

# NATIONAL BANK OF BELGIUM



## REPORT

1968



NATIONAL BANK OF BELGIUM

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# REPORT

*on the activities of the year 1968 presented to the General Meeting  
on 24th February, 1969*

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# REPORT

PRESENTED BY THE GOVERNOR

IN THE NAME OF THE

Council of Regency

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

*The growth of the national product became faster during 1968 in most of the industrialised countries; thanks to cooperation between the authorities responsible for proper working of the international monetary mechanisms, the expansion of the world economy was not impaired by the successive speculative movements aimed at the official price for gold and at the parity of certain currencies.*

*Impelled by vigorous expansion of external demand and by the effect of the stimulative measures, adopted by the Government and including, among others, an appreciable increase of expenditure on public works, an economic upswing became definitely apparent in Belgium. The improvement spread, with differences of degree. Enterprises rebuilt their stocks of raw materials and increased the amount of their work in progress, although their investment in fixed capital seems to have slightly declined; the increase of private consumption, still slow in the first months of the year, progressively quickened; the slowing down of activity in the building industry ceased.*

*The manufacturing industries' output rose appreciably more than in the previous year, resulting in fuller use of equipments, so that the propensity to invest had again become greater by the end of the year.*

*The growth of activity has not, however, yet been accompanied by a decrease of unemployment; on the contrary, the number of persons fully unemployed was on the average greater than in 1967; but, while there still remains a problem of employment in various regions, the general trend did become more favourable during recent months, notably for young workers, and the most recent cyclical forecasts hold out the prospect of approaching improvement.*

*The year-to-year increase of the first nine months' average gross hourly wages, which had appreciably slowed down in 1967, became a little slower still. The growth over the same period of the average hourly wage cost, which reflects not only the course of hourly wages but also the increase of social charges falling on employers, was likewise smaller than in the preceding year. In the whole of industry, moreover, the production per worker must have increased. Consequently the labour cost per unit of output, the variations in which are difficult to measure with precision, probably remained during the first half of the year below its level for the corresponding period in 1967; thereafter it does not appear to have significantly increased, at least for industry regarded as a whole.*

*The costs of fuel and power remained stable; so did, on the average and with certain exceptions, those of imported raw materials. The burden of overhead expenses was spread over a greater output. Since moreover the wholesale prices for domestic industrial products continued a slow upward movement, the earning power of enterprises probably improved, at least in those sectors where activity was most favoured by the economic recovery.*

*The rise of consumer prices was slower than in 1967.*

*The increase of demand, in particular for producer goods needed in order to rebuild stocks during the phase of cyclical recovery, entailed an expansion of imports. According to the Customs statistics this expansion was for the first eleven months equal to that of exports, and the trade deficit amounted to Fr. 6.5 billion in 1968, as in 1967. At the same time the payments for imports, exports and commission processing, which had yielded a surplus of Fr. 4.6 billion during the first eleven months of 1967, showed a deficit of Fr. 1.2 billion in 1968. It seems that the terms of payment became longer, thereby causing Belgian and Luxemburg enterprises' outstanding commercial claims on foreign countries to increase.*

*The course of foreign payments was marked by a reversal in the net movement of capital on private account; for the first eleven months the rather exceptional surplus recorded in 1967, namely Fr. 5.5 billion, gave place in 1968 to a deficit of Fr. 1.2 billion. The funds brought in as*

*direct investments by foreign enterprises did attain slightly greater size during this latter year, but residents' purchases of foreign securities considerably increased while foreigners' net purchases of Belgian securities came to an end. The change was not due to internal factors; it is explained both by the rise of stock exchange prices in the United States and by the high rates offered on the Euro-bond market owing to the large demand for funds stimulated, inter alia, by the American measures designed to restrict capital exports.*

*With allowance for the other transactions with foreign countries, including a decrease of the Treasury's net foreign debt, the balance of payments for the first eleven months showed an overall deficit of Fr. 1.5 billion, which is far from corresponding to the contraction of the National Bank's gold and foreign assets by Fr. 14.3 billion. The difference resulted from the fact that the Belgian and Luxemburg banks increased their foreign position; in Belgian francs their net liabilities to foreign countries declined by Fr. 3.3 billion, while their foreign currency assets rose by Fr. 9 billion more than their liabilities; this placing of funds by the banks temporarily caused an apparent decrease of the National Bank's reserves, but the foreign currency assets which have changed hands continue to be held by intermediaries that have been authorised by the Belgian-Luxemburg Foreign Exchange Institute and are, as such, subject to its control.*

*The public debt increased more than in the previous year owing, among other things, to the effect which the Government's stimulative policy produced on the budget deficit and on payments by the Road Fund. The increase of consolidated debt, partly attributable to purchases by banks and by other financial intermediaries, was considerable; the short-term debt located at public credit institutions was reduced. The Government's financing through monetary institutions as a whole, which financing in 1968 served to meet cyclical requirements, reached Fr. 25.5 billion during the first ten months of the year; its principal components were utilisation, to the extent of Fr. 10.8 billion, of the credit facilities offered by the National Bank and, to that of roughly Fr. 8 billion, subscriptions by the banks for long-term loan issues.*

*For the whole of the first ten months the expansion of credits granted by financial intermediaries and utilised by enterprises and individuals slightly exceeded that in 1967. During the first half-year it was even below the level of a year before, the demand for housing loans having been smaller; subsequently it recovered. The mobilisation of commercial bills at the National Bank increased in amount; on the average for the year the Bank's holding of such bills reached Fr. 10.8 billion, against Fr. 6.7 billion in 1967; the course of foreign payments and the banks' operations in foreign currencies for their own account caused the banks to resort to discounting, directly or through the Rediscount and Guarantee Institute, in order to procure the cash which they required.*

*The cyclical recovery gave rise, within the economy, to an increased demand for cash. The average money supply for the first eleven months was greater by Fr. 21.3 billion in 1968 than in 1967; of this amount Fr. 17 billion was in sight deposits and Fr. 4.3 billion in notes. The rate of increase in the total quantity of money was, however, slightly below that for the national product at current prices.*

*The amount of non-monetary domestic financial assets formed during the first ten months was a little smaller than in 1967. The slowing down, from which only the formation of balances on deposit or savings books was excepted, is explained by various factors; thus households' propensity to save, after having increased in 1967, appears to have returned towards its earlier level, while the rebuilding of stocks absorbed a part of the available savings, share issues were larger, and finally the placing of funds abroad increased in amount.*

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*The National Bank's policy in regard to interest rates during the past year was inspired by two major considerations, one being support for the action to stimulate domestic activity, the other the course of international payments.*

*Until about the end of the third quarter the National Bank took steps to keep rates of interest at a low level so as to promote economic activity, and contribute towards redressing the balances of payments of the United States and the United Kingdom. On 7th March the Bank further reduced by 0.25 p.c. its rates of discount and interest, bringing the rate for accepted bills domiciled at a bank down to 3.75 p.c., against 5.25 p.c. at the beginning of 1967. On the occasion of tenders for short-term public securities the tenders submitted at rates which were considered too high were rejected in agreement with the Government; the rate for Securities Stabilisation Fund Certificates, still 4.80 p.c. during December, 1967, dropped to 4.25 p.c. in April, at which level it remained stable until the beginning of September. The rates for Treasury Certificates at very short term were lowered in a parallel movement. The Securities Stabilisation Fund intervened to moderate rises of the call money market rate, and from May onwards it resorted to National Bank advances when its other resources were insufficient.*

*During 1968, indeed, the supply of funds on the money market was affected, in the sense of contraction, by various factors. Thus the fall in rates of interest on this market made it more advantageous for the participants to invest in public securities or in foreign exchange; the course of the balance of payments reduced the creation of domestic liquidity; from the middle of the year onwards the outstanding amount of credits granted by financial intermediaries increased by more than their resources. During the last few months this decrease in the supply of funds and the firmness of the demand exerted by public authorities, which were striving to increase their issues of short-term securities, caused a rise in the rates of interest on those securities, in the rates on the market outside the National Bank for commercial bills and in the call money rate.*

*Given the level of interest rates reached in the main foreign centres and on the Euro-market, the National Bank ceased from the autumn onwards to counteract the upward movement which was evident in Belgium. It considered in fact that the liquidity creation which would otherwise have been necessary might have caused serious loss of foreign exchange*

*reserves without affording any safe assurance of domestic financing, particularly that of the Treasury. When moreover it appeared that the tension on foreign markets persisted, and once it was certain that a rise in the banks' lending rates would no longer endanger the economic recovery which was by then well under way, the National Bank decided to confirm, through a change in its own rates, the rise which it had allowed to occur in the various categories of short-term funds and which was even occurring, in much attenuated degree but unmistakably, on the bond market. On 19th December it raised its discount and interest rates by 0.75 p.c. This measure should contribute towards establishing better internal equilibrium without impairing international cooperation, since Belgian rates remain clearly below those current in the foreign countries which can be justifiably supported.*

*On 31st December, following a formal request which the Commission of the European Communities addressed, in conformity with the Treaty, to the Belgian Government, the National Bank announced that in respect of sales to Common Market countries it would no longer allow a preferential rate of discount on certified acceptances representing exports.*

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*According to Article 13 of the Organic Law the amount of the portfolio held by the National Bank as a result of operations effected in conformity with Article 11, 3° and 9°, must not exceed a limit, fixed by Convention between the Minister of Finance and the Bank after concurrence by the Council of Regency, approved by the Council of Ministers and published in the Moniteur. In execution of this provision a Convention was concluded on 14th September, 1948, fixing a limit of Fr. 10 billion for the credits which the Belgian Government could obtain; since 1952 a proportionate credit line of Fr. 333 million had been at the disposal of the Luxemburg Government.*

*Owing to the growth of the economy for the past twenty years it was desirable to adapt these amounts to present facts. The credit line which*

would have enabled the Treasury to cover the gaps, during the year, between its receipts and its expenditure was estimated for 1965. The percentage increase of the amount thus calculated, as compared with the limit fixed in 1948, represents about one-third of that in the Government's ordinary revenues. This ratio of one to three made it possible to determine the credit line now necessary, namely Fr. 16 billion. With allowance for the fact that the credit line placed at the Luxemburg Government's disposal had to be proportionately increased, a Convention, which was concluded on 30th March, 1968 and came into force on 1st September, raised to Fr. 16,533 million the limit laid down by Article 13 of the Organic Law.

The new Convention establishes a procedure to facilitate eventual adaptation of the new limit. This latter will in fact be re-examined every three years, for the first time in 1971. Should adaptation be found justifiable, it would be effected on the basis of the increase in the Government's ordinary revenues since 1967 and of the one to three ratio mentioned above.

The Government has expressed its intention to impart, to utilisation of its option for recourse to the National Bank, the normal mobility of a cash facility used for covering cash deficits during the year. It has accordingly been stipulated that such utilisation shall not, on the average for a period of three years, exceed two-thirds of the limit.

Apart from this the financial needs created by an anticyclical policy in a period of recession may, when circumstances make this justifiable, be covered, outside the margin designed to allow the Treasury to meet its temporary deficits, through the assistance which the National Bank has the option of granting as lender of last resort.

Since 1967 the National Bank has given the Treasury such support by admitting to rediscount, without limit of amount, acceptances at not more than 120 days bearing the signature of the Road Fund. The latest date for the maturity of these acceptances, to make them eligible for such rediscount, was originally fixed at 30th June, 1968; it has been extended, by successive decisions, to 30th June, 1969. It was in view of the cyclical

*situation that these extensions were granted. According to the legislative authority's intention, clearly expressed in the Report to the King on Royal Decree No. 41 of 29th September, 1967, which permits recourse by the Road Fund to the money market, this power to obtain finance, and the National Bank's support for such financing, are elements in an anticyclical action designed to stimulate economic activity.*

*Whether it be a case of applying this instrument or the other instruments of open market policy, the mechanisms through which the National Bank can take the initiative in expanding the resources of the money market during phases of recession or of slowing down, so as to assist either in meeting the Treasury's needs or in medium-term financing of private expenditure, could not be permanently utilised throughout all the phases of the business cycle. Conceived as they are in order to stimulate acceleration of insufficient economic growth, these devices for monetary expansion would lose all their significance as means of cyclical policy if improperly used during periods when supply becomes inelastic. Recourse in that case to these devices would impair adaptation of the National Bank's policy to the new environment. Called into action at the wrong time, and more heavily because of disequilibria in the money and capital markets during phases of tension, the operation of these devices could only result in quickening the onset of inflationary processes or in aggravating their force.*

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*During the past year some progress was made towards better equilibrium in balances of payments. In the United States, despite deterioration of the trade balance, the overall balance improved thanks to changes in the direction of capital movements. The devaluation of sterling in November, 1967, and the measures which the British authorities adopted then and in 1968, appear to have recently begun to produce effect.*

*Nevertheless international financial relations have on various occasions presented serious problems.*

*Demand on the gold market, moderate at the start of the year, became definitely speculative during the first fortnight of March. Intervention by the Central Banks which were members of the gold pool, with the object of keeping the market price within narrow limits around 35 dollars per ounce, resulted in eroding the official metallic reserves for the benefit of private hoarders. But while the role of these reserves in the international monetary system is inevitably bound to decline, gold nevertheless remains the basis of the present organisation, and Central Banks' assets should therefore be sheltered from the effects of speculation. These considerations led to the decision, adopted at the Conference on 16th and 17th March in Washington, to stop intervention by the gold pool and to separate the official market, where the price has been maintained at 35 dollars, from the free market, where the supply from producing countries and the demand from enterprises and individuals are balanced at prices which fluctuate freely. On this market the prices have been above the price on the official market, although the difference has not exceeded 20 p.c. during the last eight months.*

*The foreign exchange markets were disturbed in November by large short-term capital movements, due to rumours concerning revaluation of the Deutsche Mark and to fears about the French franc.*

*These speculative movements, like those which had previously occurred, enabled international monetary cooperation to assert its power. Just as in the past, such cooperation helped to overcome the difficulties.*

*The support for sterling was reinforced. The Central Bank Governors, at the Conference on 16th and 17th March, announced the grant to the United Kingdom of new facilities (of which \$ 50 million were contributed by the National Bank of Belgium), raising to \$ 4 billion the total amount of credits on which that country could immediately draw. In September a \$ 2 billion medium-term facility was granted to the Bank of England by the Bank for International Settlements, with the assistance of numerous Central Banks (including the National Bank of Belgium, to the extent of \$ 80 million), with a view to offsetting the effects produced on the United Kingdom's reserves by fluctuations in the official sterling*

*assets of sterling area countries; at the same time arrangements were made for the purpose of reducing any such fluctuations. After the granting of this new assistance the Bank of England repaid some credits which it had previously received.*

*A \$ 1.3 billion credit line, including \$ 50 million from the National Bank of Belgium, was opened for the Bank of France in July. In November the opening of a second line which amounted to \$ 2 billion, including \$ 100 million from the National Bank, was decided on.*

*In June the National Bank subscribed for \$ 12 million of United States Treasury Notes, representing the estimated amount of the effect which had been produced in 1967 on the United States' balance of payments by that country's military expenditure in Belgium. A further subscription amounting to \$ 20 million, and relating to the year 1968, was effected in December. The Notes carry possibilities of mobilisation which make them an asset conforming to the provisions in Article 24 of the National Bank's Statutes.*

*The total facilities which the Federal Reserve Bank of New York and the National Bank grant to each other by swap agreements remained fixed at \$ 225 million. During the first months of the year the Federal Reserve Bank continued to make use of these facilities. Thereafter the situation was reversed and, especially during the last quarter, the National Bank, making use of the same facilities, contracted certain engagements which it had practically repaid before the end of the year. These repayments were rendered possible through the encashing, at their amount of 3 billion Belgian francs, of the United States Treasury Bills for which the National Bank had subscribed in 1967, and through the United States' purchases of Belgian francs against dollars with a view to reconstituting, by means of these francs, their position at the International Monetary Fund.*

*This last operation outweighed the Belgian franc drawings which had been effected during the previous months, in particular by the United Kingdom and by France; consequently, for the whole year, the assets acquired by the National Bank at the Fund declined by Fr. 1.3 billion to the level of Fr. 15.3 billion.*

*Within the European Economic Community new efforts were made during 1968, some of them in the Monetary Committee and in the Committee of Central Bank Governors, to harmonise the monetary policy of the member states. It is indeed important that progress towards such harmonisation shall not fall short of that in regard to economic integration. It is self-evident, however, that the state of progress in such integration governs the extent to which coordination in the monetary sphere can become more nearly complete.*

*On the more general plane of improving the international monetary system's operation some further important stages were completed during the past year.*

*The Board of Governors of the International Monetary Fund adopted some proposed amendments to the Fund's Articles of Agreement, providing for the creation of special drawing rights designed to meet any general shortage of reserves. These amendments are at present up for ratification by the member countries.*

*With a view to effecting such ratification the Belgian Government, in December, tabled a bill in Parliament.*

*This bill further provides that the National Bank may show in its accounts as its own assets all the rights, including the special drawing rights, which Belgium has as a member of the International Monetary Fund.*

*The rights thus shown in account will be included, on the same basis as gold, in the cover for the Bank's sight liabilities. That extension is justified by the evolution of the international payments system; this entails gradual reduction of gold's relative importance in the composition of reserves, and parallel development of reserve instruments taking the form of assets held at international institutions and having, by reason of their definition and their liquidity, the same qualities as gold.*

*Finally the bill provides that the Government may guarantee the National Bank against the risks which result from its taking part in any*

*operations, by way of international monetary cooperation, to which, with the approval of the Government as resolved in the Council of Ministers, it may be a party.*

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*International monetary cooperation arranges, for the benefit of countries which experience difficulties in their balance of payments, a period of transitional assistance required by reason of the delay with which internal curative measures produce their effects. That assistance enables these countries progressively to apply a corrective policy, so that they need not resort to severe restrictions which would threaten their level of employment or, directly, that of international trade. But the support which is granted to the deficit countries does not relieve them of the need to impose the necessary internal discipline. Thus in 1968 the authorities of the United States, of the United Kingdom and of France each adopted a body of provisions designed to re-establish balance of payments equilibrium.*

*The external disequilibrium of the German economy is of an opposite nature, but it too raises certain problems. Following the Conference of the Group of Ten at Bonn in November the German Government, in agreement with the other members, decided to adopt measures of such a nature as to reduce the country's considerable surplus.*

*Belgium, being highly dependent on world economic relations, has the greatest interest that the development of these shall not be endangered by disequilibria in balances of payments, and consequently that policies aimed at reducing serious deficits or excessive surpluses shall achieve their objects.*

*It is clear that the effort made by the deficit countries to redress their balances of payments on current account may in the short run adversely affect the Belgian economy; this latter will inversely benefit, however, from an element of expansion in its activity and of improvement in its trade balance through a reduction in the surpluses of strongly creditor countries.*

*If on the other hand the monetary policies pursued in foreign countries maintain a high level of rates on the international money and capital markets, there is a risk that the attraction exerted by foreign investments on some Belgian savers may be prolonged. This means that the National Bank must be particularly careful to avoid the development of excessive disparities between those rates and the rates on Belgian internal markets.*

*In a more general way it will become the more essential to attain the objective of external equilibrium as the foreseeable expansion of total expenditure entails fuller utilisation of the production factors as a whole.*

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*Since provision for it is made in the budget for 1969, an increase of public expenditure is certain. A faster rate of consumption by households must already be foreseen. From the available indications it appears that expenditure on building, both residential and other, will likewise grow. The change in the business cycle will doubtless entail in the near future some revising, in an expansive direction, of industrial investment programmes.*

*There is therefore likely to be considerable growth of domestic expenditure, with consequent tensions on the money and capital markets, which will be strained by a mass of demands, the total amount of which will increase faster than the accruals of funds.*

*This prospect calls for attention. The size of the public authorities' financial requirements for 1969 sets a problem in itself. As regards the Government, even if the expenditure entered in the ordinary budget, which has been presented in equilibrium at the level of Fr. 264.6 billion, is not increased in the course of the financial year, and if the conditional allocation for public works is not brought into play, the need to cover the deficit which will result from execution of the budgets and from expenditure by the Road Fund will compel the Treasury to borrow a gross amount of more than Fr. 46 billion, without allowance for the sums which will have*

*to be borrowed in order to meet repayments to be made on debt reaching final or intermediate maturity dates in 1969. Moreover the gross expenditure by municipalities, by associations of these and by public operating organisations was estimated last June to amount to Fr. 20 billion.*

*Yet during the previous phase of cyclical recovery between 1960 and 1962 the net annual amount of long and medium-term public securities which it was possible to issue ceased to grow and, moreover, the financial intermediaries no longer increased their holdings of Treasury Certificates except on a limited scale.*

*If the various categories of expenditure are left to follow their probable course in 1969 there is therefore reason to fear that the competition between would-be borrowers, for insufficient resources, may cause the covering of the public authorities' deficit to run into difficulties. This means that calls for direct or indirect financing by the National Bank might become more pressing.*

*Any enlargement of such financing to inflationary size would compel the Bank, by reason of its proper responsibilities, to bring into play the instruments which it has available for action on domestic spending.*

*But except for action on the level of interest rates these instruments, which more especially affect the part of expenditure that is financed through recourse to bank credit, are of partial scope and rather limited in their effect. In Belgium, like other countries, and perhaps even more in Belgium because its economy is particularly open to external influences, monetary policy cannot alone suffice to contain inflationary pressures.*

*Its action would be much more effective if budgetary policy could be adapted, in good time, so as to conform to the business cycle. Adaptation of tax revenues and of ordinary expenditure would enable the Government, in a period of upswing, to step up its own saving so as to cover a larger part of the public capital expenditure deemed to be indispensable.*

*The alternative course of refraining from such capital expenditure so as to check excessive total demand would certainly ease the Treasury's*

*financing difficulties, and reduce the tensions on the markets both for capital and for goods; but it would at the same time delay improvement of the collective equipments which are just as necessary as other investments for harmonious development of the economy. The compelling demand for such development will not be met, either, if the public authorities' needs for financing become incompressible owing to exaggerated growth of their expenditure, and if monetary policy is forced to make the whole weight of restriction bear on credit for enterprises so as to safeguard overall equilibrium, the need for which the Bank cannot ignore.*

*It can therefore hardly be too strongly emphasized that within total expenditure, both public and private, some forms of it are more likely than others to provide, in a brief space of time, active support for real growth of the economy and for its productivity, whether it be a case of extending production capacities, of increasing their efficiency, of improving the collective infrastructure or of better training the active population at its various levels.*

*In the upward phase of the cycle it is expenditure of this kind that must be favoured by recourse, in particular, to a financial policy providing for selective distribution of credit in all its forms. Without any doubt this policy implies making choices, in good time, in the light of priority criteria which are correctly defined and which apply to the public authorities just as they do to the other parties to the economic process.*

*It is true that the instruments of such financial programming are still embryonic, but the coordination which is being increasingly organised as between public authorities and financial intermediaries may favour their development.*

*Failing such a policy, if the financial tensions which are to be feared lead to excessive creation of liquidity, the Bank will have to assume its responsibilities, and check recourse to its assistance, so as to keep monetary expansion in due proportion to the possibilities of real growth in the economy.*

*The National Bank will thus assist the action required for safeguarding economic progress against the danger of runaway economic activity, just as it recently tried to contribute towards preserving such progress from the delays inherent in a phase when activity was slowing down. It sees, in ordered regularity of such progress, one of the fundamental conditions for the maintenance of monetary stability.*

Controlled by the concerted efforts of the principal countries concerned, the disturbances which have several times affected the international monetary system since the November, 1967 devaluation of sterling did not impair the expansion of the world economy in 1968.

For all industrialised countries together the rate of growth appears to have risen from 3 to 5 p.c., thus reattaining the level reached in 1966. A rise of the pace at which activity grew was recorded in most of the countries in question, except Italy and Japan, where, however, the rate of expansion remained high, and France, where production was affected by the strikes in May and June.

The rebuilding of industrial raw material stocks in the user countries favourably affected exports from the countries in course of development.

In the **United States** the growth of the national product at constant prices, after having amounted to 2.4 p.c. in 1967, appears to have doubled.

It was particularly rapid in the first half-year, and was accompanied by a rise of wage costs and of prices at a pace unusual in the United States; tensions were likewise induced on the money and capital markets, and the rate of discount was raised in two steps from 4.5 to 5.5 p.c. During this same period the balance of current transactions ran into deficit for the first time since 1959.

The adoption in June of restrictive measures on the plane of the public finances was not immediately reflected in an appreciable decrease of

demand, since the rate of saving by households became slower. The rise of consumer prices continued at about the same pace, but that of industrial wholesale prices was less pronounced than in the first half-year, and the balance of current transactions improved. A certain easing of tension, encouraged by the monetary authorities and recognised through a slight reduction of the discount rate in August, appeared in the summer on the money and capital markets; but it was of brief duration, and rates resumed

Table 1.

GROSS NATIONAL PRODUCT AND EXTERNAL TRADE  
OF THE MAIN INDUSTRIAL AREAS

	Gross national product at constant prices (Indices 1958 = 100)			Share in world exports (1) (Per cent)			Balance of trade (In millions of U.S. dollars)		
	E.E.C. c	United States	United Kingdom	E.E.C.	United States	United Kingdom	E.E.C. (2)	United States (3)	United Kingdom (2)
1963 .....	131.7	123.2	119.4	18.1	18.9	10.3	- 3,048	+ 5,260	- 1,734
1964 .....	139.5	129.9	126.4	18.1	19.4	9.6	- 2,676	+ 7,084	- 3,164
1965 .....	145.9	138.1	129.7	18.8	18.6	9.5	- 1,488	+ 5,323	- 2,381
1966 .....	151.6	146.9	131.9	18.7	18.8	9.3	- 1,332	+ 3,873	- 1,975
1967 .....	155.9	150.5	133.9	19.1	18.8	8.7	+ 864	+ 4,142	- 3,475
1968 .....	163.9	e157.7	e138.8	19.3 <sup>(4)</sup>	18.9 <sup>(4)</sup>	8.5 <sup>(4)</sup>	e+ 1,150	e+ 1,000	p- 3,700

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

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

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

(4) Figures for the first nine months.

c Estimates.

p Provisional figure.

their upward movement, reaching at the end of the year a level that is exceptional in the United States; on 18th December the rate of discount was raised to 5.5 p.c.

Despite the deterioration in the balance of current transactions for the whole year the overall deficit on the balance of payments, after having reached \$ 3.6 billion in 1967, seems to have been cleared off in 1968. In fact the account for capital transactions considerably improved owing, in the main, to the new measures restricting capital movements which were applied by the United States Government, to the high level of interest rates and to the attraction exerted by stock market prices.

In the **United Kingdom** the national product at constant prices appears to have grown by 3.7 p.c., against 1.4 p.c. in 1967.

However, despite devaluation and the pursuit of a restrictive economic policy, the balance of payments did not improve to the extent expected by the Government.

Exports grew in terms of volume, but so did imports, so that the trade deficit seems to have slightly grown. Purchases from foreign countries increased at the start of the year under the effect of the rapid rise in private consumer spending to anticipate the price rises bound to result from devaluation and from the budgetary measures. They remained very large during the second quarter despite a substantial decrease in consumption due to the tax increases, because stocks were rebuilt in the economy after the surge of buying which had preceded publication of the budget.

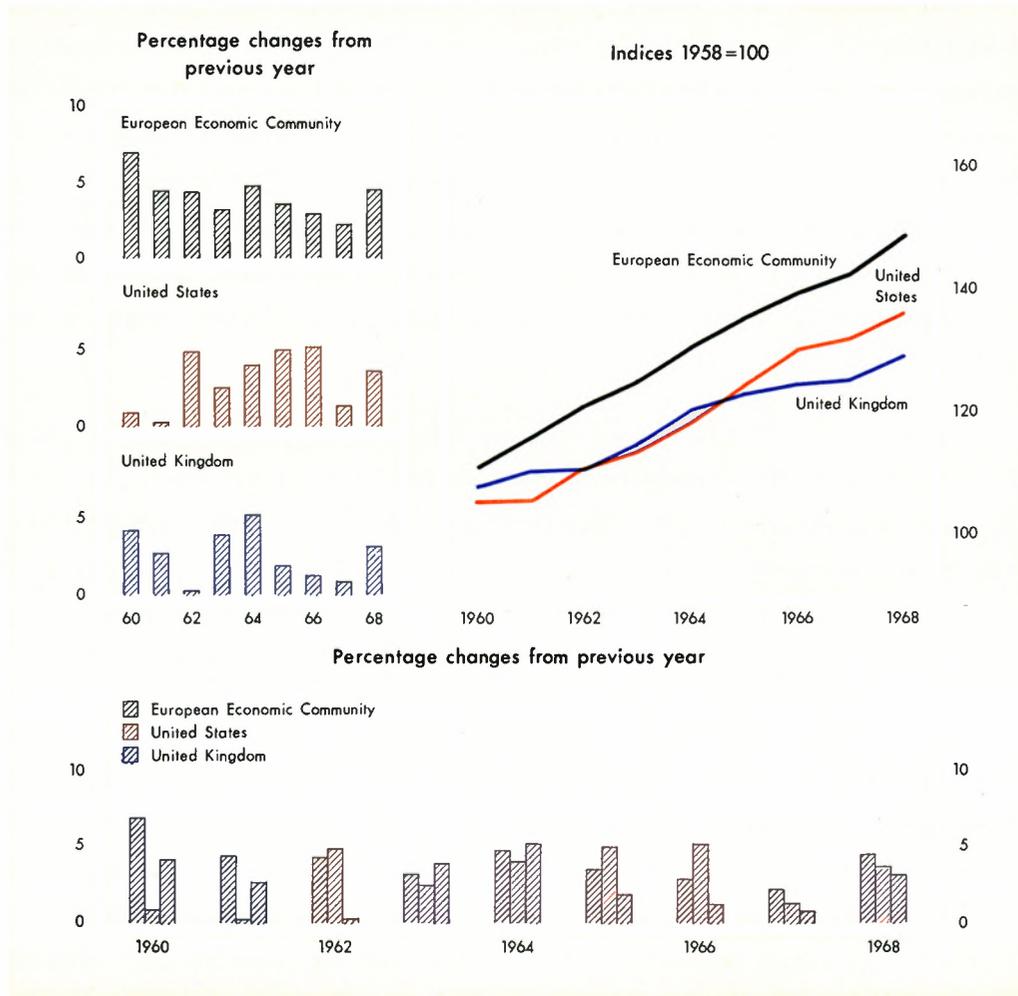
In September the Bank of England reduced to 7 p.c. its discount rate, which in March had already been lowered to 7.5 p.c. from the 8 p.c. level adopted immediately after devaluation. However, the quantitative restrictions on credit remained fully in force owing to the resumption of private consumer spending, connected with the growth of incomes in the economy and with the reduction in the rate of saving by households.

In November, when speculative movements affected the foreign exchange markets, new measures were adopted with a view to checking consumption and reducing imports. Thus the rates of purchase tax on consumer goods were increased; the measures to restrict bank lending were reinforced; finally the clearance of certain categories of imports from the Customs was made subject to the deposit, for six months and without interest, of an amount equivalent to half their value.

In March, when speculation on gold was accompanied by pressures on sterling, the Bank of England benefited from an increase of the credit lines which have been opened for it by way of international monetary cooperation, and in September it obtained medium-term facilities designed to offset the fluctuations in certain sterling balances.

For all the **European Economic Community** countries together the national product's rate of growth, expressed at constant prices, appears to have risen from 2.9 p.c. in 1967 to 5.1 p.c.

GROSS NATIONAL PRODUCT PER HEAD OF POPULATION  
At constant prices



Sources : Gross national product : *European Economic Community* : Statistical Office of the European Communities.  
*United States* : Economic Indicators.  
*United Kingdom* : « National Income and Expenditure », Central Statistical Office.  
 Population : Monthly Bulletin of Statistics of the United Nations.  
 1968 : estimates.

