Fr. 5.1 billion. This amount includes subscriptions to the Fr. 2.1 billion loan which the Congo Treasury issued in May on the Belgian market. The other transactions were mostly effected through financial accounts and on

the free market, which since May, 1955 has included all foreign currencies and is available to all Belgian residents as well as to foreigners.

The net result of public capital movements was an exchange outflow of Fr. 1.7 billion. Of this amount long-term capital accounts for Fr. 1.3 billion. There was a deficit because of contractual repayments of external debt and because a part of the loan obtained

#### **Balance of Payments of the Belgian-Luxembourg Economic Union**

(in billions of francs)

	Year 1954	Year 1955	1st half of 1956
Exports, f.o.b. ....	100.9	123.1	70.7
Imports, f.o.b. ....	106.9	118.4	65.7
	- 6.0	+ 4.7	+ 5.0
Other goods transactions, net .....	+ 3.4	+ 3.4	+ 2.0
All goods transactions, net .....	- 2.6	+ 8.1	+ 7.0
Other current transactions, net .....	- 0.2	+ 2.9	+ 1.9
All current transactions, net .....	- 2.8	+ 11.0	+ 8.9
Net movement of private capital .....	- 3.5	- 9.1	- 5.1
Net movement of public capital			
Long-term <sup>(1)</sup> .....	+ 3.3	+ 1.8	- 1.3
Short-term .....	- 0.6	+ 0.6	- 0.4
Errors and omissions .....	-	+ 0.1	+ 0.6
Total corresponding to movement in banks' net gold and foreign assets .....	- 3.6	+ 4.4	+ 2.7

(<sup>1</sup>) Including official donations.

in 1951 from the International Bank for Reconstruction and Development was made available to the Congo; these outgoings were together greater than the receipts from drawings on the loan granted by the International Bank in December, 1954.

During the third quarter there was no further increase in net gold and foreign assets. There was still a surplus on current transactions, but it was no longer so large as at the start of the year. The outward movement of public and private capital continued, although at a slower rate.

The movement in assets comprising gold, American and Canadian dollars and free Swiss francs is determined not only by the financing in those currencies of current and capital transactions with United States, Canada and Switzerland, or with other countries and international institutions. It is also affected by payments made in gold or dollars within the European Payments Union as well as by arbitrage dealings in convertible currencies against other currencies or Belgian francs.

During the first half-year the assets in gold and convertible currency increased by Fr. 1.7 billion.

Transactions in goods showed a surplus of Fr. 0.4 billion and invisible transactions a deficit of Fr. 1.7 billion, so that the balance of current transactions was adverse to the extent of Fr. 1.3 billion. There was also a net efflux of private capital amounting to Fr. 3.6 billion, whereas public capital movements were in balance.

But the European Payments Union delivered Fr. 3.3 billion in gold and Fr. 1.2 billion in dollars to pay for monthly surpluses. Debtor countries repaid Fr. 0.6 billion in gold and convertible currency under the 1954 bilateral agreements. And some convertible exchange was bought against other foreign currency or Belgian francs.

In the course of the third quarter the assets in gold and convertible currency increased by a further Fr. 1.2 billion. The deficit on current transactions and the outflow of private capital were again large, but there were receipts of Fr. 4.2 billion in the European Payments Union.

Since 1st January, 1956 it has been permissible for any Belgian or foreign person to sell gold coin and bullion freely in Belgium and to import or export them by any means without limit. The moderation with which use has been made of this facility has confirmed the stability of the market and the soundness of the Belgian franc.

The Belgian-Luxemburg Economic Union's cumulative surplus in the European Payments Union rose from Fr. 45.3 billion in December, 1955 to Fr. 56.2 billion a year later.

Position within  
the European  
Payments Union

This surplus arises from the settlements effected on the regulated market in currencies of countries in the European Payments Union, and in Belgian francs with those countries; so far as arbitrage dealings are possible, it may also be affected by transactions on the free market in the same currencies and by crediting and debiting of financial accounts belonging to residents of the countries in question.

**Position of the Belgian-Luxemburg Economic Union  
within the European Payments Union**  
(in billions of francs)

Period	Cumulative Surplus at end of period	Net Surplus for period	Methods of Financing this Surplus			
			By Payments in Gold or Dollars	By Credits granted to E.P.U.	By Payment for Armaments ordered from France and the United Kingdom	By Repayment in Gold or Dollars of Bilateral- ised Claims
June, 1950 to Dec., 1954 .	+ 37.6	+ 37.6	+ 23.4	+ 8.6	+ 2.5	+ 3.1
1955 .....	+ 45.3	+ 7.7	+ 6.0	+ 0.5		+ 1.2
1956 1st half .....	+ 51.3	+ 6.0	+ 4.5	+ 0.9		+ 0.6
2nd » .....	+ 56.2	+ 4.9	+ 4.2	- 0.3		+ 1.0
Year .....	+ 56.2	+ 10.9	+ 8.7	+ 0.6		+ 1.6
June, 1950 to Dec., 1956 .	+ 56.2	+ 56.2	+ 38.1	+ 9.7	+ 2.5	+ 5.9

During the first half-year current transactions of the kinds just mentioned, other than crediting and debiting of financial accounts, yielded a surplus of Fr. 5.5 billion; transactions for account of the Congo resulted in a net receipt of Fr. 4.3 billion, and private capital movements in a net deficit of Fr. 0.7 billion. The surplus resulting from all these transactions was reduced by transfers from financial accounts to E.P.U. accounts.

In the third quarter receipts arising from transactions for account of the Congo continued at the same rate as before, but the surplus on current transactions became negligible.

The prolongation of the European Payments Union on 30th June, 1956 gave rise to no change in the rules for its working. The Belgian-Luxemburg Economic Union concluded with the United Kingdom, Italy and Norway certain arrangements which supplemented the 1954 bilateral agreements and provided for further immediate repayments amounting to 6.4 million units of account, and for further repayment of 35.6 million units of account spread over a period of time.

Net Gold and  
Foreign Assets of  
the National Bank

The National Bank's net gold and foreign assets increased by Fr. 0.8 billion during 1956.

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

At end of	Gold Holding	Foreign Assets (convertible)	Claim on E.P.U.	Net Assets or Liabilities under Bilateral Payment Agreements with E.P.U. Countries	Other Net Assets or Liabilities	Total Net Gold and Foreign Assets	Movement in Net Gold and Foreign Assets
1950 June .....	29.1	4.0 <sup>1</sup>	—	7.3	— 1.8	38.6 }	+ 6.9 <sup>2</sup>
1954 December .....	38.9	3.4	8.6	0.6	— 0.9	50.6 }	
1955 December .....	46.4	0.2	9.1	0.4	—	56.1 }	
1956 January .....	46.6	0.3	9.2	1.7	0.1	57.9	+ 1.8
February .....	47.8	0.2	9.6	0.7	—	58.3	+ 0.4
March .....	47.6	0.2	9.6	1.3	—	58.7	+ 0.4
April .....	48.4	0.3	9.9	1.0	—	59.6	+ 0.9
May .....	47.9	0.2	10.1	0.5	— 0.1	58.6	— 1.0
June .....	47.6	0.2	10.1	1.3	—	59.2	+ 0.6
July .....	47.7	0.4	9.6	1.2	—	58.9	— 0.3
August .....	48.7	0.6	9.8	1.0	0.1	60.2	+ 1.3
September ...	48.6	1.2	9.9	— 0.3	— 0.2	59.2	— 1.0
October .....	47.5	2.0	9.8	0.6	—	59.9	+ 0.7
November .....	47.0	2.1	9.8	0.4	0.1	59.4	— 0.5
December .....	46.2	1.0	9.7	— 0.3	0.3	56.9	— 2.5

(<sup>1</sup>) Including the claim of Fr. 3.4 billion on the Economic Cooperation Administration.

(<sup>2</sup>) The accounting increments resulting from revaluation of the gold holding (Fr. 4.5 billion) and of the claim on the Economic Cooperation Administration (Fr. 0.6 billion) have been eliminated.

The assets in gold and convertible currency increased by Fr. 0.6 billion between the end of 1955 and the end of 1956, the gold holding falling from Fr. 46.4 billion to Fr. 46.2 billion while the convertible foreign assets rose from Fr. 0.2 billion to Fr. 1 billion.

The claim on the European Payments Union was reduced through repayments made by debtor countries under the 1954 and 1956 bilateral agreements, through an extraordinary repayment made by Italy and through the annual instalment due on the special loan of 1952. It increased by an amount equal to 25 % of the Belgian-Luxemburg Economic Union's net surplus during the period from November, 1955 to November, 1956, the remaining 75 % having been settled in gold or dollars. Thus it increased on balance by Fr. 0.6 billion. In May and June it exceeded by some tens of millions the total of Fr. 10,066 million which the National Bank has agreed to carry out of its own resources; the surplus was covered by payments made in Belgian francs to the National Bank by the National Industrial Credit Company in accordance with the Convention of 11th May, 1955, which was prolonged for one year on 30th June, 1956.

The net claims on member countries of the European Payments Union, or the net liabilities to them, represent the net amounts which the National Bank shows in its books between each settlement and the next.

The other net assets or liabilities increased on balance by Fr. 0.3 billion during the past year. They comprise balances on the accounts of international financial institutions, of the Central Bank of the Belgian Congo and Ruanda-Urundi, and of various countries which do not belong to the European Payments Union and with which bilateral payment agreements or financial arrangements have been concluded. By the Convention of 14th September, 1954 the National Industrial Credit Company undertook to finance up to a total of Fr. 2 billion the payment agreements with countries not belonging to the European Payments Union when the National Bank's claims exceed its liabilities, or when its claim on any foreign country exceeds a specified limit; the amount which the National Industrial Credit Company paid to the National Bank in 1956 by way of special provision in respect of this undertaking did not exceed Fr. 0.3 billion.

In the ordinary budget for 1956 the probable receipts are smaller by Fr. 283 million than the expenditure appropriations requested of Parliament. Part of these latter will however not be

used before the close of the financial year, and will be cancelled or carried forward to 1957.

**Ordinary Budget**  
(in billions of francs)

Source : General Budget Statement for 1957.

	Financial year 1955 (1)	Financial year 1956 (2)	Financial year 1957 (3)
Expenditure .....	81.1	90.3	87.9
Receipts .....	82.0	90.0	87.9
Balance .....	+ 0.9	- 0.3	—

(1) Results up to 30th June, 1956.

(2) Expenditure : initial estimates, amendments, special laws and supplementary estimates.

Receipts : estimate based on the actual receipts for the first seven months.

The figures of expenditure and receipts also allow for the effect of action taken by the Government in connection with price policy.

(3) Estimates allowing for the effect of action taken by the Government in connection with price policy.

The 1957 ordinary budget is smaller than that for the previous year. The decrease is due to the fact, amongst others, that it has been impossible to include

in the estimates the expenditure on Belgian troops stationed in Germany, and Germany's reimbursement of that expenditure, since the necessary facts are not yet available. Besides this the reduction decreed by the Government under its price policy in the rates of slaughtering tax and of turnover tax on certain consumer goods in common use will deprive the Treasury of Fr. 1.3 billion of receipts; by way of counterpart certain items of expenditure are to be reduced by Fr. 1 billion.

Expenditure appropriations for the extraordinary budget, which reached Fr. 14.2 billion in 1956, will amount to Fr. 13.5 billion for 1957. For the purpose of carrying out its capital programme the Government will also have available certain votes carried forward from previous years as well as any available balance from special funds. In addition the Road Fund will execute out of its own resources a number of projects not included in the extraordinary budget. However, the burdens which international events impose on the country's economy, and the state of the capital market, have



led the Government to adopt certain measures with a view to cutting down work programmes that are not strictly essential.

Extraordinary receipts are estimated at Fr. 701 million for 1957 against Fr. 892 million in 1956. The most important item among them is the North Atlantic Treaty Organisation countries' payment of their share in the military expenditure on infrastructures advanced by Belgium.

The direct internal consolidated debt rose from Fr. 157.2 billion to Fr. 167.2 billion between December, 1955 and December, 1956. National Debt

**National Debt**  
(in billions of francs)

Source : Treasury and Public Debt Administration.

At end of	Direct Debt						Indirect Debt	Total Debt (1)	
	Internal				External (1)	Total (1)			
	Conso- lidated	Medium Term	Short Term	Total					
1950 June .....	107.0	37.3	78.3	222.6	15.8	238.4	12.0	250.4	
1954 December .....	155.2	24.8	85.0	265.0	21.4	286.4	11.8	298.2	
1955 December .....	157.2	24.9	90.0	272.1	23.4	295.5	16.1	311.6	
1956	January .....	161.4	24.5	84.9	270.8	23.8	294.6	16.1	310.7
	February .....	161.0	24.4	88.3	273.7	23.8	297.5	16.1	313.6
	March .....	161.2	24.0	91.3	276.5	23.8	300.3	16.8	317.1
	April .....	161.7	23.8	93.2	278.7	23.8	302.5	16.8	319.3
	May .....	161.6	23.7	94.0	279.3	23.0	302.3	16.8	319.1
	June .....	162.6	23.5	92.7	278.8	23.4	302.2	16.8	319.0
	July .....	164.2	23.5	88.6	276.3	22.6	298.9	16.7	315.6
	August .....	164.1	23.1	91.2	278.4	23.2	301.6	16.7	318.3
	September ...	164.0	23.0	89.7	276.7	23.2	299.9	16.7	316.6
	October .....	163.6	23.0	91.4	278.0	23.2	301.2	16.7	317.9
	November .....	167.6	23.5	87.0	278.1	24.5	302.6	16.7	319.3
	December .....	167.2	23.4	86.0	276.6	24.4	301.0	16.8	317.8

(1) Excluding inter-governmental debts resulting from the 1914-1918 war.

The Government issued loans in January, in March and April, in June and July, and in November. The first was a 4.25 % 15-year loan and yielded Fr. 5.4 billion. The second was a lottery loan for the 1958 Exhibition, the amount being Fr. 1.2 billion. The third was for Fr. 3.5 billion and ran for 17 years at a nominal interest rate of 4.25 %. The November loan was at 4.50 % for ten and

a half years; it produced Fr. 4.7 billion. The effect on the consolidated debt of these borrowings by the Treasury in the capital market was partly offset by repayments, including repayment of the Currency Reform Loan.

The direct internal medium-term debt was reduced from Fr. 24.9 billion in December, 1955 to Fr. 23.4 billion in December, 1956. The reduction was due to maturities of Treasury Bonds taken by Ruanda-Urundi, of E.P.U. special certificates at 18 and 24 months, of banking certificates at two and three years, and of Bank of Issue Certificates. On the other hand some further Treasury Bonds were issued to Ruanda-Urundi.

The direct internal short-term debt decreased at the time of the principal long-term loan issues. It increased during the other months, except September and December.

The Treasury did not contract any fresh long-term loans abroad; but it did obtain \$ 9 million, or Fr. 450 million, in respect of the loan of \$ 20 million which the International Bank for Reconstruction and Development had granted to it in 1954. On the other hand the Treasury made repayments on consolidated external loans, and increased its medium and short-term foreign exchange liabilities by Fr. 1 billion. As a result of these various transactions the direct external debt amounted in December, 1956 to Fr. 24.4 billion, against Fr. 23.4 billion a year earlier.

The total direct debt increased from Fr. 295.5 billion at the end of 1955 to Fr. 301 billion at the end of 1956.

The indirect debt increased as a result of the placing in March of a 15-year 4.25 % loan for Fr. 800 million by the Belgian National Railways Company, as well as of certain further issues by that company.

The financing of the Treasury causes creation of money when the Government itself issues currency, or when it borrows from the monetary system while delivering public securities to the latter, or again when the balances of depositors other than Treasury Agents in the Postal Cheque Office increase. The same thing occurs when the Government delivers to monetary institutions foreign currency arising from capital transactions with foreign countries.

**Movement in Claims of Monetary Institutions on the Public Authorities  
and in the Public Authorities' Borrowings Abroad**

(in billions of francs)

Period	Treasury's Monetary Financing			Monetisation of Public Securities	Total (2)
	By Deliveries of Public Securities (1)	By Net Deliveries of Foreign Exchange	Total		
1950 2nd half .....	+ 2.9	+ 2.6	+ 5.4	+ 1.9	+ 7.3
1951 .....	+ 6.7	- 2.3	+ 4.4	- 1.6	+ 2.9
1952 .....	+ 7.7	- 2.4	+ 5.3	+ 0.3	+ 5.6
1953 .....	+ 3.9	+ 1.9	+ 5.8	+ 1.2	+ 6.9
1954 .....	- 2.2	+ 2.6	+ 0.4	+ 3.2	+ 3.6
1955 .....	+ 0.7	+ 2.4	+ 3.1	+ 2.1	+ 5.2
1956 1st quarter .....	- 0.8	- 0.7	- 1.5	+ 0.2	- 1.2
2nd » .....	+ 2.2	- 1.0	+ 1.2	+ 1.3	+ 2.5
3rd » .....	- 1.4	- 0.8	- 2.2	+ 0.4	- 1.8
Total for first 3 quarters ...	—	- 2.5	- 2.5	+ 1.9	- 0.5
Period from 30 June 1950 to 30 September 1956 .....	+ 19.7	+ 2.3	+ 22.0	+ 9.0	+ 31.0

(1) Plus the formation of balances of depositors other than Treasury Agents at the Postal Cheque Office and the increase in the balance on the Belgian Monetary Fund's account at the Treasury.

(2) These amounts correspond to the figures in the second column of the table on page 19.

During the first nine months of 1956 the borrowings from the banking system, and the balances of depositors other than Treasury Agents in the Postal Cheque Office, remained as a whole stable. The rise of Fr. 2.2 billion which occurred between April and June was offset by the declines in the first and third quarters.

On the other hand during the nine months in question the Treasury's capital transactions with foreign countries caused a net efflux of Fr. 2.5 billion, due in particular to repayment of Treasury

Certificates held by the Belgian Congo and to the placing at the latter's disposal of the proceeds of the loan obtained from the International Bank for Reconstruction and Development in 1951.

Altogether therefore the Treasury's operations between December, 1955 and September, 1956 tended to cause monetary contraction.

This was no longer so during October and November taken together. The Government then increased its net foreign indebtedness by about Fr. 0.8 billion. In addition, despite the issue of the November loan, monetary institutions had to finance the Treasury to the extent of nearly Fr. 1.2 billion.

In December, with a view to enabling the Treasury to pay off sundry foreign liabilities, the National Bank bought from it on spot terms against Belgian francs Fr. 1.6 billion of foreign exchange to be delivered by the Treasury at not more than 120 days' date. In addition near the close of the year the Treasury placed in the commercial banks Fr. 2.5 billion of special certificates, of which Fr. 1 billion had been taken before the year ended.

**Bond Market  
and Monetisation  
of Public Securities**

The amount of long-term loans issued by public authorities, otherwise than for conversion, had been Fr. 31.1 billion in 1954 and Fr. 14.8 billion in 1955. In 1956 it was Fr. 23.7 billion, of which the greater part was placed during the first half-year, namely Fr. 7.4 billion in the first quarter and Fr. 6.8 billion in the second. During that half-year the issues were effected on the basis of yields slightly higher than in the year before; the Government's 15-year 4.25 % loan in January yielded 4.65 % to subscribers not benefiting from commission, while the 20-year 4 % Government loan in April, 1955 had yielded 4.50 %.

The bond market remained easy up till about the end of May. Quotations for certain types of bond, after declining on the approach of the Government's loan issue in January, steadied down during subsequent months — this happened in the case of the Unified Debt — or actually recovered, as happened on the average for Government loans at 5 to 20 years.

#### Yield on Fixed-Interest Securities

Start of Period	Government Loans		Loans of Municipalities and Para-statal Institutions	
	Unified Debt 4 % (1)	5 to 20 years 4 % to 4.50 % (2)	5 to 10 years 4 % to 4.50 % (3)	5 to 20 years 3 % to 4.50 % (2)
1955 January .....	4.20	4.59	4.38	4.61
1956 January .....	4.18	4.63	4.44	4.71
February .....	4.18	4.63	4.44	4.70
March .....	4.19	4.60	4.47	4.69
April .....	4.18	4.56	4.48	4.66
May .....	4.18	4.54	4.50	4.65
June .....	4.18	4.54	4.46	4.65
July .....	4.18	4.58	4.46	4.65
August .....	4.18	4.60	4.48	4.65
September .....	4.18	4.66	4.47	4.67
October .....	4.21	4.85	4.66	4.89
November .....	4.22	4.95	4.72	5.04
December .....	4.22	5.06	4.74	5.08
1957 January .....	4.47	5.54	5.07	5.59

(1) Flat yield only.

(2) Loans redeemable by variable annual instalments.

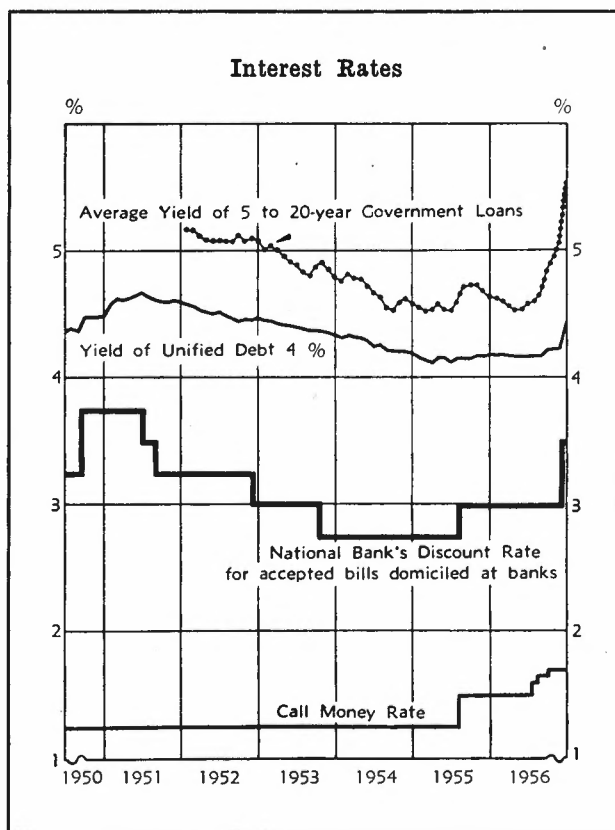
(3) Loans redeemable at a fixed date or by constant annual instalments.

The Securities Stabilisation Fund, which had already reduced its security holding during the latter months of 1955, effected further sales. The amount of these was however limited; the Fund's total holding fell from Fr. 4.6 billion at the end of December, 1955 to Fr. 3.6 billion in the last weeks of May.

That was about the time when the strains began to appear which were a feature of the bond market during the second half of the year.

The internal capital market was affected by the rise in short and long-term rates of interest abroad. Treasury Bills at three months in the Netherlands were yielding 3.25 % in November, 1956 against 1.06 % at the end of 1955; in the United Kingdom the rate for similar bills rose from 2.02 % at the beginning of 1955 to 4.07 % at the

beginning of 1956, and to 5.11 % in September. The rise in rates of interest for long-term capital was also considerable. In the United



Kingdom the yield on 2 1/2 % Consols went up from 3.83 % at the beginning of 1955 to 4.53 % at the beginning of 1956, and to 4.93 % in November; in the Netherlands the yield on the 3.25 % loans of 1948 was 3.26 % at the beginning of 1955, 3.38 % at the beginning of 1956 and 4.28 % in November; and in Germany the yield on mortgage bonds increased from 4.6 % at the end of 1955 to 5.3 % in October, 1956.

The yields on Belgian public securities also tended to rise. This movement gained strength during the second half of the year under pressure of sales and by reason of fresh issues; it was especially marked at the end of the year.

During most of the second half-year the Securities Stabilisation Fund was increasing its holdings. The issue of the Government loan in June and July already caused a good deal of support buying by the Fund. In September, October and November various local authorities took a gross amount of Fr. 2.8 billion from the market. In November again the Government issued a loan for Fr. 4.7 billion; the yield allowed to subscribers not entitled to commission was 4.94 % against 4.65 % for the January loan.

During the last weeks of the year the reappearance of buyers on the market for bonds, after prices for these had fallen, enabled the Fund once again to sell securities and to reduce its holdings.

Operations by monetary institutions on the market for public securities continued. Buying of bonds by commercial banks, and financing of the Securities Stabilisation Fund through advances from

### Monetisation of Public Securities

(in billions of francs)

Period	Monetisation resulting		Total Monetisation	Financing of the Securities Stabilisation Fund's Portfolio	
	from monetary institutions' market purchases of previously issued public securities (1)	from financing of the Securities Stabilisation Fund through advances by the banking system (2)		Advances and Call Money Loans from non-monetary institutions (4)	Total (5) = (2) + (4)
1950 2nd half .....	+ 0.4	+ 1.5	+ 1.9	+ 0.3	+ 1.8
1951 .....	+ 1.0	- 2.6	- 1.6	+ 1.2	- 1.4
1952 .....	+ 1.5	- 1.2	+ 0.3	- 0.3	- 1.5
1953 .....	+ 1.5	- 0.3	+ 1.2	- 0.4	- 0.7
1954 .....	+ 2.1	+ 1.1	+ 3.2	+ 0.2	+ 1.3
1955 .....	+ 2.5	- 0.4	+ 2.1	- 0.1	- 0.5
1956 1st quarter .....	+ 0.2	—	+ 0.2	- 0.6	- 0.6
2nd » .....	+ 0.5	+ 0.8	+ 1.3	- 0.4	+ 0.4
3rd » .....	+ 0.6	- 0.2	+ 0.4	+ 0.7	+ 0.5
Total for first 3 quarters ...	+ 1.3	+ 0.6	+ 1.9	- 0.3	+ 0.3
Period from 30 June 1950 to 30 September 1956 .....	+ 10.3	- 1.3	+ 9.0	+ 0.6	- 0.7

the banking system, result in creating money. During the first months of the year the Securities Stabilisation Fund borrowed at the Central Bank only in exceptional cases; offers of call money by non-banking institutions were enough to finance its declining portfolio. From mid-June to the end of October, on the other hand, the Fund was constantly in debt to the National Bank. Offerings of call money were in fact reduced at the end of the second quarter, the time when the requirements of the Securities Stabilisation Fund again increased. In the course of November more money was offered on the non-clearing market, and this enabled the Fund to repay its debts to the National

Bank even though its security holdings increased. But this repayment was only temporary, and in the last few days of November the Fund was again borrowing from the National Bank. It continued to do so in December, although it was able to sell some securities, as the amount of funds offered on the money market again declined.

The banks for their part effected further investment in public securities, partly in replacement of E.P.U. special Treasury Certificates. For the first three quarters of the year these transactions reached the same total as during the corresponding period of 1955, namely about Fr. 1.3 billion.

In 1956, just as in the preceding years, monetisation of public securities resulted chiefly from such buying on the market by commercial banks.

Lendings  
to Business  
and Private  
Customers

The amount of credit granted to business and private customers resident in Belgium increased by nearly Fr. 6 billion between November, 1955 and November, 1956; in the twelve preceding months the increase had been Fr. 2.2 billion. During the first seven months of the year the total amount of such accommodation remained about or slightly above the total of Fr. 52 billion attained at the end of 1955; but from August onwards, and especially from September, fresh demands for credit appeared.

Nearly two-thirds of all the credits outstanding are located in commercial banks.

The non-monetary institutions, comprising a number of financial institutions of public and private character, further increased their purchases of commercial bills; the part of credits which was mobilised at these institutions increased up till August, without showing variations so large as before. From September onwards the amount of their assistance has if anything decreased.



The growth of deposits enabled the banks to keep their rediscounting at the National Bank down to quite a low level. Up to and including August the amount of the bills which they rediscounted there was smaller than in the corresponding months of 1955. At the close of the year however the banks' rediscounting did definitely increase. This was due not only to the requirements usual at that time; the banks also accumulated cash with a view to subscribing for special Treasury Certificates.

Accommodation given by the National Bank as lender of last resort also includes its advances and its rediscounting of bills presented by the Rediscount and Guarantee Institute. The total of

**Discounts, Advances and Acceptance Credits granted to Business  
and Private Customers**

(in billions of francs)

At end of	To business and private customers resident in Belgium		To business and private customers resident abroad		Total	of which : Credit originally granted by commercial banks
	Financed by monetary institutions (1)	Financed outside monetary institutions	Financed by monetary institutions (1)	Financed outside monetary institutions		
1950 June .....	27.3	3.1	1.1	0.2	31.7	30.1
1954 December .....	41.7	8.1	1.7	1.6	53.1	51.0
1955 November ...	41.3	8.9	2.4	1.7	54.3	52.7
December .....	44.4	7.6	3.1	1.0	56.1	53.8
1956 January .....	42.0	9.3	2.0	2.4	55.7	53.4
February .....	42.2	9.4	2.5	2.2	56.3	53.9
March .....	43.4	8.6	2.6	1.9	56.5	54.4
April .....	42.9	8.9	2.8	1.8	56.4	54.4
May .....	43.5	9.1	3.0	2.0	57.6	55.6
June .....	42.1	10.6	3.1	2.0	57.8	55.9
July .....	42.2	10.4	3.3	1.9	57.8	55.9
August .....	42.4	10.5	3.0	2.0	57.9	56.2
September ...	45.1	10.3	2.6	1.7	59.7	57.5
October .....	45.1	9.9	2.8	1.5	59.3	57.7
November .....	45.9	10.1	2.8	1.4	60.2	58.4

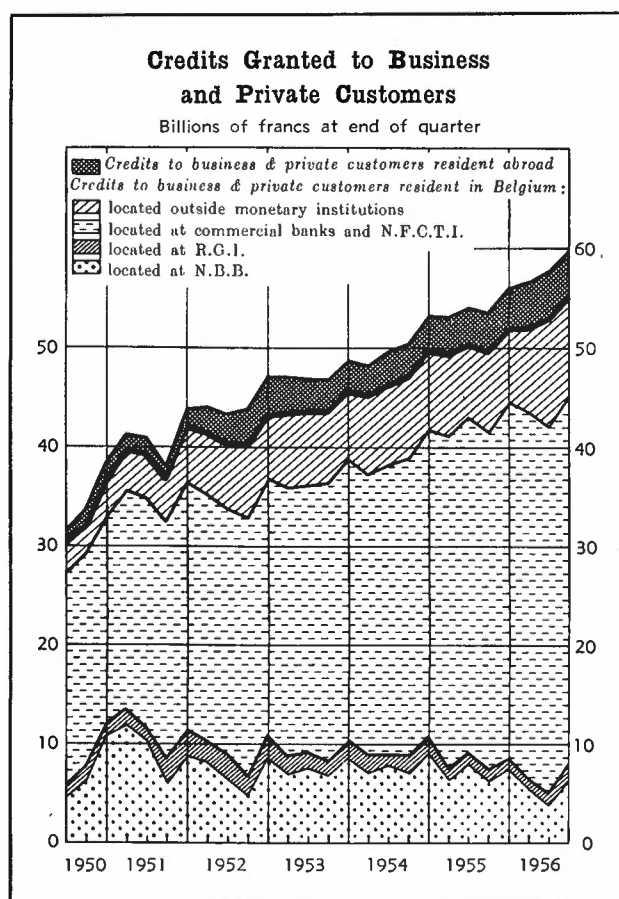
(1) Commercial banks, Rediscount and Guarantee Institute, National Bank of Belgium and National Fund for Credit to Trade and Industry.

such accommodation did not on the average attain the previous year's level. The amount of assistance given by the Central Bank reached a peak at the time of the seasonal strain in July; after declining in

August it then became steadily greater owing to the overall growth of lending. At the end of December the accommodation granted by the Central Bank was definitely greater than a year earlier.

The part of the credits granted to business and private borrowers resident in Belgium which is financed by the monetary system as a whole declined by nearly Fr. 2.5 billion in January, when the

market started to provide more credit after the turn of the year. Between January and August the amount of such credits located in monetary institutions varied between quite narrow limits, namely Fr. 42 and 43.5 billion. But in September it greatly increased, rising to over Fr. 45 billion, or more than at the end of December, 1955. This increase continued during the subsequent months; in November the total was nearly Fr. 46 billion.



The total amount of credits granted to business and private borrowers resident abroad varied little. Most of such credit takes the form of certified banking and commercial export acceptances; the amount of these rose from Fr. 3.1 billion at the end of 1955 to Fr. 3.9 billion in June, 1956, falling to Fr. 2.9 billion in November.

As to the forms in which banking assistance was granted there was little change in the breakdown as between discounts and advances. The former increased a little more, rising from Fr. 25.2 billion in November, 1955 to Fr. 27.4 billion in November, 1956; the latter amounted to Fr. 20.1 billion and Fr. 22 billion on the same dates.

The outstanding total of Belgian franc acceptances increased; the increase remained limited to Fr. 1.2 billion, and relates only

#### Acceptances in Belgian Francs <sup>(1)</sup>

(in billions of francs)

At end of	Certified Acceptances		Acceptances not certified	Total
	Bank Acceptances representing Imports	Bank and Commercial Acceptances representing Exports		
1950 June .....	2.1	0.8	0.5	3.4
1954 December .....	5.0	2.7	1.1	8.8
1955 November .....	4.8	3.2	1.5	9.5
December .....	4.9	3.1	1.8	9.8
1956 January .....	4.6	3.2	1.8	9.6
February .....	4.6	3.4	1.8	9.8
March .....	4.5	3.5	2.0	10.0
April .....	4.4	3.5	1.9	9.8
May .....	4.5	3.6	2.1	10.2
June .....	4.3	3.9	1.9	10.1
July .....	4.6	3.9	2.2	10.7
August .....	4.6	3.6	2.5	10.7
September .....	4.6	3.3	2.6	10.5
October .....	4.5	3.1	3.0	10.6
November .....	4.8	2.9	3.0	10.7

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

to uncertified acceptances. On the other hand there was little change in the outstanding total of acceptances given in connection with imports, despite the growth of these latter. And the amount of acceptances certified in respect of exports fell from July onwards as the result of amendment of the terms on which the National Bank will certify bills drawn in connection with the export of various products.

# Items in the Position of the Commercial Banks <sup>(1)</sup>

(in billions of francs)

A. Liabilities							
At end of	Call Loans plus Amounts due to Bankers, Parent Institutions, Branches and Subsidiaries	Deposits			Bonds	Other Liabilities	Capital and Reserves
		At sight and up to one month	Time (including deposit books)	Total			
1950 June .....	6.5	41.4	12.9	54.3	0.2	9.8	5.0
1954 December .....	8.2	50.7	21.7	72.4	2.9	14.9	6.7
1955 November ...	9.9	54.2	23.3	77.5	3.7	16.3	7.0
December .....	10.1	55.2	23.9	79.1	3.8	16.2	7.0
1956 January .....	10.6	52.8	23.3	76.1	3.9	16.7	7.2
February .....	10.4	51.3	23.9	78.2	3.9	16.4	7.2
March .....	11.4	55.6	25.0	80.6	4.0	17.3	7.2
April .....	10.7	55.6	25.1	80.7	4.1	17.7	7.3
May .....	9.6	56.3	25.2	81.5	4.1	17.9	7.3
June .....	8.7	57.1	25.0	82.1	4.1	18.2	7.4
July .....	9.0	55.8	23.1	78.9	4.2	18.0	7.4
August .....	9.4	56.5	23.8	80.3	4.2	17.8	7.4
September ...	9.4	57.7	24.3	82.0	4.2	17.3	7.4
October .....	9.9	58.5	24.6	83.1	4.2	18.3	7.5
November .....	10.6	57.9	23.8	81.7	4.2	18.4	7.5

B. Assets									
At end of	Cash, Balances at N.B.B. and Postal Cheque Office	Call Loans plus Amounts due from Bankers, Parent Institutions, Branches and Subsidiaries	Claims on Public Authorities			Claims on Business and Private Customers			Other Assets
			Public Short-term Securities	Other Belgian Public Securities	Total	Discounts	Loans and Advances	Total	
1950 June .....	2.5	5.7	29.1	6.4	35.5	8.3	13.6	21.9	10.2
1954 December .....	5.0	6.1	27.3	19.2	46.5	11.7	18.6	30.3	17.2
1955 November ...	2.8	7.1	31.6	20.0	51.6	14.6	20.1	34.7	18.2
December .....	5.7	6.0	29.3	20.4	49.7	15.7	20.4	36.1	18.7
1956 January .....	2.8	6.1	30.8	21.0	51.8	14.6	20.6	35.2	18.6
February .....	2.7	7.0	30.6	21.0	51.6	16.1	20.2	36.3	18.5
March .....	4.5	6.6	31.1	21.5	52.6	17.9	19.6	37.5	19.3
April .....	2.7	7.7	31.5	21.5	53.0	17.7	20.8	38.5	18.6
May .....	3.0	6.9	31.7	21.3	53.0	16.7	21.4	38.1	19.4
June .....	3.0	7.2	31.9	21.8	53.7	15.4	21.3	36.7	19.9
July .....	2.9	6.5	31.6	21.3	52.9	14.5	20.8	35.3	19.9
August .....	2.8	7.3	31.9	21.1	53.0	15.9	20.8	36.7	19.3
September ...	2.9	7.7	32.6	21.3	53.9	14.7	21.6	36.3	19.5
October .....	3.0	7.3	33.6	21.6	55.2	15.7	22.0	37.7	19.8
November .....	3.0	7.2	32.3	21.8	54.1	16.1	22.0	38.1	20.0

<sup>(1)</sup> Since the end of October, 1952 the accounts of the offices in Belgium of the Bank of the Belgian Congo have been included in the total figures for the Belgian banks.

Between November, 1955 and November, 1956 deposits at banks expanded by 5.4 % against 8.8 % in the previous twelve months; they amounted to Fr. 81.7 billion in November against Fr. 77.5 billion a year before. Their growth was steady except in January, July and November. In January the issue of the Government loan coincided with payment of the road vehicles tax and advance payments on account of earned income tax. In July there were seasonal withdrawals for holidays as well as advance payments on account of earned income tax, subscriptions to the Government loan, and payment of dividends by Congo companies. From August onwards deposits were growing again, and at the end of September they reattained their June total, rising to a peak in October. The November withdrawals were due partly to the issue of the Government loan and partly to public reactions to international events.

During the first eleven months as a whole the increase took place almost exclusively in deposits at sight and up to one month. On the other hand time deposits and balances on deposit books, after having touched a maximum of Fr. 25.2 billion in May, dropped to Fr. 23.1 billion in July. They then rose again to Fr. 23.8 billion in November, this being 2.1 % more than a year previously.

The amount of resources which the banks obtained by issuing bonds was smaller than in previous years. These resources, which are not subject to the regulations governing proportions of cover for current liabilities, are used in particular for granting medium-term loans.

On the assets side the claims on public authorities increased more largely and more regularly than credits granted to business and private customers.

The rules relating to banks' cover proportions were not changed during 1956. The very short-term Treasury Certificates taken by the banks since these securities were created in May, 1956 appear in their holding of public short-term securities.

**Postal Cheque  
Office**

**Balances of Depositors  
(other than Treasury Agents)  
at the Postal Cheque Office  
(in billions of francs)**

At end of	
1950 June .....	17.8 <sup>1</sup>
1954 December ...	22.1
1955 December ...	22.8
1956 January .....	21.6
February .....	21.3
March .....	21.7
April .....	22.0
May .....	22.4
June .....	22.9
July .....	22.6
August .....	21.9
September ...	21.6
October .....	21.7
November ...	21.9
December ...	23.9

(1) Excluding the « B » Account of the National Bank of Belgium.

In the same way as in previous years the movement in free balances of depositors other than Treasury Agents at the Postal Cheque Office was somewhat irregular, but showed the usual peaks at the ends of half-years.

On the average of the whole year these accounts shared in the general monetary expansion, but to a lesser extent than other forms of money did.

**Rediscount and  
Guarantee Institute**

The average amount of the discounted bills held by the Rediscount and Guarantee Institute at the ends of months was the same as in 1955 at Fr. 2.3 billion.

**Rediscount and Guarantee  
Institute's Holding  
of Commercial Bills  
(in billions of francs)**

At end of	
1950 June .....	1.6
1954 December ...	2.0
1955 December ...	1.8
1956 January .....	2.2
February .....	2.7
March .....	1.6
April .....	3.2
May .....	2.2
June .....	2.1
July .....	1.5
August .....	2.3
September ...	2.5
October .....	2.4
November ...	2.3
December ...	2.3

The sales of bills to non-monetary institutions were greater owing to the abundance of funds at the disposal of these institutions.

The supply of call money on the market for clearing funds, where the Institute obtains the means of financing its bill holding, reached a total a little higher than in 1955; at certain times during the first half-year it even exceeded the requirements of the Institute. The latter's need of recourse to the National Bank was much smaller; its average total

of end-of-month rediscounts fell to Fr. 1.5 billion in 1956 against Fr. 2.5 billion for the previous year.