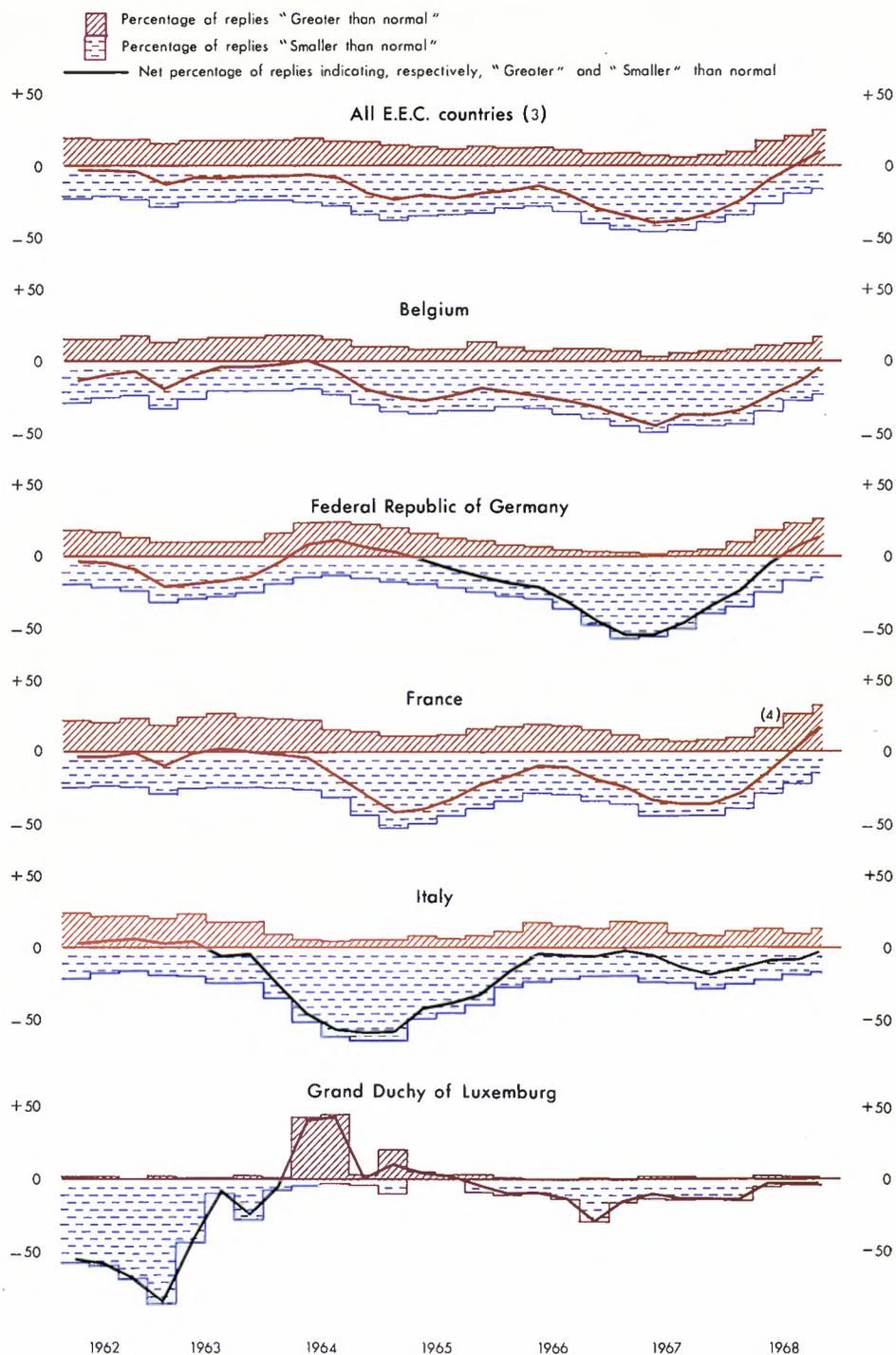
This rise was chiefly due to the economic recovery which began from the last months of 1967 onwards in the Federal Republic of Germany, where

the rate of increase in the national product at constant prices, nil in 1967, appears to have reached 6.5 p.c.; the quickening in the growth-rate of exports, and the rapid recovery of gross domestic fixed capital formation, were the mainstays of overall demand in that country. The expansion of the German economy gradually led to full employment of labour and of production capacities without, however, entailing strain on prices. The surplus on the balance of current transactions remained at the previous year's high level without being largely offset, as it had been in 1967, by outflows of capital. While there was a substantial increase of long-term capital exports, encouraged by the authorities, a considerable afflux of short-term capital occurred, especially during the second half of the year; the official reserves very markedly increased. Steps were taken in November to reduce the trade surplus by taxing exports and lowering the tax on imports, and to limit short-term capital imports through restrictions placed on the formation of bank deposits by non-residents.

In France economic activity, sustained *inter alia* through an increase of foreign demand as well as through Government action in favour of investments and of private consumption, recovered during the first months of the year. After the May and June strikes, which caused an appreciable decrease of production and a substantial rise of wages, the Government adopted an expansive policy which led to a marked increase of production. However, the balance of payments deteriorated, largely because of short-term capital movements which attained considerable size in November. Because of the exceptional economic situation due to the events in May and June, and of developments observed on the plane of external equilibrium, the Government put into force certain internal and external measures designed to restore equilibrium in the balance of payments and to safeguard the foreign exchange reserves. The protectionistic measures and the exchange restrictions, introduced on a temporary and exceptional basis, were adopted in agreement with the Council of Ministers of the European Economic Community, which granted France the mutual assistance contemplated in Article 108 of the Rome Treaty. In both July and November a large amount of international financial aid was granted to France.

INQUIRIES INTO THE TREND OF ECONOMIC ACTIVITY IN THE COUNTRIES  
OF THE EUROPEAN ECONOMIC COMMUNITY

Appraisal of total orders in hand (1) (2)



Source : Commission of the European Communities, Directorate General of Economic and Financial Affairs.

(1) The data cover, in principle, all industrial sectors except the food and extractive industries.

(2) Monthly averages per quarter; last period : October, 1968.

(3) Not including the Netherlands.

(4) Because of strikes, average for the months of April and June, 1968.

In the Netherlands the rate of growth appears to have slightly increased, following expansion of foreign demand and of capital expenditure. The balance of current transactions is said to have shown a slight surplus. In December the official rate of discount was raised, and various measures were announced with a view to preserving balanced conditions in a situation of full employment.

In Italy, despite the appreciable expansion of exports, the rate of growth, although it remained high, seems to have become a little slower owing to a smaller increase of consumer and capital expenditure. The growth of the surplus on the balance of current transactions was offset by an increase of long-term capital exports. The slowing down of growth caused the Government to apply, in October, a plan for restimulating domestic demand.

The European Economic Community countries' exports to non-member countries appear to have risen by 10 p.c., against 7.5 p.c. in 1967; their imports, almost stationary in 1967, are said to have increased by 9.5 p.c. under the influence of the recovery in domestic demand. The trade surplus probably reached \$ 1,150 million, against \$ 864 million in 1967.

Customs union between the member countries of the Community was fully realised on 1st July, a year and a half before the date laid down in the Treaty of Rome. At the same date there came into force the common Customs tariff which results from that Treaty, and which was lowered through the final agreement that closed the multilateral trade and tariff negotiations known as the Kennedy Round.

Realisation of the common agricultural market was actively pursued through the joint organisation in July, of markets for sugar, for products manufactured on the basis of fruit and vegetables, for living plants and for products of flower growing, for beef, for milk and its derivatives; since then almost the whole of the six member states' agricultural production has been subject to a common policy.

Other progress was made towards economic union. The Council on 15th October laid down a number of provisions; some require the putting

into full force of free movement and complete equality of treatment for wage-earners, others order elimination of national discriminatory rules hindering the exercise of other than wage-earning activities connected with retail trade, the food industries, personal services and the distribution of films. In addition the common transport policy has since July entered the phase of application through the putting into force of several provisions, which relate to the formation of prices and to the interpenetration of national markets for conveyance of goods by road.

On 29th February the member states, assembled in the Council, signed a convention covering mutual recognition of partnerships and companies; and on 9th March the Council issued a first directive aimed at coordinating, so as to render them equivalent, the guarantees which are required of partnerships and companies in the member states in order to protect the interests of their members as well as of outside parties.

Finally an agreement was reached about application of the common commercial policy. With a view to ensuring uniformity of the member states' arrangements for importing from non-member countries the Council laid down three regulations, which came into force on 1st January, 1969 and which relate, respectively, to a common list for liberalisation of imports, to the gradual setting up of common management for quantitative quotas on imports, and to instituting a procedure for supervision in case certain imports might disturb the working of the Common Market.

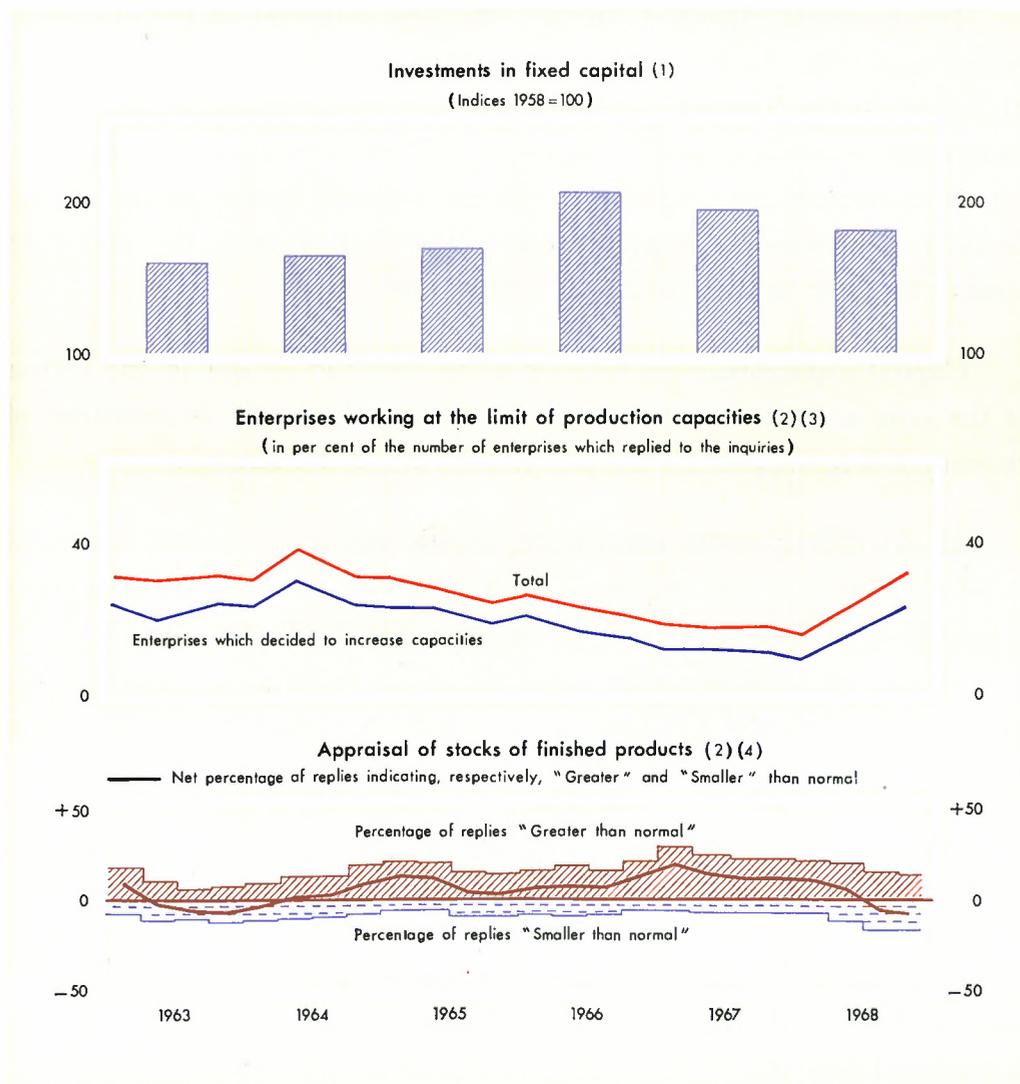
#### **OVERALL DATA CONCERNING THE BELGIAN ECONOMY.**

The growth-rate of overall demand quickened between 1967 and 1968. The quickening resulted from lively expansion of foreign demand and from the Government's economic stimulation policy, both of which favoured a revival of domestic demand.

The increase of private consumption, checked during the first few months through the unfavourable trend of employment, gradually gained

strength owing inter alia to the effect produced by increased transfers to individuals through the budget and by way of social security payments; it was most marked in the case of consumer durables, especially automobiles.

DATA FOUND BY INQUIRIES INTO INVESTMENTS IN INDUSTRY



(1) These data at present cover the following industries : steel, non-ferrous metals, metal manufactures, textiles, paper, leather, wood processing, building materials, chemicals, energy and building. 1968 to 1967 : expenditure effected. 1968 : forecasts.

(2) These data at present cover the following industries : steel, non-ferrous metals, metal manufactures, textiles, paper, leather and wood processing.

(3) These data relate to the months of January, May and October in each of the years.

(4) Monthly averages per quarter; last period : average for October-November, 1968.

On the other hand the increase of expenditure on public consumption definitely slowed down between 1967 and 1968.

The public authorities speeded up their capital expenditure so as to sustain domestic demand, and to improve the country's infrastructure in regard to means of communication and to collective equipment.

The economic upswing has not yet been reflected in the course of expenditure on fixed capital formation by industrial enterprises. According to the National Bank's inquiries such expenditure, expressed at current prices, declined slightly between 1967 and 1968 for the whole of the enterprises questioned. However, the proportion of enterprises which had decided to increase their production capacities rose from the minimum level of 9 p.c. in January to 23 p.c. in October.

Capital expenditure on housing again declined. But in the course of the year a reversal of tendency, attributable inter alia to measures of encouragement adopted by the public authorities, did emerge.

Stockbuilding, on the other hand, greatly increased. While stocks of finished products, still regarded at the start of the year by numerous enterprises as excessive, were appreciably reduced following the economic upswing, this latter gave rise to rebuilding of raw material stocks, which had fallen relatively low in 1967, and to an expansion of manufacturing work in progress.

This process of rebuilding stocks affected the expansion of imports.

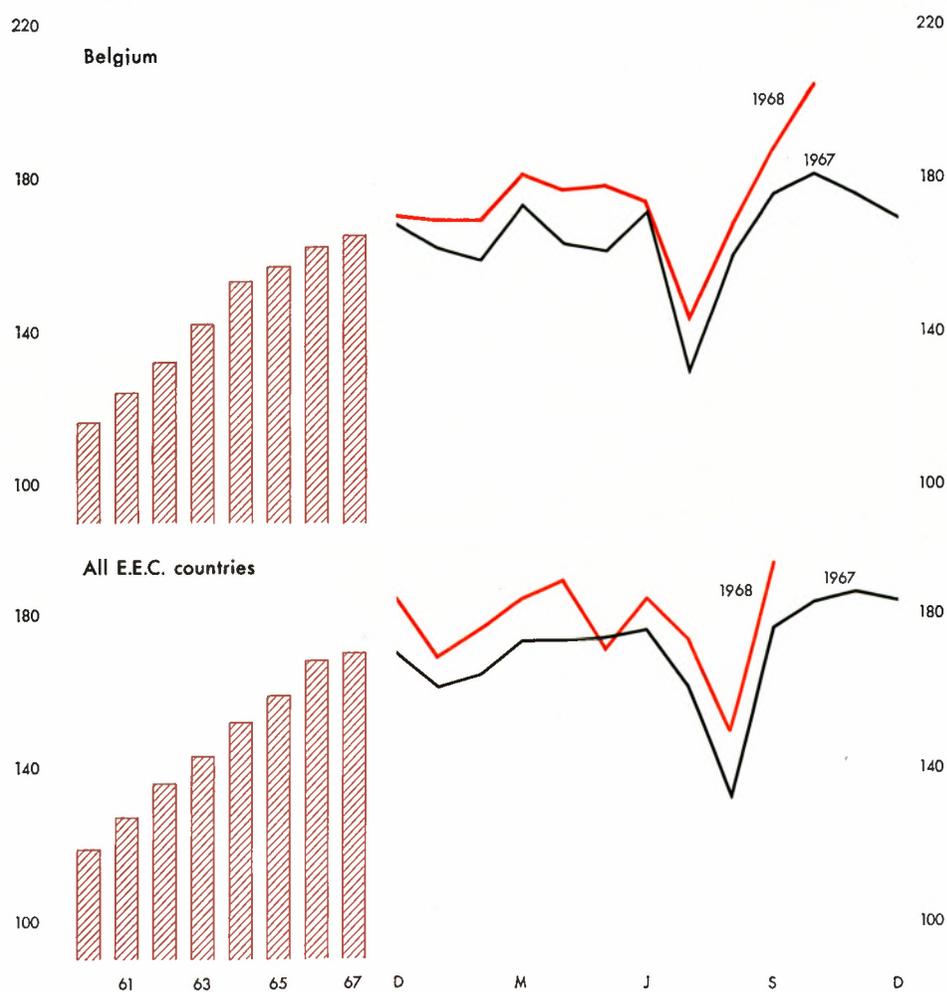
The cyclical rise of demand resulted in growth of industrial activities and of services; on the other hand the course of agricultural production was less favourable than in 1967, in which year it had been affected by exceptional weather.

On the whole, according to the latest official estimates, the growth-rate of the national product at constant prices appears to have been about 4 p.c., against 3.5 p.c. in 1967.

## MANUFACTURING INDUSTRIES.

For the first ten months, in all manufacturing industries together, production increased by 7 p.c., against 1.5 p.c. in 1967 <sup>(1)</sup> <sup>(2)</sup>.

OUTPUT OF MANUFACTURING INDUSTRIES  
(Indices 1958 = 100)

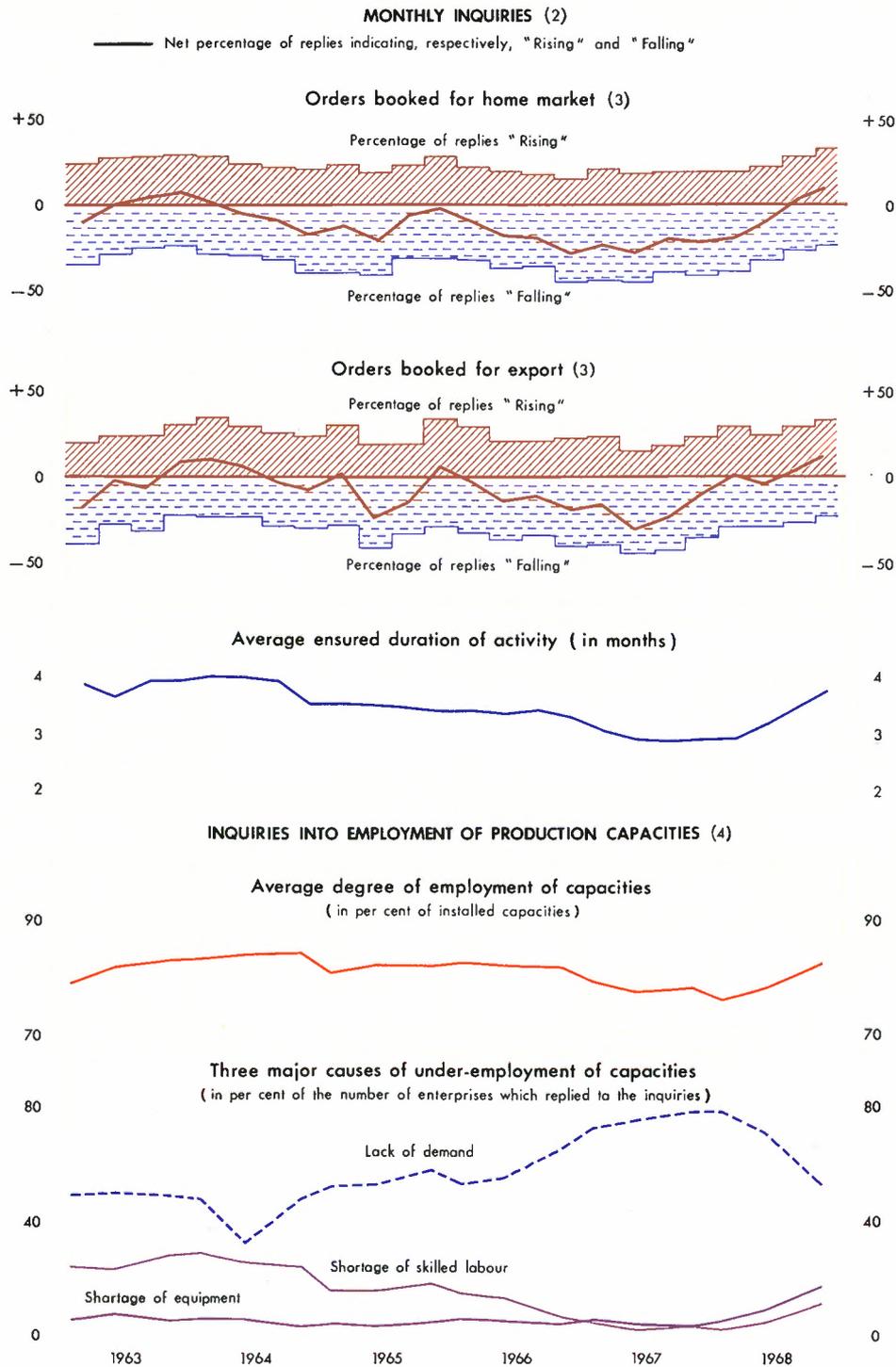


Sources : Belgium : National Statistical Institute.  
European Economic Community : Principal economic indicators of the Organisation for Economic Cooperation and Development.

<sup>(1)</sup> These percentages allow for the course of production at petroleum refineries and coking plants. The situation in these two branches of activity is the subject of comment in the section entitled « Energy ».

<sup>(2)</sup> Unless otherwise indicated, the comparisons made in this Report between 1968 and 1967 must be understood as comparing facts observed at identical dates or for identical periods.

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



(1) These data now cover the following industries : steel, non-ferrous metals, metal manufactures, textiles, paper, leather and wood processing.

(2) Monthly averages per quarter; last period : average for October-November, 1968.

(3) Seasonal movements eliminated.

(4) These data relate to the months of January, May and October in each of the years.

The strengthening of both external and internal demand for products of the manufacturing industries is brought out through the inquiries into economic activity organised by the National Bank.

The more favourable trend of export orders, observed since the middle of 1967, was confirmed; the improvement, extremely marked in the last months of 1967, continued at the beginning of the year and, after an interruption, was resumed in the course of the second half-year. The recovery in orders began later on the home market; it appeared at the start of the year, and afterwards became more marked.

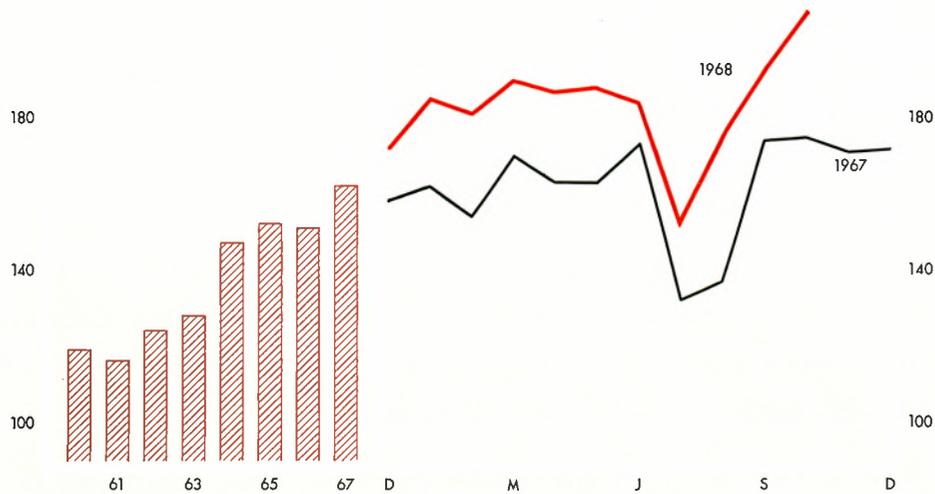
The firmness of demand in general is further attested by the fact that, despite the rise in the rate of production, the average ensured duration of activity became longer from May onwards, and in November reached 3.8 months, against 3 months a year earlier.

The degree to which production capacities were employed in the manufacturing industries as a whole progressively rose from 76 p.c. in January to 82 p.c. in October. The proportion of enterprises attributing under-employment of their production capacities to shortage of demand fell from 79 to 53 p.c.

Impelled by strong expansion of demand, the **steel industry's** total output increased by 15 p.c. during the first ten months, against 6.5 p.c. in 1967; the production of ingot steel rose by 19 p.c. for the whole year, against 9 p.c. in 1967. Deliveries to European Economic Community countries grew at a much faster rate than those to the Belgian market, which expanded especially in the second half-year; exports to the United States considerably increased; those to the other non-E.E.C. countries declined.

The growth of activity raised the employment of production capacities from about 87 p.c. in October, 1967 to 93 p.c. a year later; this rise is the more significant because production capacities were enlarged as the result, among other things, of bringing into operation some new departments of the Sidmar works.

OUTPUT OF THE STEEL INDUSTRY  
(Indices 1958 = 100)



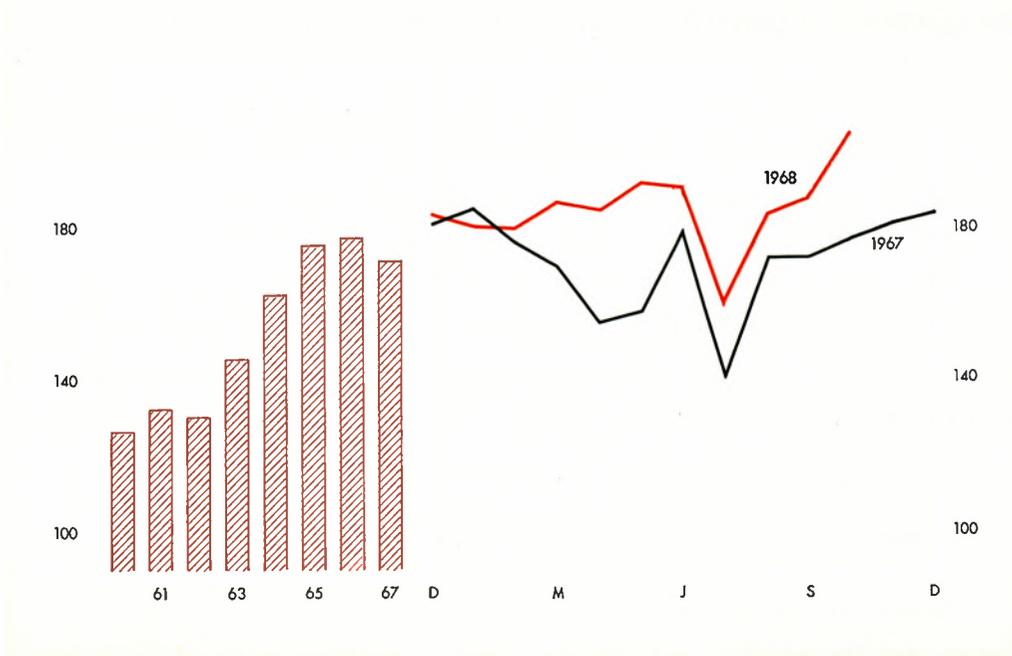
Source : National Statistical Institute.

The effect produced on the level of employment by the measures to rationalise the steel industry was much reduced by the economic upswing.

Output for the first ten months increased in the **non-ferrous metals industry** by 10 p.c., whereas there had been a fall by 4.5 p.c. in 1967. The increase of production, like that of exports, was greater in semi-finished than in crude products. Exports were stimulated until May by especially strong demand from the United States for copper in particular. Afterwards the increase of exports to countries outside the E.E.C. was replaced by a cyclical recovery of European demand.

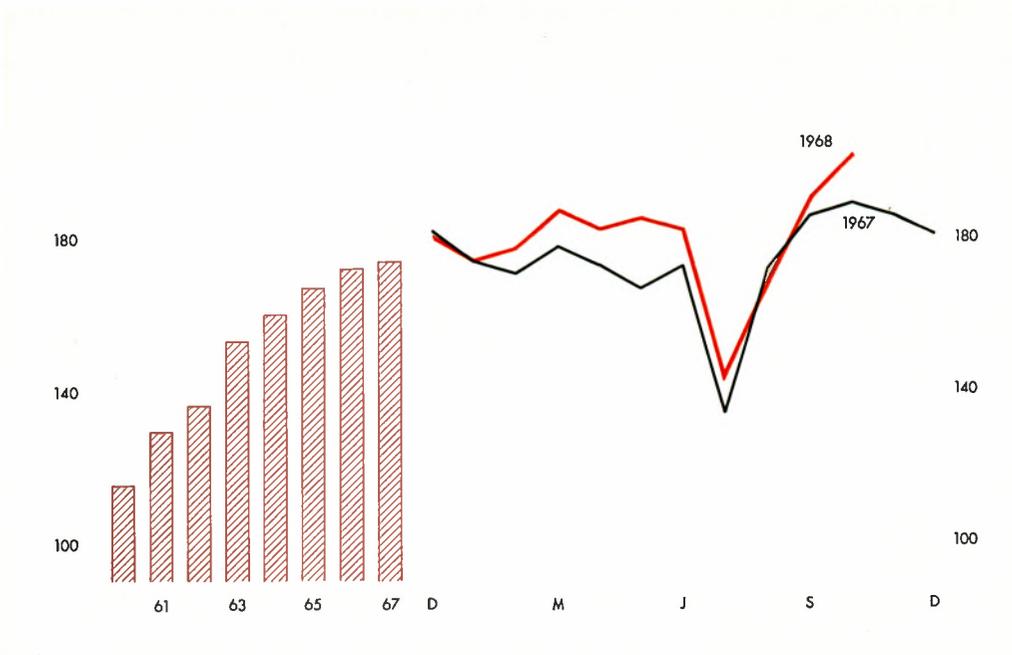
Production for the first ten months in the **metal manufacturing industries**, stimulated mainly by foreign demand, increased by 5 p.c., against 1 p.c. in 1967. The increase covered all sub-categories. It was particularly sustained in all products of primary processing, in mechanical

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



Source : National Statistical Institute.

**OUTPUT OF THE METAL MANUFACTURING INDUSTRIES**  
(Indices 1958 = 100)



Source : National Statistical Institute.

engineering, in civil engineering materials and in automobiles. Selling prices on the whole remained stable, but they firmed up for certain manufactures, in particular for products of primary processing.

Production during the first ten months in the **chemical industry**, where new large producing units were brought into operation, increased by 12.5 p.c., against 6 p.c. in 1967. This progress was accompanied by strong expansion of exports; for the first ten months these were up by 29 p.c. in comparison with 1967, chiefly as a result of the increase in sales of crude organic and inorganic chemicals as well as of plastics and of pharmaceuticals.

Trends differed as between the **industries producing building materials**.

Production in the cement industry declined by 2 p.c. during the first eleven months of the year. Home-market deliveries diminished under the effect of the less favourable trend in certain branches of building; exports on the other hand slightly increased.

The production of ordinary bricks was smaller by 13.5 p.c. for the first nine months than in 1967; the quantities sold on the home market, and exports, declined. Brickmakers continued to feel the growing competition of substitute products.

Activity in the flat glass industry increased by 6 p.c. during the first ten months, chiefly owing to the increase of exports to the United States and to the European Economic Community countries.

In the **textile industry** the overall production index increased by 8 p.c. for the first ten months, whereas it had fallen by 8.5 p.c. in 1967.

This recovery, which had begun during the last months of 1967 and was essentially due to that of foreign demand, spread to most branches of the industry but was particularly marked in the case of spinners.

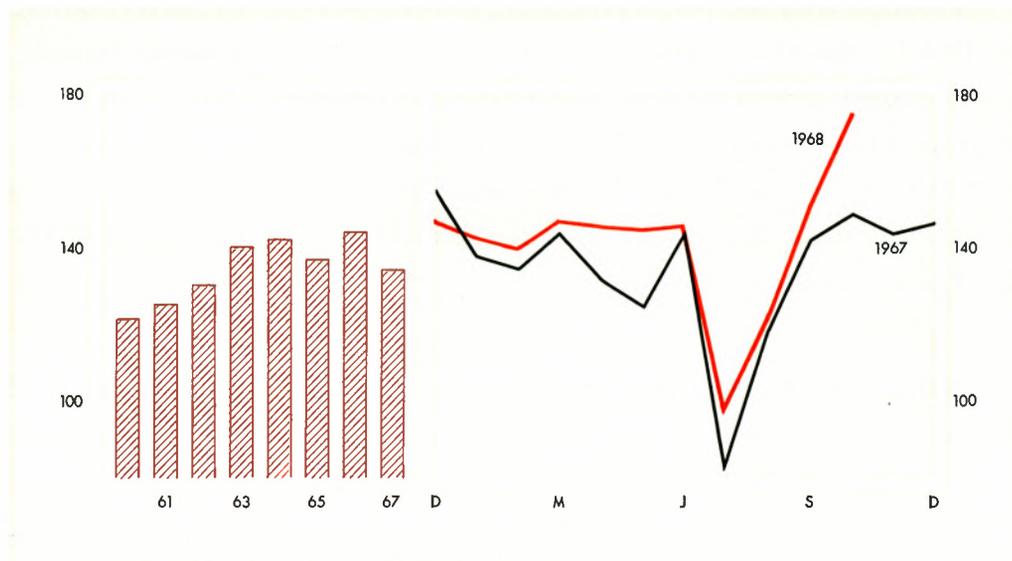
The woollen industry's activity rose sharply at the spinning stage, the production of yarns for the first nine months having increased by 17.5 and 20.5 p.c. respectively in the case of carded and of combed wool; at the same time the weavers' activity suffered a setback less marked than in 1967, a year in which it had clearly declined.

In the case of cotton the increase of production for the first ten months amounted to 7.5 p.c. for the spinners and to 1.5 p.c. for the weavers.

For the first ten months the expansion of artificial and synthetic fibre production was resumed at the rate of 10.5 p.c. in the case of spinners, and became faster in that of weavers, where it reached 38 p.c.

#### OUTPUT OF THE TEXTILE INDUSTRY

(Indices 1958 = 100)



Source : National Statistical Institute.

In hosiery the production for the first ten months was up by 2 p.c.

Activity in the garment industry, not included in the textile industry's production index, rose by 4 p.c. for the same period.

Production in the **leather industry** during the first ten months of the year was up by 11 p.c., chiefly owing to the expansion of foreign demand.

In the **industry producing shoes and slippers** the decline of production recorded in 1967 continued during the first ten months. This trend was especially pronounced in the case of shoes, makers of which have to face the increased preference shown by customers for foreign products.

In the **paper industry** the course of foreign demand caused production to increase by 13.5 p.c. during the first ten months. This increase was particularly marked as regards, on the one hand, the production of writing and printing paper, and, on the other hand, the processing of paper intended for furnishings.

Production in the **wood processing industry** was up by 12 p.c. during the first ten months. This rise, due to the growth of domestic demand, was unequally spread between the different categories. Thus during the first nine months the value of invoiced sales increased by 12 p.c. in the case of furniture; in joinery and the manufacture of compressed boards the growth was more moderate, while the manufacture of plywood felt the effect of a decrease in demand.

Activity in the **diamond industry** seems to have slightly increased during the first half-year.

Production in the **tobacco industry** was up by 2.5 p.c. during the first ten months; exports greatly increased.

In the **food and beverage industries** the production index increased only a little during the first ten months despite general growth of exports.

The trends, however, varied widely as between the industries concerned.

Thus, despite an increase of foreign demand, production greatly declined at the meat and vegetable canneries. Activity likewise further decreased, despite the support of exports, among millers as well as makers of chocolate and confectionery. On the other hand the production of biscuits somewhat increased; that of beverages equally tended to grow, notably at breweries. Activity at dairies increased in the case not only of milk and butter but also of most products derived from milk. Finally the sugar industry was very active by reason of the increase in the crop grown.