Movements in the assets and liabilities of the Central Bank reflect those which have already been analysed in the various elements of the monetary situation.

National Bank  
of Belgium

The balance of payments surplus caused a further increase in the gold and foreign exchange holdings. The net amount by which these exceeded the foreign liabilities reached a peak at the end of August, and increased on balance by Fr. 0.8 billion during 1956.

The holding of public short-term securities, which is limited to Fr. 10 billion by the Convention of 14th September, 1948, remained close to or above Fr. 8 billion except in January. The available margin therefore continued to be small. It is affected not only by the Treasury's position but also by the size of advances to institutions whose liabilities are guaranteed by the Government, especially the Securities Stabilisation Fund. This latter had to resort more to Central Bank credit during the second half-year, except in October and the first weeks of November.

During the period up to and including October the total amount of commercial bills rediscounted at the National Bank was smaller than in the corresponding months of the previous year. It reached its highest points of Fr. 7.1 billion and Fr. 11.4 billion at the end of July and the end of the year respectively. Its average for 1956 was Fr. 5 billion against Fr. 6.5 billion in 1955.

The amount of advances on public securities is much smaller. The average of these for 1956, at about Fr. 0.4 billion, was of the same order as in 1955. The movement in them was as usual irregular, with increases especially at times of tightness in the money market.

# Items in the Position of the National Bank of Belgium

(in billions of francs)

A. Liabilities										
At end of	Sight Liabilities				Special Deposits of N.I.C.C.	Other Liabilities				
	Notes in Circulation	Liabilities to Foreign Countries (1)	Other Sight Liabilities	Total						
1950 June .....	87.3	2.8	2.2	92.3	—	4.0				
1954 December ...	102.7	1.6	3.0	107.3	—	4.6				
1955 December ...	107.5	1.2	3.0	111.7	—	3.6				
1956 January .....	104.7	0.8	1.7	107.2	—	3.3				
February .....	106.0	0.8	1.7	108.5	0.3	3.5				
March .....	106.4	0.8	3.0	110.2	0.2	3.5				
April .....	107.0	1.0	1.4	109.4	0.2	3.7				
May .....	107.2	1.3	1.4	109.9	0.3	4.0				
June .....	108.4	1.4	1.4	111.2	0.3	5.1				
July .....	110.0	1.7	1.5	113.2	0.2	5.1				
August .....	109.9	1.3	1.5	112.7	0.2	5.6				
September ...	109.8	3.2	1.4	114.4	0.3	5.5				
October .....	110.7	1.0	1.5	113.2	0.3	6.4				
November ...	110.0	0.9	1.5	112.4	0.1	7.0				
December ...	111.5	1.3	2.8	115.6	0.3	5.2				
B. Assets										
At end of	Gold Holding and Foreign Assets (1)	Conso- lidated Claim on the Govern- ment	Public Short-term Securities (Convention of 14 Sep. 1948)				Claims on Business and Private Customers			Other Assets
			Treasury Certi- ficates	Secu- rities issued by Insti- tutions whose liabi- lities are guaran- teed by the Govern- ment	Other Public Belgian Short- term Securi- ties	Total	Commer- cial Bills	Advanc- es on Public Secu- rities	Total	
1950 June .....	41.5	34.9	4.9	3.4	0.2	8.5	4.6	0.5	5.1	6.3
1954 December ...	52.1	34.7	7.9	1.2	0.1	9.2	9.5	0.3	9.8	6.1
1955 December ...	57.3	34.7	8.8	0.8	0.1	9.7	8.4	0.2	8.6	5.0
1956 January .....	58.7	34.7	5.9	0.1	0.3	6.3	5.4	0.4	5.8	5.0
February .....	59.0	34.7	7.8	0.1	0.3	8.2	4.4	0.7	5.1	5.3
March .....	59.5	34.7	6.8	0.7	0.3	7.8	5.9	0.3	6.2	5.7
April .....	60.6	34.7	8.6	—	0.2	8.8	3.2	0.3	3.5	5.7
May .....	59.8	34.7	7.9	0.3	0.2	8.4	4.8	0.3	5.1	6.2
June .....	60.6	34.7	7.2	1.5	0.2	8.9	4.5	0.7	5.2	7.2
July .....	60.5	34.7	6.4	1.7	0.2	8.3	7.1	0.8	7.9	7.1
August .....	61.5	34.7	8.2	1.3	0.2	9.7	4.6	0.3	4.9	7.7
September ...	62.4	34.7	7.6	1.4	0.1	9.1	6.2	0.5	6.7	7.3
October .....	60.9	34.7	8.7	0.6	0.1	9.4	6.0	0.8	6.8	8.1
November ...	60.3	34.7	7.4	1.6	0.1	9.1	6.6	0.3	6.9	8.5
December ...	58.2	34.7	5.9	1.8	0.1	7.8	11.4	0.5	11.9	8.5

(1) The net balance of the gold holding and foreign assets less the liabilities to foreign countries corresponds to the total net gold and foreign assets as shown in the table on page 26.



From 6th December onwards the rates of discount applied by the National Bank were raised by 0.50 %, the standard rate for accepted bills domiciled at banks being put up to 3.50 %.

At the close of the year the gold and foreign assets amounted to 50.3 % of the total sight liabilities, against 51.3 % a year before. The corresponding proportion for advances to public authorities, including the consolidated claim, was 36.8 % as compared with 39.7 % at the end of 1955. That for credits granted to business and private customers was 10.3 % against 7.7 % a year earlier.

The National Bank's sight liabilities showed during 1956 an increase of Fr. 3.9 billion, or slightly less than that of Fr. 4.4 billion in the previous year. The note circulation represents 96.5 % of these liabilities.

The balances formed at the National Bank by the National Industrial Credit Company under agreements in respect of the part played by it in financing payment agreements did not exceed Fr. 0.3 billion after February, 1956.

During the first months of the year the markets for money at very short term, one in clearing funds and the other in non-clearing, were rather frequently characterised by an excess of supply over a reduced demand. That explains the reduction in the amounts changing hands, which was especially apparent on the market in non-clearing funds.

**Very Short-term  
Money Markets**

In addition the creation in May of a new type of public short-term security in the shape of the very short-term Treasury Certificates gave to the institutions operating in the market other facilities for placing money for short periods.

During the second half-year the needs of the Securities Stabilisation Fund and the Rediscount and Guarantee Institute became greater, while the market supply of non-clearing funds showed definite

seasonal contraction; it then remained at quite a low level, except from November onwards.

The amount offered by lenders on the market for clearing funds remained fairly steady between Fr. 2.5 and 3 billion apart from periods of passing tightness, or conversely apart from temporary increases when the issue of a public loan put larger supplies of cash into the banks' hands. The money offered enabled the Rediscount and Guarantee Institute easily to finance the greater part of its operations. There were times during the first half-year when the Institute did not take all the funds offered, especially in February, March, April and June, when on certain days the surpluses not taken reached Fr. 1.3 billion.

#### Markets for Money at Very Short Term

(in billions of francs)

Daily Average for	Total Money Handled	Amounts Lent		Amounts Borrowed			Amounts Refused
		By Clearing Institutions	By Non- Clearing Institutions	By R.G.I. for its own account	By Securities Stabilisation Fund	By Sundry Institutions	
1955 .....	5.6	2.6	3.0	2.5	2.8	0.3	—
1956 .....	5.2	2.7	2.5	2.5	2.3	0.4	0.1
1956 January .....	5.4	2.7	2.7	2.6	2.5	0.3	—
February .....	5.2	2.3	2.9	2.1	2.4	0.7	0.8
March .....	5.1	2.8	2.3	2.6	2.2	0.3	0.8
April .....	5.0	2.8	2.2	2.5	2.0	0.5	0.3
May .....	5.1	2.7	2.4	2.5	2.1	0.5	0.2
June .....	4.7	2.6	2.1	2.3	2.0	0.4	0.1
July .....	3.9	2.5	1.4	2.2	1.3	0.4	—
August .....	4.8	2.4	2.4	2.1	2.3	0.4	—
September ...	4.8	2.6	2.2	2.3	2.2	0.3	—
October .....	5.2	3.1	2.1	2.8	2.1	0.3	—
November ...	7.3	3.5	3.8	3.2	3.5	0.6	—
December ...	6.3	3.0	3.3	2.7	3.2	0.4	—

During the same period there were also refusals of money on the non-clearing market, owing to the decrease in requirements of the Securities Stabilisation Fund, the chief taker. Any such position had been quite exceptional during 1955. From June and July onwards the offerings of money were no longer enough to meet the demand, although the issue of very short-term Treasury Certificates was reduced. It was only from the end of the third quarter that

offerings became larger again; in November the strain was lessened as a result of a large increase in the amount of money offered.

Conditions on the money markets were reflected in the course of interest rates. The call money rate was set at 1.50 % in August, 1955, and remained unchanged until May, 1956. At the end of February, 1956 a change in the arrangements governing the two markets made it possible to deal in money not only at call but also for periods of five or ten days; up till the end of May business for these periods was done at 1.60 % and 1.70 % respectively.

Later the various rates fluctuated. From July onwards they were raised until at the beginning of October they reached 1.70 %, 1.80 % and 1.90 % for money at call, five and ten days respectively. Since then there has been no further change.

#### Rates for Money and Treasury Certificates at Very Short Term

Average for	Money at			Treasury Certificates at		
	1 day	5 days	10 days	5 days	10 days	15 days
1955 first 7 months	1.25					
last 5 months	1.50					
1956 January .....	1.50					
February .....	1.50	1.60 <sup>1</sup>	1.70 <sup>1</sup>			
March .....	1.50	1.60	1.70			
April .....	1.50	1.60	1.70			
May .....	1.47	1.61	1.71	1.60 <sup>2</sup>	1.70 <sup>2</sup>	1.80 <sup>2</sup>
June .....	1.46	1.63	1.72	1.60	1.71	1.78
July .....	1.58	1.68	1.78	1.65	1.75	1.85
August .....	1.64	1.74	1.84	1.65	1.75	1.85
September ...	1.65	1.75	1.85	1.65	1.75	1.85
October .....	1.70	1.80	1.90	1.70	1.80	1.90
November ...	1.70	1.80	1.90	1.70	1.80	1.90
December ...	1.70	1.80	1.90	1.70	1.80	1.90

(1) From 27th February, 1956.

(2) From 7th May, 1956.

The very short-term Treasury Certificates created as from 7th May, 1956 make it possible to soak up any funds which may be unemployed, and thus to affect the amount of liquid monetary resources. In so far as the market position justifies it the National Bank can take 5, 10 or 15-day certificates with a view to selling them

to banks or financial institutions established by law. The amount of such certificates outstanding reached a peak of Fr. 1.7 billion in June; it then declined, by successive stages, to less than Fr. 0.2 billion in December. The rates of interest on these certificates were affected by the rise in rates for money at very short term.

#### Capital Market

The total amount of securities publicly issued by the Government, local authorities, the Congo, Autonomous Funds and para-statal institutions was Fr. 23.7 billion against Fr. 14.8 billion in 1955. Gross borrowings by the Treasury reached a total of Fr. 14.8 billion. The local authorities between them issued Fr. 3.6 billion, the Belgian National Railways Company Fr. 1.9 billion excluding conversion loans, the Congo Fr. 2.1 billion and the Telegraphs and Telephones Board Fr. 1.2 billion.

Net issues of shares and bonds of Belgian and Congo industrial and commercial companies amounted to Fr. 3.2 billion in the first half-year; they increased in the third quarter, reaching Fr. 2 billion. Their total for the first nine months of the year was greater than for

the corresponding period in 1955.

**General Savings Fund**  
**Deposits on Individual Savings Books <sup>(1)</sup>**  
(in billions of francs)

Monthly Average for	In-payments	Out-payments	Net Movement
1955 .....	1.1	1.0	+ 0.1
1956 .....	1.2	1.0	+ 0.2
1956 January .....	1.6	0.8	+ 0.8
February .....	1.0	0.7	+ 0.3
March .....	1.1	1.0	+ 0.1
April .....	1.2	1.0	+ 0.2
May .....	1.2	1.1	+ 0.1
June .....	1.3	1.2	+ 0.1
July .....	1.4	1.0	+ 0.4
August .....	1.2	1.0	+ 0.2
September .....	1.1	1.0	+ 0.1
October .....	1.3	1.1	+ 0.2
November .....	0.8	1.1	- 0.3
December .....	1.2	1.2	—

<sup>(1)</sup> From July, 1956 provisional figures.

In-payments on savings books of individual depositors at the General Savings Fund showed a slight increase on the previous year except during the last month or two, when the public were accumulating cash with a view

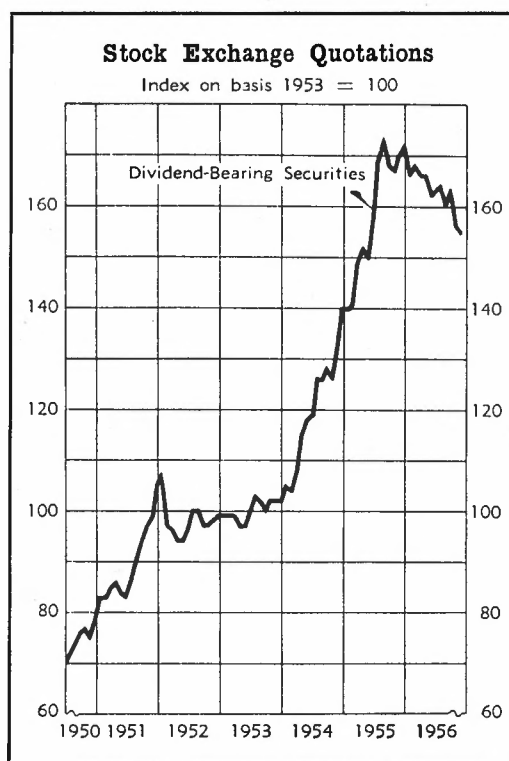
to making purchases. Although out-payments showed some increase in the second half of the year, their average level was the same as in 1955. The monthly average excess of deposits over withdrawals was Fr. 182 million as compared with the 1955 figure of Fr. 120 million.

To judge by the total of duties collected, the overall amount of mortgages registered during the first nine months of 1956 was a little greater than in the two preceding years, when the average had been Fr. 1.8 billion per month.

In the case of the other financial investments for which figures can be obtained, and which will now be discussed, total transactions were somewhat smaller than during 1955.

It has already been seen that balances on time accounts and deposit books at banks grew at a slower rate than in the previous year. Similarly the amount of bonds issued by banks was smaller.

Stock exchange dealings in dividend-bearing securities declined somewhat considerably. The monthly average amount of dealings on Brussels share markets was scarcely more than two-thirds of that in 1955, when there had been a good deal of activity. The overall index of cash quotations for Belgian and Congo shares fell from 170 in January to 158 in December. This decline especially affected the securities of Congo



companies, the shares of which had shown the most rapid rise during the previous years, while the yields on them seemed likely to suffer

#### Market for Dividend-Bearing Securities

Period	Index of Quotations Basis : 1953 = 100 (1)	Total Dealings per month (in billions of francs) (2)
1955 .....	157	3.1
1956 .....	164	2.3
1956 January .....	170	2.6
February .....	166	1.9
March .....	169	2.5
April .....	164	2.3
May .....	167	2.6
June .....	165	2.2
July .....	165	2.6
August .....	163	2.2
September .....	160	2.1
October .....	163	2.5
November .....	158	2.1
December .....	158	2.1

(1) Brussels and Antwerp Stock Exchanges. Dealings for cash. Average of 1st and 15th of each month.

(2) Brussels Stock Exchange. Dealings for cash and the account.

from the irregularity in prices of raw materials as well as from the political events. Belgian shares on the other hand mostly showed a certain firmness. Nevertheless there were some falls, especially in the categories of glass and leather - working, sugar, and vehicle construction and

repair. On the other hand further rises were in most cases shown by shares of companies concerned with building or building materials, steelworking, metal manufacture and large-scale retail business.

## PRODUCTION AND TRADE

In the same way as in 1955 the cyclical expansion in many countries was reflected more clearly in physical terms than in monetary movements, at least before the last quarter of the year.

Industrial production made further progress, the extent of which varied a good deal between countries. For the first ten months of the year its ratio of increase by comparison with the corresponding period in 1955 was 10.6 % in France, 8.5 % in Germany, 7.7 % in Italy and 7.0 % in Belgium, but only 3.2 % in the United States and 1.3 % in the United Kingdom. In these last two countries the factors affecting it included less prosperous conditions in the automobile industry and house-building, as well as labour disputes.

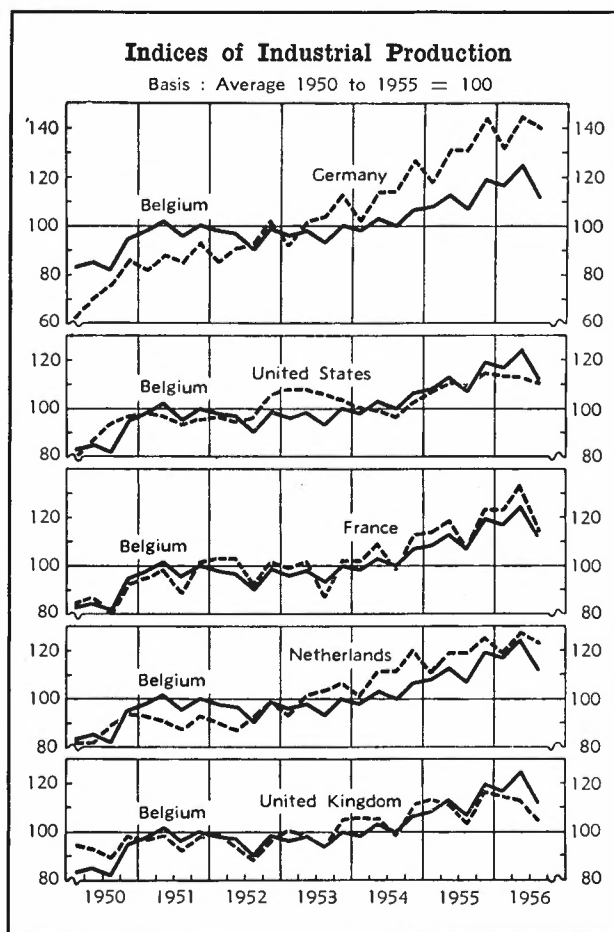
Since the start of the present prosperity in Europe capital investment has been the main element in the expansion of overall demand. By permitting remarkable development of production capacities in conditions of satisfactory monetary stability, thanks to the amount of fresh saving, it has greatly strengthened the European economic structure. As strains appeared however a number of countries, including Belgium and the Netherlands, have discontinued certain measures for stimulating investment which had been introduced during the previous phase of the cycle. Other measures were in many cases given a selective character so as not to hamper investment in industry.

But for some months now the high level of economic activity has been less linked with formation of fixed capital. The growth of

wages, salaries and distributed profits has caused a fresh rise in private consumption, reflected inter alia in a sudden up-turn in the demand for textile products in Europe.

Thus in Belgium the prosperity, while becoming more marked in the heavy industries, has increasingly spread to other branches of

activity. Several industries face a growing shortage of skilled workers. This trend, and the need for action to ensure constant improvement of the productivity and equipment of industry, make it desirable to pay special attention to development of scientific research and technical training in both universities and trade schools.



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

Fr. 75.2 billion in 1955. Certain indications, although incomplete, support the view that it may have exceeded Fr. 80 billion in 1956.

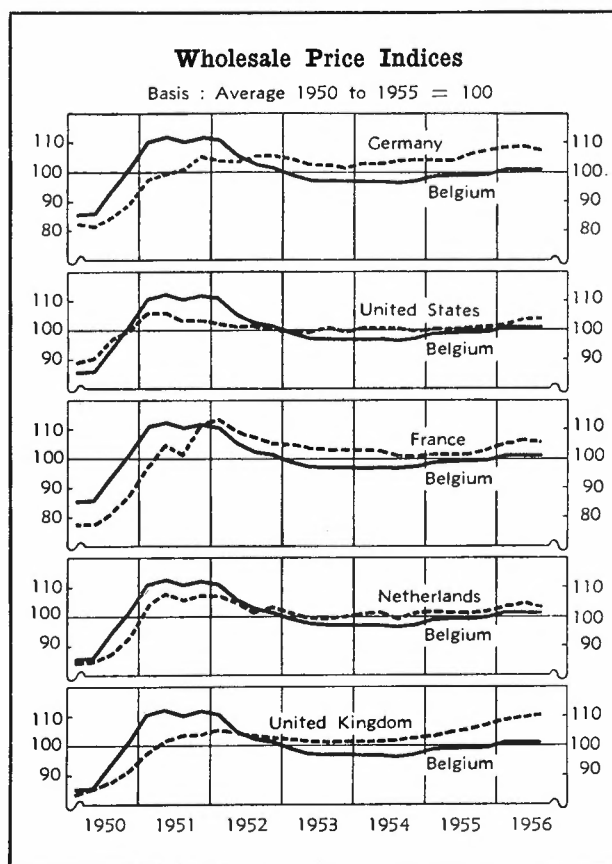


Private consumption continues to grow, mainly as regards durable goods, although the tendency is also upward for foodstuffs. The wave of buying in October and November resulted in consumers' forming stocks which may later be a burden on the market.

It is however foreign demand that has remained the mainstay of the high activity. It has given rise to exports and imports on a very large scale, and approximately in balance according to the Customs statistics; the terms of trade have improved as a result of the rise in export prices.

The increase of prices is one aspect of an upward tendency in certain elements of cost which has been threatening the Belgian economy for several months, even though in lesser degree than in various foreign countries. The closing of the Suez Canal will in turn raise the cost price of a number of products through its effects on the fuel markets and on marine

freights. The trend in wholesale prices has generally been more favourable in Belgium than abroad. But the retail price index has risen roughly in the same proportion as the wholesale, whereas during the 1951 upward movement it had lagged well behind; one reason



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

is the rise in the price of services that are included in the index. The Government has considered various measures with a view to checking the rise and avoiding a cumulative movement in prices and wages.

### National Income

Source : National Statistical Institute.

Year	At Current Prices		At Constant Prices	
	Amount (in billions of francs)	Index (1953 = 100)	Amount (in billions of francs)	Index (1953 = 100)
1948 .....	256	77	278	84
1949 .....	255	77	280	84
1950 .....	274	83	301	91
1951 .....	312	94	312	94
1952 .....	321	97	321	97
1953 .....	332	100	332	100
1954 .....	346	104	339	102
1955 .....	366	110	359	108

As a result of economic prosperity the national income grew rapidly in 1955. Although it is too early to state figures for 1956 there is ground for expecting a further increase of the order of 5 % in real terms in view of the growth in the output of goods and services.

### Coal Mines

The coal industry has not kept up with the expansion of the Belgian economy as a whole. Its output amounted, as it had done in 1955, to about 30 million tons.

This situation results chiefly from the reduction in the number of workers; the monthly average number attending per working day fell from 127,000 in December, 1955 to 120,000 at the end of 1956. The proportion of foreign workers, the recruiting of whom is proving difficult, was about 44 % of those employed. Incidentally the feeling caused by the disaster in the Bois du Cazier mine at Marcinelle caused several labour stoppages at pits in the southern part of Belgium. On the other hand progress made in

modernisation of equipment caused a further increase in individual output; the average daily amount of coal mined per worker reached 840 kg in 1956 against 826 kg in the previous year.

Since Belgian production did not cover the growing needs, and since the coal offered by the usual suppliers was insufficient, imports from the United States had to be appreciably increased. Purchases of coal abroad rose from a total of 3.3 million tons for the first eleven months of 1955 to 4.1 million for the corresponding period in 1956. Exports on the other hand declined from 7.3 million to 4.9 million tons; but the quantities exported in 1955 had been particularly high. The reduction applied chiefly to shipments to France and the Netherlands.

In the course of the year pithead stocks decreased from 371,000 to 182,000 tons.

The strong demand on the European market, the raising of wages in European coal industries and cuts in working

hours caused a general rise of coal prices. In Belgium the scales of selling prices still subject to control by the High Authority of the European Coal and Steel Community were raised by an average of 24 francs per ton on 8th June, and of 76 francs per ton on 10th October, 1956. The quotations freely determined by producers also rose. For all coal produced the rise during the year was of the order of 11 %.

The Belgian Government granted a subsidy of Fr. 700 million to the coal mines with a view to offsetting the financial effect of the reduction in working hours.

#### Coal Production

Source : Directorate General of Mines.

Monthly Average for	Production (thousands of tons)	Output per man-day of underground and surface workers actually at work (kg)
1951 .....	2,471	739
1953 .....	2,505	758
1955 .....	2,498	826
1956 .....	2,463	840
1956 1st quarter .....	2,616	833
2nd » .....	2,573	860
3rd » .....	2,152	829
4th » (p) .....	2,510	840

(p) Provisional figures.

The financial aid which the European Coal and Steel Community gives on three-quarters of the coal produced in Belgium was cut by a third from 10th February, 1956 onwards; for 1956 as a whole it amounted to nearly Fr. 1.2 billion, half of which was borne by the Belgian Treasury.

The perequation system has been completely recast. From 1st January, 1957 onwards the profitable mines which can already be integrated into the common market will no longer benefit from perequation; they represent nearly 45 % of Belgian output. Those mines which cannot be integrated are excluded from the benefit of perequation as from 10th February, 1957. The whole of the financial assistance will go to such of the mines as prove able, at the end of the transition period, to stand competition within the common market.

#### Coking Plants

Coking plants have further extended their productive capacity with a view to ensuring supplies of coke to the steel industry. The monthly average tonnage produced in the first ten months of the year rose from 545,000 tons in 1955 to 600,000 tons in 1956. The monthly average exports during the same periods were 63,000 and 76,000 tons respectively.

The strong demand for coke and the rise in the price of American coal, which accounts for 23 % of the fuel used for charging furnaces, caused a price-rise of 41 % for blast furnace coke and one of 20 % for other types.

#### Gas

Thanks to the sustained activity of the coking plants the output of gas increased by 9 %, rising from 1,701 million cubic metres in the first ten months of 1955 to 1,859 million cubic metres in the corresponding period of the following year.

Deliveries of gas to consumers conformed to the rate of expansion in output, amounting to 682.7 million and 745.0 million cubic metres for the same two periods. Industrial use of gas showed a further rise.

The output of electricity during the first ten months showed an increase of nearly 9 %. This exceeded the increases recorded in earlier years, except that of roughly 12 % in 1951. **Electricity**

A number of electricity companies have amalgamated with a view to rationalising and coordinating their activity in pursuance of the July, 1955 Convention signed by representatives of the private companies producing and distributing electricity, of the Federation of Belgian Industries and of the trade union federations.

The constant expansion of demand entails steady growth of the activity of petroleum refineries. These handled 5.8 million kilolitres **Mineral Oils**

#### Petroleum Refineries

Source : Ministry of Finance, Excise Department.

Monthly Average for	Input of Crude Petroleum  Thousand kilolitres	Production		
		Light Oils  Thousand kilolitres	Other Oils used for Fuel	
			Fuel Oil	Others
			Thousand tons	
1951 .....	82.6	18.5	32.9	16.0
1953 .....	307.7	78.5	111.6	65.9
1955 .....	453.0	118.5	143.4	96.9
1956 1st quarter .....	528.2	140.3	169.2	122.5
2nd » .....	602.7	142.0	201.4	137.0
3rd » .....	488.5	132.1	151.6	117.4
October .....	558.6	126.6	178.9	110.3
November .....	424.8	120.6	96.0	80.0

of crude petroleum during the first eleven months of the year, against 4.9 million kilolitres in the corresponding period of 1955.

The consumption of petroleum products on the domestic market steadily increased; the increase applies chiefly to oils used for fuel, the employment of which for industrial purposes is rapidly spreading. Foreign demand was also very active.

At the end of November the Government had to cut down the consumption of mineral oils, since international events had reduced European supplies of crude petroleum.

The wholesale prices of petroleum products, especially gas oil and fuel oil, tended to rise slightly until November; they then rose by about 11 % as a result of the international events.

#### Steel Industry

The steel industry continued to use its production capacity to the maximum extent, even though this had been increased by rationalisation and extension among both blast furnaces and steelworks. The output of raw

#### Production of Raw and Finished Steel

(in thousands of tons)

Source : National Statistical Institute.

Monthly Average for	Raw Steel	Finished Steel
1951 .....	417	324
1953 .....	369	280
1955 .....	492	366
1956 1st quarter .....	532	408
2nd » .....	535	397
3rd » .....	510	373
October ..... (p)	581	440
November ... (p)	526	
December ... (p)	529	

(p) Provisional figures.

steel increased by a further 8 % in 1956. Nevertheless demands were not met within the normal periods. Orders coming from foreign markets were especially large, the more so since a prolonged strike in the United States in July removed the danger of that market's becoming saturated.

Besides this, construction projects and the large requirements of Belgian manufacturing industries raised the domestic demand for steel to a very high level. Raw material supplies were ensured only through purchase of coking coal and scrap in the United States. The unfavourable effect of these purchases on production costs was strengthened by the upward

movement in scrap prices on the home market since 1955 as well as in prices for French and Swedish ores. On the other hand the introduction in May, 1956 of direct scales of freight rates for conveying steel products and scrap by rail to places within the European Coal and Steel Community reduced transport costs.

The regulating effect of the common market on price movements has become more clearly evident, since the well sustained demand and the increase in costs were not accompanied by any abrupt rise in selling prices comparable to that of 1951.

The Belgian scale prices for merchant steels, Seraing parity, rose from Fr. 4,950 to Fr. 5,150 per ton in January, 1956, and have not changed since then. On the other hand there were further rises for certain other products.

The minimum quotations fixed for merchant steel by the firms signatory to the Brussels Convention as regards sales in countries not forming part of the European Coal and Steel Community were carried by successive rises from Fr. 5,150 per ton at the end of 1955 to Fr. 5,600 at the end of 1956. But various products including shipbuilding plates, which have been in keen demand, showed greater rises. It should be pointed out that these are minimum quotations which were far exceeded by the real quotations. These latter vary from one contract to another, often according to the periods requested for delivery. The unit-value of steel exports rose from an average of Fr. 5,800 per ton in 1955 to one of Fr. 6,400 during the first nine months of 1956.

Sales of Belgian-Luxemburg steel products on foreign markets continued to rise, owing amongst other things to increased deliveries to the United Kingdom, North America and the Far East; for the first nine months of 1956 they showed an increase of 26 % in value and 13 % in quantity by comparison with the corresponding period of the year before.

Since the common market has been operating France has become an important customer. On the other hand Western Germany reduced its purchases in 1956, and was passed by the Netherlands, which became the chief taker.

During the last few months the U.S.S.R. has given orders for steel, these being offset by Belgian purchases of pig iron. Among South American countries Venezuela and Argentina remained the best customers, while among those in Africa the Belgian Congo kept up a good flow of purchases.

On the home market the High Authority of the European Coal and Steel Community acted to have an end put to the discriminatory effects of certain exemptions from the turnover tax. Up till January, 1956 only Belgian, and in some cases Luxemburg, products enjoyed exemption for deliveries to Belgian public departments. The Belgian Government then decided that all products coming under the common market and supplied direct to Belgian public authorities or institutions by a producing member of the Community should have the benefit of such exemption.

#### **Metal Manufactures**

In the metal manufacturing industry there was a growth of activity similar to that recorded in 1955. It was reflected in the engagement of many workers, and by increases in orders booked and in deliveries both for the home market and for export.

The number of persons at work has increased by 14,000 since the end of 1955 despite shortages of skilled labour. The 45-hour working week has been introduced in many enterprises under individual agreements; the additional hours required for bringing the total up to between 46 and 48 may be worked subject to agreement of the trade union delegates, payment being made for them at the normal hourly wage rate.



Among the few industries which did less well, railway rolling stock building has not yet overcome its reorganisation crisis, even though fresh orders improved its position during the second half-year. Weapon manufacturers as well as the makers of bicycles and motor cycles were also in a less favourable position.

As regards primary manufacturers there was a considerable increase of activity among steel moulders,

among makers of bolts, nuts and other forging products, and among wire-drawers, makers of rolled products and cold-drawers.

Increases of production of metal goods were especially marked in the industries turning out building accessories. In durable consumer goods expansion ran parallel with the trend in neighbouring countries. The automobile industry was virtually untouched by the crisis which affected that industry in the United Kingdom and United States, although at the end of the year it did feel the effect of the traffic restrictions. Electrical household appliances, television and radio sets were produced in increasing number.

The making of industrial electric equipment, machinery and apparatus for the mining, food, chemical and sundry other industries was particularly favoured by the high level of capital investment in most countries.

Shipbuilders benefited from very keen demand for various types of ship. Their order backlogs assure them of a high state of activity for several years.

#### Metal Manufactures <sup>(1)</sup>

(in millions of francs)

Source : Fabrimental and National Statistical Institute.

Monthly Average for	Orders Booked	Exports	Deliveries to Domestic Market
1951 .....	4,392	1,587	2,242
1953 .....	4,195	1,639	3,048
1955 .....	5,447	1,927	3,611
1956 1st quarter .....	7,257	2,128	3,695
2nd » .....	6,952	2,343	4,373
3rd » ..... (p)	6,854	2,310	4,008
October ..... (p)	8,131	2,326	4,279

(1) Production by sub-contractors not deducted. Basis of census widened as from 1953.

(p) Provisional figures.

Exports of metal manufactures, which amounted to Fr. 18.4 billion in the first nine months of 1955, showed an increase of 13 % at Fr. 20.8 billion for the corresponding period of 1956. The share of the Netherlands in this total rose owing to large sales to that country of wire-drawing products, automobiles and goods trucks, electrical apparatus and radio sets. Demand from the second largest customer, the Belgian Congo, was directed more to semi-finished products and consumer goods and less to capital goods.

The French market is progressively regaining its pre-war importance, even though many metal products are still subject to the quota system as established by annual agreements.

Exports to Western Germany were appreciably down by comparison with the previous year; if however the exceptional sale of ships which inflated the 1955 figure is eliminated, the position is about the same.

The United Kingdom, by tradition a less important customer for Belgian metal manufactures, increased its purchases. Deliveries to the U.S.S.R. reflect the substantial orders booked before 1956.

Sales to the United States were very satisfactory, for the most part representing products of the wire-drawing and nail-making industries.

Among other overseas markets India again became a customer of prime importance. The decrease in sales to Brazil was outweighed by an increase in those to Venezuela and Mexico.

#### **Non-ferrous Metals**

The output of raw non-ferrous metals showed an increase in 1956 except in the case of tin. Among semi-finished products there was a great increase of activity in October.

The development of modern techniques favours the production of rare metals, including cobalt, germanium, uranium and refined antimony. A Belgian Aluminium Syndicate has been formed with a view to planning the creation of an electrolytic aluminium industry in the Congo, which would supply Belgian manufacturers.

Among world producers of raw metals Belgium ranks first for cobalt, third for zinc, fifth for tin and sixth for copper and lead.

The domestic prices of non-ferrous metals followed the course of those on world markets. The Brussels price for electrolytic copper fell from Fr. 50 per kilogramme at the beginning of the year to Fr. 37.50 at the end of October, after having passed a peak of Fr. 53.50 in the second half of March and first half of April. From 3rd November onwards it was up again to Fr. 39.50, only to fall

once more to Fr. 38 on 20th December. Zinc and lead prices in general showed movements similar to those in copper, although less pronounced. Tin fell from Fr. 107 per kilogramme in January to a low point of Fr. 101.75 at the end of June. At the start of the Suez trouble the price rose again to Fr. 118 because Malaya and Indonesia are highly important producers. The start of the International Tin Council's operations on 29th June will help towards regulating this market.

Belgian exports of non-ferrous metals rose from a monthly average of Fr. 1 billion during the first nine months of 1955 to one of Fr. 1.2 billion in the corresponding period of 1956. Increased

#### Production of Non-Ferrous Metals

(in thousands of tons)

Source : Union of Non-Ferrous Metal Industries.

Monthly Average for	Raw Products				Semi-finished Products
	Copper	Zinc	Lead	Tin	
1951 .....	11.8	16.7	5.9	0.83	16.5
1953 .....	12.5	16.1	6.4	0.82	12.8
1955 .....	13.1	17.7	6.9	0.88	16.5
1956 1st quarter ...	13.9	18.8	8.5	0.88	17.4
2nd » ...	14.5	19.1	8.6	0.83	16.2
3rd » ...	14.1	19.2	8.4	0.79	14.8
October ... (1)	14.7	19.2	8.4	0.80	19.1

(1) Moving quarterly average for the raw metals.

sales of copper account for nearly 60 % of this expansion, the unit-value of raw copper having risen from Fr. 41,900 to Fr. 48,000 per ton; increases occurred especially in the deliveries to France, the Netherlands, Western Germany and the Scandinavian countries.

Exports of zinc and lead to the traditional markets also increased by comparison with a year previously in both value and volume. The use of nuclear power is opening up fresh outlets for lead.

Sales of tin, mostly to the United States, showed little increase; but their unit-value was higher.

#### Chemicals

The chemical industries further raised their overall level of activity.

#### Production of Primary Nitrogen and Composite Fertilisers

Source : National Statistical Institute.

Monthly Average for	Primary Nitrogen (thousand tons of nitrogen)	Composite Fertilisers (thousand tons marketable)
1951 .....	16.0	6.2
1953 .....	15.2	7.7
1955 .....	17.4	10.9
1956 1st quarter .....	19.7	16.3
2nd » .....	20.3	11.8
3rd » .....	19.8	8.8
October .....	20.6	17.3

Production of nitrogenous fertilisers was increased as a result of greater sales to foreign markets. Shipments were however slowed down in the last quarter by the blocking of the Suez Canal.

The keen demand for coke stimulated activity in coal and tar derivatives. The position was also favourable in the glues and gelatine industry.

About one-half of the output of all the chemical industries is sold abroad. Exports in terms of value increased from Fr. 9.3 billion in the first eleven months of 1955 to Fr. 10.8 billion in the corresponding period of 1956, or by 16 %. The increase was particularly large in respect of fertilisers, photo-sensitive products and pharmaceuticals.

The recovery of textile production which had begun in 1953 became more marked in 1956, especially in the woollen and knitwear industries.

The tendency of selling prices continued to be downward except in the woollen industry, where a rise in raw material costs produced its effects through the various stages of production. In the last months of the year however prices also recovered in most other textile branches, partly owing to the effect of international events.

Exports of textile products from January to November were greater by 10 % in value than those for the corresponding period in 1955; but their ratio to the Belgian-Luxemburg Economic Union's total exports declined from 17 % to 16 %.

#### Output of Wool Washers and Combers

(in tons)

Source : Belgian Textile Industry Federation.

Monthly Average for	Washers	Combers
1951 .....	1,296	1,327
1953 .....	1,670	1,617
1955 .....	1,562	1,551
1956 1st quarter .....	1,927	1,740
2nd » .....	2,111	1,755
3rd » .....	1,871	1,678
October .....	2,082	2,228
November .....	2,105	1,985

The remarkable growth of activity in the woollen industry was stimulated by the increase of demand in the main consuming countries. Besides this the washers and combers enjoyed better conditions for their work, including the possibility of commission processing of more Argentine wool and exemption from tax for certain industrial contracts. In the first eleven months of the year the washers' output exceeded that for the corresponding period of 1955 by 28 %, while that of the combers did so by 18 %.

The increase of the combed wool spinners' output in terms of quantity was mainly due to the strong demand from the knitwear trade, together with more orders from foreign markets including the Netherlands and Western Germany.

The carded wool spinners increased their output as a result of a steady expansion in carpet weaving and a recovery in the production of clothing fabrics. Activity in these latter is however definitely

### Output of Wool Spinners and Weavers

Indices of Industrial Activity (Basis 1953 = 100)

Source : National Statistical Institute.

Period	Spinners		Weavers
	Carded Wool	Combed Wool	
1951 .....	100	79	103
1953 .....	100	100	100
1955 .....	115	109	118
1956 1st quarter .....	120	123	127
2nd » .....	120	116	127
3rd » .....	113	108	123
October .....	136	142	145

below the level attained in 1950; but the output of woollen carpets, of which a large proportion are traditionally exported to North America, has almost trebled by comparison with that year.

In the cotton industry the extent of recovery was smaller.

During the first quarter the total output of cotton spinners was smaller than in the corresponding period of 1955. Thereafter the demand from Belgian and foreign weavers rose again. Output for

### Cotton Production

Indices of Industrial Activity (Basis 1953 = 100)

Source : National Statistical Institute.