## **ENERGY.**

Total electricity production grew by 11 p.c., against 5 p.c. in 1967. Consumption of high-voltage current, especially used for industry, rose by 10.5 p.c. against 4.5 p.c. in 1967 because of the cyclical upswing and of the structural growth in the use of electricity by industry. The continued execution of large capital development programmes made it possible to increase the maximum installed capacity by 352 megawatts, or about 6 p.c. of that which existed at the end of 1967.

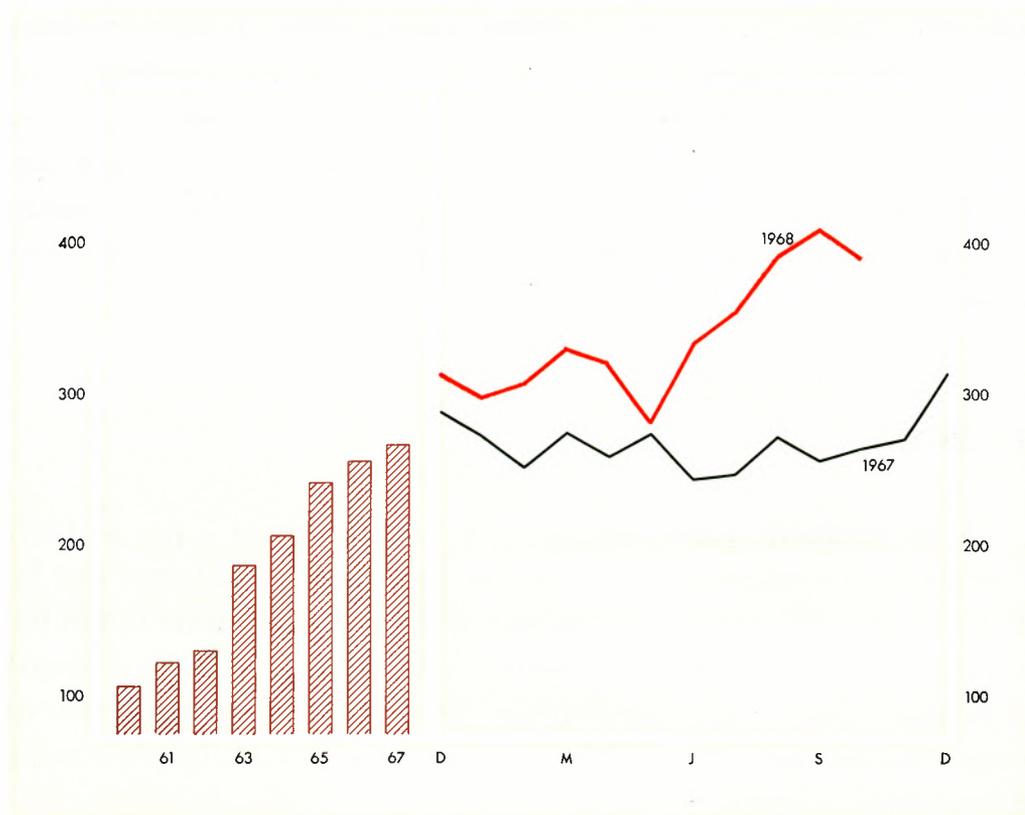
At the petroleum refineries, the capacity of which has appreciably grown, the input of crude petroleum increased by 29 p.c. during the first nine months of the year. Exports of refined products greatly expanded; the home-market demand likewise continued to grow, chiefly in regard to heating oils and to petrol for cars.

Subject to certain conditions the Government has authorised the building of an oil pipeline between Rotterdam and Antwerp at the expense of the oil companies concerned.

For the first ten months of the year the output of the coking plants was up by 5.5 p.c. as a result of the great expansion in the steel industry's activity.

## OUTPUT OF PETROLEUM REFINERIES

(Indices 1958 = 100)



Source : National Statistical Institute.

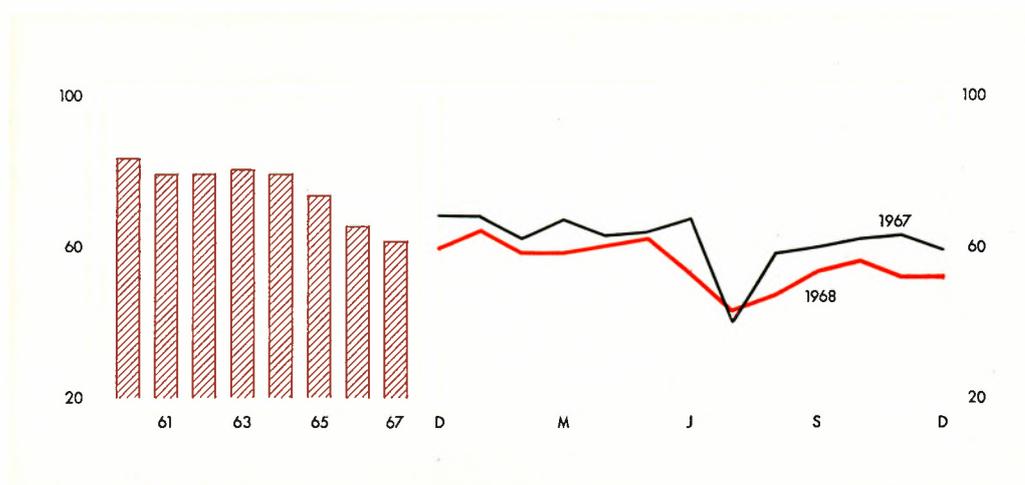
The carrying out of the programme for adapting the distribution system and consumer appliances to the transport and burning of **natural gas** has been speeded up. At the same time the quantities of natural gas imported have rapidly increased; for the first nine months they rose from 274 million cubic metres in 1967 to 723 million in 1968, which is equivalent to roughly one-third of the total gas consumption.

The production capacity of the **coal mines** has been reduced by a further 400,000 tons following the closure of three mines as laid down in the programme for reorganisation of the coal industry; the production of coal has likewise further decreased, only 14.8 million tons having been mined, against 16.4 million in 1967.

On the other hand the sales of coal on the home market became stabilised after their fall during previous years; a rise in the demand from coking plants and households offset the reduction in that from certain other users. The widening of the gap between Belgian consumption and production had by way of counterpart an increase of net imports and of new drawings, to the extent of 900,000 tons, on stocks.

#### MINING OF COAL

(Indices 1958 = 100)



Source : National Statistical Institute.

The appropriations in the 1968 budget of the Ministry for Economic Affairs to cover the granting of direct subsidies to coal mines reached about Fr. 4.8 billion, against Fr. 4 billion in 1967.

#### BUILDING.

After having fallen until May the output index for the building industry recovered from June onwards. However, for the first ten months of the year, the index remained lower by 7 p.c. than in 1967. Rather wide differences of trend appeared as between the categories of work.

In private-sector building the level of employment during the first ten months was lower by 11 p.c. than in 1967. In connection with public works, on the other hand, it rose by 4 p.c. between the same two periods.

Table 2.

**BUILDING INDUSTRY**  
(Monthly averages)

	Output (Indices 1958 = 100) (1) (2)	Building permits : dwellings (Thou- sands of cubic metres) (1)	Average ensured duration of activity, in months (3)						
			Bare shells of buildings					Civil engineering	
			Total	Series- built houses	Individu- ally built houses	Apartment houses having three or more storeys	Buildings for industrial, commercial or adminis- trative use	Total	of which : Road- making
1963 .....	161	2,335	7.8	8.3	3.9	8.9	13.6	17.0	16.9
1964 .....	174	2,881	8.0	7.5	3.8	9.7	14.0	14.8	13.0
1965 .....	168	2,583	7.2	7.5	3.2	8.6	13.0	12.2	9.2
(New series)									
1965 .....	168	2,583	8.5	9.6	3.2	12.3	14.1	12.5	9.6
1966 .....	174	2,977	8.2	7.4	3.2	10.2	15.2	13.1	13.7
1967 .....	183	2,762	7.5	5.2	2.8	8.6	15.7	15.5	18.6
1967 1st quarter .....	188	2,746	8.1	6.3	2.7	10.2	15.9	14.8	17.4
2nd quarter .....	181	3,267	8.0	5.4	3.2	9.1	16.3	16.6	19.9
3rd quarter .....	182	2,571	7.4	4.3	2.9	7.8	16.1	15.8	19.1
October-November	184	2,296	6.8	5.0	2.3	7.3	14.8	14.8	18.3
1968 1st quarter .....	169	2,509	7.4	4.4	2.6	7.9	16.4	15.7	18.7
2nd quarter .....	164	2,889	8.7	5.4	3.3	10.0	17.8	16.0	19.5
3rd quarter .....	176	2,731 <sup>(4)</sup>	9.8	6.5	3.6	12.7	18.1	16.1	19.2
October-November	183 <sup>(5)</sup>	n.a.	10.1	7.2	3.6	13.3	19.1	16.0	19.5

(1) Source : National Statistical Institute.

(2) Cyclical-trend movement. The index relates to work on public and private account.

(3) Source : Monthly inquiries into economic activity organised by the National Bank of Belgium.

(4) July-August average.

(5) October.

n.a. Figure not available.

In regard to house-building a tendency to improvement gradually emerged as compared with the relatively unfavourable situation in the last months of 1967. Building permits expressed in cubic content were less in the first half-year than those granted in 1967, but from the middle of the year onwards their volume exceeded that of a year before. The average ensured duration of activity recovered for the various categories of

dwellings. The demand for publicly assisted dwellings in particular was stimulated by the measures which the public authorities adopted, such as increasing the premium on building, extending it to apartments, and raising the limit for borrowings by public financial credit intermediaries which specialise in financing publicly assisted dwellings. The number of contracts awarded for dwellings of this type reached 11,750, against only 6,950 in 1967.

In the category of buildings intended for use other than habitation the average ensured duration of activity continued to lengthen, as it had done in the course of the preceding years.

The demand for civil engineering continued to be sustained. For the first eleven months the average ensured duration of activity was at a level slightly higher than in 1967 owing to the policy pursued by the authorities in regard to public works.

The rise of prices for construction work continued, but at a pace slightly lower than in the previous year. Between September, 1967 and September, 1968 the cost of publicly assisted dwellings increased by 3.3 p.c., against 5.5 p.c. between 1966 and 1967; that of public buildings and civil engineering works rose by 2.5 p.c. between the third quarter of 1967 and the third quarter of 1968, against 4.5 p.c. between 1966 and 1967.

#### **AGRICULTURE - HORTICULTURE - SEA FISHING.**

According to the agricultural census of 15th May the structural reduction of the cultivated area continued in 1968.

The areas devoted to coarse grains and to potatoes were reduced, while those devoted to sugar beet further increased. This last movement is connected with the fixing of a sugar quota benefiting from the E.E.C. guarantee of prices and of sales.

On the whole the yields per hectare were less good, in quantity and in quality, than for 1967.

Animal production appreciably rose. The increase in deliveries of milk to dairies reached 8.5 p.c. during the first ten months.

Livestock increased; the number of horned cattle rose slightly, and that of pigs more so. Slaughterings of animals bred in Belgium or imported, expressed in net weight of meat, were up by 6 p.c. during the first three quarters.

Table 3.

AGRICULTURE - HORTICULTURE

	1963	1964	1965	1966	1967	1968
Cultivated area (1) : (Thousands of hectares)	1,679	1,665	1,652	1,640	1,626	1,613
of which :						
Bread grains .....	246	262	266	247	232	235
Coarse grains .....	255	239	254	260	259	251
Sugar beet .....	57	64	65	67	78	90
Flax .....	34	39	27	24	14	15
Potatoes .....	69	61	57	59	62	55
Meadows and pasture .....	825	815	810	810	810	807
Market gardening .....	38	38	33	36	37	38
Fruit growing .....	46	45	44	43	42	41
Livestock (1) : (Thousand head)						
Horned cattle .....	2,805	2,663	2,731	2,773	2,759	2,805
of which : Milking cows .....	1,044	999	1,010	1,019	1,029	1,067
Pigs .....	1,795	1,833	1,847	1,971	2,323	2,502
Milk delivered to dairies : (Millions of litres)						
Year .....	1,644	1,712	1,953	2,199	2,403	n.a.
First 10 months .....	1,441	1,486	1,695	1,928	2,103	2,287
Slaughterings : (Net weight of meat in thousands of tons)						
Year .....	458	429	461	500	548	n.a.
First 9 months .....	346	316	337	371	403	428

Source : National Statistical Institute.

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

n.a. Figures not available.

Although the index showing sale prices which producers obtained for animal and vegetable products as a whole increased during the year, for the first eleven months the average level of such prices was not above that in 1967. In fact the prices for vegetable products fell, chiefly those for potatoes; on the other hand the prices for animal products as a whole slightly rose, although some of them such as milk and butter prices declined.

The average for prices paid by producers in respect of rent, wages, taxes and overhead expenses, as well as the purchase of machinery and raw materials required for their activity, increased during the same period by 3 p.c.

Efforts to improve productivity were continued; further concentrations of farms took place, and the active agricultural population continued to decrease.

The quantities of fish discharged at fishing ports during the first ten months were greater by 7 p.c. than in 1967.

## **SERVICES.**

The rise of economic activity was reflected in generally increased **transportation** of goods.

At seaports as a whole the tonnage of goods exported and imported very appreciably increased. The increase of arrivals was chiefly in those of mineral oils; ore imports also rose owing to the expansion of steel output. In outgoing traffic the increase chiefly reflected cargoes of fertilisers, of chemical and metal products. The tonnage of ships entering ports was up by 6.5 p.c. for the first nine months.

On inland waterways the amount of freight, expressed in ton-kilometres, increased by 5 p.c. for the first nine months.

Contrary to the trend observed in preceding years, the amount of goods carried by rail likewise increased in terms of ton-kilometres. The growth amounted to 9 p.c. for the first eleven months, and was chiefly due to that in loadings of ore and of metallurgical products. Passenger traffic on the other hand continued to decline; the number of passenger-kilometres was down by 4 p.c. for the first eleven months.

For the same period Sabena's air traffic showed a slight decrease as regards passengers, but it continued to grow in the case of goods, these having increased by 9.5 p.c. in ton-kilometres:

**Tourist traffic** suffered a slight decline for the first eight months as a whole; this decline, concentrated in the main summer season, must be partly attributed to the restrictions applied by certain countries to their residents' expenditure abroad; the number of overnight reservations recorded from January to the end of August was practically unchanged by comparison with 1967 in the case of Belgian tourists, but on the other hand declined by 3 p.c. in that of foreign tourists.

The change in the patterns of **retail trade** continues. The expansion of sales was clearly more marked at chain stores and self-service shops than in the large department stores and the retail cooperatives.

#### **EMPLOYMENT.**

The improvement of the economic situation affected the course of employment only by degrees, but it did change the trend in the labour market.

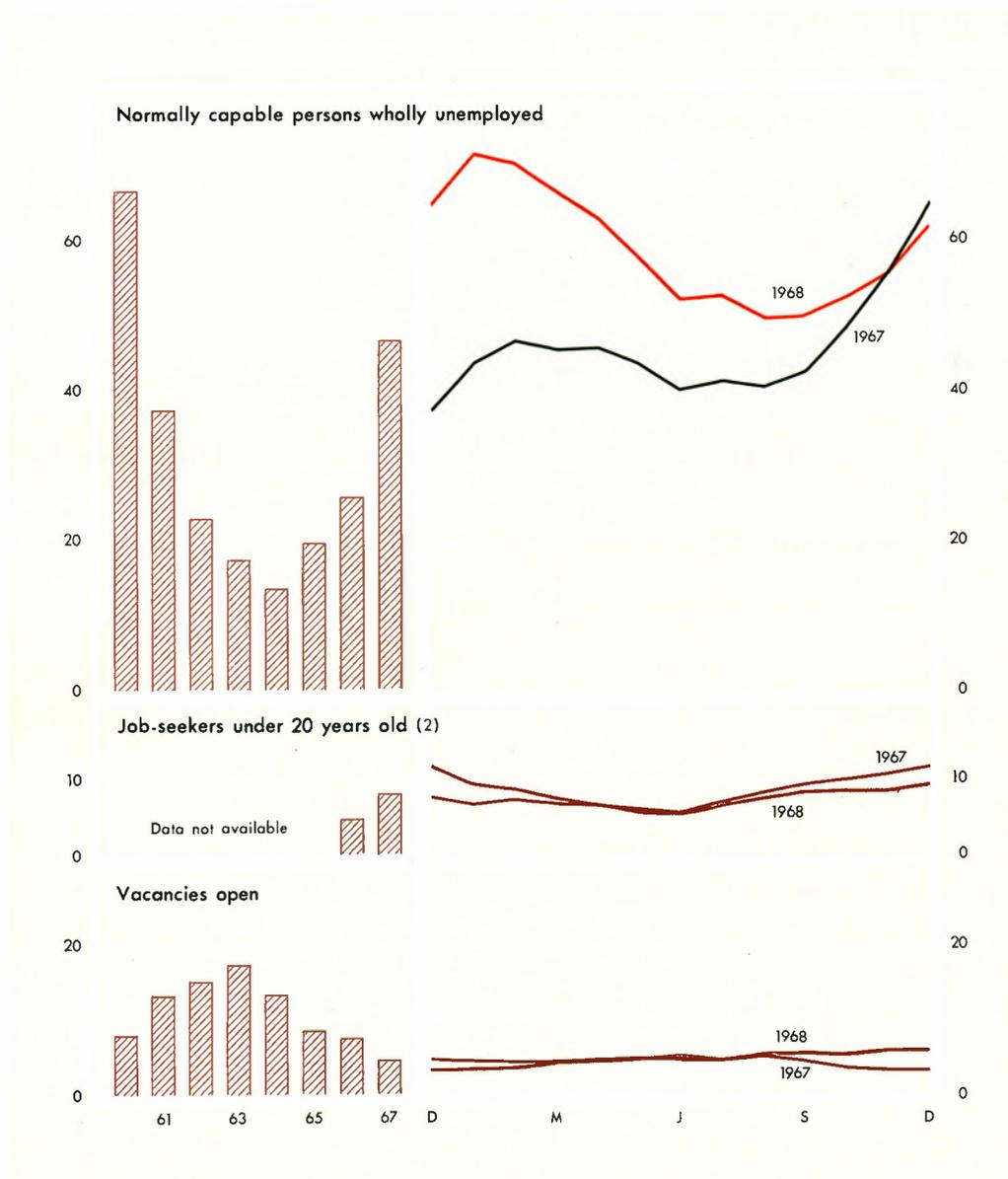
The number of persons wholly unemployed, recorded at ends of months, averaged 102,700, against 85,300 in 1967. Among these persons those having normal capacity for work averaged 58,600, against 46,400 in 1967. This increase related especially to the building, metal manufacturing and food industries as well as to services.

During the first phase of the economic upswing enterprises probably employed their personnel in a more directly productive manner; in addition the revival of activity was generally more marked in the industries using much capital than in those which require a numerous labour force.

The economic upswing was reflected, however, in the narrowing of the difference between the numbers employed during 1967 and 1968; whereas in the first quarter the average end-of-month number of normally capable persons wholly unemployed was greater by 24,500 than in 1967, the gap gradually closed, and in December the number out of work was less by 3,400 than in 1967.

The improvement of economic activity was more clearly marked in the decrease during the year, as compared with 1967, in the number of young job-seekers, whether receiving unemployment pay or not, in the increase of vacancies open at ends of months, and in the increased number

UNEMPLOYMENT AND VACANCIES (1)  
(In thousands)



Source : National Employment Office.

(1) For the annual data : monthly average of the data at ends of months. For the monthly data : ends of months.

(2) Normally capable persons wholly unemployed, and voluntary job-seekers not in employment.

of manufacturing enterprises attributing under-employment of their production capacities to shortage of skilled labour.

The combined total number of wholly unemployed persons aged under 20 who have normal capacity for work, and of job-seekers at the same age who voluntarily record themselves at labour exchanges, was from May onwards smaller than the corresponding total for 1967. Nevertheless structural difficulties continue, including some which result from insufficient adaptation of young workers' skills to the new needs of the labour market at national and regional level.

The number of vacancies open at ends of months was clearly greater, from September onwards, than a year before. At the end of the year it was 5,700, against 3,200 in 1967.

The proportion of manufacturing enterprises which attributed under-employment of their production capacities to lack of skilled labour rose from 2 p.c. in January to 11 p.c. in October. This last proportion, although it still appears small if compared for example with the 29 p.c. attained in January, 1964, nevertheless indicates that shortages of skilled labour have already begun to make themselves felt in certain industries.

Any appraisal of the trend in the labour market must allow for the number of immigrants' labour permits. This number fell from 13,700 in the first eleven months of 1967 to 8,500 in 1968. That fall was essentially due to the restrictive measures concerning the grant of labour permits for foreign workers coming from countries that are not members of the European Economic Community.

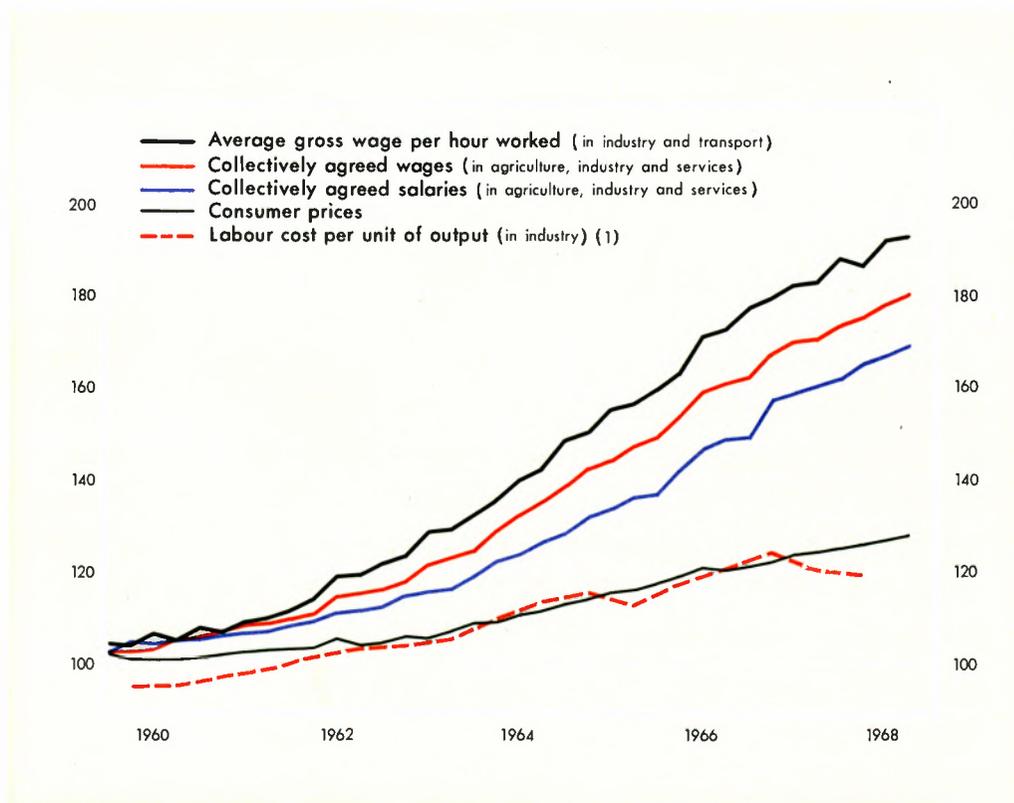
## **WAGES AND OTHER INCOMES.**

Because of the trend on the labour market, characterised by maintenance of a high level for unemployment despite improvement during the second half of the year, the growth-rate of earnings did not quicken.

The index for gross average hourly wages in industry and transport, an index which allows for the effect of changes in the duration of work, had risen by about 10 p.c. each year from 1964 to 1966 and by 6 p.c. between September, 1966 and September, 1967; it increased by only a further 5.2 p.c. during the next twelve months.

Even this last rise largely resulted from linking of wages to the consumer price index; this gave rise, in most industries, to two wage increases together totalling about 4 p.c. In addition the course of wages was affected, although a little less than in 1967, by the effects of the new collective agreements raising scales.

EMPLOYED PERSONS' REMUNERATION, CONSUMER PRICES AND  
LABOUR COST PER UNIT OF OUTPUT  
(Indices 1958 = 100)



Sources : Collectively agreed wages and salaries : Ministry of Employment and Labour.  
Consumer prices : Ministry for Economic Affairs.  
Labour cost per unit of output : Economic Research Centre at Louvain.  
(1) Wages and salaries; period covered : March to May and September to November in each year.

Workers' net wages were also affected by the fraction, charged to them, of the increase in the rate for certain social security contributions.

However, as the rise of consumer prices became slower, having amounted to 2.4 p.c. between September, 1967 and September, 1968 against 3.2 p.c. in the course of the twelve preceding months, workers' real wages continued to rise at about the same pace as during this latter period, but less than previously.

Between September, 1967 and September, 1968 the rise of average gross hourly wages was smaller in Belgium than in the United States, in the United Kingdom and in certain countries of the European Economic Community.

The slowing down of the rise in pay can likewise be seen from the movement of the index for collectively agreed salaries of white-collar workers. This index, which is not affected by changes in hours of work, rose by 5.4 p.c. between September, 1967 and September, 1968 as against 7 p.c. during the previous twelve months, and 9.1 p.c. between September, 1965 and September, 1966.

For the first nine months as a whole the rate of increase in total wages and salaries appears to have been slightly smaller than that for the corresponding period of the year before.

From the angle of industrial costs the hourly cost of labour increased by more than hourly earnings. It is indeed affected not only by reductions in the duration of work but also by changes in the social charges borne by employers. These latter charges were further increased; their proportion to gross earnings rose, in the case of wages, from 45.56 p.c. in 1967 to 47.38 p.c. in 1968. The increase in the hourly cost of labour in manufacturing industries amounted to 5.6 p.c. for the first six months as compared with 1967; it might have been a little greater in the second half of the year.

Still, the improvement of productivity, which cannot be precisely measured, must have been significant if judged by the various data available. That improvement produced a favourable effect on the labour

cost per unit of output. This cost appears to have been reduced by 3.9 p.c. in the first half-year, as compared with 1967, according to the index calculated by the Economic Research Centre at Louvain; no figure is available for the second half-year, but it does not seem that any major reversal of the trend occurred during that period.

The average unit value of imported raw materials hardly changed during the first nine months, as compared with 1967, despite the rise in certain products; the prices for certain forms of energy slightly declined; the increase of production resulted in reducing the overhead expenses per unit produced.

Since moreover the average level of selling prices for finished industrial products increased very slightly during the first eleven months as compared with the 1967 level, it is probable that enterprises' profit margins recovered, at least in the industries where activity was most favoured by the economic upswing.

## **WHOLESALE PRICES OF INDUSTRIAL PRODUCTS.**

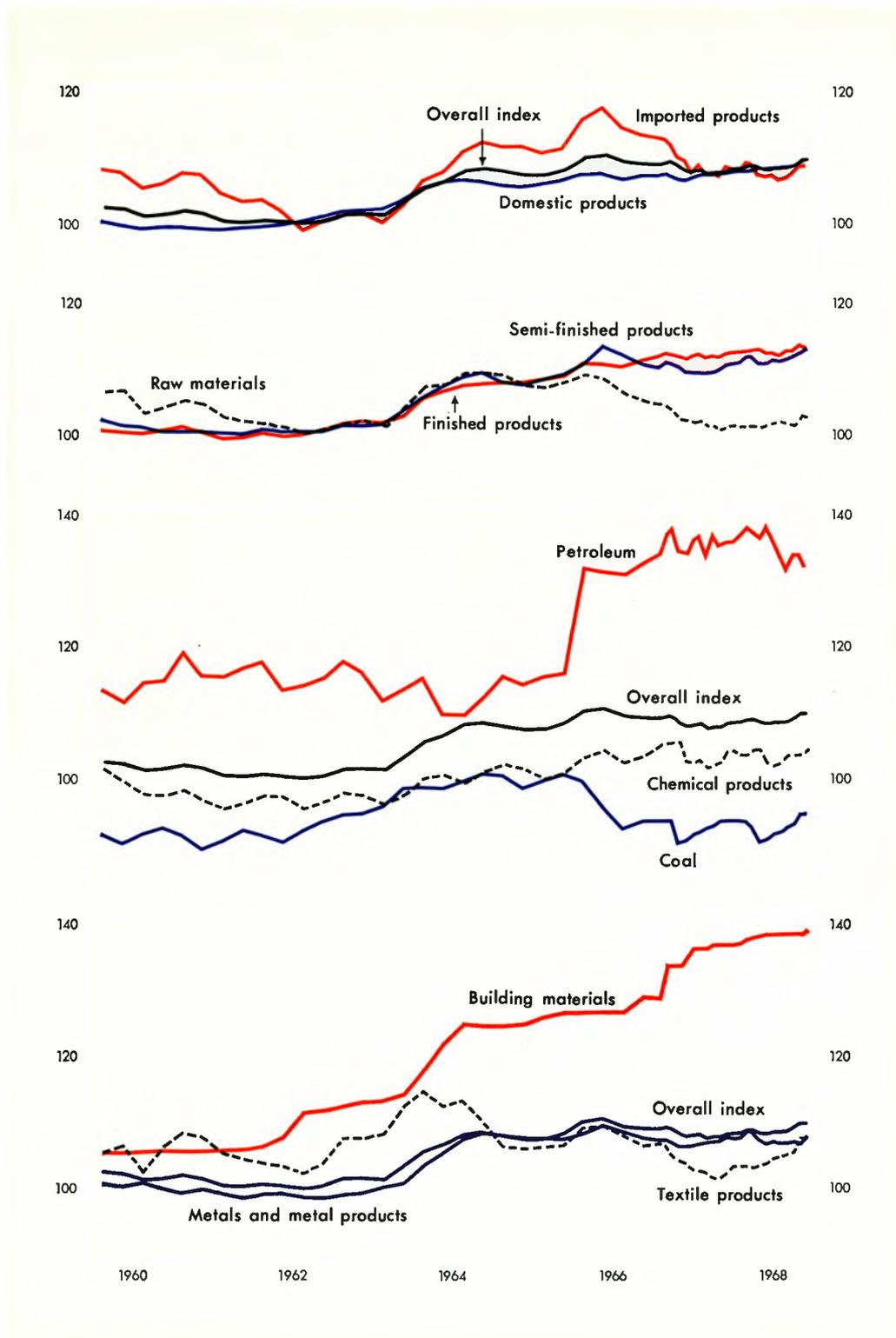
World prices for the majority of basic products to be used in industry varied little on the year as a whole; however, the prices for wool and cotton did increase at the end of the year, while the price for copper showed a steep rise during the first quarter, and recovered again during the last months after a temporary setback.

The Belgian index for wholesale prices of industrial products, stable during the first three quarters, was slightly higher in October and November. In comparison with the start of the year the firming up applied especially to semi-finished products.

At the level of product groups the prices for textile products recovered during the first eleven months, whereas they had fallen during the greater part of 1967. Those for building materials increased at a rate slower than a year before. Prices for the other groups of products, including those for goods produced by the chemical and metallurgical industries, underwent

WHOLESALE PRICES OF INDUSTRIAL PRODUCTS <sup>(1)</sup>

(Indices 1958 = 100)



Source : Ministry for Economic Affairs.

(1) 1960 to 1966 : monthly averages per quarter. 1967 and 1968 : monthly data.

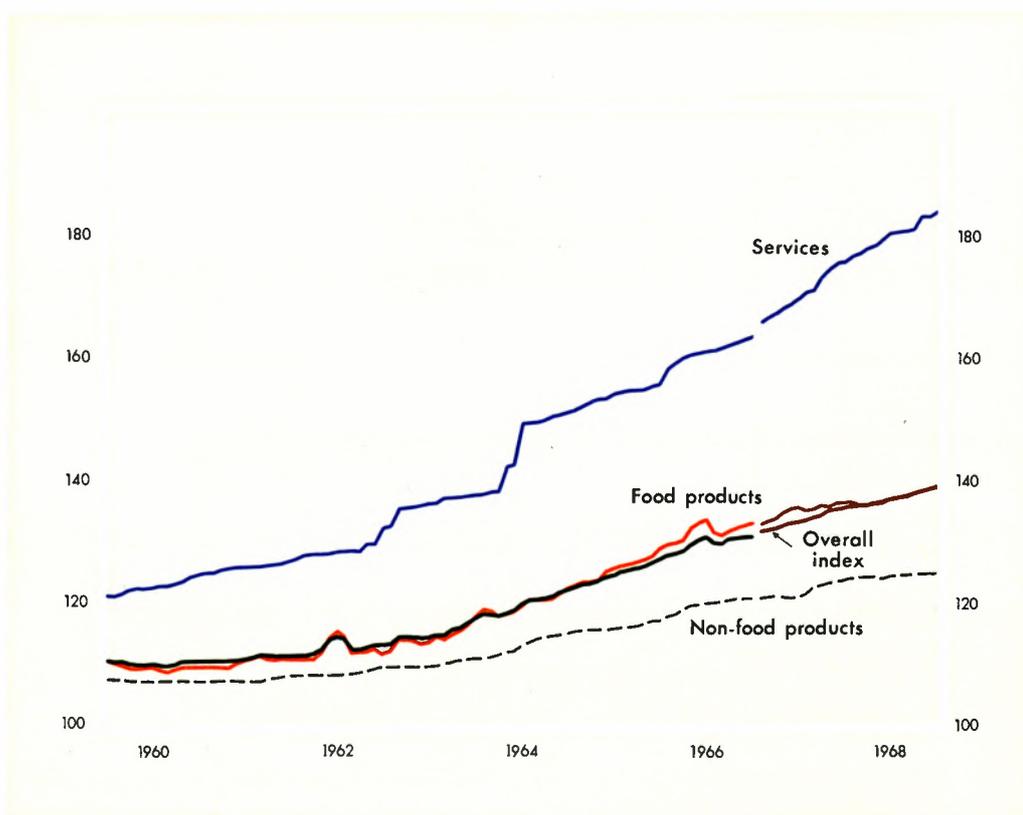
no appreciable changes of a cyclical character; those for petroleum, which had increased a year previously under the influence of accidental factors, declined.

The general level of wholesale prices for finished industrial products appears to have increased at the same rate as in the Federal Republic of Germany and in the Netherlands, faster than in France and less fast than in the United States and the United Kingdom.

### CONSUMER PRICES.

The rise of consumer prices, as measured by the new index which has been adapted to structural changes in households' expenditure, and which

CONSUMER PRICES IN BELGIUM  
(Indices 1953 = 100) <sup>(1)</sup>

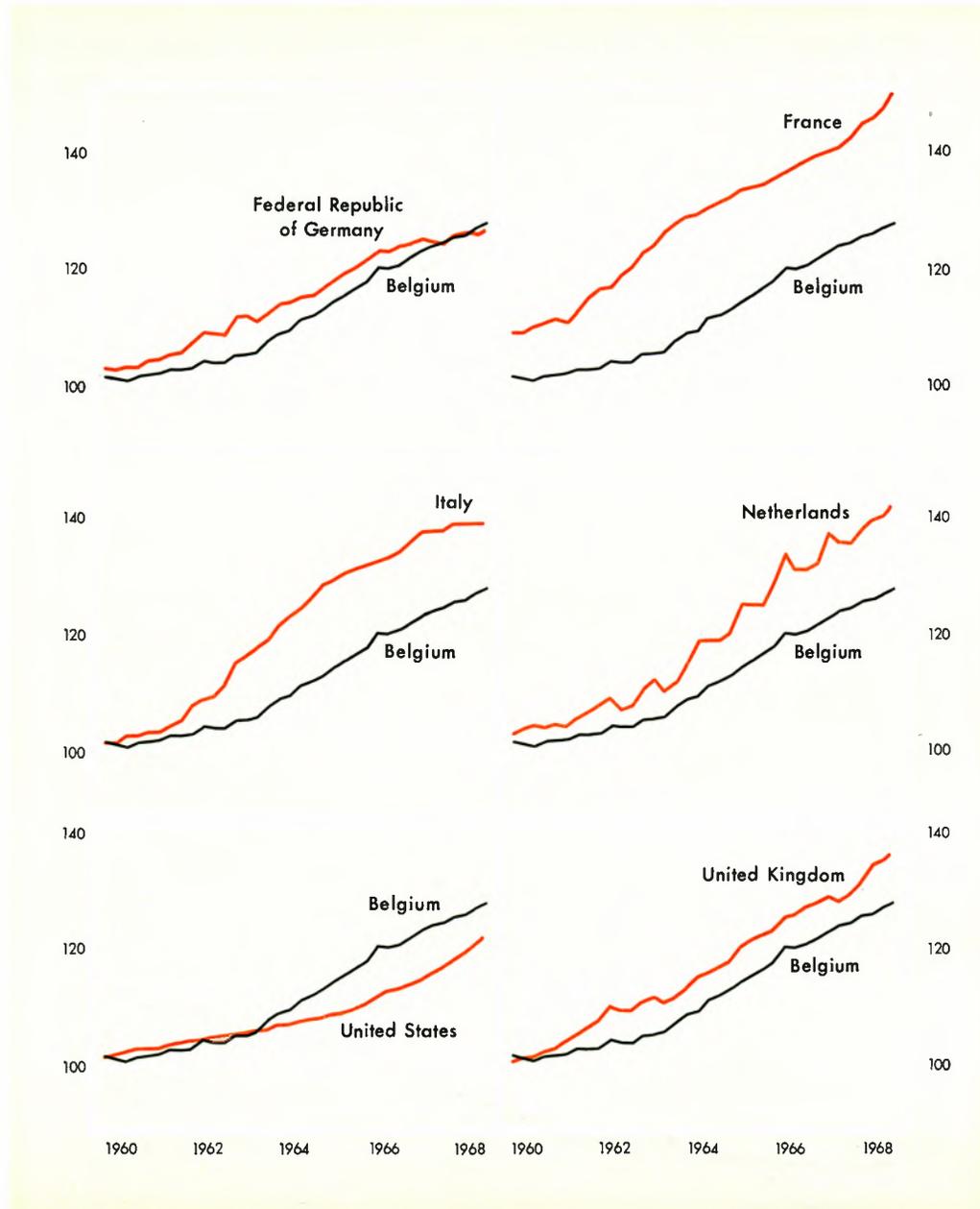


Source : Ministry for Economic Affairs.

(1) From January, 1967 the data are no longer directly calculated but result from conversion, on the basis 1953 = 100, of the consumer price index which has replaced the former retail price index.

CONSUMER PRICES : COMPARISON WITH FOREIGN COUNTRIES (1)

(Indices 1958 = 100)



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

(1) Indices not adjusted for variations in rates of exchange. Monthly averages per quarter.

includes a greater proportion of services as well as a smaller proportion of foodstuffs, was moderate in 1968. The overall index increased by 2.5 p.c., or by less than in 1967.

Prices for services rose most. They increased by 4.7 p.c., whereas those for food and non-food products rose respectively by only 2 and 1.2 p.c., thereby exerting a moderating influence on the movement of the overall index.

During 1968 the rise of consumer prices in Belgium was smaller than in France, the Netherlands, the United States and the United Kingdom, of the same order as in the Federal Republic of Germany and greater than in Italy.

#### **EXTERNAL TRADE.**

During the first eleven months the total value of exports from the Belgian-Luxemburg Economic Union increased by 15.9 p.c., against 2.9 p.c. in 1967.

This increase, due to growth in volume, was particularly marked in relation to the United States and to the European Economic Community as a whole, especially the Federal Republic of Germany.

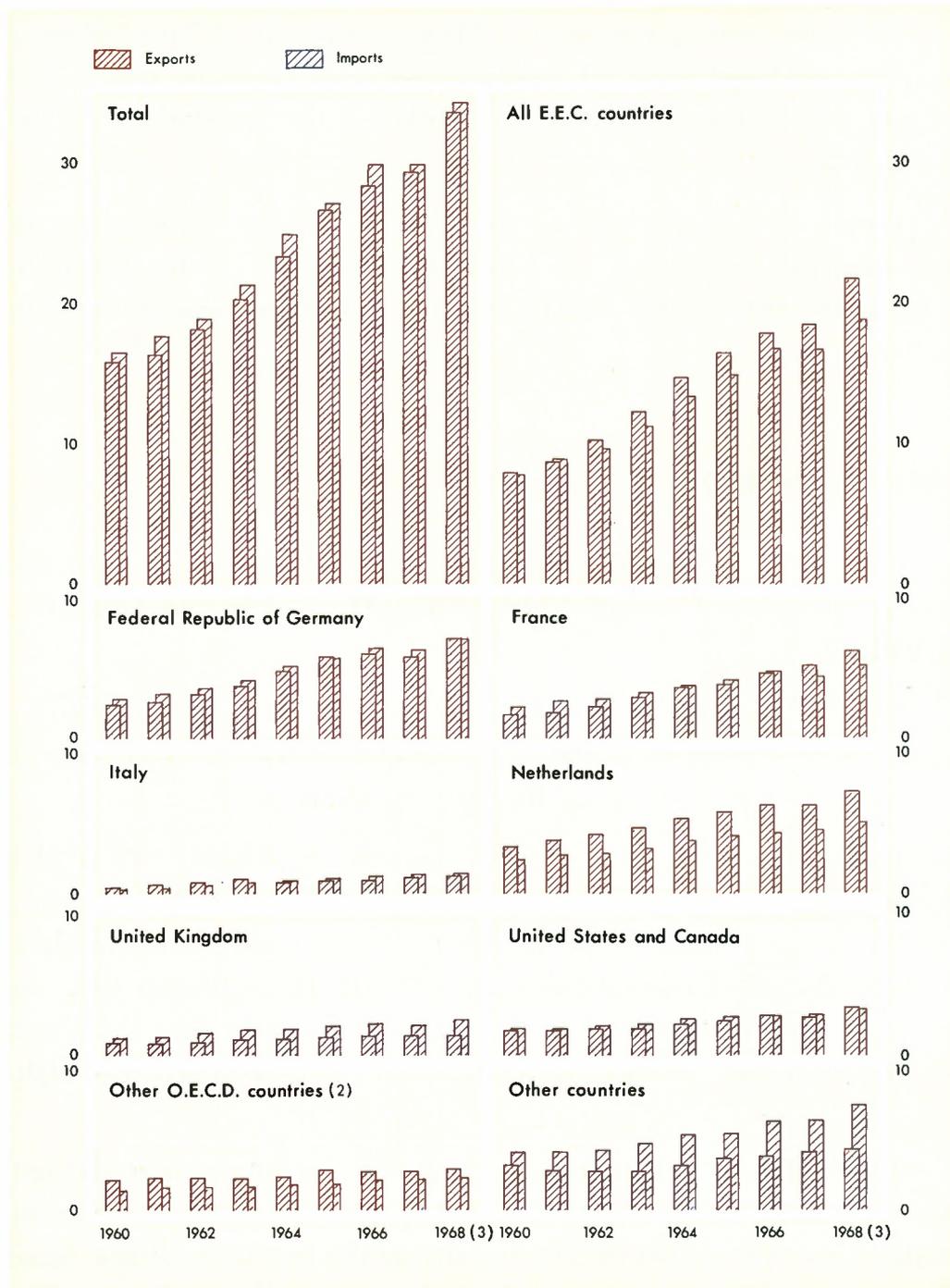
It related to almost all the major categories of products. Thus sales of non-ferrous metals and of textile products, after having declined in 1967, notably increased; those of steel products, of metal manufactures, of glass, of chemicals and of mineral oils increased much faster than in 1967; on the other hand the rate of expansion of agricultural product deliveries, exceptional in 1967, became slower although it still remained very high.

The total value of imports grew by 15.6 p.c. in the course of the first eleven months, whereas it had contracted by 0.3 p.c. in 1967. Imports of producer goods increased by 21.1 p.c. during the first nine months, those of consumer goods by 9.8 p.c. and those of capital goods by 1.7 p.c. The

EXTERNAL TRADE OF THE BELGIAN-LUXEMBURG ECONOMIC UNION <sup>(1)</sup>

Geographical distribution

(Monthly averages in billions of francs) <sup>(°)</sup>



Source : National Statistical Institute.

<sup>(\*)</sup> 1 billion = 1,000,000,000.

<sup>(1)</sup> See Annex 8, Table 1.

<sup>(2)</sup> Including Finland.

<sup>(3)</sup> First eleven months.

very rapid growth of imports, essentially due to expansion in volume, was linked with the rise of economic activity.

The **trade deficit** as measured by Customs statistics reached Fr. 6.5 billion for the first eleven months, that is the same as in 1967. The deficit on trade with the non-industrialised countries as a whole became greater, but the surplus on that with European Economic Community countries increased; the deficit recorded in 1967 on trade with the Federal Republic of Germany disappeared, and the surplus on that with France and the Netherlands was reinforced; the balance of trade with the United States, negative in 1967, became positive; on the other hand the deficit on trade with the United Kingdom slightly increased.

#### **BALANCE OF PAYMENTS.**

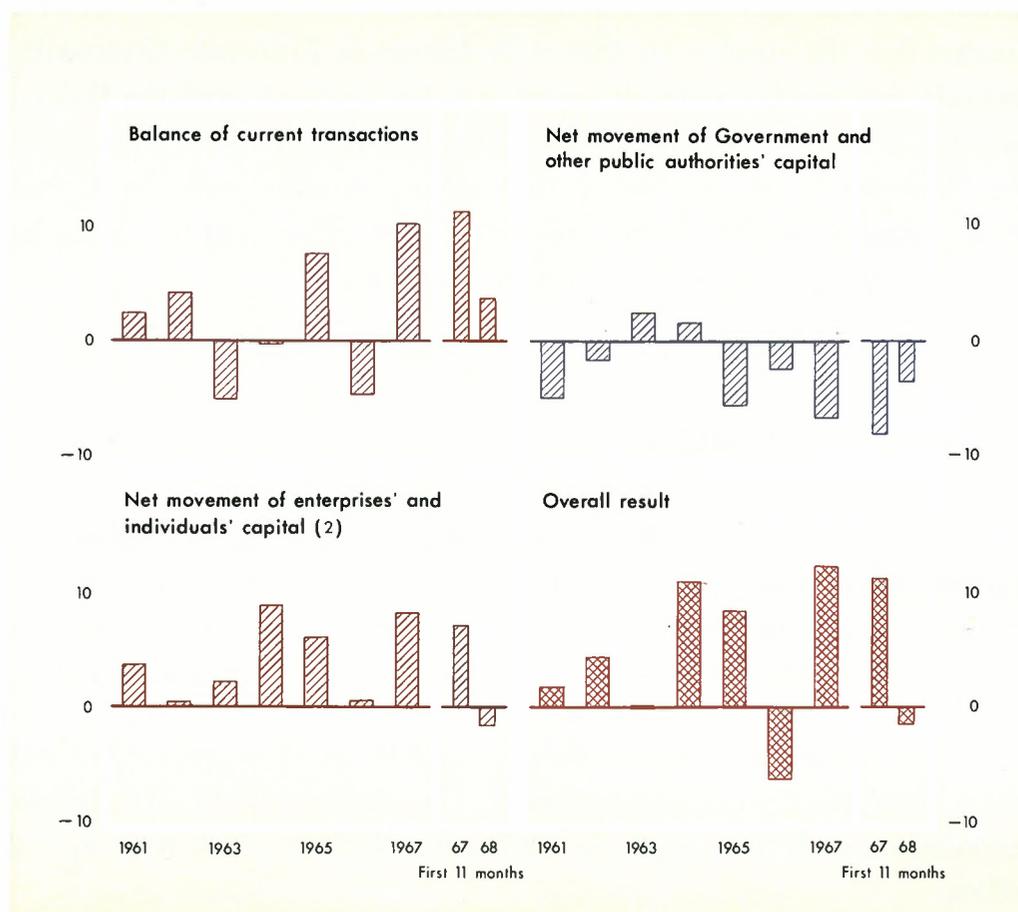
The surplus on the Belgian-Luxemburg Economic Union's **balance of current transactions**, which had been very large in 1967 owing to the slowing down of economic activity, became appreciably smaller; for the first eleven months it was Fr. 3.7 billion, against Fr. 11.3 billion in 1967.

This decrease took place mainly in the balance of export, import and commission processing transactions. The surplus of Fr. 4.6 billion, recorded on such transactions in 1967, gave place to a deficit of Fr. 1.2 billion.

The divergence between this deterioration and the absence of change, from 1967 to 1968, in the trade balance, as shown by the Customs statistics, is explained by the fact that receipts from exports increased by less than the exports recorded at the Customs; between 1967 and 1968 the expansion of the former rose from 7 to 11.8 p.c., and that of the latter from 2.9 to 15.9 p.c., as previously indicated. This discrepancy between the two statistical series appears to correspond, in large measure, to lengthening of the periods for payment.

The expansion of expenditure on imports likewise appears to have slowed down, but in much lesser degree, for the same reason.

BALANCE OF PAYMENTS OF THE BELGIAN-LUXEMBURG ECONOMIC UNION <sup>(1)</sup>  
(Billions of francs)



(1) See Tables 4, 5 and 7.

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

The usual surplus resulting from trade arbitrage transactions was smaller than in 1967; it too appears to have been affected by the changes which occurred in the periods set for payment.

The surplus on service transactions was of the same order of magnitude as in 1967; the net receipts by way of investment income increased, while

the public authorities' foreign expenditure and the deficit in respect of foreign travel were greater.

Table 4.

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

	1963	1964	1965	1966	1967	1967	1968 <i>p</i>
						(First 11 months)	
1. Exports .....	+ 200.7	+ 230.5	+ 253.6	+ 266.4	+ 283.3	+ 258.4	+ 289.0
2. Imports .....	- 209.7	- 239.2	- 256.2	- 283.0	- 287.2	- 260.8	- 297.9
3. Commission processing .....	+ 3.3	+ 5.2	+ 6.6	+ 8.1	+ 7.8	+ 7.0	+ 7.7
Total ...	- 5.7	- 3.5	+ 4.0	- 8.5	+ 3.9	+ 4.6	- 1.2
4. Trade arbitrage transactions (1)	+ 2.4	+ 5.4	+ 3.2	+ 5.3	+ 5.4	+ 5.6	+ 3.3
5. Services (2) .....	- 1.3	- 2.6	+ 0.3	- 0.7	+ 3.3	+ 3.0	+ 3.2
6. Private transfers .....	+ 2.5	+ 3.0	+ 2.5	+ 1.6	+ 1.5	+ 1.4	+ 2.3
7. Government transfers .....	- 3.1	- 2.4	- 2.4	- 2.5	- 4.0	- 3.3	- 3.9
Balance of current transactions ...	- 5.2	- 0.1	+ 7.6	- 4.8	+ 10.1	+ 11.3	+ 3.7

(1) Goods bought from one foreign country and resold to another foreign country.

(2) Costs of transport, insurance, foreign travel, investment income, transactions of public authorities as well as of European and international institutions, frontier and seasonal workers, etc.

*p* Provisional figures

The surplus on private transfers rose from Fr. 1.4 to 2.3 billion mainly because of the increase in total remuneration available in Belgium to Belgians working in the Democratic Republic of the Congo. The Government's transfers resulted in a net outflow of Fr. 3.9 billion, against Fr. 3.3 billion in 1967; these transfers include the Government's contribution to different European and international institutions, in particular the payments to the European Development Fund and to the European Agricultural Direction and Guarantee Fund, which were greater than in 1967; they likewise include Belgium's technical assistance to the Democratic Republic of the Congo, in particular its assuming of responsibility for a part of the salaries paid to Belgian technicians who are helping the Congolese Administration.

As regards the movement of capital the net outflows resulting from the Government's operations amounted to Fr. 3.6 billion, against Fr. 7.7

billion in 1967. The Government increased its foreign assets by Fr. 0.2 billion, and reduced its liabilities to foreign countries by Fr. 3.4 billion.

Table 5.

NET MOVEMENT IN CAPITAL FUNDS OF THE BELGIAN-LUXEMBURG  
ECONOMIC UNION TO AND FROM FOREIGN COUNTRIES  
(Billions of francs)

	1963	1964	1965	1966	1967	1967	1968 <sup>p</sup>
						(First 11 months)	
1. Government .....	+ 2.4	+ 0.4	- 5.8	- 2.5	- 6.3	- 7.7	- 3.6
— Assets .....	- 0.4	- 0.1	- 0.5	- 0.3	- 0.4	- 0.4	- 0.2
— Liabilities .....	+ 2.8	+ 0.5	- 5.3	- 2.2	- 5.9	- 7.3	- 3.4
2. Other public authorities .....	+ 0.1	+ 1.1	...	...	- 0.5	- 0.5	...
3. Public operating organisations and non-monetary financial intermediaries of the public sector .....	+ 0.6	+ 2.3	+ 2.1	+ 1.7	+ 0.9	+ 1.6	- 0.3
4. Private sector :							
— Investments in foreign countries of which : Securities .....	- 9.5	- 6.7	- 5.4	- 8.9	- 8.1	- 7.8	-12.3
— Non-residents' investments in the B.L.E.U. ....	- 5.5	- 1.3	- 2.1	- 6.5	- 5.3	- 5.1	-11.5
— Non-residents' investments in the B.L.E.U. ....	+ 9.7	+12.2	+ 8.5	+ 7.2	+15.0	+13.0	+11.1
of which : Direct investments .	n.a.	n.a.	+ 7.1	+ 7.0	+11.5	+ 9.7	+10.4
— Investments not classified .....	+ 1.3	+ 1.0	+ 0.8	+ 0.6	+ 0.3	+ 0.3	...
Total for the private sector ...	+ 1.5	+ 6.5	+ 3.9	- 1.1	+ 7.2	+ 5.5	- 1.2
Grand total ...	+ 4.6	+10.3	+ 0.2	- 1.9	+ 1.3	- 1.1	- 5.1

<sup>p</sup> Provisional figures  
n.a. Figures not available.

The Government's foreign liabilities recorded in the balance of payments do not include the movement of funds which banks or other monetary institutions obtain for the Government by themselves incurring foreign debt; for the Treasury these operations amount in effect to borrowing from residents. If account is taken of these transactions, the Government's recourse to foreign markets was reduced by Fr. 3.8 billion in 1968, against Fr. 3.5 billion in 1967.

The other public authorities' capital transactions did not, on balance, give rise to inflows or outflows of funds; those effected by public operating organisations and by non-monetary financial intermediaries of the public sector, which had produced a net inflow of Fr. 1.6 billion in 1967, resulted in a net outflow of Fr. 0.3 billion.

The private sector's capital transactions, which had yielded a surplus of Fr. 5.5 billion in 1967, gave rise to a deficit of Fr. 1.2 billion in 1968. This change resulted both from an increase of residents' new investments abroad and from slowing down of non-residents' investments in the Belgian-Luxemburg Economic Union.

Table 6.

THE GOVERNMENT'S RECOURSE TO FOREIGN MARKETS

(Changes in billions of francs)

	1963	1964	1965	1966	1967	1967	1968 p	1967	1968 p
						(First 10 months) (2)	(First 11 months)	(First 10 months) (2)	(First 11 months)
1. Liabilities recorded in the movement of capital funds <sup>(1)</sup>	+ 2.8	+ 0.5	- 5.3	- 2.2	- 5.9	- 8.1	- 3.2	- 7.3	- 3.4
2. Liabilities incurred through the intermediary of Belgian monetary institutions .....	+ 9.7	+ 0.6	+ 0.5	+ 7.1	+ 3.4	+ 3.3	- 0.4	+ 3.8	- 0.4
3. The Government's total recourse to foreign markets .	+12.5	+ 1.1	- 4.8	+ 4.9	- 2.5	- 4.8	- 3.6	- 3.5	- 3.8
— in foreign currencies ...	+ 8.2	+ 0.5	- 4.9	+ 3.9	+ 5.6	+ 6.0	- 0.7	+ 5.8	- 0.8
— in Belgian francs .....	+ 4.3	+ 0.6	+ 0.1	+ 1.0	- 8.1	-10.8	- 2.9	- 9.3	- 3.0

(1) See Table 5, item 1. Government : Liabilities.

(2) This period is given because it appears in Table 11, item 2 of which reproduces the total of this table.

p Provisional figures.

Residents more than doubled their net purchases of securities; they probably increased, in particular, their new investments in shares sold on the New York Stock Exchange, where prices tended upwards, as well as their subscriptions to international loans, since American companies resorted on a larger scale to these, at higher rates of interest, in order to finance their capital expenditure abroad, following the adoption by the United States of new measures to restrict capital outflows. Residents on the other hand devoted less resources to direct investments and to acquisition of real properties abroad. On the whole they exported capital to the extent of Fr. 12.3 billion, against Fr. 7.8 billion in 1967.

At the same time as they obtained more funds in the Belgian-Luxemburg Economic Union, inter alia through Euro-bond issues, foreigners on balance liquidated Belgian and Luxemburg securities to the extent of Fr. 0.5 billion in 1968, whereas they had acquired them to that of Fr. 2.5

billion in 1967; on the other hand the net amount of foreigners' direct investments reached a level slightly higher than in 1967, although one subsidiary repaid a very large loan to its foreign parent company. Total net inflows of foreign capital reached Fr. 11.1 billion in 1968, against Fr. 13 billion in 1967.

Table 7.

BELGIAN-LUXEMBURG ECONOMIC UNION'S  
BALANCE OF PAYMENTS AND ITS FINANCING

(Billions of francs)

	1963	1964	1965	1966	1967	1967	1968 <i>p</i>
						(First 11 months)	
Balance of payments :							
a) Net current transactions .....	- 5.2	- 0.1	+ 7.6	- 4.8	+ 10.3	+ 11.1	+ 3.7
b) Net movement in capital funds .	+ 4.6	+ 10.3	+ 0.2	- 1.9	+ 1.3	- 1.1	- 5.1
c) Errors and omissions .....	+ 0.6	+ 0.5	+ 0.7	+ 0.3	+ 0.9	+ 1.1	- 0.1
Total ...	...	+ 10.7	+ 8.5	- 6.4	+ 12.3	+ 11.3	- 1.5
Financing of the balance of payments :							
a) Refinancing, outside monetary institutions, of commercial claims on foreign countries .....	+ 0.1	...	+ 1.2	- 1.1	+ 2.7	+ 4.9	- 0.1
b) Movement of monetary institutions' net gold and foreign assets :							
— Belgian and Luxemburg banks .....	- 10.1	- 2.1	- 1.2	- 8.1	- 3.1	- 1.4	+ 12.3
— Miscellaneous monetary institutions .....	- 1.2	+ 0.2	+ 0.5	+ 1.1	+ 0.3	+ 1.6	+ 0.6
— National Bank of Belgium (1) .....	+ 11.2	+ 12.6	+ 8.0	+ 1.7	+ 12.4	+ 6.2	- 14.3
Total b) ...	- 0.1	+ 10.7	+ 7.3	- 5.3	+ 9.6	+ 6.4	- 1.4
Total financing [a) + b)] ...	...	+ 10.7	+ 8.5	- 6.4	+ 12.3	+ 11.3	- 1.5

(1) See Table 8.

*p* Provisional figures

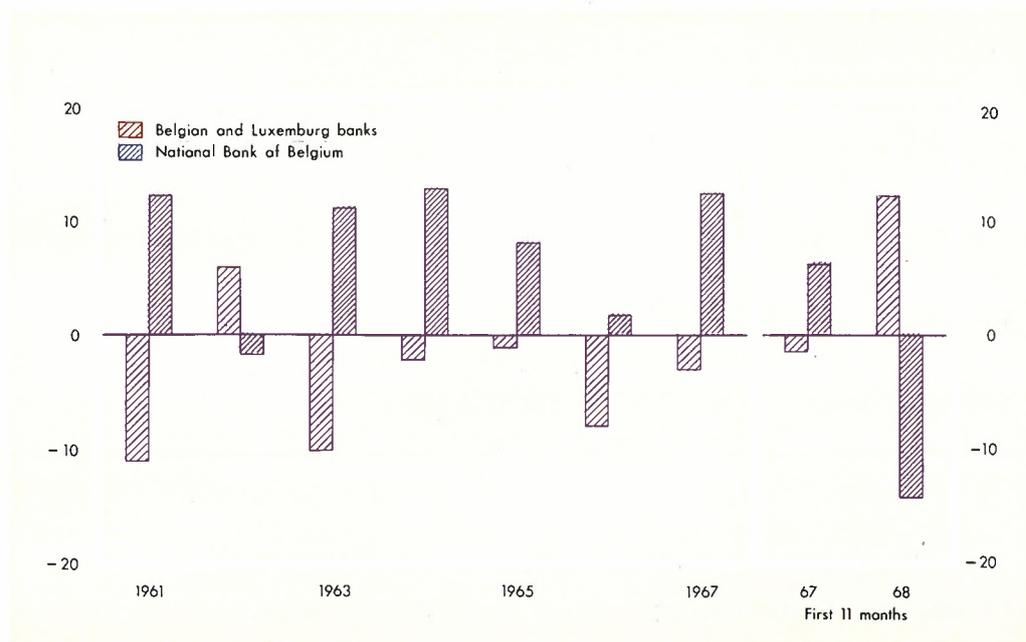
The course of private-sector capital transactions largely conformed to the developments entailed by the concerted action, undertaken on the international plane, to re-establish better equilibrium in balances of payments.

On the whole, with allowance for errors and omissions, the above-described current transactions and capital movements resulted in a net

deficit of Fr. 1.5 billion for 1968, whereas for 1967 a surplus of Fr. 11.3 billion had been produced.

This deficit was reflected by a decrease of Fr. 0.1 billion in the commercial claims on foreign countries which the market holds as a result of having repurchased them from monetary institutions, and by a reduction of Fr. 1.4 billion in the said institutions' net gold and foreign assets.

NET GOLD AND FOREIGN ASSETS OF THE BANKS AND OF THE NATIONAL BANK OF BELGIUM <sup>(1)</sup>  
(Changes in billions of francs)



(1) See Table 7.

To the extent of Fr. 12.3 billion the Belgian and Luxemburg banks strengthened their net foreign exchange and Belgian franc position in relation to foreign countries; the increase of their foreign currency assets held abroad exceeded by Fr. 9 billion that of their liabilities; on the other hand their net Belgian franc liabilities were reduced by Fr. 3.3 billion. The net foreign position of various non-banking monetary institutions

likewise increased by Fr. 0.6 billion. The overall net foreign position of monetary institutions other than the National Bank improved by Fr. 12.9 billion. The Fr. 14.3 billion reduction of the National Bank's net gold and foreign assets resulted pro tanto from these movements.

In December the National Bank's net gold and foreign assets very slightly increased.

Table 8.

NET GOLD AND FOREIGN ASSETS OF THE NATIONAL BANK OF BELGIUM <sup>(1)</sup>  
(Changes in billions of francs)

	Gold holding	Assets acquired at the International Monetary Fund	Assets in convertible foreign currencies	Other net assets and liabilities		Total
				Assets abroad in Belgian francs	Others	
1963 .....	+ 0.3	+ 0.4	+ 8.7	+ 1.5	+ 0.3	+ 11.2
1964 .....	+ 3.9	+ 3.1	+ 5.5	...	+ 0.1	+ 12.6
1965 .....	+ 5.4	+ 5.4	- 5.1	...	+ 2.3	+ 8.0
1966 .....	- 1.7	+ 3.0	- 0.5	...	+ 0.9	+ 1.7
1967 .....	- 2.2	- 2.0	+ 14.7	+ 1.5	+ 0.4	+ 12.4
1968 .....	+ 2.2	- 1.3	- 18.0	- 3.0	+ 5.9	- 14.2
1967 First 11 months .	- 0.7	- 2.5	+ 15.3	+ 1.5	- 7.4	+ 6.2
1968 First 11 months .	+ 2.1	+ 1.6	- 17.1	...	- 0.9	- 14.3

(1) See Annex 6, Table 2.

On the year as a whole the reinforcement of the foreign position held by monetary institutions other than the National Bank, and the increase of credit granted to foreign countries by way of lengthening the terms of payment, reduced the Bank's net foreign assets by appreciably more than would have resulted from the course of economic transactions with foreign countries. The effect of these factors would have been still more marked if the banks had not been led, partly because of the increase in their foreign exchange assets and in the export credits granted by them, to mobilise large amounts of Belgian franc acceptances, representing exports, which the National Bank took into its portfolio and which constitute, for the Bank, a foreign asset if not a foreign exchange reserve in the strict sense.

On the whole year the National Bank's net total foreign assets decreased by Fr. 14.2 billion, whereas they had increased by Fr. 12.4 billion in 1967.

The gold holding rose by Fr. 2.2 billion, the International Monetary Fund's purchases of Belgian francs against gold at the time of the drawings by the United Kingdom and France, and the conversions of dollars into gold by the National Bank, having outweighed the latter's contributions to the gold pool.

The assets acquired at the International Monetary Fund diminished by Fr. 1.3 billion. The Fund used Belgian francs which it held in respect of Belgium's quota, or which it borrowed in virtue of Belgium's participation in the General Arrangements to Borrow, in order to finance various drawings including those by the United Kingdom, France and Canada. In addition France transferred to Belgium a part of its rights to repayment resulting from operation of the General Arrangements to Borrow. The effect of these operations was outweighed, however, through that of large Belgian franc repurchases effected by various countries, chiefly the United States.

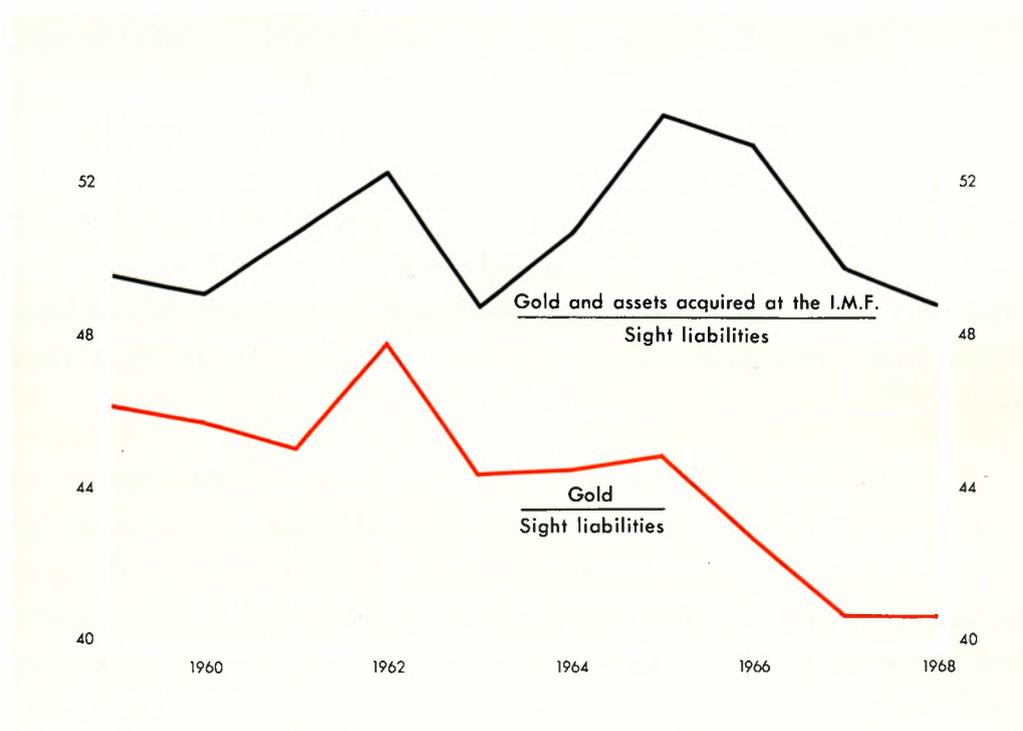
The convertible foreign currency assets, which had grown by Fr. 14.7 billion in 1967, were reduced by Fr. 18 billion. To the extent of Fr. 2.5 billion this reduction is explained by transformation of the fully drawn tranche in the swap agreements concluded with the Federal Reserve Bank of New York into a stand-by tranche; this change was reflected in an equal decrease of the public sector's Belgian franc liabilities to foreign countries.