Period	Spinners	Weavers (1)
1951 .....	120	119
1953 .....	100	100
1955 .....	107	111
1956 1st quarter .....	115	117
2nd » .....	107	111
3rd » .....	100	110
October .....	119	142

(1) 1951 : pure cotton and cotton mixed with rayon fibres.

the first eleven months as a whole exceeded by 1 % that in the corresponding period of the previous year.

The cotton weavers enlarged their sales both at home and abroad, especially those to the Netherlands and United Kingdom, which remained the chief taker of cotton carpets; for the first nine months of the year United Kingdom purchases accounted for 54 % of the output. In October the lump-sum turnover tax on cotton fabrics was reduced from 11 % to 1 %.

The clearing of American stocks of raw cotton was a factor tending to bring prices down at all stages of production.

The position of the jute industry, which had attained a very high level of activity in 1955, deteriorated.

From the second quarter onwards the spinners had to reduce their rate of working owing to the decline in foreign demand, especially in the United States, as well as the marked decrease in the activity of jute weavers. These latter, who work largely for export, are having to face increasingly keen competition from India and Pakistan on the American market in particular.

#### **Production of Linen, Jute and Rayon**

Indices of Industrial Activity (Basis 1953 = 100)

Source : National Statistical Institute.

Period	Flax and Hemp Yarns	Linen Fabrics	Rayon Yarns	Rayon and Rayon Fibre Fabrics	Jute Yarns	Jute Fabrics
1951 .....		110			94	105
1953 .....	100	100	100	100	100	100
1955 .....	101	96	117	112	109	96
1956 1st quarter .....	108	102	121	130	123	92
2nd » .....	101	93	120	126	104	90
3rd » .....	88	87	109	116	93	78
October .....	124	107		151	112	96

Output of the linen spinners during the first six months was less by 4.7 % than in the corresponding period of 1955. Afterwards however a recovery in orders for the domestic and foreign markets enabled them to increase their activity.

The linen weavers were able to expand their sales on the home market as a result inter alia of a 10 % reduction in the turnover tax with effect from January. This industry finds however that its effort to penetrate the United States market is hindered by the recent raising of American import duties on certain linen fabrics. The effect is the more damaging because 42 % of their 1955 output went to that country.

The rayon spinners were able to bring their selling prices into line with those of the Netherlands as a result of financial help given by the Government to the rayon industry. Production remained virtually at the same level as in the previous year. Even the basic expansion in the rayon fibres branch seems to have become slower. The rayon weavers, who are in a structural crisis, increased their output and sales on both the home and the foreign markets.

#### Knitwear and Ready-Made Clothing

Indices of Industrial Activity (Basis 1953 = 100)

Source : National Statistical Institute.

Period	Knitwear	Ready-Made Clothing ( <sup>1</sup> )
1953 .....	100	100
1955 .....	118	101
1956 1st quarter .....	124	108
2nd » .....	126	112
3rd » . (p)	134	97
October ... (p)	170	110

(p) Provisional figures.

(<sup>1</sup>) New series from 1956.

The knitwear industry is going through a period of expansion. The proportion of its exports to its total sales is growing, the Netherlands being by far the most important customer.

Activity increased in the garment and ready-made clothing industries owing to the effect of larger orders both from the home market and from abroad.

#### Building and Allied Trades

The feature of 1956 in the building industry was an exceptional seasonal decline in February, followed, as soon as weather permitted, by activity at the highest level possible with the means of production and the labour supply available.

The number of permits granted for the construction of dwelling-houses, industrial and commercial buildings shows that activity increased by comparison with the previous year. Numerous public work projects were also begun, including those rendered necessary by the arrangements for the 1958 Universal Exhibition.

Activity in house-building remained very high, although there was a further reduction in the number of De Taeye premiums. Industrial building was stimulated, especially during the first



half-year, by the Law of 31st May, 1955 providing for Government assistance to such building.

A Housing Institute has been established; its function is to keep a standing record of demands for housing accommodation, and to work out ways in which these can be met.

#### Production of Building Materials

Source : National Statistical Institute.

The activity among builders had favourable effects on that of the industries producing building materials.

Output of the brick and tile works barely kept pace with the demand, especially since producers in the Campine were affected by a strike in the course of the summer. Strains appeared on the market, and price-rises resulted.

Monthly Average for	Ordinary Bricks (millions)	Cement (thousands of tons)	Sheet and Plate Glass (Index : 1953 = 100)
1951 .....	195	366	108.4
1953 .....	172	386	100.0
1955 .....	190	391	135.8
1956 1st quarter .....	107	232	154.1
2nd » .....	192	449	162.1
3rd » .....	214	474	147.7
October .....	221 <i>p</i>	455	145.4 <i>p</i>
November .....		376 <i>p</i>	

(*p*) Provisional figures.

The position of Belgian cement works on foreign markets was less favourable, and their exports did not regain the 1955 level. Only those to the Congo showed no decrease. Since however deliveries to the home market offset the decrease in foreign sales, total output was greater than in the previous year.

The indices of production at glassworks also reflect great activity, sustained by a very keen foreign demand.

Output of the quarries increased in view of the requirements which had to be met for public work projects in progress.

In the various sections of the clayworking industry the increases of output were unevenly distributed. The overall results attained in the previous year were exceeded.

The growth of private consumption during the past year benefited not only the durable goods industries but also those producing foodstuffs and beverages. Even before the wave of buying in the last quarter the sales of department stores had risen. Moreover, exports during the first eleven months exceeded by 27 % those for the corresponding period of the previous year. Shipments to the Netherlands, France and Western Germany rose considerably.

The millers continued to employ only a part of their productive capacity. The proportions for the admixture of Belgian wheat varied during 1956 between 30 % and 65 %.

The majority of the industrial milling enterprises have formed a group for the purpose of jointly exporting flour. Exports of cereal flours during the first nine months of the year were greater by 48 % than in the corresponding period of 1955.

The standard prices for the 1955 and 1956 crops were fixed at Fr. 470 per 100 kg. A levy of Fr. 20 per 100 kg was however charged on the 1955 crop for the Commercial Food Supply Office. In order to maintain the legal price of household bread at Fr. 7.50 per kilogramme the Government granted a subsidy of about Fr. 360 million so as to enable the mills to pay the standard prices to farmers.

The total output of butter increased in spite of a slight decline at the beginning of the autumn. On the other hand consumption slightly decreased. Belgian production at present covers about 90 % of the home demand. Prices were relatively firm during the first half-year, but dropped below the standard prices from July to the end of November, after which they recovered.

The margarine market was more balanced, production and consumption having each increased by about 4 %. After each seasonal rise in butter prices there is evidence of an increase in margarine consumption, which is never afterwards entirely lost.

The price of margarine rose by roughly 4 % owing to an increase in cost of the basic oils.

The output of canned vegetables has grown during recent years more than the current demand. The result has been a good deal of stockpiling, especially since exports are meeting very keen competition.

The sugar manufacturers were able to sell the country's surplus production abroad. The 1956 export quota allowed to Belgium under the London agreements was raised by 5,432 tons, as certain exporting countries had not used the quotas assigned to them. For 1957 and 1958 Belgium's export quotas are respectively 50,000 and 55,000 tons, as against 45,000 in 1956.

The breweries' activity was maintained. Exports of bottled beer slightly increased. The process of amalgamating breweries seems to have become slower during the past two years. In 1956 only about 30 firms disappeared or were absorbed.

The biscuit makers are facing sales difficulties on both the home and the foreign markets. The decrease of output in 1956 was less than that in Belgian consumption, and stocks increased.

The activity of the chocolate manufacturers improved, their exports increasing in volume by about 22 %.

Thanks to a more regular supply of raw materials and to very steady demand on foreign markets, especially for jewellery stones, sales of the diamond industry exceeded those in 1955. Its exports

### Food Industries

#### Production

Source : Economic and Social Research Institute.

Monthly Average for	Index : Basis 1953 = 100
1951 .....	93
1953 .....	100
1955 .....	107
1956 1st quarter .	101
2nd » .	114
3rd » .	109
October .....	108

reached an average of about Fr. 570 million per month against Fr. 280 million in 1953 and Fr. 470 million in 1955. These figures may however have been affected by the fall in price of the free dollar which took place in 1956, and which made clandestine exports less attractive.

The United States continued to be the chief customer, taking more than 50 % of total shipments of rough and fashioned stones; but the suspension of stockpiling from the end of June onwards temporarily slowed down the sales of industrial stones to that country, and caused their prices to show weakness for a time.

The cutting industry benefited from the sustained activity in the trade. Whereas at the end of 1948 there were 6,460 diamond workers unemployed out of 13,800 coming under the Social Security arrangements, by the end of August, 1956 the total number unemployed had fallen to its lowest post-war level at 1,127, although it then rose to 1,399 in October.

The reduction in working hours progressively spread to the various cutting establishments. Their activity was not checked by strikes as it had been in 1955.

Producers of heavy leather did not share in the general prosperity. The depression in this trade seems to be due in the main to three structural causes. These are spread of the use of electric motors, which has reduced the need for industrial belts; the use of tractors for farming, which has limited the demand for saddlery leather; and changes in military equipment, where leather has been replaced by textile products.

In the course of the summer the producers of sole leather recorded a slight increase in orders.

In the light leather industry and in footwear there was some increase in activity by comparison with the previous year, although

capacities were still not fully engaged. At the end of the year the footwear industry benefited from the growth of retail sales.

The output of paper and cardboard exceeded that in 1951, the best post-war year. Exports and imports have been steadily expanding since 1954.

Under the General Agreement on Tariffs and Trade the compensatory duty of 3 % on imported papers was suspended, and certain import duties were reduced.

In the timber industry the past year was marked by great activity in forestry operations. Industrial and building timbers were especially in demand. On the other hand in the furniture industry some production capacity remained unused, especially during the second half-year. Prices were firm, partly owing to the rise in rates of freight on imported timber.

During the past year there were no noteworthy changes in the production or sales of tobacco. Consumption of cheroots and cigarettes slightly increased despite the rises in cigarette prices which took place between June and October, but were immediately followed in November by a fall due to changes in the taxation arrangements. Prices in December were below those charged at the beginning of the year.

The census as of 15th May showed some slowing down in the reduction of cultivated areas, the last contraction having amounted to only 2,100 hectares. **Farming**

The areas under bread grains and fodder crops were appreciably reduced. More interest was on the contrary shown in the cultivation of sugar beet owing to the firmness of sugar prices during the past two years. In many areas barley and oats replaced the

damaged winter wheat, so that the areas under these crops increased by 22 % and 6 % respectively.

The 1956 crop estimates show a general decrease in production by comparison with the previous year; this will probably reinforce,

### Agricultural Production

(in thousands of tons)

Sources : National Statistical Institute and Ministry of Agriculture.

Crops	1951	1953	1955	1956 (1)
Bread Grains .....	737	790	952	801
of which : <i>Wheat</i> .....	514	560	714	594
<i>Rye</i> .....	204	213	220	196
Coarse Grains .....	744	767	770	
of which : <i>Oats</i> .....	472	462	481	478
Industrial Plants .....	2,207	2,624	2,618	
of which : <i>Sugar Beet</i> .....	1,858	2,389	2,246	2,136
<i>Flax (Linseed and</i>				
<i>Straw)</i> .....	221	193	272	235
<i>Chicory</i> .....	118	34	95	50
<i>Tobacco</i> .....	5	4	3	2
Other Plants, Roots and Tubers ...	6,109	7,535	7,497	
of which : <i>Potatoes</i> .....	2,016	1,919	2,184	1,880

(1) Estimates.

for 1956, the declining tendency in the contribution of farming to the national income.

The decrease amounts to between 15 % and 20 % for wheat; it is also considerable for the other bread grains and for potatoes.

Bad weather reduced the weight and sugar content of the beet,

which means that there will be a drop of the order of 15 % to 20 % in production of raw sugar.

### Farm Livestock

(thousands of head)

Source : National Statistical Institute.

Category	15th May, 1955	15th May, 1956
Farm Horses .....	194	189
Horned Cattle .....	2,393	2,411
of which : <i>Milch and Draught</i>		
<i>Cows</i> .....	985	973
Pigs .....	1,419	1,470

The consumption of some farm products rose, especially that of

market-garden produce and of certain kinds of meat.

At certain periods during the year the output of beef did not keep up with the demand from consumers. In order to prevent prices from rising, imports were increased; maximum prices were also fixed on 19th October, but were replaced at the end of November by limitation of the trader's margin allowed to sellers.

The position was somewhat different on the market for pigs. Over-production of these depressed prices, so that the Agricultural Fund had to intervene several times. In addition the pig cycle was thrown out by the fact that breeders continued to breed on too great a scale during the downward phase. The rise in prices which had been expected at the beginning of the second quarter did not take place until the end of October.

Prices for other farm products were more stable except for eggs, which were lower than in the corresponding periods of 1955.

At the time of the last livestock census the number of horses for use on farms showed a further decrease, owing amongst other things to greater use of mechanical traction.

#### Farm Equipment

(in thousands)

Source : National Statistical Institute.

Type of Equipment	15th May, 1950	15th May, 1953	15th May, 1956
Ordinary Tractors .....	8.1	15.7	27.6
Other Tractors <sup>(1)</sup> .....	5.7	6.3	6.9
Beet Harvesting Machines .....	—	2.1	2.9
Sprayers .....	—	3.7	4.9
Milkers .....	10.6	15.1	22.1
Reaper-binders and Threshers .....			36.7

<sup>(1)</sup> Tractors used for threshing, and jeeps.

Mechanisation and motorisation are making great progress on Belgian farms. The number of tractors has been almost doubled in three years, while that of milking machines rose by nearly a half during the same period. These movements reflect the present tendency to rationalise production, as well as the desire to save expensive man-power.

The industrial expansion favourably affected activity in transport.

Railroad traffic expressed in ton-kilometres showed a 6 % increase for the first eleven months of the year. It occurred chiefly in the conveyance of chemical and metallurgical products in transit through Belgium. The coming into force on 1st May, 1956 of scales of direct rates for rail shipments of steel products and scrap within the European Coal and Steel Community caused an increase in this traffic.

#### Bulk Goods carried by Rail

Source : Belgian National Railways Company.

Monthly Average for	Thousands of tons carried	Millions of ton-kilometres
1951 .....	6,008	552
1953 .....	5,150	477
1955 .....	5,745	547
1956 (first 11 months)	5,861	574

The number of passengers carried also rose, chiefly as a result of full employment on the labour market, which compelled industries to recruit

workers living at increasingly distant places.

The Belgian National Railways Company continued the programme for modernising its system. It electrified the line from Brussels to Luxemburg.

Eurofima, a European company for the financing of railway material, was officially formed at Basle in November, 1956 in pursuance of a convention that had been signed in 1955 by the Transport Ministers of fourteen European countries. Its object is to assist its member railway administrations in the purchase of railway material of unified type.

Apart from February, when weather stopped all inland water transport, the tonnage of goods conveyed by inland waterways was greater than in the corresponding months of 1955.

Sea-borne traffic at the port of Antwerp, which had already been rising considerably during the two previous years, increased by



a further 24 % in the first eight months. The increase was especially marked in respect of American coal, mineral oils and metallurgical products.

As regards the number of ships under the various flags there was an appreciable increase in the case of Western Germany. That country accounted for 14 % of the total traffic in the first eleven months of the year and so took second place, ranking after the United Kingdom, which had 19 %, but ahead of the Netherlands with 13 % and Norway with 12 %.

#### **Traffic on Inland Waterways**

Source : National Statistical Institute.

Monthly Average for	Thousands of tons carried
1951 .....	3,471
1953 .....	3,912
1955 .....	4,737
1956 (first 7 months) .....	4,409

So as to permit still further growth of traffic in the port of Antwerp, which is now being operated to the limit of its capacity, Parliament last June voted a law that aims at greatly enlarging the port installations. The projects, in which the Government's share is estimated at Fr. 3.5 billion, will cover a period of not more than ten years. They will include the excavating and equipping of two docks and three basins, as well as provision of industrial sites.

#### **International Sea-borne Traffic at the Port of Antwerp**

(in thousands of metric tons)

Source : National Statistical Institute.

Monthly Average for	Incoming Goods	Outgoing Goods
1951 .....	1,261	1,169
1953 .....	1,201	1,147
1955 .....	1,439	1,234
1956 (first 8 months) .	1,815	1,329

Activity in the port of Ghent, and also in the Bruges-Zeebrugge harbour area, was very high. The sea-going tonnage entering Ghent during the first eleven months amounted to 1,970,000 tons register against 1,664,000 for the corresponding period in 1955.

Traffic of the Belgian Air Navigation Company (SABENA) further increased, the passenger traffic rising by about 16 % in the first ten months and that in goods by about 12 %.

Modernisation of the road system was actively pursued. The main effort was directed to finishing the Brussels-Ostend motor road and to some improvement projects around Brussels.

#### Labour Market

On the labour market the shortage of labour has become the dominating problem.

Unemployment, which has been declining since the beginning of 1954, fell to what may be regarded as a minimum level at an average daily total of 145,000. The reduction took place in both the wholly and the partly unemployed, in men as well as women, and applied to most branches of activity.

The decrease in unemployment continued to be more among male workers owing to the many fresh vacancies that were again

#### Daily Average of Registered Unemployed

(in thousands)

Source : National Employment and Unemployment Office.

Daily Average for	Total			Wholly Unemployed			Partly Unemployed		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
1951 .....	132	75	207	101	52	153	31	22	53
1953 .....	158	88	246	117	67	184	41	21	62
1955 .....	114	58	172	75	41	116	39	17	56
1956 .....	101	44	145	61	30	91	40	14	54
1955 1st quarter	209	71	280	117	52	169	92	19	111
2nd »	92	60	152	71	42	113	21	18	39
3rd »	67	49	116	50	35	85	17	14	31
4th »	85	52	137	61	36	97	24	16	40
1956 1st quarter	189	58	247	91	39	130	98	19	117
2nd »	77	45	122	58	31	89	19	14	33
3rd »	61	34	95	45	24	69	16	10	26
4th »	79	36	115	52	25	77	27	11	38

offered to them by the industries most favoured by the cyclical trend, such as steelworking, metal manufacture and building.

For these three industries together the daily average number of persons wholly unemployed during the first ten months dropped from 30,500 in 1955 to 25,200 in 1956, while the total number at work grew by several thousand.

There was also a large fall in unemployment in the textile industry, especially among women. This movement is however due not only to the renewed rise of activity in that industry but also to the exclusion of some women from unemployment benefit in pursuance of the stricter regulations which have been in force for them since 1954, as well as to a certain movement of labour to other branches of activity.

The tendency for workers to move to industries such as metallurgy and building where higher wages are at present paid became somewhat widespread in the course of the year, thereby causing labour shortages in branches of activity which would otherwise have suffered from them only slightly or not at all.

The Government tried to remedy the shortage of labour on offer by making it easier to recruit foreign workers and by reducing the number of unemployed persons for whom work is found by local authorities. The employers for their part continued their effort to save labour by rationalising their equipment and working methods. But certain strains nevertheless persisted.

As a result of the decline in unemployment the total amount of benefit payments to persons out of work fell from Fr. 3.9 billion in 1955 to Fr. 3.5 billion in 1956. The Government's share in the financing of this amount declined by more than that, to Fr. 1.75 billion, owing to an increase in the number of employed workers actually paying Social Security contributions.

The tendency for prices to rise, which began at the end of 1954 for wholesale prices and at the middle of 1955 for retail prices Prices

owing to the effect of the world cyclical trend, continued up till the end of last year apart from an interruption during the first six months as regards wholesale prices.

The effect on prices of purely domestic factors such as wage increases or the reduction of working hours is difficult to measure, and varies according to branches of activity. If the coal mines are excepted, however, it does seem that Belgian industries were generally able to absorb the effect of such factors without serious disturbance of costs.

The extent to which the various price indices are sensitive to the upward movement shows some variation. The break which occurred during the spring in the movement of the wholesale price index did not appear in that for retail prices, which continued to rise.

During the first eleven months of 1956 the wholesale price index rose by 3.8 %.

#### Wholesale Price Indices <sup>(1)</sup>

(Basis : 1953 = 100)

Source : Ministry for Economic Affairs.