The Bank had recourse, especially during the fourth quarter, to the swap agreements machinery for the purpose of buying dollars against Belgian francs. Since these dollars, deliverable at forward dates to the Federal Reserve Bank of New York, had been in great part sold on the exchange market, the Bank's net foreign exchange position became negative during certain periods of the year. The swap agreements, however, protect the parties against the exchange risks, which may result from

revaluation of the foreign currencies to be delivered, by providing that the debtor shall have an option to buy these currencies at the former parity. On 31st December the Bank's forward liabilities resulting from utilisation of the swap agreements had been brought down to Fr. 0.4 billion, and its foreign exchange debtor position had been similarly reduced to a neighbouring level.

PROPORTIONS OF COVER FOR THE NATIONAL BANK OF BELGIUM'S SIGHT LIABILITIES

(In per cent at the end of each year)



The Belgian francs assets in foreign countries constituted by United States Treasury Certificates have disappeared, since the certificates amounting to Fr. 3 billion for which the National Bank had subscribed in November, 1967 were encashed in December, 1968.

The net positive balance of the National Bank's other assets and liabilities increased by Fr. 5.9 billion, principally owing to the effect of

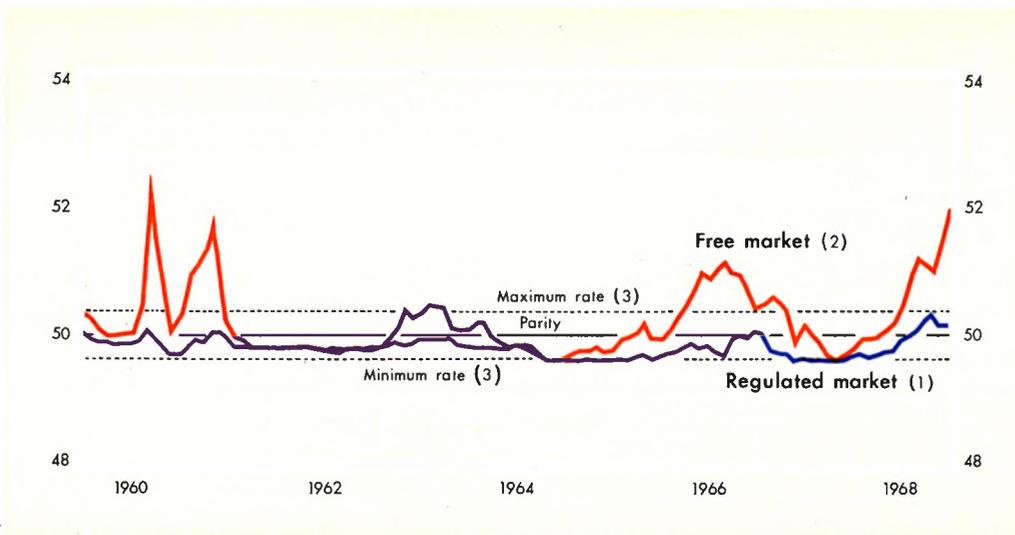
a rise by Fr. 6.2 billion in the Bank's holding of acceptances representing exports.

On 31st December the National Bank's net foreign assets totalled Fr. 122.7 billion, of which a net asset amounting to Fr. 20.9 billion resulted from various agreements on international monetary cooperation to which the Bank is a party.

The proportion of gold cover for the National Bank's sight liabilities reached 40.7 p.c. at the end of the year. The proportion of cover in gold, in gold claims on international financial institutions and in assets acquired at the International Monetary Fund, as that proportion is defined by the recent bill relating to amendment of the International Monetary Fund's Articles of Agreement and of the monetary system, amounted at the same date to 48.8 p.c.

The course taken by the balance of payments and by the banks' foreign assets was reflected in the tendency of rates on the foreign exchange

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



(1) Official rate fixed by the bankers meeting at the Brussels Clearing House. See Annex 6, Table 3.  
(2) Rates by way of indication.  
(3) Rates defining the margin within which the National Bank maintains quotations on the regulated market pursuant to the International Monetary Fund's Articles of Agreement and to the European Monetary Agreement of 28th December, 1958. These rates are 49.625 and 50.875.

market. The daily average per month of the dollar rate on the regulated market tended definitely upwards from April to October, during which month it was close to the maximum intervention rate fixed in pursuance of the European Monetary Agreement. The averages for November and December were slightly down despite the temporary rise of the rate which preceded the announcement, by France and the Federal Republic of Germany, of measures for adjusting their balances of payments. On the free market the quotations for the dollar tended upwards more or less continuously from the start of the year until August; after a decline in September and October the rise was resumed.

## PUBLIC FINANCES.

The Government's net financial requirements increased in 1968 owing to the effect of the rapid expansion in certain categories of ordinary expenditure, as well as in the total expenditure chargeable to the

Table 9.

### CASH RECEIPTS AND EXPENDITURE RESULTING FROM BUDGETARY TRANSACTIONS <sup>(1)</sup>

(Billions of francs)

	1963	1964	1965	1966	1967	1967	1968
						(First 10 months)	
1. Ordinary budget .....							
Receipts .....	139.5	157.8	172.7	200.6	219.6	183.1	199.7
Expenditure .....	143.0	155.3	176.5	203.9	221.7	185.0	201.6
Balance ...	- 3.5	+ 2.5	- 3.8	- 3.3	- 2.1	- 1.9	- 1.9
2. Balance of the extraordinary budget	- 21.6	- 23.8	- 25.0	- 24.0	- 28.3	- 22.4	- 27.5
Balance of budgetary transactions ...	- 25.1	- 21.3	- 28.8	- 27.3	- 30.4	- 24.3	- 29.4

Source : Ministry of Finance.

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

extraordinary budget and to the Road Fund. The result was a large increase, limited however to the Belgian market, of the Government's indebtedness.

For the first ten months the deficit on the **ordinary budget** amounted to Fr. 1.9 billion, just as in 1967. Expenditure increased by Fr. 16.6 billion, or 9 p.c., chiefly in respect of pay and pensions, of health and disability insurance, of education, of unemployment and of interventions by the Agricultural Fund. Receipts likewise rose by Fr. 16.6 billion, that is by an equivalent percentage, owing to enlargement of the taxation basis and, in lesser degree, to the increase in rates of tax which principally resulted from the provisions of the so-called special powers law dated 31st March, 1967.

The deficit on the **extraordinary budget** increased by Fr. 5.1 billion owing to a 23 p.c. rise of expenditure. The expenditure on national defence, on communications and on public works in particular increased.

With allowance for extra-budgetary operations, on which the deficit increased mainly because of the Fr. 1.4 billion rise in the Road Fund expenditure that forms the greater part of such operations, the **cash deficit** amounted to Fr. 40 billion, or Fr. 6.4 billion more than in 1967.

The **Government's net financial requirements**, which correspond to the difference between this deficit and the public debt repayments

Table 10.

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

	1963	1964	1965	1966	1967	1967	1968
						(First 10 months)	
1. Balance of budgetary transactions (1) .....	- 25.1	- 21.3	- 28.8	- 27.3	- 30.4	- 24.3	- 29.4
2. Balance of extra-budgetary transactions (2) .....	- 9.0	- 6.3	- 7.8	- 4.1	- 7.9	- 9.3	- 10.6
3. Cash deficit (3 = 1 + 2) .....	- 34.1	- 27.6	- 36.6	- 31.4	- 38.3	- 33.6	- 40.0
4. Public debt repayments, included in budgetary expenditure .....	10.8	12.6	14.5	14.3	15.3	12.9	12.7
5. The Government's net financial requirements (5 = 3 + 4) .....	- 23.3	- 15.0	- 22.1	- 17.1	- 23.0	- 20.7	- 27.3

(1) See Table 9.

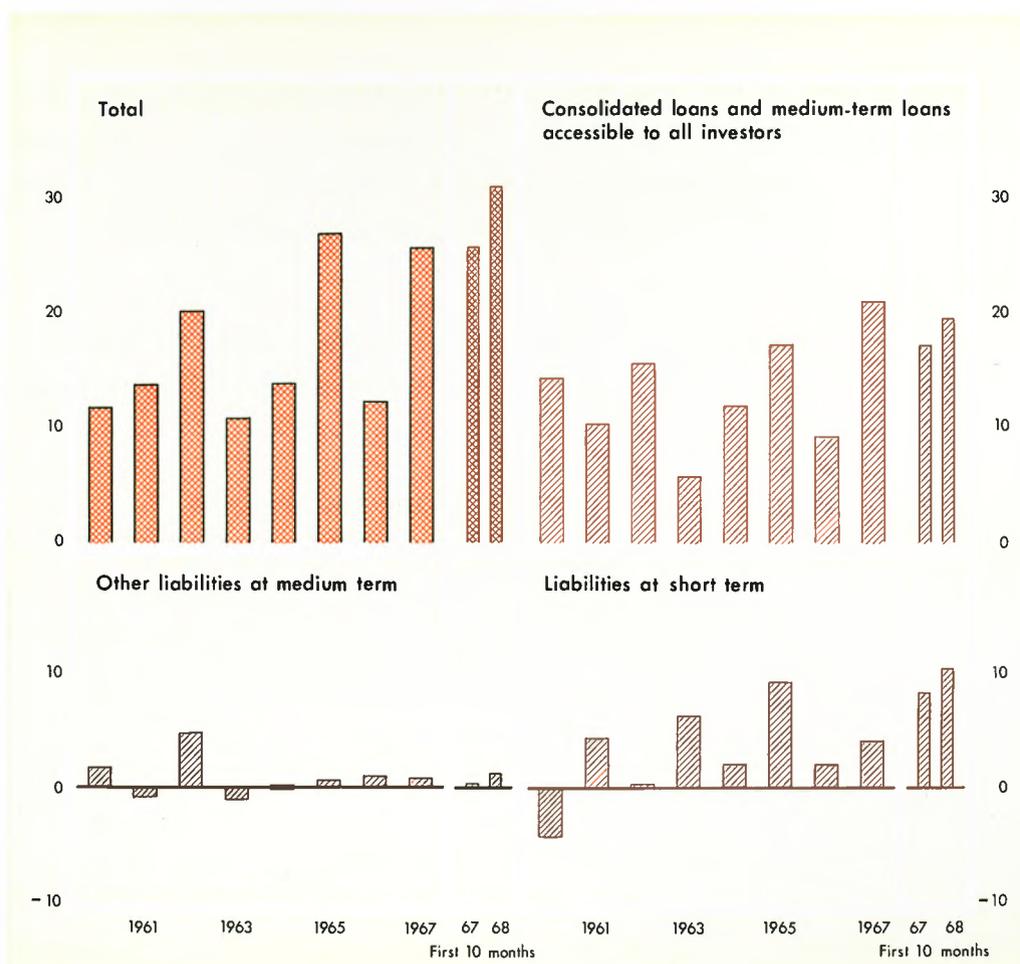
(2) This item includes the expenditure of the Road Fund.

included in budget expenditure, rose from Fr. 20.7 billion in 1967 to Fr. 27.3 billion in 1968.

Just as in 1967, these requirements were entirely met by the resources, amounting to Fr. 30.9 billion, which the Government procured on the Belgian market. The Government's short-term liabilities to that market increased by Fr. 10.3 billion, against Fr. 8.2 billion in 1967, while the consolidated debt rose by Fr. 19.4 billion as compared with Fr. 17 billion in that year.

THE GOVERNMENT'S RECOURSE TO THE BELGIAN MARKET <sup>(1)</sup>

(Changes in billions of francs)



(1) See Table 11, item 1.

The assistance provided by Belgian non-monetary sectors was greatly reduced, to Fr. 1.8 billion as compared with Fr. 19.2 billion for 1967. The Government debt held by financial saving and credit intermediaries, which debt had increased by Fr. 8.7 billion in 1967, declined by Fr. 2.5 billion. That which is held by individuals, non-financial enterprises, insurance companies and pension funds increased as in 1967, but to a definitely smaller extent, rising by Fr. 4.3 billion instead of Fr. 10.5 billion.

Table 11.

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

	1963	1964	1965	1966	1967	1967	1968
						(First 10 months)	
1. The Government's recourse to the Belgian market :							
a) Monetary institutions .....	+11.0	+11.5	+11.8	+ 6.9	+ 3.9	+ 6.3	p+29.1
b) Private savings banks, General Savings Fund, public financial credit intermediaries .....	- 2.7	- 5.7	+ 5.6	- 1.4	+ 9.2	+ 8.7	- 2.5
c) Others (1) .....	+ 2.5	+ 8.1	+ 9.5	+ 6.7	+12.4	+10.5	p+ 4.3
Total ...	+10.8	+13.9	+26.9	+12.2	+25.5	+25.5	+30.9
2. The Government's recourse to foreign markets (2) .....	+12.5	+ 1.1	- 4.8	+ 4.9	- 2.5	- 4.8	- 3.6
3. Total (3) .....	+23.3	+15.0	+22.1	+17.1	+23.0	+20.7	+27.3
of which : Direct and indirect financing of the Government by monetary institutions [1a) + 2] (4)	+23.5	+12.6	+ 7.0	+11.8	+ 1.4	+ 1.5	p+25.5

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

(2) See Table 6.

(3) See Annex 6, Tables 4 and 4bis.

(4) The Government's recourse to foreign markets is regarded as indirect financing by monetary institutions.

p Provisional figures

Consequently the Government's recourse to monetary institutions was much greater than in 1967. The funds provided by such institutions in fact reached Fr. 29.1 billion, whereas they had amounted to only Fr. 6.3 billion in the previous year. The assistance by banks reached Fr. 8 billion, including the increase in their holding of bills accepted by the Road Fund in settlement for works carried out and approved in conformity with the provisions of Royal Decree No. 41 dated 29th September, 1967, the total outstanding amount of such bills being Fr. 1.9 billion at the end of October,

1968. The contributions from other monetary institutions were also large. The Treasury increased by Fr. 10.8 billion the outstanding amount of its credit line at the National Bank, which had been raised from Fr. 10 to 16 billion with effect from 1st September <sup>(1)</sup>.

Just as in 1967, the Treasury reduced the total amount of funds which it directly or indirectly borrowed abroad; the reduction of its indebtedness amounted to Fr. 3.6 billion. This change can be broken down into a decrease by Fr. 0.7 billion of the foreign currency debt, including the debt taken over from the Congo, and of Fr. 2.9 billion in Belgian franc liabilities to foreign countries due, inter alia, to repayment of Treasury Certificates taken on subscription by a Belgian financial institution at which the Federal Reserve Bank of New York had deposited, on a time account, the Belgian francs bought from the National Bank against dollars under the fully drawn tranche of the swap agreements.

On the whole the Government's financing done through monetary institutions, either directly or through foreign markets, increased by Fr. 25.5 billion, against Fr. 1.5 billion in 1967.

#### **CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS.**

For the whole of the first ten months the outstanding used amount of credits granted to enterprises and individuals increased by Fr. 41.4 billion, against Fr. 40.8 billion in 1967. The expansion, which during the first half-year had been slightly less rapid than in 1967, afterwards became more marked.

The increase in the outstanding used amount of credits originally granted by **monetary institutions** amounted to Fr. 14.9 billion, against Fr. 15.9 billion in 1967.

<sup>(1)</sup> Conventions of 30th March and 12th April, 1968. See Annex 7.

Out of this total the credits granted by banks grew by Fr. 16 billion, whereas they had increased by Fr. 16.4 billion in 1967. The movement of these credits differed according to their destination.

Table 12.

CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS <sup>(1)</sup>

Classified according to the institutions which originally granted them

(Changes in billions of francs)

	1963	1964	1965	1966	1967	1967	1968
						(First 10 months)	
Monetary institutions :							
Banks <sup>(2)</sup> .....	+ 15.7	+ 11.5	+ 15.9	+ 19.9	+ 25.7	+ 16.4	+ 16.0
National Bank of Belgium .....	+ 0.7	- 0.5	+ 0.1	+ 0.1	+ 0.3	- 0.5	- 1.1
Total <sup>(3)</sup> ...	+ 16.4	+ 11.0	+ 16.0	+ 20.0	+ 26.0	+ 15.9	+ 14.9
Non-monetary institutions :							
Public financial credit intermediaries :							
— which specialise in business lendings .....	+ 8.5	+ 10.9	+ 6.4	+ 15.8	+ 17.0	+ 11.5	+ 15.0
— which specialise in loans for housing .....	+ 2.1	+ 2.6	+ 2.6	+ 2.9	+ 3.5	+ 3.8	+ 3.6
General Savings and Pensions Fund .	+ 5.3	+ 6.9	+ 6.7	+ 8.0	+ 6.0	+ 2.8	+ 3.6
Private savings banks .....	+ 3.8	+ 5.5	+ 6.9	+ 7.7	+ 8.0	+ 6.8	+ 4.3
Total ...	+ 19.7	+ 25.9	+ 22.6	+ 34.4	+ 34.5	+ 24.9	+ 26.5
Grand total ...	+ 36.1	+ 36.9	+ 38.6	+ 54.4	+ 60.5	+ 40.8	+ 41.4

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

(2) See Table 13.

(3) See Annex 6, Table 5.

The increase of credits specifically financing capital expenditure was of the same order of magnitude as in 1967.

The credits to finance the building industry as well as the construction and acquisition of buildings intended for use other than in industry, agriculture or crafts showed an increase smaller than in 1967.

On the other hand the outstanding amount of instalment loans and of loans providing funds to finance sales and loans on instalment terms increased much faster than in 1967. This acceleration reflects the recovery of private consumption, especially in the field of durables.

There was no appreciable change in credits financing imports, whereas a year previously they had declined. Export credits, which are not

included in the banks' credits to enterprises and individuals but form part of the resources, previously mentioned, for financing the balance of payments, increased by Fr. 4.4 billion, against Fr. 2.1 billion in 1967.

Table 13.

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

	1963	1964	1965	1966	1967	1967	1968 <sup>p</sup>
						(First 10 months)	
Specifically financing :							
— industrial, agricultural and craftsmen's capital expenditure <sup>(2)</sup> .....	+ 3.5	+ 3.2	+ 2.8	+ 4.5	+ 4.6	+ 4.7	+ 4.6
— building and real estate transactions <sup>(3)</sup> .....	+ 1.2	+ 0.6	+ 1.3	+ 1.0	+ 2.3	+ 1.7	+ 1.3
— instalment sales and loans <sup>(4)</sup> .....	+ 1.4	+ 1.5	+ 0.8	+ 1.3	+ 1.4	+ 1.1	+ 4.1
— imports .....	...	+ 0.8	+ 2.3	+ 1.0	+ 0.2	- 2.2	+ 0.1
Credits of which the apparent economic destination could not be identified .....	+ 9.6	+ 5.4	+ 8.7	+12.1	+17.2	+11.1	+ 5.9
Total ...	+15.7	+11.5	+15.9	+19.9	+25.7	+16.4	+16.0

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

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

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

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

<sup>p</sup> Provisional figures.

The increase in credits of which the apparent economic destination could not be identified was smaller than in the previous year. The need for this type of credit was affected by diminution in stocks of finished products and, in the opposite direction, by the increase in stocks of raw materials and of goods in process of manufacture. The smaller recourse to such credits is probably also explained by the fact that enterprises could do more self-financing because of the improvement in their earning power. The resources of enterprises were moreover strengthened by increased issues of shares. Finally some credits of which the economic destination was not precisely defined were transformed, in certain cases, into credits granted specifically for financing capital expenditure.

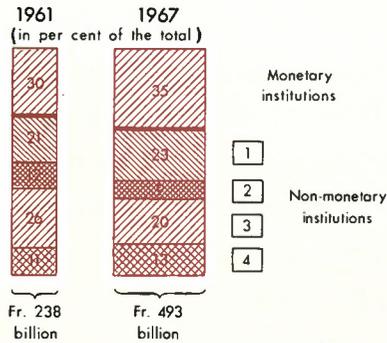
The outstanding used amount of credits originally granted by the National Bank through discount agencies showed the usual seasonal reduction; at the end of October the decline amounted to Fr. 1.1 billion.

During the first ten months the growth in the outstanding used amount of credits originally granted to enterprises and individuals by **non-monetary institutions** was slightly greater than in 1967 at Fr. 26.5 billion, as against Fr. 24.9 billion.

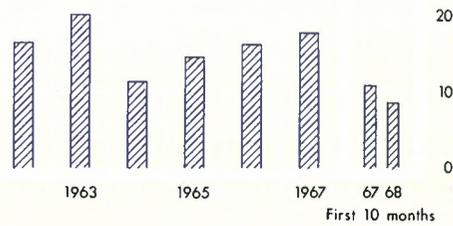
OUTSTANDING USED AMOUNT ON CREDITS GRANTED TO ENTERPRISES AND INDIVIDUALS (1)

Classified according to the institutions which originally granted them

Share of the various financial intermediaries in the amount outstanding at the end of

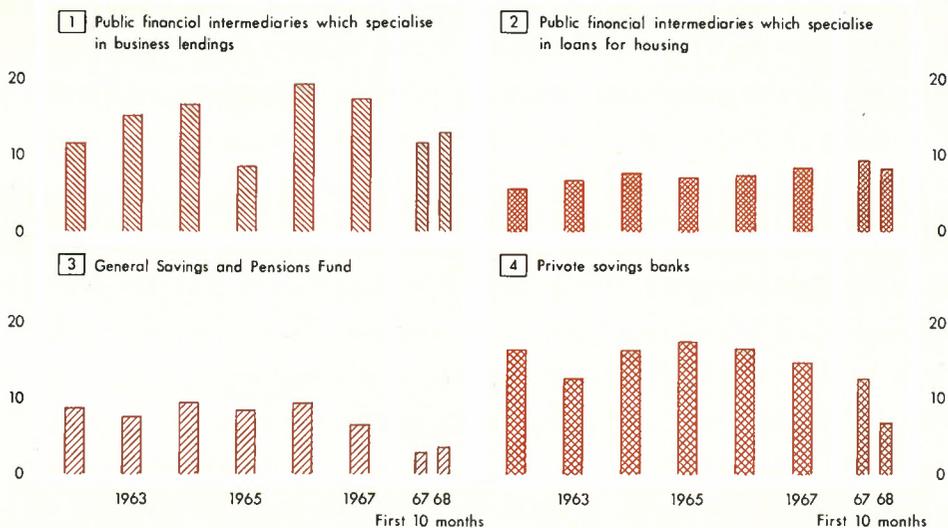


Monetary institutions (Percentage increase in comparison with amount outstanding at end of previous year)



Non-monetary institutions

(Percentage increase in comparison with amount outstanding at end of previous year)



(1) See Table 12.

Those of the public financial credit intermediaries which specialise in business lendings, namely the National Industrial Credit Company, the National Fund for Credit to Trade and Industry, the National Institute for Agricultural Credit, and the Belgian Municipal Credit Institution as regards its lending to public operating organisations, increased their assistance to enterprises by Fr. 15 billion as compared with Fr. 11.5 billion during the first ten months of 1967. During the first half-year the increase was of the same order as a year previously, but thereafter it was greater. In certain cases these credits replaced other resources, including foreign resources, which had until then financed certain existing investments.

The outstanding used amount of credits originally granted by public financial credit intermediaries which specialise in financing house construction, namely the National Housing Company, the National Smallholders' Company, the Central Office for Mortgage Credit and the Housing Fund of the Large Families' League, increased at very nearly the same rate as that observed in 1967, that is by Fr. 3.6 billion, against Fr. 3.8 billion. In connection with the Government's measures designed to encourage publicly assisted housing a more favourable trend appeared in the amounts of credit opened; these were greater than a year previously, having in fact risen for the first ten months from Fr. 4.8 billion to Fr. 6.7 billion.

The net drawings on credits originally granted by the General Savings and Pensions Fund reached Fr. 3.6 billion, against Fr. 2.8 billion in 1967. This increase in fact covers divergent trends, namely faster growth of the credits which this institution grants to finance industry, agriculture and crafts, and a slowing down of new assistance to finance house-building.

Finally during the first ten months the outstanding used amount of credits originally granted by private savings banks increased less rapidly than in the previous year, the increase having amounted to Fr. 4.3 billion, as against Fr. 6.8 billion in 1967. It was mainly at the non-agricultural savings banks, which chiefly finance housing, small-scale enterprises and crafts, that the increase was down by comparison with a year before.

The total amount of guarantees given as security for the above-mentioned credits by the National Bank's Discount Agencies for the benefit

of the National Bank, of the General Savings and Pensions Fund, of the National Industrial Credit Company or of the National Fund for Credit to Trade and Industry amounted in October to Fr. 31.3 billion, that is 11.8 p.c. more than a year previously. More than 80 p.c. of that amount consisted of mortgage loans financed by the General Savings and Pensions Fund.

## MONETARY SYSTEM.

The principal factors which give rise to growth of the liquid assets held at monetary institutions appreciably changed in 1968.

Whereas during the first ten months of 1967 the net current transactions and the net movement of enterprises' and individuals' capital

Table 14.

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

(Billions of francs)

	Money supply (1)	Quasi- monetary liquid assets at banks (2)	Total	Origins				
				Trans- actions with foreign countries (3)	Financing of the Govern- ment (4)	Credits granted to enter- prises and individuals (5)	Refinan- cing outside monetary institu- tions (increase: - ) (6)	Miscel- laneous (7)
1963 .....	+25.6	+ 8.2	+33.8	- 1.4	+23.5	+16.4	+ 1.2	- 5.9
1964 .....	+19.6	+ 6.1	+25.7	+ 7.0	+12.6	+11.0	- 1.6	- 3.3
1965 .....	+21.1	+11.6	+32.7	+13.2	+ 7.0	+16.0	- 2.8	- 0.7
1966 .....	+21.2	+12.8	+34.0	- 4.0	+11.8	+20.0	+ 3.5	+ 2.7
1967 .....	+11.0	+21.6	+32.6	+17.1	+ 1.4	+26.0	- 6.6	- 5.3
1967 First 10 months .....	- 1.0	+18.5	+17.5	+14.4	+ 1.5	+15.9	- 8.0	- 6.3
1968 First 10 months .....	+ 9.2	+15.9	+25.1	<i>p</i> - 5.7	<i>p</i> +25.5	+14.9	- 2.7	<i>p</i> - 6.9

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

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

(3) Current transactions and movement in capital funds of enterprises and individuals. The figures relate to Belgium; they are therefore not entirely comparable with those in Tables 4, 5 and 7, which relate to the Belgian-Luxemburg Economic Union.

(4) Including financing of the Road Fund. The movement in capital funds of the Government and of the Road Fund to and from foreign countries is included in this column. See Table 11, last line.

(5) See Table 12 and Annex 6, Table 5.

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

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

*p* Provisional figures.

between Belgium and foreign countries had been in surplus to the extent of Fr. 14.4 billion, during 1968 it was in deficit to that of Fr. 5.7 billion.

On the other hand, as already indicated, the credits originally granted by monetary institutions to enterprises and individuals increased by only Fr. 14.9 billion, against Fr. 15.9 billion in 1967.

Consequently the demand for liquidity emanating from residents taking part in the economic process was largely met through the increase in financing of the Government by monetary institutions, such financing having increased, as already stated, by Fr. 25.5 billion, against Fr. 1.5 billion in 1967.

The procurement of funds outside the monetary system to finance credits originally granted by banks to enterprises, individuals and foreign borrowers was still important in the early part of the year, but for the first ten months as a whole it amounted only to Fr. 2.7 billion, against Fr. 8 billion in 1967. This decrease affected the non-monetary financial intermediaries more than foreign countries.

With allowance for various other causes of variation the total amount comprising the money supply and the quasi-monetary liquid assets at banks increased by Fr. 25.1 billion during the first ten months of 1968, as against Fr. 17.5 billion in 1967.

Table 15.

MONEY SUPPLY  
(Changes in per cent) <sup>(1)</sup>

	Notes and coin	Sight deposits	Money supply
1963 .....	+ 9.8	+ 10.8	+ 10.2
1964 .....	+ 5.8	+ 6.3	+ 6.0
1965 .....	+ 6.8	+ 9.0	+ 7.8
1966 .....	+ 4.7	+ 9.2	+ 6.7
1967 .....	+ 1.4	+ 8.1	+ 4.5
1967 First 10 months .....	+ 1.6	+ 8.1	+ 4.5
1968 First 10 months .....	+ 2.3	+ 10.9	+ 6.3

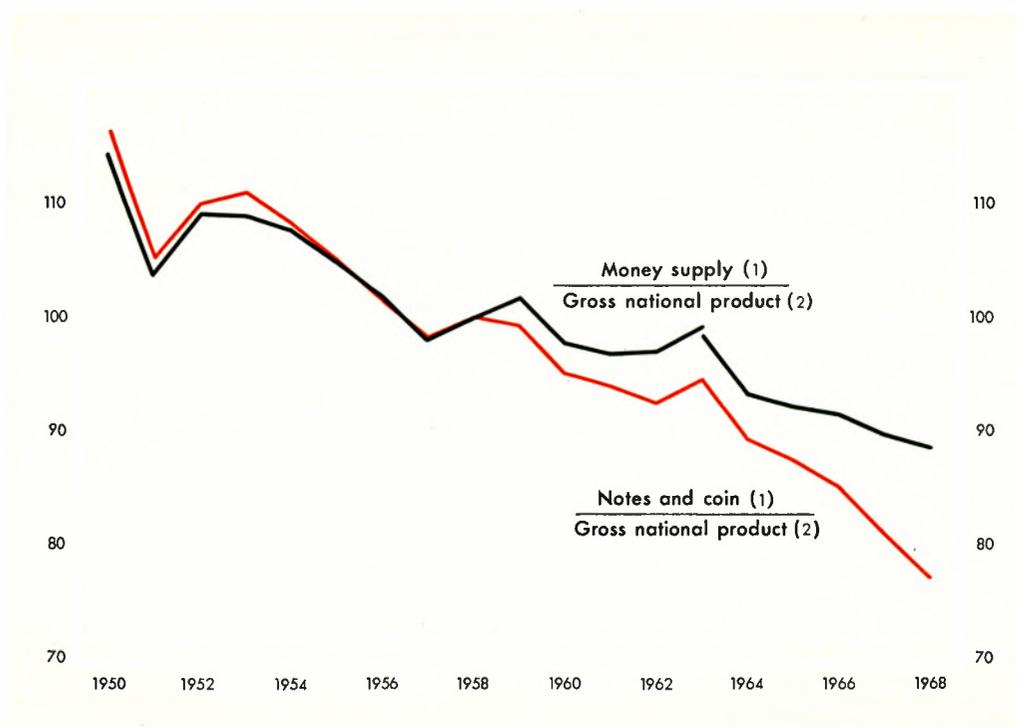
(1) Changes in the average for the period as compared with that for the corresponding previous period.

The faster formation of such assets relates only to the money supply, which increased by Fr. 9.2 billion during the first ten months of 1968, whereas it had decreased by Fr. 1 billion in 1967.

Comparison of the average amounts outstanding, which are less influenced by accidental variations, indicates that during the first ten months of the year the money supply increased by 6.3 p.c. in 1968, against 4.5 p.c. in 1967. The rate of expansion was greater in sight deposits than in notes and coin, so that the proportion borne by these latter to the money supply was further reduced.

PROPORTION OF THE MONEY SUPPLY AND OF NOTES AND COIN TO THE GROSS NATIONAL PRODUCT

(Indices 1958 = 100)



(1) Averages of amounts outstanding at ends of months.

(2) At current prices.

Sources : 1950 to 1952 : Department of Applied Economics at the Free University of Brussels.

1958 to 1967 : National Statistical Institute.

1968 : estimate.

The growth-rate of the average money supply would seem to have been slightly less than that of the national product at current prices, in accordance with the structural trend observed in that connection.

For the first eleven months the rate of turnover of bank deposits at sight was on the average the same as in 1967, and that of balances at the Postal Cheque Office was a little higher <sup>(1)</sup>.

## CASH HOLDINGS AND OTHER FINANCIAL ASSETS.

For the first ten months of the year the amount of Belgian financial assets built up by individuals and enterprises in the forms described below was Fr. 72.8 billion, against Fr. 66.7 billion in 1967.

Table 16.

### PRINCIPAL FINANCIAL ASSETS <sup>(1)</sup> (Changes in billions of francs)

	Cash holdings (2)	Non-monetary financial assets					Total	Grand total
		Deposits on ordinary deposit or savings books (3)	Other deposits at not more than one year		Financial assets at medium and long term			
			Total	of which : Deposits at date and notice in Belgian francs	Total	of which : Bonds and medium-term notes (4)		
1963 .....	+24.1	+18.2	+ 1.8	- 0.4	+16.0	+13.2	+36.0	+60.1
1964 .....	+20.9	+12.2	+ 2.1	+ 5.9	+27.9	+25.6	+42.2	+63.1
1965 .....	+20.1	+19.6	+ 8.3	+ 8.1	+32.2	+28.9	+60.1	+80.2
1966 .....	+18.1	+18.6	+10.0	+ 8.0	+34.3	+30.4	+62.9	+81.0
1967 .....	+ 8.5	+23.6	+ 9.5	+ 5.7	<i>p</i> +53.9	<i>p</i> +45.0	<i>p</i> +87.0	<i>p</i> +95.5
1967 First 10 months .....	+ 0.3	+16.7	+ 5.8	+ 6.5	<i>p</i> +43.9	<i>p</i> +36.3	<i>p</i> +66.4	<i>p</i> +66.7
1968 First 10 months .....	+ 7.8	+19.5	+ 3.4	+ 5.5	<i>p</i> +42.1	<i>p</i> +35.3	<i>p</i> +65.0	<i>p</i> +72.8

(1) Held by individuals and enterprises (other than financial intermediaries), including public operating organisations and certain financial intermediaries which could not be excluded in 1968 : life assurance companies, employers' liability insurance companies and pension funds.

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

(3) See Annex 6, Table 9.

(4) See Annex 6, Table 10.

*p* Provisional figures.