Monthly Average for	Overall Index	Indices for Industrial Products					Index for Farm Products
		Total	Mineral Products	Chemical Products	Textile Products	Metals	
1951 .....	113.5	115.9	103.7	117.2	141.9	104.1	105.1
1953 .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1955 .....	101.0	102.9	100.7	104.6	97.7	105.0	94.0
1956 1st quarter .....	103.1	104.8	103.7	106.6	95.3	111.0	97.1
2nd » .....	103.0	104.6	103.7	105.9	95.3	111.0	96.9
3rd » .....	102.9	104.6	104.9	104.3	95.1	111.4	96.3
October .....	103.9	105.7	109.1	104.9	94.8	113.0	97.2
November .....	105.8	107.5	111.6	105.9	99.2	113.0	99.5

(<sup>1</sup>) Original indices on the basis 1936-1938 = 100 converted to the basis 1953 = 100.

The most noticeable rises took place in certain industrial products, especially at the earlier stages of their manufacture, in coal and steel products amongst others. The constant pressure of demand in relation to output which had become inelastic, and the latest wage increases, caused rises of varying degree which for the

first eleven months of the year amounted altogether to 11 % for coal and 6 % for steel products. These latter had to bear increases in raw material costs.

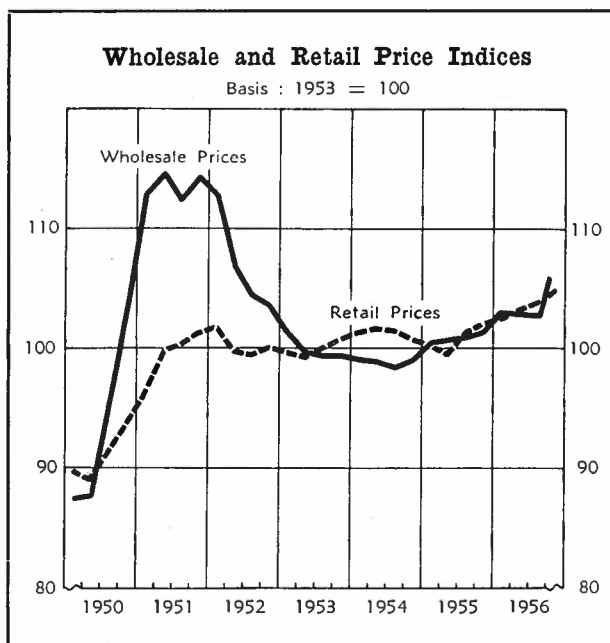
Non-ferrous metals other than copper continued their 1955 rise despite the decline in the second quarter. Movements in them were affected both by changes in the statistical position of the metals on world markets and by fortuitous events such as the Suez crisis.

Despite the growth of building and the progress made in preparatory work for the 1958 Universal Exhibition the rise in prices of building materials was relatively moderate if allowance is made for the effect of the reduction in working hours.

The same applies to chemical products as a whole, notwithstanding the importance of electricity as an element in their production cost and the upward movement in certain non-ferrous metals. The chemical industry had to make certain sacrifices

owing to its close dependence on foreign markets and the growth of world production.

In most sections of the textile industry a fall in prices was accompanied by an increase in output, with producers trying to maintain their position by increasing their efficiency. There were however price-rises in the woollen and jute industries, mostly at the raw material stage.



Source : Ministry for Economic Affairs.

The considerable fall which had affected raw rubber was partly wiped out in the course of the last quarter.

As regards farm products various factors were at work, including bad weather and the growth of demand for certain products in connection with the rise in the standard of living. The upward price movement nevertheless remained moderate; it occurred mostly in Belgian products, and among these in products of livestock raising other than milk, its derivatives and eggs.

Prices of foreign products remained on the whole more stable. The price of palm oil did however rise by about 9 %, while that of cocoa fell by 17 %.

The retail price index rose 3.2 % in the course of the year by

#### Retail Price Indices

(Basis : 1953 = 100)

Source : Ministry for Economic Affairs.

Monthly Average for	Overall Index	Food-stuffs	Items other than Food-stuffs	Services
1951 ..... (1)	99.4	95.7	104.7	—
1953 .....	100.0	100.0	100.0	100.0
1955 .....	100.8	101.6	99.2	101.0
1956 .....	103.6	104.2	101.5	105.5
1956 1st quarter .	102.5	103.4	100.3	103.2
2nd » .	103.3	103.9	101.1	104.2
3rd » .	103.9	104.1	102.0	106.5
4th » .	104.9	105.5	102.5	108.0

(1) Former indices on the basis 1936-1938 = 100 converted to the basis 1953 = 100.

slow and continuous stages; the effects of the seasonal decline in certain products were nullified by higher prices for many other articles.

The expansion of purchasing power resulted in greater consumption of the items covered by the index, together with a certain

shift as regards the qualities demanded.

To the effects of this there were added those of rises in sundry wholesale prices, and of adjusting movements in wages and salaries. These latter were directly reflected in the cost of services.

Thus, although the rising movement affected the three sub-indices which go to form the index for retail prices, it was more

important in the case of services; these rose in price by 5.6 %, as against 2.7 % for products other than food and 3 % for foodstuffs.

There was an increase in the prices of all foodstuffs of Belgian origin included in the retail price index other than eggs, milk products and sugar. While the rise was insignificant in the case of most of these, it was more pronounced in French rolls, in rusks, in macaroni products and especially in beef. This latter was exposed to the pressure of increased demands, while some kinds became scarcer.

As to imported foodstuffs, only table oil showed any significant rise in price.

Among the items making up the non-food group the two for « coal » showed a clear tendency to rise for the reasons already stated.

Wages and salaries rose somewhat considerably owing to the combined effect of the rise in the retail price index and of strains on the labour market.

Wages and Salaries

The wages in most callings shared in this movement in uneven proportions, which were as a rule greater in those industries which have benefited most from prosperity.

The increases in wages and salaries caused by the rise in the cost of living probably affected the remuneration of all employed persons. Adjustments were effected by processes and at index levels that varied according to the applicable agreements. It was at the level of 102.7 that the most important increases took place, namely those applying to the salaries of employees of the Government and in many para-statal institutions, as well as to the wages of workers in the basic industries.

The cuts in working hours which had already been applied in some industries during the second half of 1955 were extended to apply to many others in varying ways; in others again such cuts are

in course of being applied or are under consideration. It is still too early to estimate their effect on wages and salaries, or the burdens which they entail for employers.

According to the available indices it seems that between 1953 and the end of 1955 the rise in Belgian wages was less than in most foreign countries other than Switzerland. During the first nine months of 1956, apart from the same exception, the movement was roughly parallel.

#### External Trade

The Belgian-Luxemburg Economic Union's external trade continued to grow, although at a slower rate than in 1955. For the first eleven months of the year the increases in exports and imports were of the same order of magnitude, while the proportion in which exports covered imports rose from 97 % in 1955 to 98 %.

Exports during this period amounted to Fr. 144.4 billion against Fr. 124.5 billion in the corresponding eleven months of 1955. This increase, of the order of 16 %, was due more to the rise in prices than to the volume of goods shipped.

#### Special Trade of the Belgian-Luxemburg Economic Union (in billions of francs)

Source : National Statistical Institute.

Monthly Average for	Imports c.i.f.	Exports f.o.b.	Balance of Trade	Exports in per cent of Imports
1948 .....	7.3	6.2	- 1.1	85
1951 .....	10.6	11.1	+ 0.5	105
1954 .....	10.6	9.6	- 1.0	91
1955 .....	11.9	11.6	- 0.3	97
1956 1st quarter .....	12.7	12.7	—	100
2nd » .....	13.6	13.9	+ 0.3	102
3rd » .....	13.1	12.5	- 0.6	95
October ..... (p)	15.1	14.2	- 0.9	94
November ..... (p)	14.4	12.9	- 1.5	90

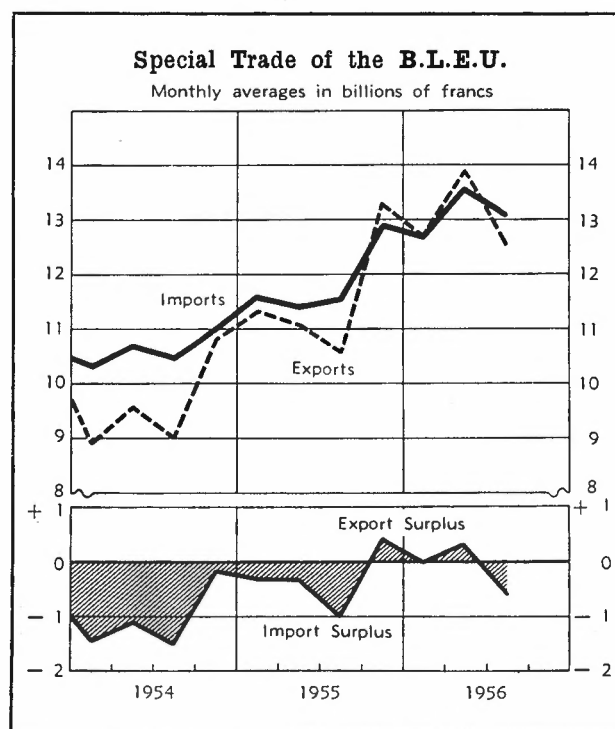
(p) Provisional figures.



Imports during the first eleven months showed an increase in value of 15 % by comparison with the corresponding period of the previous year, rising from a total of Fr. 128.9 billion to Fr. 147.9 billion. This increase was chiefly due to growth in the volume, and in lesser degree to the rise in prices.

The preponderance of metallurgical products among the exports of Belgium and Luxemburg was the underlying cause of further improvement in the terms of trade.

The increase in raw material imports resulted from growth of activity in the woollen industry, together with a greater demand for mineral oils, solid fuels, ores and metals owing to the expansion of economic activity. Apart from this the re-equipment



Source : National Statistical Institute.

#### Indices of Volume of Trade, of Unit Prices, and of Terms of Trade

(Basis : 1953 = 100)

Source : National Statistical Institute.

Monthly Average for	Volume Indices (1)		Price Indices		Terms of Trade
	Imports	Exports	Imports	Exports	
1948 .....	86	69	84	95	112
1951 .....	97	97	109	120	111
1954 .....	110	109	96	94	98
1955 .....	122	127	96	97	100
1956 1st quarter .....	124	126	99	102	103
2nd » .....	130	135	98	104	106
3rd » ..... (2)	126	122	98	102	104

(1) Quantity indices weighted by prices of the basis year.

(2) For imports, average of July and August.

of the mines, and capital investment in building enterprises, caused additional imports of machinery. And the rise in the standard of living led to a further increase in imports of colonial products, automobile parts and other durable consumer goods.

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

(monthly averages, in millions of francs)

Source : National Statistical Institute.

Category	1955	1956 (first 9 months)
Raw Materials and Fuels (Categories 2 and 3) .....	3,933	4,369
of which : wool .....	562	638
cotton .....	327	286
iron ore .....	310	350
non-ferrous metal ores .....	306	351
solid fuels .....	474	532
crude mineral oils .....	415	539
Chemicals (Category 5) .....	645	702
Foodstuffs (Categories 0 and 1) .....	1,766	1,853
Manufactured Goods (Categories 6 and 8) .....	3,325	3,703
Machinery and Transport Material (Category 7) .....	1,918	2,322
Sundries (Categories 4 and 9) .....	263	180
Total ...	11,850	13,129

Foreign demand was chiefly directed to producers' and capital goods, although a change towards consumer goods became apparent during the last few months. Sales of metals, metal manufactures and industrial diamonds showed further substantial advances. The share of metallurgical products in total exports rose from 49 % in 1955 to 50 % in the first nine months of 1956. As regards exports of steel products the chief increases were in those sent to the sterling area and North America; the growth in exports of non-ferrous metals was largely due to the rise in the price of copper.

The mineral oils industry has continued to enlarge its sales in neighbouring countries as well as in Sweden and Switzerland. On the other hand the coal industry had to cut down its shipments owing to the decline in the exportable surplus.

There was a marked rise in foreign sales of textile products during the second half of the year, while their prices tended to become firmer.

#### Classification of Exports from the Belgian-Luxembourg Economic Union

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

Category	Monthly Average (in millions of francs)		Per cent of Total Exports	
	1955	1956 (first 9 months)	1955	1956 (first 9 months)
Steel Products .....	2,471	2,951	21.3	22.6
Metal Manufactures .....	2,120	2,308	18.3	17.7
Non-Ferrous Metals .....	1,068	1,243	9.2	9.5
Textiles and Clothing .....	1,950	2,025	16.8	15.5
Chemical Products .....	879	962	7.6	7.4
Solid Fuels .....	526	478	4.5	3.7
Diamonds .....	468	588	4.0	4.5
Foodstuffs .....	250	258	2.2	2.0
Mineral Oils .....	308	420	2.7	3.2
Agricultural Products .....	255	318	2.2	2.4
Glassware .....	286	333	2.5	2.6
Paper and Books .....	154	179	1.3	1.4
Hides and Leather .....	104	107	0.9	0.8
Cement .....	95	87	0.8	0.7
Products of Quarrying .....	65	75	0.6	0.6
Rubber .....	72	85	0.6	0.6
Timber and Furniture .....	75	88	0.7	0.7
Ceramics .....	30	34	0.3	0.3
Tobacco .....	11	14	0.1	0.1
Sundries .....	393	487	3.4	3.7
Grand Total ...	11,580	13,040	100.0	100.0

The more liberal policy which the members of the Organisation for European Economic Cooperation have adopted in regard to imports enabled certain branches of farming and the foodstuff industries to expand their sales to neighbouring countries, especially to France.

As to the geographical distribution of external trade it appears that the expansion, which was at first mainly in trade with the industrial countries, spread to that with Asia, Africa, and in lesser degree to that with South America apart from Argentina.

The trade with member countries of the European Payments Union showed a surplus greater than that achieved in 1955. The increase was mainly due to greater sales in the guilder area. Apart

from this there was a further rise in imports from Western Germany, which continued to be the chief supplier of the Belgian-Luxemburg Economic Union.

### Geographical Distribution of the Special Trade of the Belgian-Luxemburg Economic Union

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

	Imports c.i.f.		Exports f.o.b.		Balance of Trade	
	1955	1956 (first 9 months)	1955	1956 (first 9 months)	1955	1956 (first 9 months)
<b>A. Values : (monthly averages in millions of francs)</b>						
E.P.U. Area <sup>(1)</sup> .....	8,045	8,761	8,414	9,282	+ 369	+ 521
United States and Canada .....	1,513	1,769	1,136	1,443	- 377	- 326
Latin America <sup>(2)</sup> .....	555	651	527	515	- 28	- 136
Belgian Congo and Ruanda-Urundi .....	973	990	551	597	- 422	- 393
Other Countries .....	764	958	952	1,203	+ 188	+ 245
Total .....	11,850	13,129	11,580	13,040	- 270	- 89
<b>B. Percentage Ratios to Total Values :</b>						
E.P.U. Area <sup>(1)</sup> .....	67.9	66.7	72.7	71.2		
United States and Canada .....	12.8	13.5	9.8	11.1		
Latin America <sup>(2)</sup> .....	4.7	5.0	4.5	3.9		
Belgian Congo and Ruanda-Urundi .....	8.2	7.5	4.8	4.6		
Other Countries .....	6.4	7.3	8.2	9.2		
	100.0	100.0	100.0	100.0		

<sup>(1)</sup> Member countries, overseas territories and non-member sterling countries.

<sup>(2)</sup> Excluding overseas territories participating in E.P.U.

Among other European countries mention may be made of Spain, which appreciably increased its trade with the Belgian-Luxemburg Economic Union. It bought more nitrogenous fertilisers, steel products, machinery and electrical apparatus.

The deficit on trade with the United States and Canada was further reduced.

The rapid rise in exports to the United States is certainly one of the most striking features in our external trade. It covered a wide range of goods, especially diamonds, metallurgical products, sheet and plate glass as well as textiles. During the last quarter however

the coal shortage made it necessary to import more American fuels, the prices for which when delivered at Antwerp steadily rose owing to the continuous rise in Atlantic freights.

Trade with Latin America was marked by an increase in imports and a slight reduction in exports. This trend was affected by the changes which a number of countries made in their exchange policy.

Trade with the Belgian Congo and Ruanda-Urundi resulted in a deficit slightly smaller than that for 1955; but, just as in that year, the Belgian import figures were inflated by temporary imports. Belgium exported more steel products and electrical construction material owing to industrialisation in the overseas territories, as well as textile products and other consumer goods owing to the rise in the population's income.

The Benelux Union is acting more and more as a single entity in its commercial relations with foreign countries. The Benelux countries were already pursuing a common policy in relation to the High Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), as well as in relation to the Organisation for European Economic Cooperation; the Council of this latter body recognised that common attitude as from 20th January, 1956. Benelux

In January the Committee of Ministers of Benelux adopted certain proposals tending to confirm freedom of trade within Benelux. This decision, which came into force on 15th May, 1956, not only applies to free trade between the partner countries in most goods of national origin; it also establishes free movement between the partner countries of goods originating from outside countries in respect of which a coordinated policy has already been put into effect on the external frontiers of Benelux. Henceforth any further restriction will require the agreement of all three Governments. It has also been decided to undertake the negotiation of common trade

agreements with outside countries. Such joint negotiations have already made it possible to initial agreements with Denmark, the United Kingdom and Portugal.

The protocol on common trade policy which was signed at Luxemburg on 9th December, 1953 came into force on 18th August, 1956. One result is that by 18th August, 1958 all trade agreements of the Benelux countries must be joint.

On 6th July, 1956 a protocol was signed on the subject of national treatment in regard to the award of contracts for public works and to purchases of goods by public authorities.

Trade within Benelux has continued to rise. The Belgian-Luxemburg Economic Union's imports from the Netherlands rose from Fr. 13.5 billion in the first nine months of 1955 to Fr. 15.2 billion in the corresponding period of the following year; exports to the Netherlands for the same two periods showed a rise from Fr. 20.5 to 25.2 billion.

**ANALYSIS OF THE  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR 1956**

**ASSETS**

The gold holding is valued on the basis of the gold selling price, **Gold Holding**  
namely Fr. 56,263.7994 per kg.

It amounted on 31st December, 1956 to Fr. 46,247,394,557.15

It consisted of :

Gold in foreign countries . . . . .	Fr.	45,922,129,975.75
Gold in Belgium . . . . .	Fr.	325,264,581.40
	Fr.	<u>46,247,394,557.15</u>

On 31st December of the previous year the gold holding  
amounted to Fr. 46,384,879,865.75.

Part of the foreign assets represents the countervalue of convert- **Foreign Assets**  
ible foreign currencies deposited with the Bank's correspondents in  
foreign countries, and of foreign notes in the physical possession of  
the Bank. A further part consists of bills in Belgian francs on foreign  
countries.

The total was made up as follows :

	On 31st December, 1956	On 31st December, 1955
a) Assets in foreign currencies . . . Fr.	986,783,781.80	249,098,620.85
b) Assets in Belgian francs . . . Fr.	8,350,681.—	9,477,495.50
Fr.	<u>995,134,462.80</u>	<u>258,576,116.35</u>

Foreign Currencies  
and Gold  
Receivable

This item, which was no longer present on 31st December, 1955, appears in the present Balance Sheet at Fr. 2,985,731,901.85.

It has its counterpart on the liabilities side under the head of « Foreign Currencies and Gold to be Delivered » in the amount of Fr. 1,399,255,651.85, which represents the countervalue of dollars receivable against forward sales of gold bullion and Swiss francs.

To the extent of Fr. 1,586,476,250 it also includes purchases against immediate payment in Belgian francs of foreign exchange to be delivered by the Treasury at not more than 120 days' date. The Government guarantees the Bank against any exchange loss which it might possibly suffer in respect of these purchases.

Claims on Foreign  
Countries under  
Payment  
Agreements

On 31st December, 1955 the claims on foreign countries under payment agreements appeared as follows on the assets side of the Balance Sheet :

a) E.P.U. . . . . .	Fr. 9,137,500,000.—
b) Member Countries of E.P.U. . . . .	Fr. 712,396,716.33
c) Other Countries . . . . .	Fr. 821,197,382.—
	<hr/>
	Fr. 10,671,094,098.33

The Convention which was concluded between the Belgian Government and the Bank on 1st July, 1954 in regard to the carrying out of the Paris International Agreement of 19th September, 1950 setting up a European Payments Union limits to Fr. 10,065,625,000 the obligation assumed by the Bank to finance out of its own resources the credits to be granted by the Belgian-Luxemburg Economic Union to the European Payments Union.