This increase was related to that of incomes and to the slowing down of capital expenditure on residential properties and on fixed assets. It

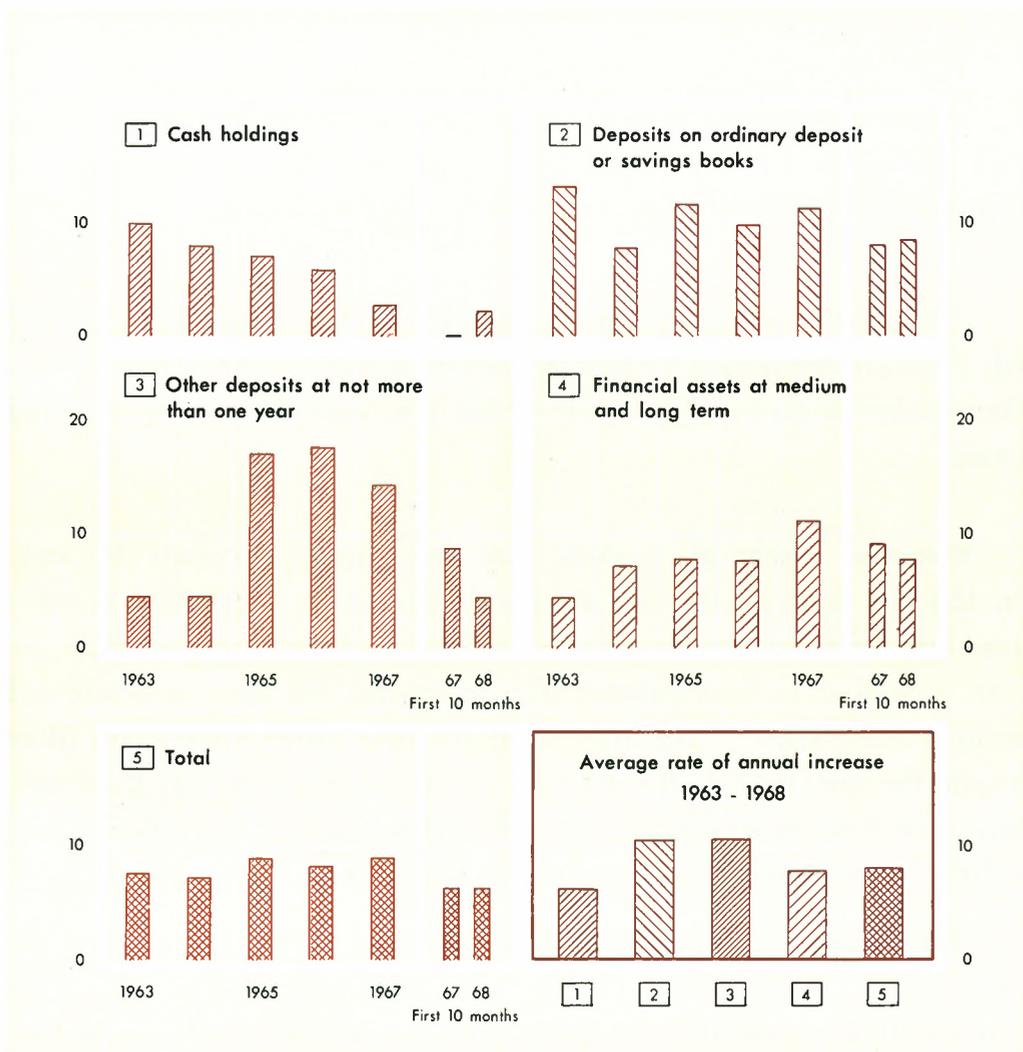
(1) See Annex 6, Table 8.

was limited by a certain increase of individuals' propensity to consume, by the increase of enterprises' inventories and of their commercial claims on foreign countries, as well as by the growth in net purchases of Belgian shares and of foreign securities.

The increase of financial asset formation took the form of accumulating more cash holdings and, to a lesser extent, more deposits on

CASH HOLDINGS AND OTHER FINANCIAL ASSETS (1)

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



(1) See Table 16.

ordinary deposit or savings books; the formation of other short-term deposits, as well as of financial assets at medium and long term, became slower.

**Cash holdings**, that is the money supply less sight deposits held by public authorities, increased by Fr. 7.8 billion during the first ten months, against Fr. 0.3 billion in 1967. This trend was determined by the influence of cyclical growth on needs for transaction cash, and by disappearance of the prospects, predominant in 1967 and during the first months of 1968, of a reduction in interest rates.

The formation of **deposits on ordinary deposit or savings books** during the first ten months rose from Fr. 16.7 billion in 1967 to Fr. 19.5 billion in 1968, of which Fr. 9.5 billion was at banks. All the categories of institutions receiving deposits benefited from this movement.

The growth of **other deposits at not more than one year** reached only Fr. 3.4 billion during the first ten months, against Fr. 5.8 billion in 1967. The slowing down related in part to Belgian franc deposits at date and notice.

**Financial assets at medium and long term** increased by only Fr. 42.1 billion during the first ten months against Fr. 43.9 billion in 1967; there was a slight decline in the accumulation of deposits at more than one year, as well as in the formation of assets taking the form of bonds and medium-term notes. The movement of these latter assets took place despite the growth, for all categories of issuers, of net issues; these rose during the first ten months from Fr. 48.3 billion in 1967 to Fr. 66.9 billion in 1968, but were taken on a larger scale by financial intermediaries.

The average yield on public debt securities bought and sold on the stock exchange, after having slightly fallen during the first months of the year and then remained about stable until the end of July, began to rise; in the case of Government loans issued after 1st December, 1962, and

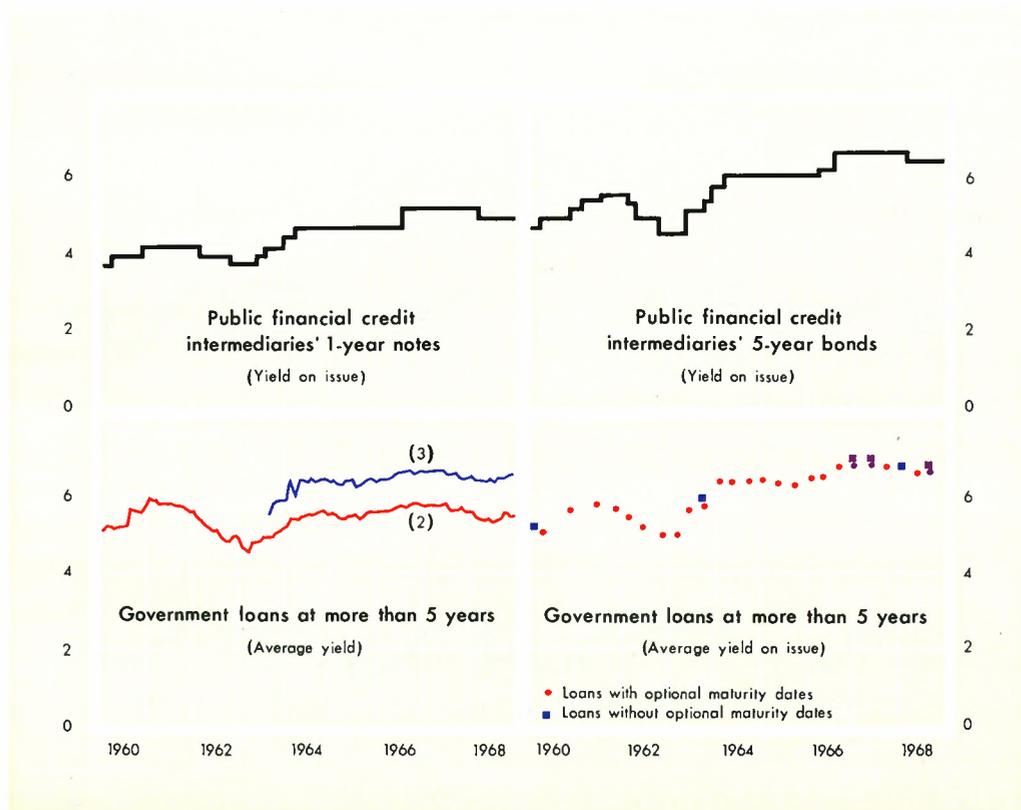
having more than five years still to run, the yield fell from 6.58 p.c. at the beginning of January, 1968 to 6.45 p.c. at the beginning of August, but was 6.65 p.c. at the start of January, 1969.

The average yield on issue was 6.86 p.c. in the case of the 1968-1980 loan issued by the Government in September, whereas it had been 6.84 p.c. in that of the 1968-1978 loan issued in February.

The yields on bonds and notes at not more than five years, issued on tap by public financial credit intermediaries, which yields had not followed the downward movement in 1967, were reduced in March, 1968 by between 0.20 and 0.25 p.c.

RATES ON INVESTMENTS ACCESSIBLE TO THE GENERAL PUBLIC <sup>(1)</sup>

(Per cent)



(1) Rates before deduction of taxes at source. See Annex 6, Table 11.  
 (2) Loans issued before 1st December, 1962.  
 (3) Loans issued after 1st December, 1962.

## MONEY MARKET.

The outstanding amount of assets which financial intermediaries other than the National Bank hold after having acquired them on the money market was still expanding in the first months of the year, but then declined. It was affected in 1968 by various constrictive factors. Thus the financial

### OFFICIAL DISCOUNT RATE : COMPARISON WITH FOREIGN COUNTRIES

(Per cent)



intermediaries invested large amounts in public securities, partly because of the considerable gaps which existed during a great part of the year between rates at long and at short term; the increase of their resources, in particular that of bank deposits, was adversely affected by deterioration in the balance of payments; in the third quarter it was less than the growth, which had become faster, of their lendings; in October and November the banks increased their net assets in foreign currencies. Several of these movements are largely explained by the high level of interest rates abroad, which caused expansion of the net foreign claims held by the private sector as a whole.

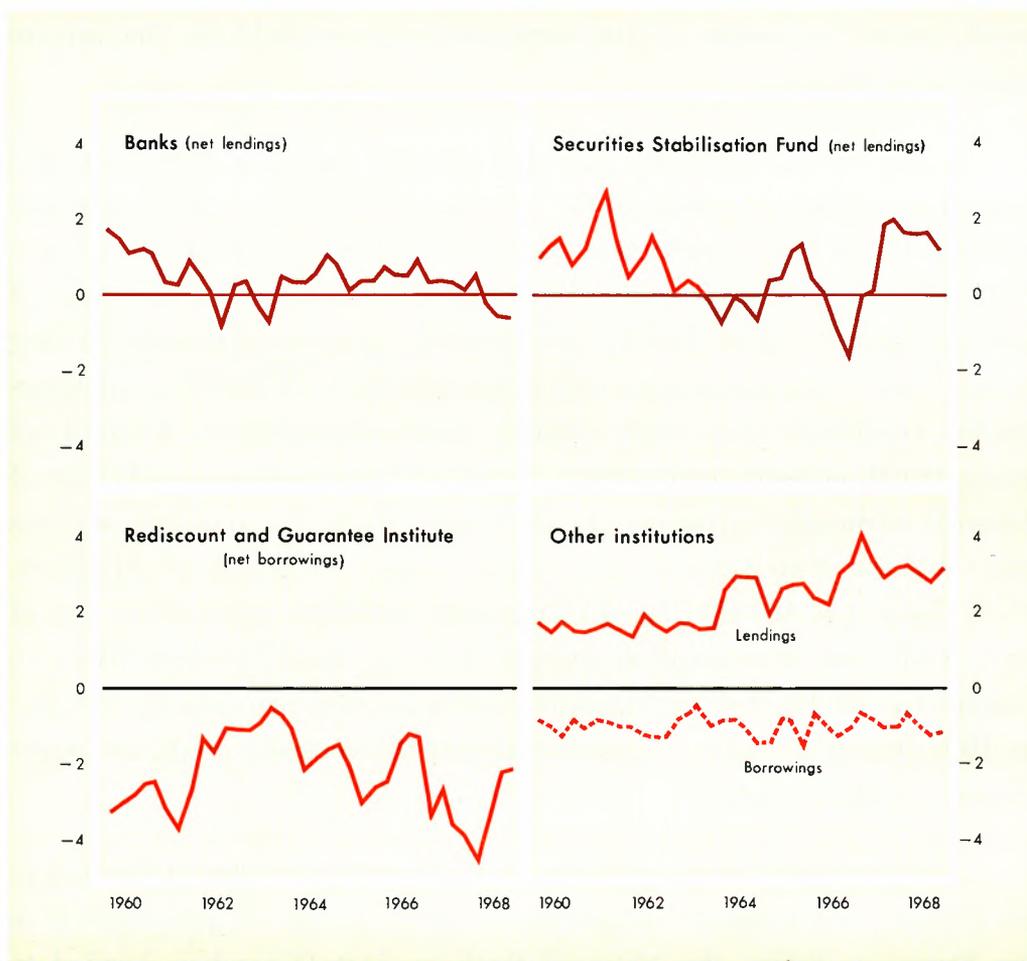
On the money market the ease during the first months of the year had made it possible to continue the lowering of interest rates; this was supported by a further reduction on 7th March, to the extent of 0.25 p.c., in the National Bank's rates. Subsequently, despite the decrease of financial intermediaries' liquidity and despite the seasonal upward-tending factors, rates remained almost stationary for some months, the authorities having continued the action which they conducted in a spirit of international monetary cooperation, and in order to promote quickening of domestic economic expansion, in conformity with the recommendations made by the European Economic Community's Council of Ministers. From the end of the third quarter onwards, however, there was a rise of rates which the movement in foreign countries made it impossible any longer to avoid; this led the National Bank to raise its own rates by 0.75 p.c. on 19th December, when it considered that this measure could no longer hinder economic recovery.

Moreover, after the Commission of the Communities had addressed to the Government a formal request pursuant to Article 93, paragraph 2 in the Treaty of Rome, the National Bank on 31st December decided to abolish with effect from 1st January, 1969, in the case of exports to member states, the preferential discount rate applicable to certified acceptances representing exports. This rate was accordingly raised from 4 to 4.50 p.c. The 4 p.c. rate for certified acceptances representing exports to other countries was not changed.

During the first quarter the funds put into the call money market reached a high level. Hence the Rediscount and Guarantee Institute was able to obtain large sums on that market. During each of the two following quarters its opportunities for borrowing were appreciably

CALL MONEY <sup>(1)</sup>

(Daily averages per quarter in billions of francs)



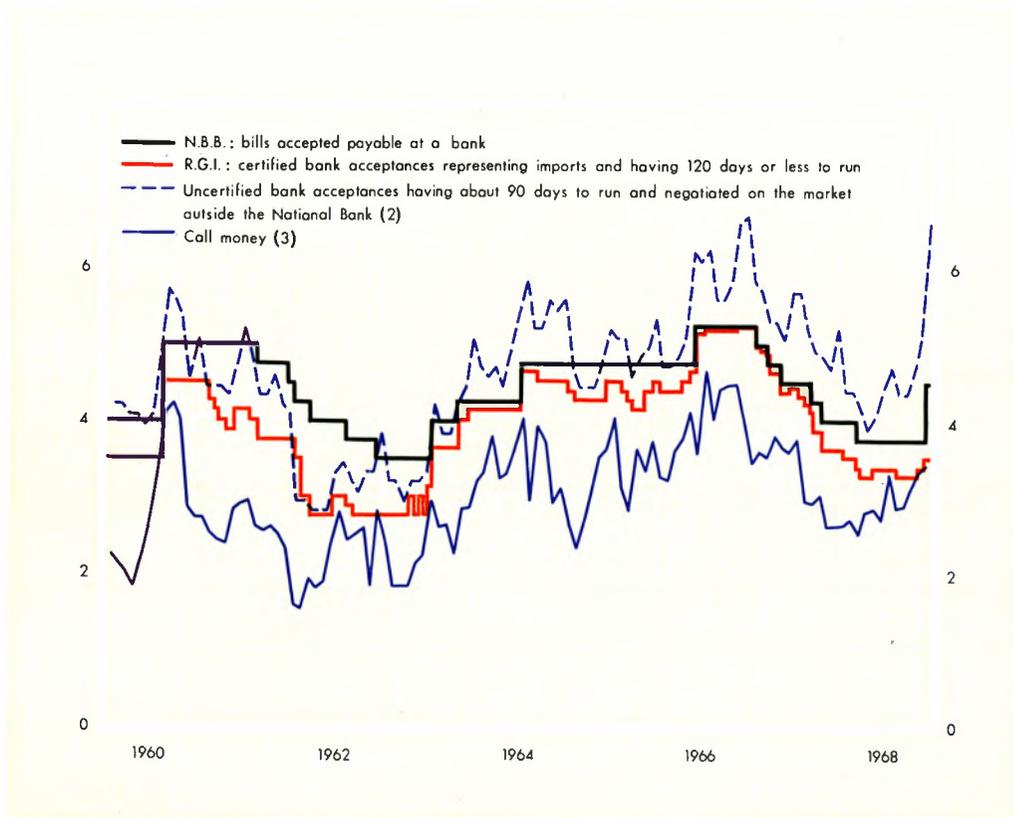
(1) See Annex 6, Table 12.

reduced, since the other institutions' needs had increased and the amount of funds put in had declined. During this period the banks became net borrowers. The Securities Stabilisation Fund, on the other hand,

continued to lend large amounts. In order to do so it drew, from May onwards, on its advance account at the National Bank during certain periods of tension. Thus the weighted average for daily rates, which had fallen in March to 2.45 p.c., thereafter became stabilised until September at a level which did not rise above 2.80 p.c. except in July. During the fourth quarter the Securities Stabilisation Fund reduced its operations, and the rate rose, reaching 3.36 p.c. in December.

RATES FOR COMMERCIAL BILLS AND FOR CALL MONEY <sup>(1)</sup>

(Per cent)



(1) See Annex 6, Tables 13 and 14.  
 (2) Rates ruling at ends of months.  
 (3) Daily averages per month.

In the first quarter the total outstanding amount of **commercial bills discounted and bank acceptances** exceeded the 1967 figure by Fr. 18.3 billion; as regards the part located at banks the excess amounted

to Fr. 14.8 billion. In the third quarter the increase rose to Fr. 20.6 billion for the total amount, but dropped to Fr. 13.1 billion for the banks' holdings, which reflected a decrease of the said institutions' liquidity as compared with the start of the year. In addition during the second half of the year the amount of bills financed by the Rediscount and Guarantee Institute without recourse to the National Bank fell to a very low level owing to

Table 17.

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

Average of amounts outstanding at ends of months (2)	Amount located				Total
	in banks	at the Rediscount and Guarantee Institute (3)	in other money market institutions, outside the National Bank, and abroad	at the National Bank of Belgium (4)	
1963 .....	39.3	0.7	14.8	4.7	59.5
1964 .....	47.4	1.2	15.6	5.3	69.5
1965 .....	56.6	1.9	14.9	4.0	77.4
1966 .....	62.6	0.8	15.6	8.8	87.8
1967 .....	74.3	2.5	17.4	6.7	100.9
1967 1st quarter .....	70.0	1.5	16.9	8.1	96.5
2nd quarter .....	74.3	0.6	17.8	7.6	100.3
3rd quarter .....	73.4	3.8	17.4	6.5	101.1
4th quarter .....	79.6	4.0	17.5	4.7	105.8
1968 1st quarter .....	84.8	2.6	19.9	7.5	114.8
2nd quarter .....	87.9	1.7	21.6	7.6	118.8
3rd quarter .....	86.5	1.5	21.8	11.9	121.7
4th quarter .....	87.3 <sup>(5)</sup>	1.2	21.8 <sup>(5)</sup>	16.0	n.a.

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

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

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

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

(5) October-November.

n.a. Figure not available.

constriction of the call money market. Consequently, although the total amount located in the other market institutions outside the National Bank and in foreign countries became stabilised at the high level reached in the second quarter, there was very considerable recourse to the National Bank during the second half-year. During the year's last months a rise took place in rates on the market outside the National Bank.

Total dealings on the medium-term security market organised by the Rediscount and Guarantee Institute were smaller than in 1967. The rates charged fell in the first quarter, and thereafter became stabilised for most maturities until the end of the year.

Between the last quarter of 1967 and the second quarter of 1968 the amount of **public short-term securities** in Belgian francs held by the banks, public financial credit intermediaries, the General Savings and Pensions Fund and the private savings banks increased by Fr. 4.2 billion, a decrease of the banks' holdings having been outweighed by an increase in those of

Table 18.

BELGIAN FRANC PUBLIC SECURITIES, RUNNING FOR UP TO ONE YEAR,  
AND HELD BY FINANCIAL INTERMEDIARIES OPERATING IN THE MONEY MARKET <sup>(1)</sup>

(Billions of francs)

Average of amounts outstanding at ends of months (2)	Securities held by		Total securities	Resources placed at disposal (3)	
	banks	other institutions		of the Treasury	of the Securities Stabilisation Fund
1963 .....	16.2	19.1	35.3	29.9	5.4
1964 .....	16.3	11.9	28.2	25.5	2.7
1965 .....	20.9	17.0	37.9	33.2	4.7
1966 .....	19.9	17.1	37.0	34.4	2.6
1967 .....	20.6	25.2	45.8	42.8	3.0
1968 .....	17.2	31.3	48.5	44.6	3.9
1967 1st quarter .....	18.6	22.3	40.9	39.0	1.9
2nd quarter .....	19.4	26.5	45.9	44.8	1.1
3rd quarter .....	22.5	23.5	46.0	42.1	3.9
4th quarter .....	21.8	28.8	50.6	45.6	5.0
1968 1st quarter .....	18.5	32.6	51.1	46.8	4.3
2nd quarter .....	17.6	37.2	54.8	51.2	3.6
3rd quarter .....	17.1	28.4	45.5	41.8	3.7
4th quarter .....	15.7	26.8	42.5	38.6	3.9
1968 30 September .....	15.1	26.1	41.2	37.4	3.8
31 October .....	16.8	26.9	43.7	38.0	5.7
30 November .....	16.8	28.6	45.4	42.9	2.5
31 December .....	11.7	24.1	35.8	32.0	3.8

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

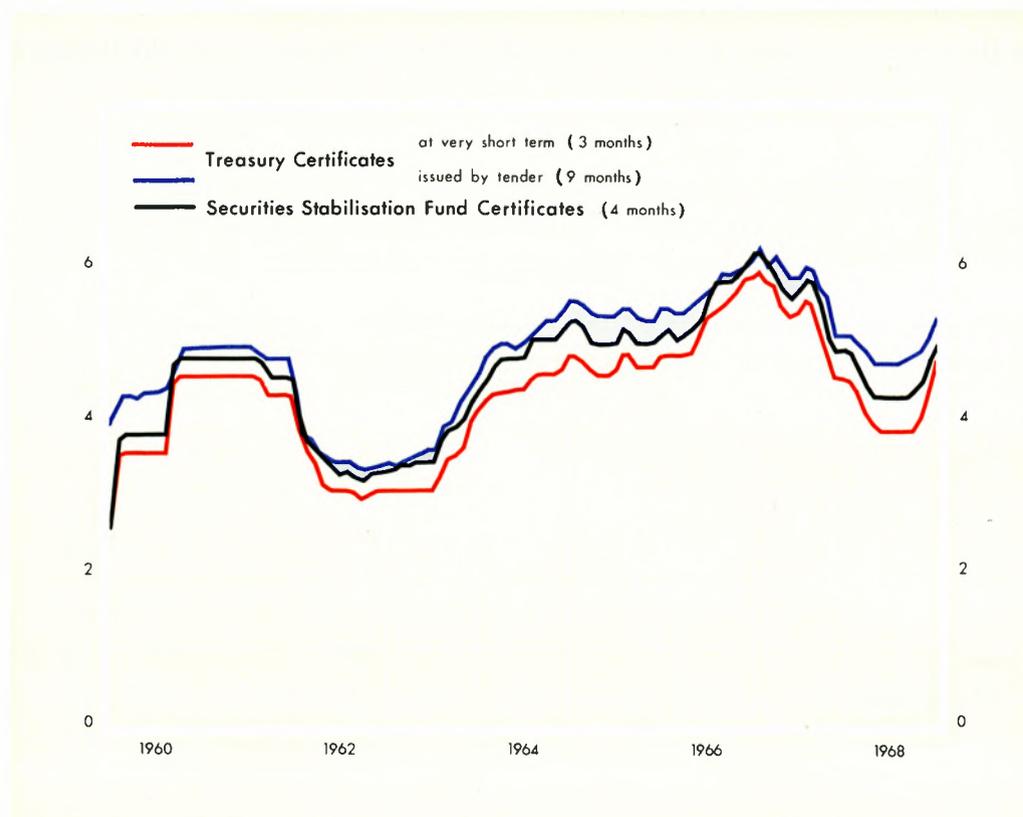
(2) These averages have been calculated by taking, once, the amounts outstanding at the beginning and end of the period, and twice the amounts outstanding at the ends of intermediate months.

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

the non-banking institutions. After a decrease by Fr. 9.3 billion during the third quarter, mostly in non-banks' holdings, a reversal affecting both non-banks and banks took place with effect from October. It can be attributed to a rise in the rates of interest on the different types of certificates, these rates having fallen until April, and then remained stable

RATES FOR PUBLIC SHORT-TERM SECURITIES (1)

(Per cent)



(1) See Annex 6, Table 14.

for several months under the influence of the policy pursued by the authorities, inter alia on the occasion of tenders. In December the holdings both of the banks and of the other institutions underwent seasonal contraction of the same order of magnitude as that in the two preceding years.

## STOCK MARKET AND SHARE ISSUES.

Activity definitely recovered on the stock market. Total dealings were far above the levels observed during previous years. The rise of stock prices which had begun in 1967 continued, by stages, on the market both for cash and for time bargains.

Table 19.

### MARKETS FOR VARIABLE-INCOME SECURITIES

	Total dealings (1)  (Averages per session, in millions of francs)	Indices of quotations (2) (1958 = 100)			
		For cash		Time bargains	
		Belgian securities	Belgian and Congolese securities	Belgian securities	Belgian and Congolese securities
1963 .....	87	120	90	132	100
1964 .....	90	128	93	137	97
1965 .....	82	125	91	122	91
1966 .....	70	108	79	102	75
1967 .....	80	102	76	103	76
1968 .....	133	111	87	114	101
1967 December .....	108	106	80	108	81
1968 December .....	132	115	90	116	107

(1) Transactions on the Brussels Stock Exchange (time and cash bargains).

Source : Committee of the Brussels Stock Exchange.

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

Source : National Statistical Institute.

For the first eleven months net share issues reached Fr. 14.5 billion, against Fr. 8.4 billion in 1967. The high figure for 1968 chiefly results from large capital increases in the chemical, bank, gas and electricity categories.

Increases of capital for payment otherwise than in cash, which are not included in the figures above, involved particularly large amounts during the first half-year. Many companies sought to benefit from the fiscal advantages granted on the basis of the special powers, in the case of a capital increase effected through embodiment of reserves or contribution of activities, and authentically recorded not later than 30th June, 1968.



## AMENDMENT OF THE STATUTES

The Statutes of the National Bank were amended in accordance with the resolutions adopted by the Shareholders' General Meeting, assembled on 26th February, 1968 in extraordinary session.

The amendments introduced result from those made in the Bank's Organic Law by Royal Decree No. 42 of 4th October, 1967, issued pursuant to the Law of 31st March, 1967, the object of which was described in the last Annual Report <sup>(1)</sup>.

They were ratified by the Royal Decree of 8th March, 1968, published in the *Moniteur Belge* on 21st March, 1968 <sup>(2)</sup>.

<sup>(1)</sup> See the Report for 1967, pages 13, 85, and 145 to 148

<sup>(2)</sup> See Annex No. 8.



ANALYSIS OF THE  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR 1968

ASSETS

GOLD HOLDING.

The gold holding is shown in account at the legal parity of the franc, that is Fr. 56,263.7994 per kilogramme of fine gold.

It amounted on 31st December, 1968 to . . Fr. 76,175,050,131  
and consisted of :

Gold in foreign countries . . . . .	Fr.	75,805,434,495
Gold in Belgium . . . . .	Fr.	369,615,636
	Fr.	76,175,050,131

On 31st December of the previous year it had amounted to Fr. 73,962,929,530.

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

On 31st December, 1967 the proportion of cover was 40.73 p.c.; on 31st December, 1968 it was 40.74 p.c.

FOREIGN CURRENCIES.

FOREIGN CURRENCIES AND GOLD RECEIVABLE AND TO BE DELIVERED <sup>(1)</sup>.

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

	On 31st December, 1967	On 31st December, 1968
Foreign Currencies . . . . Fr.	36,086,762,509	18,087,032,843
Foreign Currencies and Gold Receivable <sup>(2)</sup> . . . . . Fr.	<u>12,468,491,810</u>	<u>12,326,729,362</u>
Total . . Fr.	48,555,254,319	30,413,762,205
Foreign Currencies and Gold to be delivered <sup>(2)</sup> . . . . Fr.	<u>48,217,935,796</u>	<u>30,664,690,927</u>
Net position . . Fr.	337,318,523	<b>250,928,722</b>

On 31st December, 1967 the assets exceeded the liabilities; an opposite position was shown on 31st December, 1968.

It is smaller than the excess liabilities which appeared, in amounts of greater or lesser size, in the weekly returns during the second half of the year.

These fluctuations were due to the Bank's temporary use of the facilities afforded by its swap agreements with the Federal Reserve Bank of New York <sup>(3)</sup>.

ASSETS ABROAD IN BELGIAN FRANCS.

Under this heading, which no longer appears in this year's Balance Sheet, there were shown at an amount of Fr. 3,000,000,000 certain United States Treasury Certificates denominated in Belgian francs, acquired in November, 1967 and maturing on 24th November, 1969.

<sup>(1)</sup> See page 113 of this Report.

<sup>(2)</sup> The transactions current are in foreign currencies.

<sup>(3)</sup> See pages 67 and 68 of this Report.

These certificates, which carried conditions such that they constituted an asset conforming to Article 24 of the Statutes, were in pursuance of those conditions repaid in advance.

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

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

	On 31st December, 1967	On 31st December, 1968
International Monetary Fund :		
— Quota . . . . . Fr.	14,736,500,000	10,278,000,000
— Loans . . . . . Fr.	1,875,000,000	4,975,000,000
Other Agreements . . . . . Fr.	—	119,854,290

The essential characteristics of each of these subdivisions are as follows :

*International Monetary Fund :*

— Q u o t a.

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

in the Assets :

International Monetary Fund - Quota . . . . . Fr.	10,278,000,000
among the Memorandum Accounts :	
Sundry Deposits - International Monetary Fund <sup>(1)</sup> Fr.	10,822,000,000
	Fr. 21,100,000,000

The asset account is governed by the Conventions concluded between the Government and the Bank on 1st August, 1959 and 14th October, 1959 with a view to regulating the special arrangements for the Bank's action in

(<sup>1</sup>) See page 120 of this Report.

financing the obligations which result for the Belgian Government from the said quota <sup>(1)</sup>.

The sum of Fr. 10,278,000,000 is made up as below :

1) 25 p.c. of the quota paid in gold . . . . .	Fr.	5,275,000,000
2) Use of Belgian francs by the Fund . . . . .	Fr.	5,003,000,000
	Fr.	<u>10,278,000,000</u>

The Fund's deposit at the Bank consists of Belgian Treasury Bills bearing no interest. It increased during the year by the amount of the decrease in the asset account, that is by . . . . Fr. 4,458,500,000

These movements resulted from the following operations :

1) Reconstitution of the Fund's resources by reason of repurchases effected with Belgian francs by the following countries, and subscription by the Fund for Treasury Bills of equivalent amounts :

— Argentina . . . . .	Fr.	154,500,000
— Brazil . . . . .	Fr.	780,000,000
— Ceylon . . . . .	Fr.	45,000,000
— Chile . . . . .	Fr.	155,000,000
— Colombia . . . . .	Fr.	25,000,000
— Democratic Republic of the Congo . . . . .	Fr.	125,000,000
— Dominican Republic . . . . .	Fr.	120,000,000
— Egypt . . . . .	Fr.	65,000,000
— India . . . . .	Fr.	705,000,000
— Indonesia . . . . .	Fr.	250,000,000
— Iran . . . . .	Fr.	94,500,000
— Mali . . . . .	Fr.	50,000,000
— Rwanda . . . . .	Fr.	100,000,000
— United States . . . . .	Fr.	<u>7,962,500,000</u>
	<i>minus</i> . . . . .	Fr. 10,631,500,000
	Carried forward . . . . .	Fr. 10,631,500,000

<sup>(1)</sup> See the Report on the activities of the Bank in 1959, page 97.

	Brought forward . . . Fr.	10,631,500,000
2)	Encashment by the Fund of Treasury Bills, paid by the Bank in relief of the Government, for the following purposes :	
	Sales of Belgian francs to the following countries :	
—	Burundi . . . . . Fr.	250,000,000
—	Brazil . . . . . Fr.	750,000,000
—	Canada . . . . . Fr.	1,500,000,000
—	France . . . . . Fr.	1,000,000,000
—	Indonesia . . . . . Fr.	425,000,000
—	Iran . . . . . Fr.	350,000,000
—	Mali . . . . . Fr.	100,000,000
—	Rwanda . . . . . Fr.	150,000,000
—	United Kingdom . . . Fr.	750,000,000
—	United States . . . . Fr.	750,000,000
	The Fund's own expenditure in Belgian francs . . . . Fr.	2,000,000
	Payment to the Belgian Treasury of Belgium's share in the distribution of the Fund's net income for the financial year which ended on 30th April, 1968 (Art. XII, section 6/b) . . . . . Fr.	146,000,000
		<hr/>
	<i>plus</i> . . . Fr.	6,173,000,000
	<i>Net decrease</i> . . . Fr.	4,458,500,000

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

— L o a n s.

Under the heading « International Monetary Fund — Loans » there appear the claims for repayment of the loans granted to the International

Monetary Fund following Belgium's adhesion, approved by the Law of 4th January, 1963, to the decision adopted on 5th January, 1962 by the Executive Board of the Fund concerning the General Arrangements to Borrow.

They are covered by special Belgian Treasury Bills which the Bank acquired according to the Convention concluded with the Government on 1st February, 1963, as amended by that of 1st December, 1964.