An additional Convention was concluded on 11th May, 1955 between the Belgian Government, the Bank and the National Industrial Credit Company under the terms of which the Bank agrees to provide the Belgian francs in an amount exceeding Fr. 10,065,625,000 on condition that the Belgian Government, or the



National Industrial Credit Company for account of the Government, shall pay to the Bank an amount in Belgian francs equal to any such excess. The maximum amount to be provided by the National Industrial Credit Company is however limited to the sum of one billion francs.

This additional Convention, like that of 1st July, 1954, was to have expired on 30th June, 1956. Both were prolonged until 30th June, 1957.

The Government guarantees the Bank against any loss whatsoever on the capital amount, on difference of exchange or otherwise, which might arise for the Bank from carrying out the obligations which fall upon Belgium under the provisions of the Paris Agreement.

On 31st December, 1956 the advances to E.P.U. amounted to Fr. 9,742,650,000, including the balance of Fr. 500 million remaining from the claim of Fr. 2.5 billion which was consolidated on 30th June, 1952, being repayable in five yearly instalments of Fr. 500 million each (see the Report for 1952, page 80).

By comparison with the amount which appeared in the Balance Sheet as at 31st December, 1955 the total of the advances granted to E.P.U. by the Belgian-Luxemburg Economic Union increased during 1956 by Fr. 605,150,000 notwithstanding the periodical payments in gold or dollars effected by the countries with which bilateral agreements for repayment and amortisation have been concluded (see the Report for 1954, pages 84 to 86), to a total of Fr. 1,633,000,000, and an extraordinary repayment of Fr. 110,000,000 effected in July, 1956 by E.P.U. following upon an exceptional amortisation of Italy's debt towards that institution.

In 1955 the payments effected under the said bilateral agreements amounted to Fr. 1,191,200,000 (see the Report for 1955, page 85). The increase shown in 1956 results from the fact that since July, 1956 the United Kingdom, Italy and Norway have agreed to greater

periodical repayments under codicils added to the initial agreements concluded with those countries.

Item b), entitled « Member Countries of E.P.U. », the amount of which on 31st December, 1956 was Fr. 422,297,179.05, consists almost entirely of the current advances to those countries which are intended to be offset at the close of the month within the Union against the liabilities to those same countries appearing on the liabilities side.

Item c), entitled « Other Countries », represents the Bank's claims in foreign currencies and in Belgian francs on foreign countries which are not parties to E.P.U., and with which payment agreements have been concluded.

Such claims appeared in the Balance Sheet on 31st December, 1956 at Fr. 771,316,409.70.

The Bank's contribution towards executing the said agreements is governed by the Convention which was concluded on 25th February, 1947 between the Belgian Government and the Bank.

Apart from this, as stated on page 87 of the Report for 1954, an additional Convention concluded on 14th September, 1954 between the Government, the Bank and the National Industrial Credit Company limited the Bank's contribution towards the financing of these agreements to the difference between the creditor and debtor balances shown in its books by the foreign Central Banks' accounts opened in respect of these agreements. Over and above this difference the Belgian Government, or the National Industrial Credit Company for the Belgian Government's account, undertakes to make the necessary provision. The National Industrial Credit Company's maximum contribution is however limited to the sum of two billion francs.

The Report for 1954 also stated (on page 87) that in certain cases the National Industrial Credit Company would have to intervene

before the overall limit fixed for the Bank's contributions had been reached, doing so in pursuance of the clause providing that the amounts of the contributions by the Bank and the National Industrial Credit Company respectively shall be fixed for each payments agreement by common agreement with the Government. Under this last provision the National Industrial Credit Company has been constantly contributing since January, 1956 in order to cover the excess over the limit of the Bank's contribution in respect of a payments agreement.

In the aggregate the National Industrial Credit Company contributed during 1956 certain amounts recorded in a special account entitled « Special Provision (Convention of 14th September, 1954) : N.I.C.C. », the balance on which has not exceeded Fr. 300 million.

The Treasury's account has been credited with the excess of the interest paid by foreign countries over the interest due to those countries in virtue of the agreements with them. It has on the other hand been debited with the interest for which the Government is liable to the Bank under the Conventions of 25th February, 1947, 1st July, 1954 and 14th September, 1954 on the advances granted by the Bank for executing those agreements. The interest paid to the Bank by the Government is included in the amount appearing in the Profit and Loss Account as the item « Discount, Exchange, Interest and Commissions ».

This item, the counterpart of which appears among the liabilities as « Foreign Currencies and Gold to be Delivered », stood in the Balance Sheet on 31st December, 1956 at . . Fr. 89,132,670.—

Debtors in respect  
of Foreign Exchange  
and Gold at  
Forward Dates

It represents the liabilities of debtors who have entered into forward transactions with the Bank in foreign currencies and gold.

On 31st December, 1955 this item amounted to . . . . . Fr. 515,093.—

**Commercial Bills  
on Belgium**

The holding of bills of exchange discounted by the Bank and payable in Belgium amounted on 31st December, 1956 to . . . . . Fr. 11,394,362,818.93

On 31st December, 1955 the total was . Fr. 8,399,312,558.74

**Advances against  
Pledged Security**

The advances made against pledged security in accordance with the provisions of Article 17, paragraphs (5) and (8) of the Statutes amounted on 31st December, 1956 to . . . Fr. 453,066,164.24

The total on 31st December, 1955 was . Fr. 209,982,919.47

**Public Short-term  
Securities**  
(Article 20 of the  
Statutes and  
Convention of 14th  
September, 1948)

This item included the following securities :

	On 31st December, 1956	On 31st December, 1955
a) Treasury Certificates Fr.	5,900,000,000.—	8,800,000,000.—
b) Securities issued by Institutions whose liabilities are guaranteed by the Government . . Fr.	1,836,000,000.—	783,000,000.—
c) Other Public Short-term Belgian Securities . Fr.	89,000,000.—	118,000,000.—
Total. . Fr.	7,825,000,000.—	9,701,000,000.—

Under the terms of the Convention which was concluded between the Belgian Government and the Bank on 14th September, 1948 the amount of the securities issued or guaranteed by the Belgian Government which are held by the Bank as the result of transactions in accordance with Article 17, paragraphs (3) and (9) of the Statutes must not exceed ten billion francs.

In pursuance of the Conventions concluded on 15th April, 1952 with the Belgian Government on the one hand, and the Luxemburg Government on the other, the Bank placed at the latter's disposal a line

of credit limited to Fr. 333 million. This line of credit was not used in 1956.

The advances granted by the Bank under the provisions of the Conventions mentioned above are charged at the Bank's rate of discount for bills accepted payable at a bank, except in the case of the sum of Fr. 2,465,000,000 representing the part of the Belgian Government's debt to the Bank which, on 13th September, 1948, exceeded the consolidated amount of Fr. 35 billion. This sum is subject to the provisions of Article 33 of the Organic Law, under which an allowance of 0.25 % per annum is made to the Bank on that part of the note circulation that corresponds to non-interest-bearing advances to the Belgian Government.

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

In accordance with Article 37 of the Statutes the profit arising for the Bank from the difference between interest at 3.50 % and the rate of interest charged on its discount, advance and loan transactions is paid to the Government by the debit of the Profit and Loss Account. The provision in question applies to the transactions recorded among the asset accounts entitled « Commercial Bills on Belgium », « Advances against Pledged Security » and « Public Short-term Securities ».

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

	On 31st December, 1956	On 31st December, 1955
Silver and Nickel Coin . Fr.	537,553,911.05	427,593,982.05
Treasury Notes . . . Fr.	152,675,655.—	272,205,770.—
Fr.	690,229,566.05	699,799,752.05

Treasury Notes  
and Coin

As was indicated on page 89 of last year's Report, the limit on the Bank's holding of coin and notes circulating for account of the Treasury, which has been fixed at Fr. 700 million in accordance with an exchange of letters between the Minister of Finance and the Bank, is subject to the following provisions laid down on 14th October, 1955 :

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

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

**Balances  
at the Postal  
Cheque Office**

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

On 31st December, 1956 . . . . .	Fr.	1,286,186.36
On 31st December, 1955 . . . . .	Fr.	1,057,995.42

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

After the reorganisation of the Bank's Balance Sheet in September, 1948 the Consolidated Claim on the Government amounted to . . . . . Fr. 35,000,000,000.—

In the Balance Sheet as at 31st December, 1956 it appeared at . . . . . Fr. 34,660,494,790.12

It may be recalled that on 15th December, 1954 the Bank at the Government's request agreed that the repayments provided in

Article 3, paragraph b, sub-paragraph 2 of the Law of 28th July, 1948 should be suspended for the 1955 accounting year, as they had been for the accounting years 1953 and 1954, on condition that the Government would resume the said repayments as from the accounting year 1956, and would make such additional provision that the total amount of the repayments which ought to have been effected for the accounting years 1953 to 1955 would be cleared off in six years, at the rate of at least one-sixth part per annum, payable on 1st March in each of the years 1957 to 1962.

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

On 31st December, 1956 . . . . .	Fr.	2,072,260,722.28
On 31st December, 1955 . . . . .	Fr.	1,914,326,675.38

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

This item appeared on 31st December, 1956

at . . . . .	Fr.	395,248,377.38
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as compared with Fr. 171,249,653.67 on 31st December, 1955.

Items Receivable

It consists, inter alia, of items for collection such as cheques, coupons and redeemable securities, of amounts receivable from third parties in connection with transactions in securities or foreign exchange, the printing of notes and printer's sundries, as well as of postage or revenue stamps.

The value of land and buildings appeared in the Balance Sheet for 31st December, 1956 at . . . . .

Fr.	1,318,151,477.17
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Premises,  
Furniture and  
Equipment

In the Balance Sheet for 31st December, 1955 it stood at . . . . .

Fr.	1,179,300,698.28
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The increase of Fr. 138,850,778.89 represents the amounts spent during 1956 on building new premises for the Bank at Brussels and in the provinces (at Hasselt and Malmédy) to the extent of Fr. 112,877,937.89, as well as on the purchase of a basement garage at Brussels and a building at Liège to the extent of Fr. 25,972,841. This latter building adjoins the present premises; it is to be demolished with a view to the subsequent building of a new branch, following action taken to expropriate on town-planning grounds.

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

Securities  
of the Staff  
Pension Fund

This item, the counterpart of which appears among the liabilities under the heading « Staff Pension Fund », was shown in the Balance Sheet for 31st December, 1956 at . . . . Fr. 885,334,589.88  
On 31st December, 1955 it was . . . . Fr. 810,051,400.04

The increase of Fr. 75,283,189.84 includes an ordinary grant of Fr. 30,070,000, the collection of premiums on redemption including lottery prizes, and the normal deductions from salaries and wages. It also includes an extraordinary grant of Fr. 31,500,000 for the purpose of strengthening the actuarial reserves against pensions not running, after the raising of staff salaries and wages in May, 1956 as a consequence of the rise in the official retail price index.

As is mentioned in the Report for 1952 on pages 89 and 90, the system which was brought into force on 1st January, 1953 now provides for dividing the pensions charge between the Pension Fund and the General Expenses of the Bank.

The Bank's contribution under this head amounted in 1956 to . . . . . Fr. 13,273,000.—  
as against . . . . . Fr. 9,350,000.—  
in 1955.



Under this heading there are shown pro memoria those items which cannot serve as counterpart for the sight liabilities of the Bank because of uncertainty as to the date when they can be realised, or as to whether they can be realised at all.

Assets Written  
Off pending  
Collection

The sum of Fr. 24,138,098.10 credited to the Profit and Loss Account as at 31st December, 1956 in respect of the item « Amounts collected on Assets Written Off pending Collection » almost entirely represents the proceeds of realisation, begun in 1955, of a pledged security which was held by the Bank in accordance with Article 34 of its Statutes as cover for an old unpaid claim.

On 31st December, 1956 the transitory assets consisted of the following :

Transitory Assets

a) Fractional interest receivable on investments and accounts opened under Payment Agreements . . . . . Fr.	128,994,796.—
b) Fractional interest receivable on accounts in convertible currency . . . . . Fr.	2,297,809.60
c) Fractional interest on public long-term securities acquired in accordance with the Statutes . . . . . Fr.	38,387,073.60
d) Provision for the making of Bank Notes and printer's sundries, for the staff restaurant and the works department . . . . . Fr.	20,840,378.87
e) Claim on Ministry of National Defence for repayment of cash removed by secret formations during the occupation. This claim is pending before the Court of First Instance at Huy . . . . . Fr.	2,243,400.—
Carried forward Fr.	192,763,458.07

	Brought forward Fr.	192,763,458.07
f)	Securities of the Centenary Fund. The income on this Fund, which was created on the occasion of the Bank's centenary, is intended to provide prizes and rewards for particularly deserving clerical employees and workmen . . . . . Fr.	2,660,958.40
g)	Balances with foreign correspondents, being foreign exchange blocked in pursuance of foreign countries' exchange legislation . Fr. (The counterpart of the three last items e/, f/ and g/ appears among the « Transitory Liabilities ».)	971,450.63
	Total. . Fr.	<hr/> 196,395,867.10

## LIABILITIES

On 31st December, 1956 the amount of notes of the Bank in circulation was . . . . . Fr. 111,533,161,000.— Bank Notes  
in Circulation

On 31st December, 1955 it was . . . . . Fr. 107,555,750,400.—

These totals were made up as follows, by denominations :

	On 31st December, 1956	On 31st December, 1955
Fr. 1,000 . . . . .	Fr. 97,214,069,000.—	93,368,367,000.—
Fr. 500 . . . . .	Fr. 7,878,275,500.—	7,759,302,500.—
Fr. 100 . . . . .	Fr. 6,440,816,500.—	6,428,080,900.—
Total . . . . .	Fr. 111,533,161,000.—	107,555,750,400.—

The breakdown of the balances on current and sundry accounts was as follows : Current and  
Sundry Accounts

	On 31st December, 1956	On 31st December, 1955
Public Treasury, Ordinary Account . . . . . Fr.	10,471,363.51	11,423,044.48
Public Treasury, Economic Cooperation Agreement Accounts . . . . . Fr.	27,910,947.61	56,465,100.48
Institutions governed by a Special Law, and Public Authorities . . . . . Fr.	320,074,288.69	276,599,117.83
Banks in Belgium. . . . . Fr.	1,663,168,062.35	1,888,280,573.64
Carried forward. . . . . Fr.	2,021,624,662.16	2,232,767,836.43

Brought forward.	. Fr.	2,021,624,662.16	2,232,767,836.43
Banks in Foreign Countries,			
Ordinary Accounts	. Fr.	229,329,539.11	171,035,153.—
Individuals	. . . . Fr.	321,164,701.04	347,682,855.51
Items Payable	. . . Fr.	449,809,746.18	390,141,474.19
		<hr/> 3,021,928,648.49	<hr/> 3,141,627,319.13

This summary calls for two remarks :

1) *Public Treasury (Economic Cooperation Agreement Accounts).*

The amount of Fr. 27,910,947.61 which appeared in the Balance Sheet on 31st December, 1956, like that of Fr. 56,465,100.48 which appeared on 31st December, 1955, relates exclusively to the 1950-1952 period of execution of the Marshall Plan. The decrease on the year was due to sundry payments made to the Government in favour of, inter alia, the Belgian Office for Increasing Productivity, and to a payment made to the Government of the Grand Duchy of Luxemburg in respect of its share in the direct aid granted by the United States of America to the Belgian-Luxemburg Economic Union.

2) *Items Payable.*

The amount shown as « Items payable » represents the whole of the Bank's liabilities other than those entered in current accounts, in particular letters of credit; certain cheques; 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.

Comparison as between 1955 and 1956 of the liabilities to foreign countries under payment agreements shows the following :

	On 31st December, 1956	On 31st December, 1955	Liabilities to Foreign Countries under Payment Agreements
Member Countries of			
E.P.U. . . . . Fr.	751,565,611.32	277,339,695.50	
Other Countries . . . Fr.	273,251,206.22	747,240,050.02	
Fr.	1,024,816,817.54	1,024,579,745.52	

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

Total Sight Liabilities

On 31st December, 1956 the total sight liabilities amounted to Fr. 115,579,906,466.03 as against Fr. 111,721,957,464.65 on 31st December, 1955.

On 31st December, 1956 this provision, formed under the Convention of 14th September, 1954 concluded between the Government, the Bank and the National Industrial Credit Company (see page 92), amounted to Fr. 275,000,000. This item did not appear in the Balance Sheet for 31st December, 1955.

Special Provision  
(Convention of  
14th September,  
1954 : N.I.C.C.)

This item, which appeared in the Balance Sheet for 31st December, 1956 at . . . . Fr. 1,551,225,634.80 was shown in that for 31st December, 1955 at Fr. 71,061,948.30

Foreign Currencies and Gold to be Delivered

The asset items « Foreign Currencies and Gold Receivable » and « Debtors in respect of Foreign Exchange and Gold at Forward Dates » form its counterpart only to the extent of Fr. 1,476,441,903.

The difference between the total of the item « Foreign Currencies and Gold to be Delivered » and this latter amount represents sight liabilities in gold and foreign currencies.

**Staff Pension Fund**

This item is the counterpart to the « Securities of the Staff Pension Fund » among the assets.

It amounted on 31st December, 1956 to Fr.	885,334,589.88
against a total on 31st December, 1955 of . Fr.	810,051,400.04

**Transitory  
Liabilities**

On 31st December, 1956 the transitory liabilities were as follows :

a) Fractional interest payable on accounts opened under payment agreements . . . . . Fr.	283,233.—
b) Unaccrued discount on bills and Treasury Certificates held . . . . . Fr.	47,418,374.86
c) Instalments paid by outside parties . . . Fr.	66,469.—
d) Cash removed by secret formations during the occupation, to be recovered . . . . Fr.	2,243,400.—
e) Centenary Fund . . . . . Fr.	2,660,958.40
f) Creditors in respect of blocked currencies Fr.	971,450.63
The counterpart of the three items d/, e/ and f/ is included in each case in the « Transitory Assets ».	
g) Provision for expenses of acquiring, selling and shipping gold . . . . . Fr.	30,000,000.—
h) Provision for building of premises . . Fr.	130,871,419.11
i) Provision for Taxes . . . . . Fr.	74,608,317.72
Total. . Fr.	289,123,622.72

The transactions recorded during 1956 in the account « Provision for Taxes » may be subdivided as follows :

Fr. 63,258,018.29 balance as at 1st January, 1956,

Fr. 48,649,700.57 payments of taxes effected in 1956, consisting almost entirely of the National Crisis Tax on the dividend payable on 1st March, 1956.

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Fr. 14,608,317.72

Fr. 60,000,000.— a transfer appearing on the debit side of the Profit and Loss Account with a view to taxation of the earnings relating to the 1956 accounting year.

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Fr. 74,608,317.72 balance as at 31st December, 1956.

As was stated on page 98 of last year's Report the Direct Taxes Department had not been able to determine during 1955 the tax rebates relating to the 1954 accounting year. These rebates formed in the course of 1956 the subject of repayments which appear on the credit side of the Profit and Loss Account under the heads of « Rebate of Income Tax » and « Provision for Taxes released and available ».

The Direct Taxes Department has repaid to the Bank the anticipatory payment of tax on the earnings of 1954 which appeared in the Balance Sheet of 31st December, 1955 among the Transitory Assets.

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. Capital

## Reserve Funds

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

	On 31st December, 1956	On 31st December, 1955
Statutory Reserve . . . Fr.	349,271,723.69	314,745,570.84
Contingencies Fund . . . Fr.	246,999,679.82	245,292,651.67
Account for Depreciation of Premises, Furniture and Equipment . . . . Fr.	1,208,096,427.17	1,079,300,698.28
	Fr. 1,804,367,830.68	1,639,338,920.79

The increase arises from the share in the distribution of the profits as at 31st December, 1955 which went to the Statutory Reserve, plus the sum of Fr. 128,795,728.89 which was applied on 31st December, 1956 to writing off expenses of the year relating to the building of new premises for the Bank and to the purchase of a garage at Brussels and a building at Liège, excluding the value of the land, which is estimated at Fr. 10,055,050.

The difference between the amount of the assets item « Premises, Furniture and Equipment » and that of the liabilities item « Account for Depreciation of Premises, Furniture and Equipment », namely a sum of Fr. 110,055,050 represents a reasonable valuation of the land.

Besides this the Contingencies Fund was increased, by debit of the Profit and Loss Account, to the extent of the profit of Fr. 1,707,028.15 which was realised during 1956 on the sale and collection of the proceeds of securities contained in the Bank's holding of public long-term securities.

Article 8 of the Law of 8th March, 1951, which amends with effect from the 1951 fiscal year the laws and decrees relating to Income Taxes, provides that under certain conditions a part or the whole of



such profit shall be exempt from tax. The exempt portion, which under Article 27, paragraph 2 bis of these coordinated measures must remain unusable, amounts to Fr. 79,285.65.

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. 360,529,595.95.

**Net Profit  
for Distribution**

## MEMORANDUM ACCOUNTS

### Items for Collection

Under this heading are shown the items, such as bills of exchange, foreign currencies, etc., which have been lodged for collection by holders of current accounts or by foreign correspondents of the Bank . . . . . Fr. 20,436,919.20

### Documentary Credits Opened

This item comprises import credits opened by the Bank for public financial institutions and for Belgian companies or firms, as well as export credits opened by foreign Central Banks . . . Fr. 10,931,008.90

### Sundry Deposits

The breakdown of these is as follows :

Cover for advance limits  
against Pledged Secu-  
rity . . . . . Fr. 14,012,422,073.25

Guarantees given by per-  
sons lodging bills for  
discount . . . . Fr. 19,919,250.—

Bonds of the Currency  
Reform Loan . . . Fr. 6,280,000.—

Carried forward Fr. 14,038,621,323.25

Brought forward Fr.	14,038,621,323.25
International Monetary Fund . . . . . Fr.	8,323,889,561.24
International Bank for Reconstruction and Development . . . . Fr.	1,577,778,920.—
Other Deposits . . . . Fr.	44,420,167,120.96
Total. . Fr.	68,360,456,925.45

Guarantees given under Statute or Regulations by executives of the Bank, by Discount Agencies, and by members of the staff . . . . Fr.	163,256,129.—	Sundry Guarantees Received
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These Certificates secure the advances granted by the Bank for the purpose of carrying out Payment 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.	1,390,000,000.—	Guarantee Certificates received from the Public Treasury
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These guarantees are 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 . . . . Fr.	129,671,235.—	Guarantees given on behalf of the Staff
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Public Treasury

*Portfolio and Sundry Assets . . . . .* Fr. 20,000,000.—

*Sundry Securities owned by the Government :*

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

Ordinary Shares of the Bel-  
gian National Railways  
Company . . . . Fr. 1,000,000,000.—

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

Treasury Bills of the  
Government of the Grand  
Duchy of Luxemburg  
(Belgian-Luxemburg  
Agreement) . . . Fr. 1,427,258,846.—

Federal Republic of Ger-  
many Government Bonds  
(London Agreements of  
27th February, 1953) Fr. 399,905,400.—

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

4.50 % Certificates of the  
National Smallholders'  
Company . . . . Fr. 713,850,000.—

Sundry Items . . . . Fr. 329,114,118.—

Fr. 13,513,593,551.—

Carried forward Fr. 13,533,593,551.—

	Brought forward Fr.	13,533,593,551.—	
<i>Sundry Items for which the Government is the Depositary :</i>			
Items lodged by outside parties . . . . .	Fr.	5,848,691,083.11	
Service of the Registered Debt . . . . .	Fr.	14,262,918,500.—	
Deposit and Consignment Office . . . . .	Fr.	52,503,161,630.72	
Items lodged by way of Guarantee . . . . .	Fr.	2,130,015,693.15	
			Fr. 74,744,786,906.98

*Securities lodged in pursuance of the Regent's Decree of 17th January, 1949 regarding the cancellation of undeclared Belgian bearer securities . . . . .* Fr. 13,957,926.—

*Securities to be delivered . . . . .* Fr. 648,064,768,295.—

*Securities withdrawn from circulation . . . . .* Fr. 13,573,642.50

*Monetary Fund :*

Public Long-term Securities . . . . . Fr. 4,923,272,040.—

Total. . Fr. 741,293,952,361.48

Securities held in safe custody by the Bank and belonging to the Securities Stabilisation Fund which was set up in pursuance of the Decree Law of 18th May, 1945 . . . . . Fr. 5,193,028,218.—

**Securities  
Stabilisation Fund  
(Securities  
Deposited)**

a) Provisional Investments . . . . . Fr. 8,491,724,696.—

b) Cover for Loans . . . . . Fr. 8,965,750.—

c) Guarantee Deposits . . . . . Fr. 147,365,502.—

Total. . Fr. 8,648,055,948.—

**General Savings  
and Pensions Fund**

## DISTRIBUTION OF THE NET PROFIT FOR THE YEAR 1956

1. To the Shareholders : a First Dividend of 6 % of the Nominal Capital . . . . .	24,000,000.—
2. As to the rest, namely Fr. 336,529,595.95	
a) 10 % to Reserve . . . . .	33,652,959.60
b) 8 % to the Staff . . . . .	26,922,367.68
3. As to the remainder, namely Fr. 275,954,268.67	
a) To the Government : one-fifth . . . . .	55,190,853.73
b) To the Shareholders : a Second Dividend . . . . .	218,857,142.85
c) The balance to Reserve . . . . .	1,906,272.09
<b>Total Net Profit to be distributed.</b>	<b>360,529,595.95</b>

## DIVIDEND DECLARED FOR THE YEAR 1956

First Dividend, Gross Total . . . . .	Fr. 24,000,000.—
Second Dividend, Gross Total . . . . .	Fr. 218,857,142.85
Total. . Fr.	242,857,142.85
Income Tax . . . . .	Fr. 72,857,142.85
Net Dividend, Total . . . . .	Fr. 170,000,000.—

on 400,000 Shares, that is a net dividend of Fr. 425 on each.

This dividend is payable on 1st March, 1957 against the presentation of Coupon No. 155.

### *The Council of Regency :*

Hubert ANSIAUX, *Vice-Governor*,  
Jean VAN NIEUWENHUYSE, *Director*,  
Franz DE VOGHEL, *Director*,  
Marcel LEFEBVRE, *Director*,  
Léon-A. BEKAERT, *Regent*,  
Yvan FEYERICK, *Regent*,  
August COOL, *Regent*,  
Alfred PUTZEYS, *Regent*,  
Alfons CONIX, *Regent*,  
André RENARD, *Regent*,  
André DE GUCHTENEËRE, *Regent*,  
Robert VANDEPUTTE, *Regent*,  
Hector MARTIN, *Regent*,  
Victor VAN ROSSEM, *Regent*.

*The Governor :*  
Maurice FRERE.

**Balance Sheet**

**Profit and Loss Account**

**Memorandum Accounts**

**ASSETS****BALANCE SHEET AS AT 31**

<b>Gold Holding</b> . . . . .	46,247,394,557.15
<b>Foreign Assets</b> . . . . .	995,134,462.80
<b>Foreign Currencies and Gold Receivable</b> . . . . .	2,985,731,901.85
<b>Claims on Foreign Countries under Payment Agreements :</b>	
a) E.P.U. . . . .	9,742,650,000.—
b) Member Countries of E.P.U. . . . .	422,297,179.05
c) Other Countries . . . . .	771,316,409.70
<b>Debtors in respect of Foreign Exchange and Gold at Forward Dates</b> . . . . .	89,132,670.—
<b>Commercial Bills on Belgium</b> . . . . .	11,394,362,818.93
<b>Advances against Pledged Security</b> . . . . .	453,066,164.24
<b>Public Short-term Securities</b> (Article 20 of the Statutes, and Conventions of 14th September, 1948 and 15th April, 1952) :	
a) Treasury Certificates . . . . .	5,900,000,000.—
b) Securities issued by Institutions whose liabilities are guaranteed by the Government . . . . .	1,836,000,000.—
c) Other Public Short-term Securities . . . . .	89,000,000.—
<b>Treasury Notes and Coin</b> . . . . .	690,229,566.05
<b>Balances at the Postal Cheque Office</b> . . . . .	1,286,186.36
<b>Consolidated Claim on the Government</b> (Article 3, paragraph b of the Law of 28th July, 1948) . . . . .	34,660,494,790.12
<b>Public Long-term Securities</b> (Articles 18 and 21 of the Statutes) . . . . .	2,072,260,722.28
<b>Items Receivable</b> . . . . .	395,248,377.38
<b>Premises, Furniture and Equipment</b> . . . . .	1,318,151,477.17
<b>Securities of the Staff Pension Fund</b> . . . . .	885,334,589.88
<b>Assets Written Off pending Collection</b> . . . . .	pro memoria
<b>Transitory Assets</b> . . . . .	196,395,867.10
<b>Total Assets</b> . . . . .	121,145,487,740.06



31st DECEMBER, 1956

**LIABILITIES**

<b>Notes in Circulation . . . . .</b>		111,533,161,000.—
<b>Current and Sundry Accounts :</b>		
Public Treasury { Ordinary Account . . . . .	10,471,363.51	
{ Economic Cooperation Agreement Accounts . . . . .	27,910,947.61	
Institutions governed by a Special Law, and Public Authorities . . . . .	320,074,288.69	
Banks in Belgium . . . . .	1,663,168,062.35	
Banks in Foreign Countries : Ordinary Accounts . . . . .	229,329,539.11	
Individuals . . . . .	321,164,701.04	
Items Payable . . . . .	449,809,746.18	
		3,021,928,648.49
<b>Liabilities to Foreign Countries under Payment Agreements :</b>		
Member Countries of E.P.U. . . . .	751,565,611.32	
Other Countries . . . . .	273,251,206.22	1,024,816,817.54
<b>Total Sight Liabilities . . . . .</b>		115,579,906,466.03
<b>Special Provision :</b>		
Convention of 14th September, 1954 : N.I.C.C. . . . .		275,000,000.—
<b>Foreign Currencies and Gold to be Delivered . . . . .</b>		1,551,225,634.80
<b>Staff Pension Fund . . . . .</b>		885,334,589.88
<b>Transitory Liabilities . . . . .</b>		289,123,622.72
<b>Capital . . . . .</b>		400,000,000.—
<b>Reserve Funds :</b>		
a) Statutory Reserve . . . . .		349,271,723.69
b) Contingencies Fund . . . . .		246,999,679.82
c) Account for Depreciation of Premises and Furniture . . . . .		1,208,096,427.17
<b>Net Profit for Distribution . . . . .</b>		360,529,595.95
<b>Total Liabilities . . . . .</b>		121,145,487,740.06

## DEBIT

## PROFIT AND LOSS ACCOUNT

General Expenses . . . . .	349,045,151.66
Expenses of Acquiring, Selling and Shipping Gold . . . . .	4,809,678.90
Ordinary Grant to the Staff Pension Fund . . . . .	30,070,000.—
Extraordinary Grant to the Staff Pension Fund . . . . .	31,500,000.—
Depreciation of Premises, Furniture and Equipment . . . . .	27,771,158.55
Written off New Premises . . . . .	128,795,728.89
Amounts due to the Government :	
a) Produce of Discounts and Advances on Public Long-term Securities exceeding 3.50 % . . . . .	4,884,685.13
b) Stamp Duty on the Note Circulation . . . . .	155,538,148.—
	160,422,833.13
Transferred to the Transitory Liabilities as Provision for Taxes . . . . .	60,000,000.—
Transferred to the Transitory Liabilities as Provision for Building of Premises . . . . .	104,000,000.—
Transfer to the Contingencies Fund of Profit on Realisation of, and Collection of, Proceeds of, Securities . . . . .	1,707,028.15
Net Profit for Distribution . . . . .	360,529,595.95
	1,258,651,175.23

## MEMORANDUM ACCOUNTS

## Items for Collection . . . . .

## Documentary Credits Opened . . . . .

## Sundry Deposits :

*Cover for advance limits against Pledged Security . . . . .*  
*Guarantees given by persons lodging bills for discount . . . . .*  
*Bonds of the Currency Reform Loan . . . . .*  
*International Monetary Fund . . . . .*  
*International Bank for Reconstruction and Development . . . . .*  
*Other Deposits . . . . .*

## Sundry Guarantees Received . . . . .

## Guarantee Certificates received from the Public Treasury . . . . .

## Guarantees given on behalf of the Staff . . . . .

## Public Treasury :

*Portfolio and 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 Rail-  
            ways Company . . . . .  
        Treasury Bills of the Government of the Grand Duchy of  
            Luxemburg (Belgian-Luxemburg Agreement) . . . . .  
        Federal Republic of Germany Government Bonds (Lon-  
            don Agreements of 27th February, 1953) . . . . .  
        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 . . . . .*  
*Securities to be delivered . . . . .*  
*Securities withdrawn from circulation . . . . .*  
*Monetary Fund :*  
        Public Long-term Securities . . . . .

## Securities Stabilisation Fund (Securities Deposited) . . . . .

## General Savings and Pensions Fund :

*Provisional Investments . . . . .*  
*Cover for Loans . . . . .*  
*Guarantee Deposits . . . . .*

Discount, Exchange, Interest and Commissions . . . . .	682,368,682.99
Income on Public Long-term Securities and Other Securities acquired in accordance with the Statutes . . . . .	95,414,244.50
Profit on Realisation of, and Collection of Proceeds of, Securities . . . . .	1,707,028.15
Fees for Safe Custody, Brokerages and Rent of Safes . . . . .	14,041,437.60
Amounts collected on Assets Written Off pending Collection . . . . .	24,138,098.10
Rebate of Income Tax . . . . .	61,455,279.—
Provision for Taxes released and available . . . . .	40,970,186.—
<b>Amounts due from and allowed by the Government :</b>	
a) Return of Stamp Duty on the Note Circulation (Royal Decree of 24th August, 1939, Article 34) . . . . .	122,194,634.—
b) Allowance of 0.25 % per annum on the Government Debt (Royal Decree of 24th August, 1939, Article 33) . . . . .	92,813,737.—
c) Allowance of 0.10 % per annum on the amount of the Small Notes issued for account of the Treasury (Convention of 18th March, 1946) . . . . .	1,869,267.—
Transfer from the Account « Provision for Building of Premises » . . . . .	121,678,580.89
	<hr/> 1,258,651,175.23

	20,436,919.20
	10,931,008.90
14,012,422,073.25	
19,919,250.—	
6,280,000.—	
8,323,889,561.24	
1,577,778,920.—	
44,420,167,120.96	
	68,360,456,925.45
	163,256,129.—
	1,390,000,000.—
	129,671,235.—
20,000,000.—	
5,000,000,000.—	
1,000,000,000.—	
638,305,187.—	
1,427,258,846.—	
399,905,400.—	
4,005,160,000.—	
713,850,000.—	
329,114,118.—	
	13,513,593,551.—
5,848,691,083.11	
14,262,918,500.—	
52,503,161,630.72	
2,130,015,693.15	
	74,744,786,906.98
	13,957,926.—
	648,064,768,295.—
	13,573,642.50
	4,923,272,040.—
	741,293,952,361.48
	5,193,028,218.—
	8,491,724,696.—
	8,965,750.—
	147,365,502.—
	8,648,055,948.—



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

Agricultural Fund . . . . .	Fonds Agricole
Autonomous Funds . . . . .	Fonds Autonomes
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 pour l'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-Luxembourg Economic Union (B.L.E.U.) . . . . .	Union Economique Belgo-Luxembourgeoise (U.E.B.L.)
Belgian-Luxembourg Foreign Exchange Institute . . . . .	Institut Belgo-Luxembourgeois du Change
Belgian Municipal Credit Institution . .	Crédit Communal de Belgique
Belgian National Railways Company . .	Société Nationale des Chemins de Fer belges (S.N.C.F.B.)
Belgian Office for Increasing Pro- ductivity . . . . .	Office Belge pour l'Accroissement de la Productivité
Belgian Textile Industry Federation . .	Fédération de l'Industrie Textile Belge
Brussels Municipal Water Company . .	Compagnie Intercommunale Bruxelloise des Eaux
Centenary Fund . . . . .	Fonds du Centenaire
Central Bank of the Belgian Congo and Ruanda-Urundi . . . . .	Banque Centrale du Congo Belge et du Ruanda- Urundi
Central Council of the Economy . . .	Conseil Central de l'Economie
Clearing Office . . . . .	Chambre de Compensation
Commercial Food Supply Office . . .	Office Commercial du Ravitaillement
Committee for the Study and Promotion of Exports of Small and Medium-sized Enterprises . . . . .	Commission d'études pour la promotion des expor- tations de petites et moyennes entreprises
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 Regency . . . . .	Conseil de Régence
Currency Reform Loan . . . . .	Emprunt de l'Assainissement monétaire
Deposit and Consignment Office . . .	Caisse des Dépôts et Consignations
Direct Taxes Department . . . . .	Administration des Contributions directes
Directorate General of Mines . . . . .	Direction Générale des Mines
Discount Agency . . . . .	Comptoir d'Escompte
Economic and Social Research Institute (of Louvain University) . . . . .	Institut de Recherches Economiques et Sociales (de l'Université de Louvain)
European Agricultural Markets Organi- sation . . . . .	Organisation Européenne des Marchés Agricoles
European Coal and Steel Community (E.C.S.C.) . . . . .	Communauté Européenne du Charbon et de l'Acier (C.E.C.A.)

European Payments Union (E.P.U.) . . . . .	Union Européenne de Paiements (U.E.P.)
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
General Agreement on Tariffs and Trade (G.A.T.T.) . . . . .	Accord Général sur les Tarifs douaniers et le Commerce international (G.A.T.T.)
General Budget Statement . . . . .	Exposé Général du Budget
General Savings Fund (administered by :)	Caisse Générale d'Epargne (gérée par la :)
General Savings and Pensions Fund . . . . .	Caisse Générale d'Epargne et de Retraite
High Authority (of E.C.S.C.) . . . . .	Haute Autorité (de la C.E.C.A.)
Housing Institute . . . . .	Institut du Logement
International Bank for Reconstruction and Development (I.B.R.D.) . . . . .	Banque Internationale pour la Reconstruction et le Développement (B.I.R.D.)
International Forestry and Mining Company of the Congo . . . . .	Société Internationale Forestière et Minière du Congo
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-Leopoldville (K.D.L.)
Katanga Railway Company . . . . .	Compagnie du Chemin de Fer du Katanga
Leopoldville-Katanga-Dilolo Railway Company (LEOKADI) . . . . .	Société des Chemins de Fer Leopoldville-Katanga-Dilolo (LEOKADI)
London Metal Exchange . . . . .	Bourse des Métaux de Londres
Ministry for Economic Affairs . . . . .	Ministère des Affaires Economiques
Ministry of Agriculture . . . . .	Ministère de l'Agriculture
Ministry of Finance . . . . .	Ministère des Finances
Monetary Fund . . . . .	Fonds Monétaire
National Bank of Belgium (N.B.B.) . . . . .	Banque Nationale de Belgique (B.N.B.)
National Del Credere Office . . . . .	Office National du Dueroire
National Employment and Unemployment Office . . . . .	Office National du Placement et du Chômage
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 Smallholders' Company . . . . .	Société Nationale de la Petite Propriété Terrienne.
National Social Insurance Office . . . . .	Office National de Sécurité Sociale
National Statistical Institute . . . . .	Institut National de Statistique
National Water Distribution Company . . . . .	Société Nationale de Distribution d'Eau
North Atlantic Treaty Organisation (N.A.T.O.) . . . . .	Organisation du Traité de l'Atlantique Nord (O.T.A.N.)
Organisation for European Economic Cooperation (O.E.E.C.) . . . . .	Organisation Européenne de Coopération Economique (O.E.C.E.)

Postal Cheque Office . . . . .	Office des Chèques Postaux
Public Debt Sinking Fund . . . . .	Fonds d'Amortissement de la Dette Publique
Rediscount and Guarantee Institute (R.G.I.) . . . . .	Institut de Réescompte et de Garantie (I.R.G.)
Research and Documentation Department (of the National Bank of Belgium) . . . . .	Département d'Etudes et de Documentation (de la Banque Nationale de Belgique)
Road Fund . . . . .	Fonds des Routes
Savings Bank of the Grand Duchy of Luxemburg . . . . .	Caisse d'Epargne du Grand-Duché de Luxembourg
Securities Stabilisation Fund . . . . .	Fonds des Rentes
Staff Pension Fund . . . . .	Caisse de Pensions du Personnel
Telegraphs and Telephones Board . . . . .	Régie des Télégraphes et Téléphones
Treasury and Public Debt Administration	Administration de la Trésorerie et de la Dette Publique
Union of Non-Ferrous Metal Industries . . . . .	Union des Industries des Métaux Non-Ferreux
Veterans' Endowment . . . . .	Dotation des Combattants





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Printing Works  
of the National Bank of Belgium  
Ch. AUSSEMS,  
Chief Engineer  
of the Technical Department  
15, Square des Nations, Brussels

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*Translated from the French by*  
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