On 31st December, 1968 they amounted to . Fr. 4,975,000,000  
which was made up as follows :

— Balance remaining repayable on the loan granted by Belgium to the International Monetary Fund on the occasion of the \$ 1,400,000,000 drawing effected in May, 1965 by the United Kingdom . . . . Fr.	975,000,000
— Loan granted to the International Monetary Fund on the occasion of the \$ 1,400,000,000 drawing effected in June, 1968, by the United Kingdom . Fr.	2,750,000,000
— Transfer in June, 1968 to Belgium, by France, of a part of the latter's rights to repayment of the loan which it had granted to the International Monetary Fund in May, 1965 on the occasion of the \$ 1,400,000,000 drawing effected at that time by the United Kingdom . . . . . Fr.	500,000,000
— Loan granted to the International Monetary Fund on the occasion of the \$ 745,000,000 drawing effected in June, 1968 by France . . . . . Fr.	750,000,000

*Other Agreements.*

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

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

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

On 31st December, 1968 a country drew . . Fr. 119,854,290

*European Monetary Agreement.*

This item does not appear in the Balance Sheet. It would apply to Belgian franc advances granted by the Bank to other Central Banks in accordance with the stipulations of the Agreement dated 5th August, 1955, in conformity with the provisions of the Convention of 16th April, 1959, concluded with the Belgian Government <sup>(2)</sup>, and at the rate fixed by the Board of Management of the European Monetary Agreement. Since February, 1960 this rate has remained unchanged at 3 p.c.

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

DEBTORS IN RESPECT OF FOREIGN EXCHANGE AND GOLD AT FORWARD DATES <sup>(3)</sup>.

The liabilities to the Bank undertaken by purchasers of foreign currencies or of gold <sup>(4)</sup>, deliverable at forward dates against payment in Belgian francs, are shown in the item « Debtors in respect of Foreign Exchange and Gold at Forward Dates ».

These liabilities appear in the Balance Sheet as at 31st December, 1968 at a sum of . . . . . Fr. 18,256,075,525

On 31st December, 1967 they amounted to . Fr. 35,520,677,533

(1) See the Report on the activities of the Bank in 1959, page 100.  
 (2) See the Report on the activities of the Bank in 1959, pages 96 and 97.  
 (3) See page 113 of this Report.  
 (4) The transactions current are in foreign currencies.

## COMMERCIAL BILLS.

In the holding of commercial bills the discounted Belgian franc bills, payable in Belgium and abroad, are grouped.

The figures at 31st December, 1967 and at 31st December, 1968 compare as follows :

	On 31st December, 1967	On 31st December, 1968
Bills on Belgium <sup>(1)</sup> . . . . Fr.	13,833,061,444	26,692,408,539
Belgian franc bills on foreign countries . . . . . Fr.	761,346	1,756,958
Total . . Fr.	13,833,822,790	26,694,165,497

## ADVANCES AGAINST PLEDGED SECURITY.

The amount of the advances against pledged security has been subdivided according to the categories of commitment. Between the ends of 1967 and 1968 the distribution changed as follows :

	On 31st December, 1967	On 31st December, 1968
Institutions Governed by a Special Law . . . . . Fr.	319,182,108	492,681
Banks . . . . . Fr.	12,080,031	530,801,079
Enterprises and Individuals . Fr.	13,829,639	40,583,307
Total . . Fr.	345,091,778	571,877,067

<sup>(1)</sup> Of which certified acceptances :

— export . . . . . Fr.	8,059,523,389	14,130,162,206
including maturities on 30th/31st December, 1967 . . . Fr.	(99,266,525)	—
— import . . . . . Fr.	763,000,000	3,302,000,000

PUBLIC SECURITIES (Article 20 of the Statutes, Conventions of 14th September, 1948, 15th April, 1952 and 30th March, 1968).

The Conventions of 14th September, 1948 and 15th April, 1952 fixed, in conformity with Article 20 of the Statutes, the maximum amount of public securities to be held by the Bank at . . . . . Fr. 10,333,000,000<sup>(1)</sup>

In pursuance of the Convention which was concluded on 30th March, 1968, and came into force on 1st September, 1968, the amount above was raised to . . . . . Fr. 16,533,000,000<sup>(1)</sup>

— this includes the credit line, placed by the Bank at the Luxemburg Government's disposal, the amount of which has been raised to . . . . . Fr. 533,000,000

On 31st December, 1968 the Bank held Fr. 14,675,000,000 of Belgian Treasury Certificates as against Fr. 2,650,000,000 on 31st December, 1967.

In addition the Luxemburg Government had drawn Fr. 200,000,000 on its credit line.

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

#### TREASURY NOTES AND COIN.

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

	On 31st December, 1967	On 31st December, 1968
Divisional currency :		
Treasury notes . . . . . Fr.	153,230,480	171,635,890
Silver coin . . . . . Fr.	117,671,450	50,824,850
Small coin . . . . . Fr.	48,795,425	44,025,734
	Fr. 319,697,355	266,486,474

<sup>(1)</sup> Not including the special bills issued by the Belgian Treasury (Convention of 1st February, 1963, amended by that of 1st December, 1964) to finance the loans to the International Monetary Fund (see pages 101 and 102 of this Report).

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

#### BALANCES AT THE POSTAL CHEQUE OFFICE.

The Bank's balances at the Postal Cheque Office amount to . . . . .	Fr.	1,878,230
against, on 31st December, 1967 . . . . .	Fr.	1,511,029

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

The Bank's consolidated claim on the Government, originally Fr. 35 billion, is unchanged at . . . . . Fr. 34,000,000,000

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

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

The holding of public long-term and other securities acquired under Articles 18 and 21 of the Statutes, shown in account at their purchase price, amounted :

on 31st December, 1968 to . . . . .	Fr.	3,514,529,092
against, on 31st December, 1967 . . . . .	Fr.	3,366,896,722

#### ITEMS RECEIVABLE.

The « Items Receivable » appeared in the Balance Sheet on 31st December, 1968 at . . . . .	Fr.	961,034,749
against, on 31st December, 1967 . . . . .	Fr.	498,748,444

<sup>(1)</sup> See the Report on the activities of the Bank in 1962, page 140.

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

#### PREMISES, FURNITURE AND EQUIPMENT.

The value of land and buildings appeared in the Balance Sheet for 31st December, 1968 at . . . . . Fr. 2,063,584,147

In the Balance Sheet for 31st December, 1967 it stood at . . . . . Fr. 1,998,641,257

The item « Premises, Furniture and Equipment » thus increased by . . . . . Fr. 64,942,890

The Bank continues to modernise its installations.

The new buildings of the Liège branch and of the Renaix and Tongres agencies were inaugurated in 1968.

Renovation of the Antwerp branch will soon be completed; so will the rebuilding of the Audenaerde agency. At Charleroi the second phase of rebuilding has been begun.

Conversions and extensions were carried out, or are being carried out, at other provincial offices.

A fifth floor is being erected on a part of the Head Office building.

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, which includes public securities shown at their purchase price, has on the liabilities side its counterpart entitled « Staff Pension Fund ».

On 31st December, 1968 it totalled . . . . Fr.	2,583,383,790
against, on 31st December, 1967 . . . . . Fr.	2,328,785,038

The increase on the year results from the grants paid by the Bank, from the premiums received and lottery prizes collected during the year, and from the deductions from staff salaries and wages, less the out-payments effected by the Fund.

#### ASSETS WRITTEN OFF PENDING COLLECTION.

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

#### TRANSITORY ASSETS.

On 31st December, 1968 the Transitory Assets consisted of the following :

<i>a)</i> Fractional interest receivable on bills held and on special Belgian Treasury Bills (loans to the International Monetary Fund) . . . . . Fr.	35,140,966
<i>b)</i> Fractional interest receivable on investments abroad . . . . . Fr.	179,203,571
<i>c)</i> Fractional interest receivable on public long-term securities acquired in accordance with the Statutes . . . . . Fr.	83,616,352
<i>d)</i> Provisions for making bank notes and printer's sundries, and for the Bank's services . . . . Fr.	45,901,169
Carried forward . . Fr.	<u>343,862,058</u>

Brought forward . . Fr.	343,862,058
e) Anticipated payment to cover the Corporation Tax to which the Bank will be subject for 1968 . . Fr.	575,000,000
f) Securities of the Centenary Fund. The income on the Fund, which was created on the occasion of the Bank's Centenary and completed in 1964 and 1968, permits the awarding of prizes to encourage studies pursued by children of members of the staff as well as the payment of rewards for useful suggestions . . . . . Fr.	25,310,893
g) Value of the Collections. Inventoried under this heading are the acquisitions, effected since 1952, of coins and other objects which are of a monetary character and relate to the history of our country's currency, credit and finances, and more especially to the history of the Bank . . . . . Fr.	13,405,232
The counterpart of the two items f) and g) appears among the Transitory Liabilities.	
Total . . Fr.	957,578,183



## LIABILITIES

### BANK NOTES IN CIRCULATION.

On 31st December, 1968 the amount of the Bank's notes in circulation was . . . . . Fr. 183,243,428,400

On 31st December, 1967 it was . . . . . Fr. 177,481,847,400

The breakdown by denominations was as follows :

	On 31st December, 1967	On 31st December, 1968
Fr. 1,000 . . . . . Fr.	158,650,496,000	164,803,063,000
Fr. 500 . . . . . Fr.	10,381,760,500	9,841,549,500
Fr. 100 . . . . . Fr.	8,449,590,900	8,598,815,900
Total . . Fr.	177,481,847,400	183,243,428,400

### CURRENT AND SUNDRY ACCOUNTS.

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

	On 31st December, 1967	On 31st December, 1968
Public Treasury, Ordinary Account . . . . . Fr.	1,730,365	3,817,424
Public Treasury, Exceptional Counter-Cyclical Tax (Law of 12th March, 1957) . . . . Fr.	9,684,718	8,934,718
Carried forward . . Fr.	11,415,083	12,752,142

Brought forward . . . Fr.	11,415,083	12,752,142
Banks in Foreign Countries, Ordinary Accounts . . . . Fr.	316,544,476	676,998,801
Institutions Governed by a Special Law . . . . . Fr.	153,572,213	482,911,563
Banks in Belgium . . . . . Fr.	2,195,851,128	857,492,832
Enterprises and Individuals . Fr.	308,136,409	327,673,107
Items Payable . . . . . Fr.	548,559,976	876,859,724
	<hr/>	<hr/>
Fr.	3,534,079,285	3,234,688,169

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

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

The liabilities to foreign countries under international agreements were as follows :

	On 31st December, 1967	On 31st December, 1968
European Monetary Agreement Fr.	270,748,826	255,714,442
Other Agreements . . . . . Fr.	326,507,567	224,299,049
	<hr/>	<hr/>
Fr.	597,256,393	480,013,491

#### TOTAL SIGHT LIABILITIES.

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

On 31st December, 1968 they amounted to Fr. 186,958,130,060 against Fr. 181,613,183,078 on 31st December, 1967.

#### BELGIAN BANKS, MONETARY RESERVE.

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

#### FOREIGN CURRENCIES AND GOLD TO BE DELIVERED <sup>(1)</sup>.

The countervalue of the liabilities shown on 31st December, 1968 in the item « Foreign Currencies and Gold to be Delivered » <sup>(2)</sup> was Fr. 30,664,690,927 against Fr. 48,217,935,796 a year before.

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

Their counterpart appears on the assets side under the headings « Foreign Currencies and Gold Receivable » and « Debtors in respect of Foreign Exchange and Gold at Forward Dates ».

#### STAFF PENSION FUND.

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

<sup>(1)</sup> See pages 98 and 103 of this Report.

<sup>(2)</sup> The transactions current are in foreign currencies.

It amounted on 31st December, 1968 to . . . Fr.	2,583,383,790
against, on 31st December, 1967 . . . . . Fr.	2,328,785,038

TRANSITORY LIABILITIES.

On 31st December, 1968 the Transitory Liabilities were as follows :

<i>a)</i> Unaccrued discount on bills and Treasury Certificates held . . . . . Fr.	118,216,173
<i>b)</i> Instalments paid by outside parties . . . . . Fr.	61,421
<i>c)</i> Centenary Fund . . . . . Fr.	25,310,893
<i>d)</i> Collections . . . . . Fr.	13,405,232
The counterpart of the two items <i>c)</i> and <i>d)</i> is in the Transitory Assets.	
<i>e)</i> Provision for Taxes <sup>(1)</sup> . . . . . Fr.	845,865,556
<i>f)</i> Provision for expenses of acquiring, selling and shipping gold . . . . . Fr.	80,000,000
<i>g)</i> Provision for building of premises and purchasing of furniture and equipment <sup>(1)</sup> . . . . . Fr.	303,600,387
<i>h)</i> Provision against Sundry Contingencies <sup>(1)</sup> . . Fr.	1,100,000,000
Total . . Fr.	<u>2,486,459,662</u>

CAPITAL.

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

<sup>(1)</sup> See pages 130 and 131 of this Report.

## RESERVE FUND.

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

	On 31st December, 1967	On 31st December, 1968
Statutory Reserve . . . . . Fr.	731,921,342	769,163,987
Extraordinary Reserve . . . Fr.	502,221,348	518,168,345
Account for Depreciation of Premises, Furniture and Equipment . . . . . Fr.	1,843,220,726	1,905,851,996
Total . . Fr.	3,077,363,416	3,193,184,328

The increase represents the part accruing to the Statutory Reserve in the distribution of profits as at 31st December, 1967, a transfer to the Extraordinary Reserve, and the depreciation applied to premises as on 31st December, 1968.

The transfer on 31st December, 1968 to the Extraordinary Reserve, namely Fr. 15,946,997, is the subject of comment in the analysis of the Profit and Loss Account <sup>(1)</sup>.

The difference between the amount of the asset item « Premises, Furniture and Equipment » and that of the liability item « Account for Depreciation of Premises, Furniture and Equipment », namely a sum of Fr. 157,732,151, represents the valuation of the land in the Bank's books.

## NET PROFIT FOR DISTRIBUTION.

The favourable balance on the Profit and Loss Account, which forms the net profit to be distributed in accordance with Article 38 of the Statutes, amounts to Fr. 421,410,613 as against Fr. 396,161,946 on 31st December, 1967.

<sup>(1)</sup> See page 129 of this Report.



## MEMORANDUM ACCOUNTS

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

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

Its counterpart « Postal Cheque Office : Balance for account of the Minister of National Education (Schools Pact, Law of 29th May, 1959, Article 15) » appears in the weekly return below the total of the assets . . . . . Fr. 2,436,891,785

### DOCUMENTARY CREDITS OPENED.

Under the head « Documentary Credits Opened » there appear the import credits opened by the Bank for public financial institutions and for Belgian companies or firms which are customers of its Discount Agencies, as well as the export credits opened by foreign Central Banks . . . . . Fr. 638,188

CERTIFICATION OF ACCEPTANCES RELATING TO EXPORTS  
AND IMPORTS.

The bank or commercial acceptances which were in circulation on 31st December, 1968 <sup>(1)</sup> and were certified by the Bank, which thereby undertakes to discount them whenever they shall have not longer than 120 days to run, in so far as they conform to the conditions laid down at the time of certification, amounted to . . . . . Fr. 14,202,272,291

GUARANTEES GIVEN ON BEHALF OF THE STAFF.

These guarantees, given by the Bank to certain Discount Agencies in respect of loans granted by the General Savings and Pensions Fund to members of the Bank's staff to enable them to build or buy their house, amounted to . . . . . Fr. 329,752,923

COMMITMENT TOWARDS THE NATIONAL FOUNDATION FOR FINANCING  
SCIENTIFIC RESEARCH.

In 1959 the Bank undertook a commitment to subscribe, in ten Fr. 60,000,000 tranches, for Fr. 600,000,000 of the Fr. 3,000,000,000 loan to be issued by the National Foundation for Financing Scientific Research. In addition it agreed in 1962

<sup>(1)</sup> Other than those forming part of the Bank's portfolio (see page 104 of this Report), namely :

	On 31st December, 1967	On 31st December, 1968
Certified acceptances :		
— export . . . . . Fr.	9,160,357,378	9,130,288,984
— import . . . . . Fr.	6,171,507,926	5,071,983,307
	Fr. 15,331,865,304 (*)	14,202,272,291 (*)

(\*) Including those due within 120 days from Balance Sheet date : Fr. 8,193,488,625 7,091,445,760

to take the place, to the extent of Fr. 30,000,000, of a subscriber who wished to be partly discharged from his undertaking.

The Bank's subscription has been paid to a total extent of Fr. 502,500,000. Accordingly there remains payable . . . . . Fr. 127,500,000

The ninth tranche will be paid at the beginning of 1969.

SECURITIES RECEIVED BY WAY OF GUARANTEE.

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

Cover for advance limits against Pledged Security	Fr.	20,737,411,060
Guarantees given by persons lodging bills for discount . . . . .	Fr.	7,808,500
Cover provided in Public Securities and Commercial Bills by Borrowers of Call Money . . . . .	Fr.	4,606,267,219
Sundry Guarantees . . . . .	Fr.	655,192,551
		<hr/>
Total . . . . .	Fr.	26,006,679,330

GUARANTEE CERTIFICATES RECEIVED FROM THE PUBLIC TREASURY.

The Guarantee Certificates received from the Public Treasury cover the advances granted by the Bank for the purpose of carrying out international agreements, this being in accordance with the provisions of the Law of 28th July, 1948, which amended Decree Law No. 5 of 1st May, 1944 relating to the terms for purchase and sale of gold and foreign currencies . . . . . Fr. 1,020,000,000

#### ITEMS FOR COLLECTION.

The items — commercial bills, foreign currencies, etc. — which had been lodged for collection by holders of current accounts or by foreign correspondents amounted on 31st December, 1968 to . . . . Fr. 11,001,583

#### DEPOSITS OF SECURITIES.

The breakdown of these deposits is as follows :

International Monetary Fund <sup>(1)</sup> Fr.	10,822,000,000	
International Development Association . . . . . Fr.	300,500,000	
Asian Development Bank . . Fr.	37,000,000	
Other Deposits . . . . . Fr.	94,255,843,673	
	<hr/>	
Total . . Fr.		105,415,343,673

#### PUBLIC TREASURY.

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

#### *Sundry Securities owned by the Government :*

Preference Shares of the Belgian National Railways Company . Fr.	5,000,000,000	
	<hr/>	
Carried forward . . Fr.	5,000,000,000	

<sup>(1)</sup> See page 99 of this Report.

Brought forward . . Fr.	5,000,000,000	
Ordinary Shares of the Belgian National Railways Company . Fr.	1,000,000,000	
Participating Debentures of the Belgian National Railways Com- pany . . . . . Fr.	638,305,187	
Treasury Bills of the Government of the Grand Duchy of Luxemburg (Belgian-Luxemburg Agreement) Fr.	1,324,629,180	
4.50 p.c. Certificates of the National Housing Company . Fr.	3,773,527,000	
4.50 p.c. Certificates of the Na- tional Smallholders' Company Fr.	446,997,000	
Sundry Items . . . . . Fr.	6,833,253,391	
		Fr. 19,016,711,758

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

Items lodged by outside parties Fr.	15,198,894,440	
Service of the Registered Debt Fr.	58,527,618,600	
Deposit and Consignment Office . . . . . Fr.	95,464,325,099	
Items lodged by way of Guarantee . . . . . Fr.	5,880,394,512	
		Fr. 175,071,232,651

<i>Securities lodged in pursuance of the Regent's Decree of 17th January, 1949 regarding the cancellation of undeclared Belgian bearer securities . . . . . Fr.</i>		133,644
Carried forward . . Fr.		194,088,078,053

Brought forward . . . Fr.	194,088,078,053
<i>Items to be delivered</i> . . . . . Fr.	9,774,810,484
<i>Monetary Fund :</i>	
Public Long-term Securities . . . . . Fr.	3,416,569,009
Total . . . Fr.	207,279,457,546

SECURITIES STABILISATION FUND.

The securities which belong to the Securities Stabilisation Fund set up in pursuance of the Decree Law of 18th May, 1945, and which are held in safe custody at the Bank, amount to . . . . . Fr. 13,124,955,643

GENERAL SAVINGS AND PENSIONS FUND.

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

<i>Provisional investments</i> . . . . . Fr.	73,216,448,499
<i>Cover for Loans</i> . . . . . Fr.	10,164,075
<i>Guarantee Deposits</i> . . . . . Fr.	384,003,128
Total . . . Fr.	73,610,615,702

## PROFIT AND LOSS ACCOUNT

### *CREDIT*

The first item hitherto entered in the Profit and Loss Account, namely « Discount, Exchange and Interest », has been split into two items :

— the first, « Discount and Interest », is reserved for receipts which relate to transactions in public securities, commercial bills and advances against pledged security;

— the second, « Exchange and Income from Investments Abroad », is intended to record those which relate to transactions in foreign currencies.

#### DISCOUNT AND INTEREST.

	On 31st December, 1967	On 31st December, 1968
Fr.	802,477,026	886,037,441

There appears in a separate item, on the debit side of the Profit and Loss Account, that part of the proceeds obtained from discount, advance and loan operations which is allocated to the Government in accordance with Article 37 of the Statutes <sup>(1)</sup>, namely :

	On 31st December, 1967	On 31st December, 1968
Fr.	278,116,252	171,640,252

	On 31st December, 1967	On 31st December, 1968
There remains for the Bank . . Fr.	524,360,774	714,397,189

<sup>(1)</sup> See page 129 of this Report.

The increase between 1967 and 1968, amounting to . . . . . Fr. 190,036,415 is attributable to an increase of the total transactions effected.

EXCHANGE AND INCOME FROM INVESTMENTS ABROAD.

	On 31st December, 1967	On 31st December, 1968
Fr.	1,075,960,776	1,314,516,429

These figures have been reached after deduction of an amount paid to the Government by reason of the change made in the terms governing forward exchange cover provided by the Bank in connection with the Treasury's operations <sup>(1)</sup>. In 1967 this amount was Fr. 285,223,733; in 1968 it reached only Fr. 58,632,729 owing to the decrease of the net average rate obtained on the investments forming the counterpart of the Bank's liabilities to the Treasury.

The increase between 1967 and 1968 is mainly explained by the larger profits which resulted from the Bank's increased interventions in the regulated foreign exchange market.

FEEs FOR SAFE CUSTODY, COMMISSIONS AND ALLOWANCES.

	On 31st December, 1967	On 31st December, 1968
Fr.	156,242,653	170,741,114

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

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

<sup>(1)</sup> See the Report for 1966, page 119.

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

	On 31st December, 1967	On 31st December, 1968
Fr.	159,313,306	161,109,401

The holding of public long-term securities and other securities acquired in accordance with the Statutes rose on the year from Fr. 3,367,000,000 to Fr. 3,515,000,000; the income on this holding increased by Fr. 1,796,095 as against Fr. 3,621,658, in 1967.

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

	On 31st December, 1967	On 31st December, 1968
Fr.	28,478,097	19,623,623

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

AMOUNTS COLLECTED ON ASSETS WRITTEN OFF PENDING COLLECTION.

	On 31st December, 1967	On 31st December, 1968
Fr.	370,058	2,168,793

The sums received in 1968 represent receipts arising from the sale of assets which had been written off, or had become useless to the Bank, and from partial recoveries on losses which had been written off.

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

	On 31st December, 1967	On 31st December, 1968
Fr.	89,992,885	62,631,270

The object of the transfer on 31st December, 1968 from the « Provision for Building of Premises and Purchasing of Furniture and Equipment » was to meet the capital expenditure effected in the course of the year on new buildings.

## *DEBIT*

### GENERAL EXPENSES.

	On 31st December, 1967	On 31st December, 1968
Fr.	704,449,007	762,775,347

The level of the General Expenses essentially depends on the expenditure relating to remuneration of the staff.

This expenditure depends on the general course of salaries, wages and social charges, which is influenced by the official consumer price index and is affected by the measures adopted in the Joint Committee of Banks and Bank Employees.

The rise of the official price index, in particular, led during 1968 to two adjustments of pay, which formed an addition to the effect of the biennial increases on 1st January, 1968 and to a rise programmed in the banking sector on 1st August, 1968.

The improvement of productivity, reflected in a further reduction of staff, made it possible to limit the upward effect produced by these factors.

The amount of the General Expenses includes the cost of services which the Bank renders free of charge, including its services as Cashier to the Government and to the Securities Stabilisation Fund.

ORDINARY GRANT TO THE STAFF PENSION FUND.

	On 31st December, 1967	On 31st December, 1968
Fr.	67,530,000	74,775,000

EXTRAORDINARY GRANT TO THE STAFF PENSION FUND.

	On 31st December, 1967	On 31st December, 1968
Fr.	165,000,000	102,000,000

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

DEPRECIATION OF PREMISES, FURNITURE AND EQUIPMENT.

	On 31st December, 1967	On 31st December, 1968
Fr.	163,125,919	148,279,862

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

The expenditure for the year 1968 was apportioned as follows :

Expenditure relating to buildings in course of construction at Brussels and in the provinces . . Fr.		62,631,270
Work on modernising premises . . . . . Fr.	58,521,720	
Purchases of equipment for the printing works, technical departments and offices . . Fr.	18,017,586	
Carried forward . . Fr.	76,539,306	62,631,270

Brought forward . . Fr.	76,539,306	62,631,270
Purchases of furniture for the offices at Brussels and in the provinces . . . . . Fr.	9,109,286	
	Fr.	85,648,592
Total . . Fr.		148,279,862

AMOUNT DUE TO THE GOVERNMENT.

	On 31st December, 1967	On 31st December, 1968
Fr.	278,116,252	171,640,252

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

The rates applied having been on the whole lower in 1968 than in 1967 it follows that, although the transactions were greater in total amount, the part payable to the Government is smaller this year than last.

TRANSFERRED TO THE EXTRAORDINARY RESERVE.

	On 31st December, 1967	On 31st December, 1968
Fr.	20,451,677	15,946,997

Just as in previous years, the transfer to the Extraordinary Reserve in 1968 corresponds to the part which is exempt from tax, provided that it remains unavailable, of the profit realised on the sale and encashment of public securities held <sup>(1)</sup>.

ALLOCATION OF THE PROFIT.

After the transfer to the Extraordinary Reserve the favourable balance on the Profit and Loss Account is Fr. 1,341,410,613.

<sup>(1)</sup> Articles 34 and 105 of the Income Taxes Code.

It has been allocated as follows :

*Transferred to the Transitory Liabilities as :*

Provision for Taxes . . . . .	Fr.	550,000,000
Provision for Building of Premises and Purchasing of Furniture and Equipment . . . . .	Fr.	150,000,000
Provision against Sundry Contingencies . . . . .	Fr.	200,000,000
Centenary Fund . . . . .	Fr.	20,000,000
	Fr.	<u>920,000,000</u>
<i>Net Profit for Distribution</i> . . . . .	Fr.	<u>421,410,613</u>
	Fr.	1,341,410,613

The detailed position of the first three transitory items, shown above, is as follows <sup>(1)</sup> :

a) *Provision for Taxes.*

On 31st December, 1967 . . . . .	Fr.	528,455,407
Tax payments made in 1968, including Corporation Tax for 1967, the Preliminary Land and Buildings Tax and sundry taxes . . . . .	Fr.	<u>232,589,851</u>
	Fr.	295,865,556
Transfer appearing on the debit side of the Profit and Loss Account to provide for payment of future taxes	Fr.	<u>550,000,000</u>
Balance on 31st December, 1968 . . . . .	Fr.	845,865,556

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

On 31st December, 1967 . . . . .	Fr.	216,231,657
Drawn in 1968 <sup>(2)</sup> . . . . .	Fr.	<u>62,631,270</u>
	Fr.	153,600,387
Transfer by the debit of the Profit and Loss Account	Fr.	<u>150,000,000</u>
Balance on 31st December, 1968 . . . . .	Fr.	303,600,387

<sup>(1)</sup> The overall position of the « Centenary Fund » is given on page 114 of this Report.

<sup>(2)</sup> See page 125 of this Report.

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

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

c) *Provision against Sundry Contingencies.*

On 31st December, 1967 . . . . . Fr.	900,000,000
Transfer by the debit of the Profit and Loss Account Fr.	200,000,000
	<hr/>
Balance on 31st December, 1968 . . . . . Fr.	1,100,000,000

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

The provision of Fr. 1,100,000,000 thus represents 2.73 p.c. of the cumulated average amount of foreign currency assets plus commercial bills held in 1968.

DISTRIBUTION OF THE NET PROFIT.

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

1. To the Shareholders, a First Dividend of 6 p.c. on the Nominal Capital . . . . . Fr.	24,000,000
2. As to the rest, namely Fr. 397,410,613	
a) 10 p.c. to Reserve . . . . . Fr.	39,741,061
b) 8 p.c. to the Staff . . . . . Fr.	31,792,849
3. As to the remainder, namely Fr. 325,876,703	
a) To the Government, one-fifth . . . . . Fr.	65,175,341
b) To the Shareholders, a Second Dividend . . Fr.	260,624,316
c) The balance to Reserve . . . . . Fr.	77,046
	<hr/>
<i>Total Net Profit to be distributed . . Fr.</i>	<i>421,410,613</i>

## DIVIDEND DECLARED FOR THE YEAR 1968

First Dividend, Total . . . . . Fr.	24,000,000
Second Dividend, Total . . . . . Fr.	260,624,316
Total . . Fr.	284,624,316

on 400,000 Shares, that is per Share a Dividend of Fr. 711.56

Coupon No. 167 will be payable with effect from 1st March, 1969 at the rate of Fr. 575, free of Preliminary Income Tax.

Since the Net Dividend amounts to Fr. 575, the taxable income per Share to be declared by individuals for tax purposes is Fr. 872.75 <sup>(1)</sup>, including the tax relief and the Preliminary Income Tax, together amounting to Fr. 297.75.

### *The Council of Regency :*

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

*The Governor*,  
 Hubert ANSIAUX.

<sup>(1)</sup> Fr. 575 ×  $\frac{85}{56}$  = Fr. 872.75.

Balance Sheet

Profit and Loss Account

Memorandum Accounts

## ASSETS

## BALANCE SHEET AS

<b>Gold Holding</b> . . . . .		76,175,050,131
<b>Foreign Currencies</b> . . . . .		18,087,032,843
<b>Foreign Currencies and Gold Receivable</b> . . . . .		12,326,729,362
<b>International Agreements</b> (Laws of 28th July, 1948 and 19th June, 1959) :		
International Monetary Fund :		
— Quota . . . . .		10,278,000,000
— Loans <sup>(1)</sup> . . . . .		4,975,000,000
Other Agreements . . . . .		119,854,290
<b>Debtors in respect of Foreign Exchange and Gold at Forward Dates</b> . . . . .		18,256,075,525
<b>Commercial Bills</b> . . . . .		26,694,165,497
<b>Advances against Pledged Security :</b>		
Institutions Governed by a Special Law . . . . .	492,681	
Banks . . . . .	530,801,079	
Enterprises and Individuals . . . . .	40,583,307	571,877,067
<b>Public Securities</b> (Article 20 of the Statutes, Conventions of 14th September, 1948, 15th April, 1952 and 30th March, 1968) :		
Belgian Public Securities . . . . .		14,675,000,000
Luxemburg Public Securities . . . . .		200,000,000
<b>Treasury Notes and Coin</b> . . . . .		266,486,474
<b>Balances at the Postal Cheque Office</b> . . . . .		1,878,230
<b>Consolidated Claim on the Government</b> (Laws of 28th July, 1948 and 19th June, 1959) . . . . .		34,000,000,000
<b>Public Long-term Securities</b> (Articles 18 and 21 of the Statutes) . . . . .		3,514,529,092
<b>Items Receivable</b> . . . . .		961,034,749
<b>Premises, Furniture and Equipment</b> . . . . .		2,063,584,147
<b>Securities of the Staff Pension Fund</b> . . . . .		2,583,383,790
<b>Assets Written Off Pending Collection</b> . . . . .		pro memoria
<b>Transitory Assets</b> . . . . .		957,578,183
	<b>Total Assets</b> . . . . .	226,707,259,380

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

AT 31<sup>ST</sup> DECEMBER, 1968

**LIABILITIES**

<b>Bank Notes in Circulation</b> . . . . .		183,243,428,400
<b>Current and Sundry Accounts :</b>		
Public Treasury { Ordinary Account . . . . .	3,817,424	
{ Exceptional Counter-Cyclical Tax . . . . .	8,934,718	
(Law of 12th March, 1957)		
Banks in Foreign Countries, Ordinary Accounts . . . . .	676,998,801	
Institutions Governed by a Special Law . . . . .	482,911,563	
Banks in Belgium . . . . .	857,492,832	
Enterprises and Individuals . . . . .	327,673,107	
Items Payable . . . . .	876,859,724	3,234,688,169
		<hr/>
<b>International Agreements</b> (Laws of 28th July, 1948 and 19th June, 1959) :		
European Monetary Agreement . . . . .	255,714,442	
Other Agreements . . . . .	224,299,049	480,013,491
		<hr/>
<b>Total Sight Liabilities</b> . . . . .		186,958,130,060
<b>Belgian Banks, Monetary Reserve</b> . . . . .		—
<b>Foreign Currencies and Gold to be Delivered</b> . . . . .		30,664,690,927
<b>Staff Pension Fund</b> . . . . .		2,583,383,790
<b>Transitory Liabilities</b> . . . . .		2,486,459,662
<b>Capital</b> . . . . .		400,000,000
<b>Reserve Fund :</b>		
Statutory Reserve . . . . .		769,163,987
Extraordinary Reserve . . . . .		518,168,345
Account for Depreciation of Premises, Furniture and Equipment . . . . .		1,905,851,996
<b>Net Profit for Distribution</b> . . . . .		421,410,613
		<hr/>
<b>Total Liabilities</b> . . . . .		226,707,259,380

## DEBIT

## PROFIT AND LOSS ACCOUNT

General Expenses . . . . .	762,775,347
Ordinary Grant to the Staff Pension Fund . . . . .	74,775,000
Extraordinary Grant to the Staff Pension Fund . . . . .	102,000,000
Depreciation of Premises, Furniture and Equipment . . . . .	148,279,862
<b>Amount due to the Government :</b>	
Produce, exceeding 3 % of Discounts and Advances on Pledged Security . . . . .	171,640,252
<b>Transferred to the Extraordinary Reserve . . . . .</b>	<b>15,946,997</b>
<b>Transferred to the Transitory Liabilities as :</b>	
Provision for Taxes . . . . .	550,000,000
Provision for Building of Premises and Purchasing of Furniture and Equipment . . . . .	150,000,000
Provision against Sundry Contingencies . . . . .	200,000,000
Centenary Fund . . . . .	20,000,000
<b>Net Profit for Distribution . . . . .</b>	<b>421,410,613</b>
	2,616,828,071

## MEMORANDUM ACCOUNTS

**Minister of National Education :**

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

**Documentary Credits Opened . . . . .****Certification of Acceptances relating to Exports and Imports . . . . .****Guarantees given on behalf of the Staff . . . . .****Commitment towards the National Foundation for Financing of Scientific Research . . . . .****Securities received by way of Guarantee :**

*Cover for advance limits against Pledged Security . . . . .*  
*Guarantees given by persons lodging bills for discount . . . . .*  
*Security provided by Borrowers of Call Money . . . . .*  
*Sundry Guarantees . . . . .*

**Guarantee Certificates received from the Public Treasury . . . . .****Items for Collection . . . . .****Deposits of Securities :**

*International Monetary Fund . . . . .*  
*International Development Association . . . . .*  
*Asian Development Bank . . . . .*  
*Other Deposits . . . . .*

**Public Treasury :***Sundry Securities owned by the Government :*

Preference Shares of the Belgian National Railways Co. . . . .  
Ordinary Shares of the Belgian National Railways Co. . . . .  
Participating Debentures of the Belgian National Railways Co. . . . .  
Treasury Bills of the Government of the Grand Duchy of Luxemburg (Belgian-Luxemburg Agreement) . . . . .  
4.50 % Certificates of the National Housing Co. . . . .  
4.50 % Certificates of the National Smallholders' Co. . . . .  
Sundry Items . . . . .

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

Items lodged by outside parties . . . . .  
Service of the Registered Debt . . . . .  
Deposit and Consignment Office . . . . .  
Items lodged by way of Guarantee . . . . .

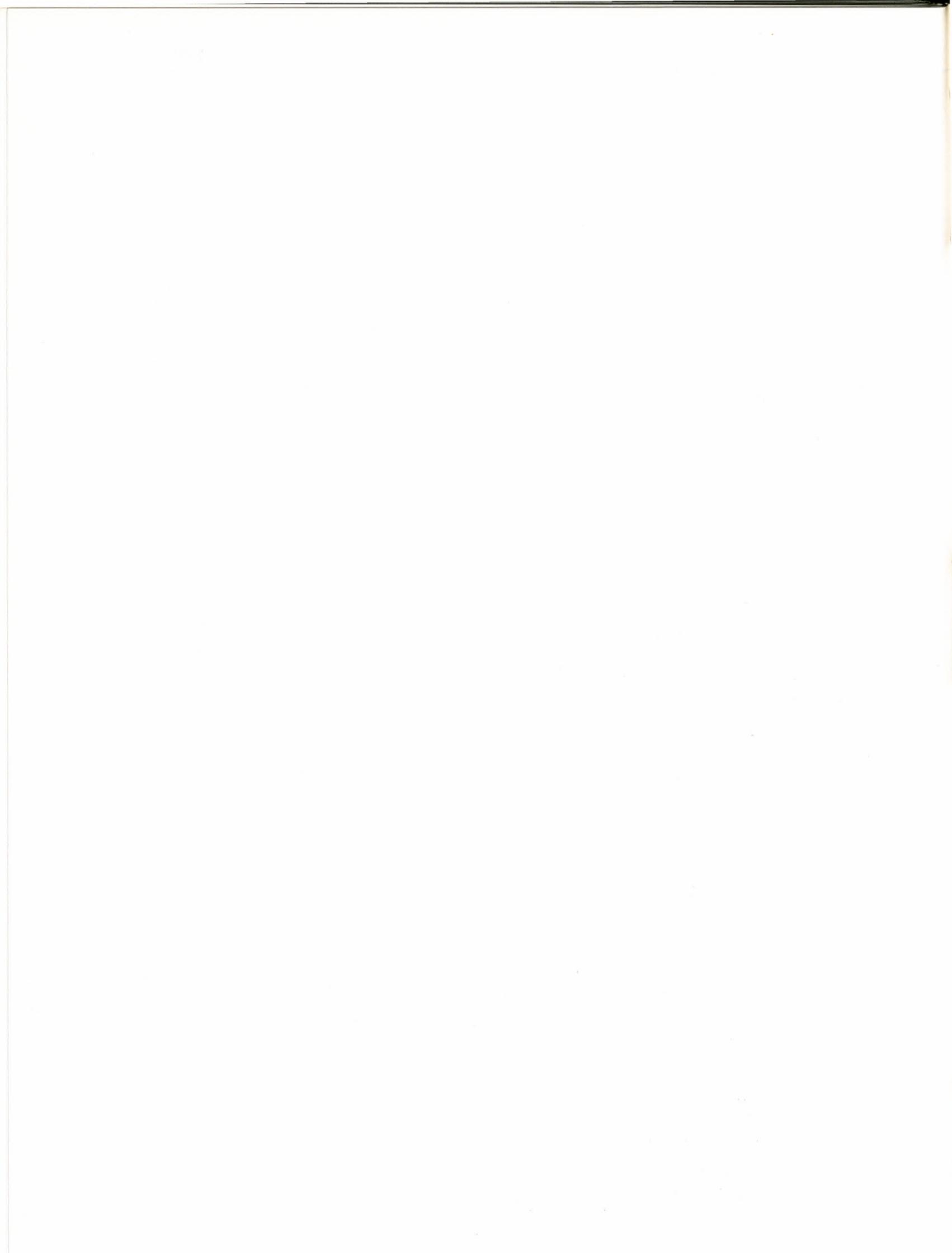
*Securities lodged in pursuance of the Regent's Decree of 17th January, 1949 regarding the cancellation of undeclared Belgian bearer securities . . . . .*

*Items to be delivered . . . . .**Monetary Fund : Public Long-term Securities . . . . .***Securities Stabilisation Fund . . . . .****General Savings and Pensions Fund :**

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

Discount and Interest . . . . .	886,037,441
Exchange and Income from Investments Abroad . . . . .	1,314,516,429
Fees for Safe Custody, Commissions and Allowances . . . . .	170,741,114
Income on Public Long-term Securities (Articles 18 and 21 of the Statutes) . . . . .	161,109,401
Profit on Sale of, and Collection of Proceeds of, Securities . . . . .	19,623,623
Amounts Collected on Assets Written Off Pending Collection . . . . .	2,168,793
Transferred from the Transitory Liabilities Item « Provision for Building of Premises and Purchasing of Furniture and Equipment » . . . . .	62,631,270
	<hr/>
	2,616,828,071

		2,436,891,785
		638,188
		14,202,272,291
		329,752,923
		127,500,000
	20,737,411,060	
	7,808,500	
	4,606,267,219	
	655,192,551	26,006,679,330
		1,020,000,000
		11,001,583
	10,822,000,000	
	300,500,000	
	37,000,000	
	94,255,843,673	105,415,343,673
5,000,000,000		
1,000,000,000		
638,305,187		
1,324,629,180		
3,773,527,000		
446,997,000		
6,833,253,391	19,016,711,758	
15,198,894,440		
58,527,618,600		
95,464,325,099		
5,880,394,512	175,071,232,651	
	133,644	
	9,774,810,484	
	3,416,569,009	207,279,457,546
		13,124,955,643
	73,216,448,499	
	10,164,075	
	384,003,128	73,610,615,702



ANNEXES

**BALANCE SHEETS COMPARED AS AT**

<b>ASSETS</b>	<b>1964</b>	<b>1965</b>	<b>1966</b>	<b>1967</b>	<b>1968</b>
<b>Gold Holding</b> . . . . .	72,554.8	77,913.1	76,232.6	73,962.9	76,175.1
<b>Foreign Currencies</b> . . . . .	26,995.7	21,864.3	21,404.8	36,086.8	18,087.0
<b>Foreign Currencies and Gold Receivable</b> . . . . .	9,259.5	9,682.3	11,477.1	12,468.5	12,326.7
<b>Assets Abroad in Belgian Francs</b> . . . . .	1,500.0	1,500.0	1,500.0	3,000.0	—
<b>International Agreements :</b>					
European Payments Union . . . . .	62.1	6.6	—	—	—
International Monetary Fund :					
— Quota . . . . .	8,716.0	12,230.0	15,189.5	14,736.5	10,278.0
— Loans . . . . .	1,500.0	3,375.0	3,375.0	1,875.0	4,975.0
Other Agreements . . . . .	—	5.6	—	—	119.8
<b>Debtors in respect of Foreign Exchange and Gold at Forward Dates</b> . . . . .	26,397.4	21,376.2	21,311.6	35,520.7	18,256.1
<b>Commercial Bills</b> . . . . .	7,000.8	12,294.8	15,502.6	13,833.8	26,694.2
<b>Advances against Pledged Security :</b>					
Institutions Governed by a Special Law . . . . .	405.7	—	320.9	319.2	0.5
Banks . . . . .	200.2	2.1	1.0	12.1	530.8
Enterprises and Individuals . . . . .	19.5	31.7	16.3	13.8	40.6
	625.4	33.8	338.2	345.1	571.9
<b>Public Securities :</b>					
Belgian Public Securities . . . . .	9,825.0	9,025.0	9,575.0	2,650.0	14,675.0
Luxemburg Public Securities . . . . .	—	—	—	—	200.0
<b>Treasury Notes and Coin</b> . . . . .	397.4	455.4	301.7	319.8	266.5
<b>Balances at the Postal Cheque Office</b> . . . . .	1.6	0.9	1.6	1.5	1.9
<b>Consolidated Claim on the Government</b> . . . . .	34,000.0	34,000.0	34,000.0	34,000.0	34,000.0
<b>Public Long-term Securities</b> . . . . .	2,793.4	2,952.8	3,196.8	3,366.9	3,514.5
<b>Items Receivable</b> . . . . .	408.1	487.5	592.4	498.7	961.0
<b>Premises, Furniture and Equipment</b> . . . . .	1,711.7	1,787.7	1,908.6	1,998.6	2,063.6
<b>Securities of the Staff Pension Fund</b> . . . . .	1,593.4	1,804.0	2,035.6	2,328.8	2,583.4
<b>Assets Written Off Pending Collection</b> . . . . .	p.m.	p.m.	p.m.	p.m.	p.m.
<b>Transitory Assets</b> . . . . .	806.7	1,021.9	1,047.4	859.2	957.6
	206,149.0	211,816.9	218,990.5	237,852.8	226,707.3

31st DECEMBER (in millions of francs)

LIABILITIES	1964	1965	1966	1967	1968
<b>Bank Notes in Circulation</b> . . . . .	160,286.7	170,268.9	175,311.2	177,481.8	183,243.4
<b>Current and Sundry Accounts :</b>					
Public Treasury :					
Ordinary Account . . . . .	4.6	17.8	12.1	1.7	3.8
Exceptional Counter-Cyclical Tax . . . . .	11.9	13.7	13.3	9.7	8.9
Banks in Foreign Countries, Ordinary Accounts	328.8	393.7	389.9	316.5	677.0
Institutions Governed by a Special Law . . . . .	360.7	270.3	216.4	153.6	482.9
Banks in Belgium . . . . .	680.2	1,371.9	1,280.7	2,195.9	857.5
Enterprises and Individuals . . . . .	256.1	209.5	293.3	308.1	327.7
Items Payable . . . . .	354.1	485.9	490.6	548.6	876.9
	1,996.4	2,762.8	2,696.3	3,534.1	3,234.7
<b>International Agreements :</b>					
European Monetary Agreement . . . . .	160.8	262.5	127.6	270.8	255.7
Other Agreements . . . . .	383.5	217.0	324.9	326.5	224.3
	544.3	479.5	452.5	597.3	480.0
<b>Total Sight Liabilities</b> . . . . .	162,827.4	173,511.2	178,460.0	181,613.2	186,958.1
<b>Belgian Banks, Monetary Reserve</b> . . . . .	1,252.5	—	—	—	—
<b>Foreign Currencies and Gold to be Delivered</b> . . . . .	35,706.9	31,150.6	32,799.7	48,217.9	30,664.7
<b>Staff Pension Fund</b> . . . . .	1,593.4	1,804.0	2,035.6	2,328.8	2,583.4
<b>Transitory Liabilities</b> . . . . .	1,505.6	1,832.2	1,985.5	1,819.4	2,486.5
<b>Capital</b> . . . . .	400.0	400.0	400.0	400.0	400.0
<b>Reserve Fund :</b>					
Statutory Reserve . . . . .	628.6	661.6	694.8	731.9	769.2
Extraordinary Reserve . . . . .	335.0	469.9	481.8	502.2	518.2
Account for Depreciation of Premises, Furniture and Equipment . . . . .	1,556.2	1,632.2	1,753.2	1,843.2	1,905.8
<b>Net Profit for Distribution</b> . . . . .	343.4	355.2	379.9	396.2	421.4
	206,149.0	211,816.9	218,990.5	237,852.8	226,707.3

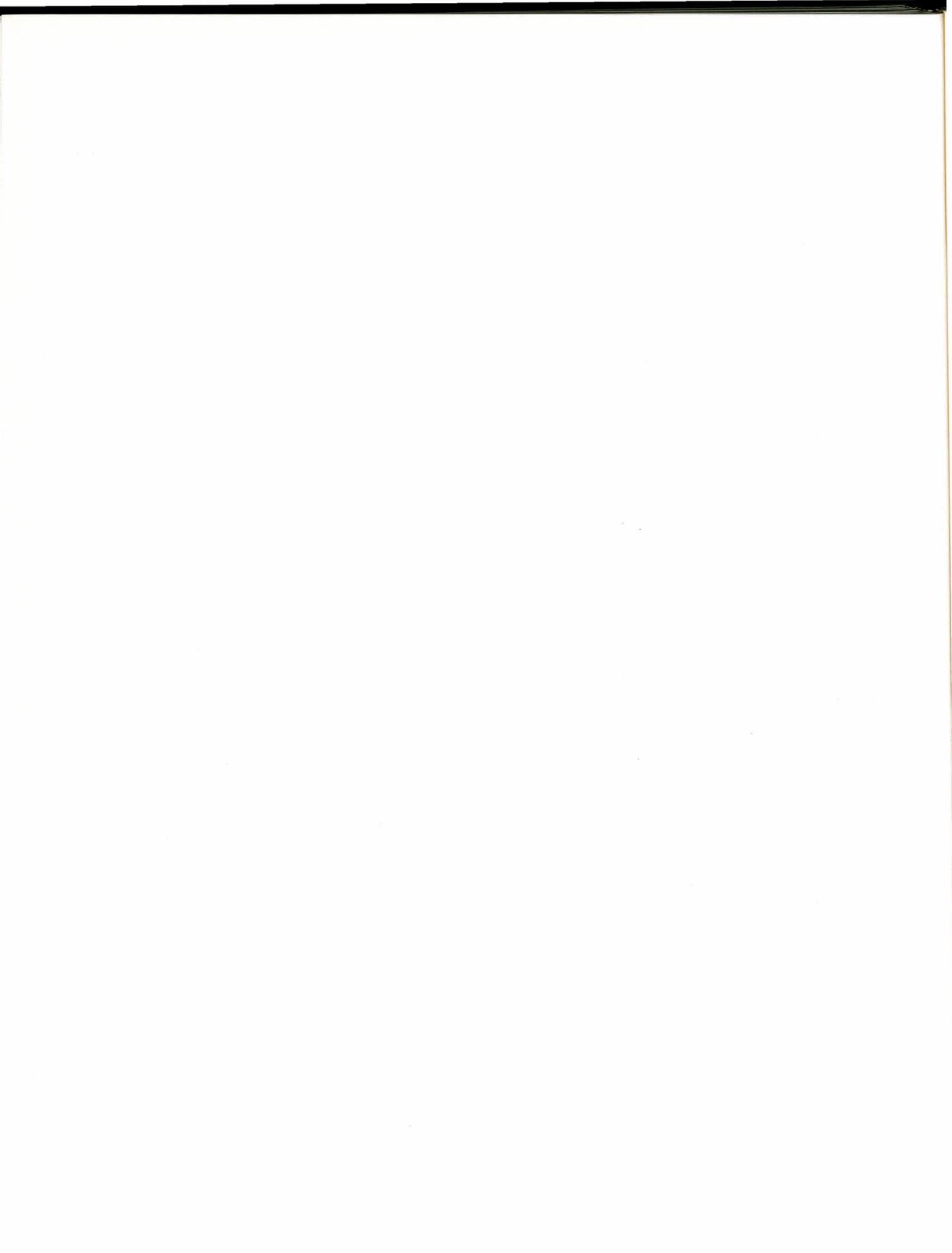
**PROFIT AND LOSS ACCOUNTS COMPARED**

DEBIT	1964	1965	1966	1967	1968
<b>General Expenses</b> . . . . .	550.3	599.6	673.8	704.4	762.8
<b>Ordinary Grant to the Staff Pension Fund</b> . . . . .	51.3	55.2	64.0	67.5	74.8
<b>Extraordinary Grant to the Staff Pension Fund</b> . . . . .	76.2	92.5	115.0	165.0	102.0
<b>Depreciation of Premises, Furniture and Equipment</b>	79.0	114.6	181.6	163.1	148.3
<b>Amount due to the Government :</b>					
Produce, exceeding 3 %, of Discounts and Advances on Pledged Security . . . . .	244.4	289.9	423.3	278.1	171.6
<b>Transferred to the Extraordinary Reserve</b> . . . . .	72.0	134.9	11.9	20.5	15.9
<b>Transferred to the Transitory Liabilities as :</b>					
— Provision for Taxes . . . . .	294.3	360.0	325.0	293.0	550.0
— Provision for Expenses of Acquiring, Selling and Shipping Gold . . . . .	25.0	25.0	—	—	—
— Provision for Building of Premises and Purchasing of Furniture and Equipment . . . . .	69.9	91.4	50.0	75.0	150.0
— Provision against Sundry Contingencies . . . . .	105.0	120.0	150.0	150.0	200.0
— Centenary Fund . . . . .	—	—	—	—	20.0
<b>Net Profit for Distribution</b> . . . . .	343.4	355.2	379.9	396.2	421.4
	1,910.8	2,238.3	2,374.5	2,312.8	2,616.8

## AS AT 31st DECEMBER (in millions of francs)

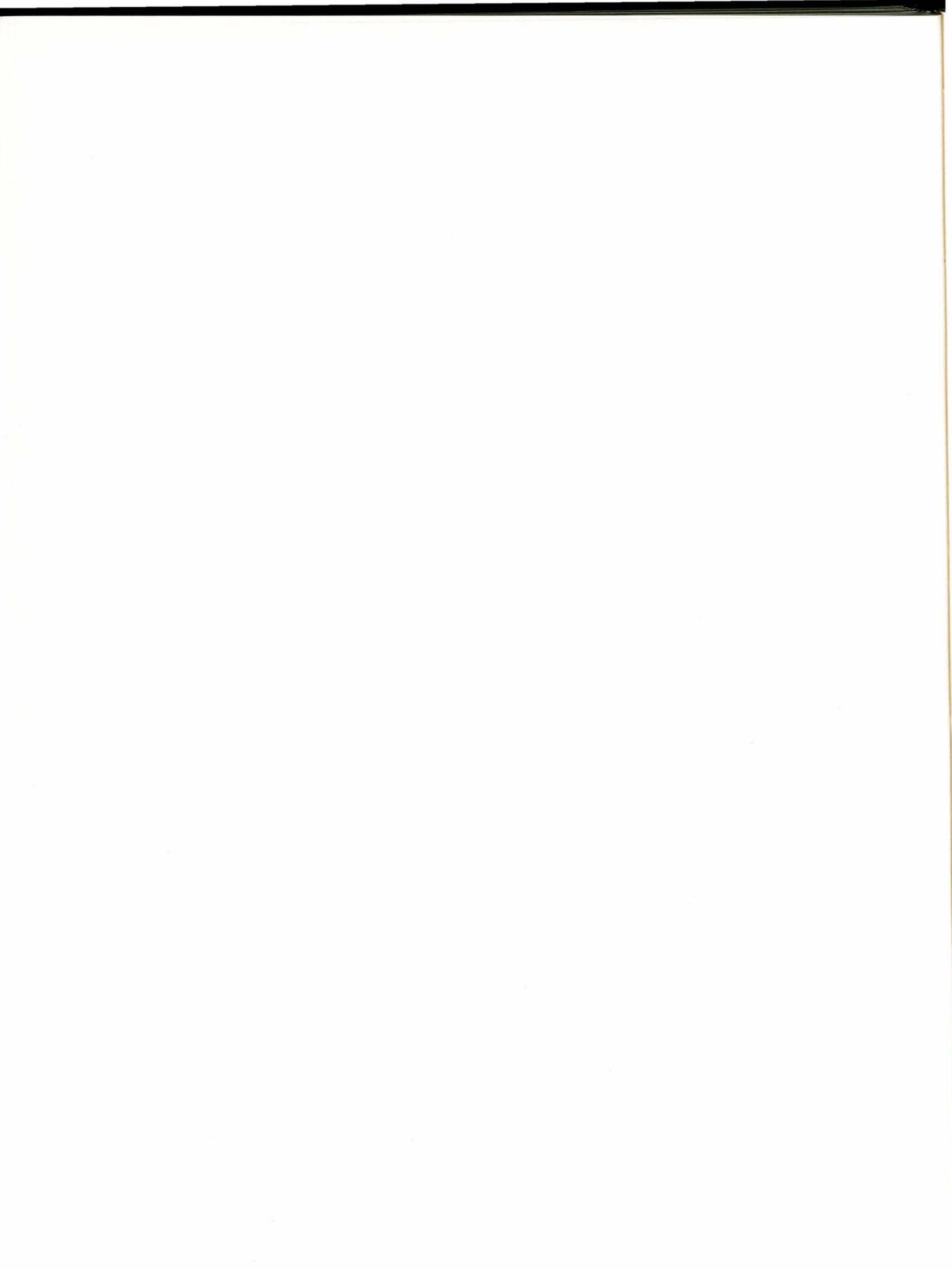
CREDIT	1964	1965	1966	1967	1968
Discount and Interest . . . . .	738.2	798.3	1,068.1	802.5	886.0
Exchange and Income from Investments Abroad <sup>(1)</sup>	845.7	1,055.2	862.8	1,075.9	1,314.5
Fees for Safe Custody, Commissions and Allowances	118.7	135.1	149.4	156.2	170.8
Income on Public Long-term Securities (Articles 18 and 21 of the Statutes) . . . . .	135.4	147.7	155.7	159.3	161.1
Profit on Sale of, and Collection of Proceeds of, Securities . . . . .	18.3	21.1	16.7	28.5	19.6
Amounts Collected on Assets Written Off Pending Collection . . . . .	0.2	4.9	0.8	0.4	2.2
Transferred from the Transitory Liabilities Item « Provision for Building of Premises and Purchasing of Furniture and Equipment » . . . . .	54.3	76.0	121.0	90.0	62.6
	1,910.8	2,238.3	2,374.5	2,312.8	2,616.8

(1) After deduction of Fr. 265.8 million in 1966, Fr. 285.2 million in 1967 and Fr. 58.6 million in 1968, paid to the Government in application of the terms for forward exchange cover provided by the Bank in connection with the Treasury's operations (see the Report for the year 1966, page 119).



## MISCELLANEOUS INFORMATION

	1964	1965	1966	1967	1968
Gross dividend declared per share . . . . .	581.07	603.04	639.88	670.28	711.56
Preliminary income tax retained per share . . . . .	101.07	103.04	119.88	125.28	136.56
Net dividend declared per share . . . . .	480.00	500.00	520.00	545.00	575.00
Taxable income per share to be declared by individuals for tax purposes . . . . .	712.70	742.40	789.30	827.25	872.75



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

Statement as at 31st December, 1968

- 3.50 % Belgian Debt 1943.
- 4 % Liberation Loan 1945.
- 4.50 % Belgian Loan 1953/73.
- 4.50 % Belgian Loan 1954/72.
- 4.25 % Belgian Loan 1954/74, Series 1.
- 4.25 % Belgian Loan 1954/74, Series 2.
- 4 % Belgian Loan 1955/75.
- 4.75 % Belgian Loan 1959/71.
- 4.75 - 5 - 5.25 % Belgian Loan 1962/72/77/82, Series 3.
- 6.25 - 6.50 % Belgian Loan 1964/69/74, Series 2.
- 6.25 - 6.50 % Belgian Loan 1965/70/76.
- 6.25 - 6.50 % Belgian Loan 1965/71/78.
- 6.25 - 6.50 % Belgian Loan 1965/71/80.
- 6.25 - 6.50 % Belgian Loan 1966/71/76, Series 1.
- 6.25 - 6.50 % Belgian Loan 1966/71/76, Series 2.
- 6.75 - 7 % Belgian Loans 1972/78, Amalgamated.
- 7 % Belgian Loans 1967/82, Amalgamated.
- 6.75 - 7 % Belgian Loan 1967/74/82.
- 6.75 % Belgian Loan 1968/78.
- 6.50 - 6.75 % Belgian Loan 1968/75/83.
- 6.75 % Belgian Loan 1968/80.
- 4 % Belgian Premium Bonds 1941.
- 4 % War Damage 1923.
- 4.25 % Belgian National Railways Company 1954/74.
- 4 % Belgian National Railways Company 1955/75, Series 2.
- 6 % Road Fund 1963/83.
- 7 % Road Fund 1967/82.
- 6.75 % Road Fund 1967/79.
- 6.75 % Road Fund 1968/83.
- 5 % Autonomous War Damage Fund 1953, Series 1, and 1959, Series 7.

- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 1st tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 2nd tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 3rd tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 4th tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 5th tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 6th tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 7th tranche.
- 2 % National Foundation for Financing Scientific Research  
1960/69 - 1990/99, 8th tranche.
- 4 % Telegraphs and Telephones Board 1954/74, Series 2.
- 6.75 - 7 % Telegraphs and Telephones Board 1967/73/79.
- 6.75 % Telegraphs and Telephones Board 1968/82.
- 6.25 - 6.50 % Belgian National Railways Company 1965/71/77.
- 6.75 - 7 % Belgian National Railways Company 1966/72/78.
- 6.75 - 7 % Belgian National Railways Company 1967/73/82.
- 6.75 % Belgian National Railways Company 1968/83.
- 6.75 % National Fund for Credit to Trade and Industry 1968/88.
- 6.75 % National Industrial Credit Company 1968/88.
- 3.50 % Loan of the Belgian-Congolese Amortisation and Management Fund  
1965/2005.
- National Industrial Credit Company Shares.
- Bank for International Settlements Shares :
  - Belgian tranche.
  - Danzig tranche.
- Belgian National Railways Company Dividend Right Certificates.

ANNEX 5

**WEEKLY RETURNS**  
**PUBLISHED IN THE « MONITEUR BELGE » DURING 1968**

WEEKLY RETURNS PUBLISHED IN THE « MONITEUR BELGE » DURING 1968 \*

(Millions of francs)

ASSETS

DATE	Gold holding	Foreign currencies	Foreign currencies and gold receivable	Assets abroad in Belgian francs	International Agreements (Laws of 28th July, 1948 and 19th June, 1959)			Debtors in respect of foreign exchange and gold at forward dates	Commercial bills	Advances against pledged security	Public securities (Art. 20 of the Statutes. Conventions of 14th September, 1948, 15th April, 1952 and 30th March, 1968)		Treasury notes and coin	Balances at Postal Cheque Office	Consolidated claim on the Government (Laws of 28th July, 1948 and 19th June, 1959)	Public long-term securities (Articles 18 and 21 of the Statutes)	Premises, furniture and equipment	
					European Monetary Agreement	International Monetary Fund					Other agreements	Belgian public Securities						Luxembourg public Securities
						Quota	Loans (1)											
January 8	73.945	35.581	12.412	3.000	—	14.652	1.875	—	35.455	9.034	32	3.700	—	348	1	34.000	3.367	1.908
» 15	72.980	36.393	12.396	3.000	—	14.652	1.875	3	35.397	7.559	27	2.150	—	370	2	34.000	3.367	1.908
» 22	72.983	35.909	12.396	3.000	—	14.652	1.875	26	35.281	8.626	20	—	—	398	2	34.000	3.514	1.998
» 29	72.983	35.387	12.396	3.000	—	14.527	1.875	43	34.786	7.808	25	175	—	421	2	34.000	3.514	1.998
February 5	72.983	34.431	11.773	3.000	—	14.527	1.875	75	33.787	7.241	40	5.275	—	424	1	34.000	3.514	1.998
» 12	72.735	34.920	11.773	3.000	—	14.797	1.875	94	34.160	4.078	21	9.550	—	452	1	34.000	3.514	1.998
» 19	72.726	34.388	11.710	3.000	—	14.757	1.875	121	33.809	3.918	334	5.325	—	469	2	34.000	3.514	1.998
» 26	72.726	34.390	11.785	3.000	—	14.657	1.875	144	33.971	7.385	175	275	—	495	2	34.000	3.514	1.998
March 4	72.711	33.309	11.938	3.000	—	16.157	1.875	194	32.856	7.356	61	5.325	—	472	1	34.000	3.515	1.998
» 11	72.537	34.853	11.414	3.000	—	16.907	1.875	222	34.244	4.979	25	6.000	—	490	1	34.000	3.515	1.998
» 18	72.537	35.897	11.209	3.000	—	16.702	1.875	229	35.091	3.075	34	4.975	—	512	2	34.000	3.515	1.998
» 25	72.537	34.528	10.738	3.000	—	16.702	1.875	285	34.157	2.938	26	6.075	—	519	1	34.000	3.515	1.998
April 1	72.537	34.932	11.225	3.000	—	16.202	1.875	76	34.149	7.006	55	5.225	—	495	1	34.000	3.515	1.998
» 8	72.537	34.671	12.031	3.000	—	16.374	1.875	92	34.217	6.404	46	6.250	—	489	1	34.000	3.514	1.998
» 12	72.537	34.092	12.704	3.000	—	16.344	1.875	173	33.646	4.902	40	7.550	—	488	1	34.000	3.515	1.998
» 22	72.537	33.196	12.984	3.000	—	16.344	1.875	208	32.600	3.952	62	7.650	—	484	1	34.000	3.515	1.998
» 29	72.537	33.221	13.153	3.000	—	16.344	1.875	94	32.562	7.451	574	7.400	—	456	2	34.000	3.514	1.998
May 6	72.508	33.220	13.200	3.000	—	16.314	1.875	123	32.767	6.505	80	9.875	—	444	2	34.000	3.514	1.998
» 13	72.515	33.662	13.689	3.000	—	16.314	1.875	162	33.275	5.940	36	8.100	—	450	2	34.000	3.514	1.998
» 20	72.515	34.152	14.237	3.000	—	16.364	1.875	200	33.796	5.059	56	8.650	200	447	2	34.000	3.513	1.998
» 27	72.515	32.928	14.237	3.000	—	16.414	1.875	225	32.306	6.251	45	8.825	200	442	1	34.000	3.514	1.998
» 31	72.515	31.963	13.926	3.000	—	16.414	1.875	82	31.434	9.197	2.154	9.875	200	411	2	34.000	3.511	1.998
June 10	73.447	30.691	14.193	3.000	—	18.189	1.875	103	30.017	8.790	1.838	8.950	200	397	1	34.000	3.514	1.998
» 17	73.447	32.319	13.614	3.000	—	18.189	1.875	186	31.808	7.033	444	8.975	200	407	1	34.000	3.513	1.998
» 24	75.644	24.270	13.731	3.000	—	18.189	5.875	223	23.822	8.577	500	8.850	200	399	2	34.000	3.514	1.998
July 1	75.635	25.165	13.564	3.000	—	18.124	5.875	56	24.280	12.510	4.459	8.400	200	382	1	34.000	3.514	1.998
» 8	75.635	23.908	13.141	3.000	—	18.124	5.875	79	23.890	14.503	3.037	9.700	200	339	1	34.000	3.514	1.998
» 15	75.637	22.796	12.916	3.000	—	18.124	5.875	109	23.307	17.966	1.849	6.225	200	352	1	34.000	3.515	1.998
» 22	75.950	22.082	12.690	3.000	—	18.174	5.875	140	22.225	18.134	38	5.500	200	365	2	34.000	3.514	1.998
» 29	75.950	22.084	12.690	3.000	—	18.174	5.875	219	22.225	16.966	34	6.775	200	382	2	34.000	3.514	1.998
August 5	75.933	22.609	12.690	3.000	—	18.134	5.875	18	22.225	13.869	1.363	8.900	200	359	1	34.000	3.514	1.998
» 12	75.947	24.176	13.038	3.000	—	18.054	5.875	7	23.925	9.337	1.077	9.850	200	374	2	34.000	3.511	1.998
» 19	75.925	24.524	12.976	3.000	—	18.134	5.875	—	24.237	8.443	31	9.700	200	374	2	34.000	3.509	1.998
» 26	75.925	23.708	13.026	3.000	—	18.234	5.475	—	23.545	8.000	495	9.450	200	382	2	34.000	3.506	1.998
September 2	75.902	22.070	12.857	3.000	—	18.184	5.475	—	22.268	10.584	2.648	9.900	200	367	2	34.000	3.502	1.998
» 9	75.881	21.812	12.639	3.000	—	18.184	5.475	—	22.183	10.701	2.227	9.650	200	360	2	34.000	3.514	1.998
» 16	75.881	21.202	13.925	3.000	—	18.184	5.475	101	20.801	8.026	1.817	10.525	—	386	2	34.000	3.514	1.998
» 23	76.194	20.284	19.610	3.000	—	18.184	5.475	131	19.894	5.104	3.451	11.650	—	388	1	34.000	3.514	1.998
» 30	76.162	18.207	22.927	3.000	—	18.139	5.475	141	18.886	12.630	2.981	10.750	—	381	2	34.000	3.514	1.998
October 7	76.153	20.424	21.454	3.000	—	18.139	5.475	46	21.819	12.083	3.079	10.400	—	379	2	34.000	3.515	1.998
» 14	76.147	19.167	19.025	3.000	—	18.286	5.475	70	22.068	9.826	1.039	13.675	—	389	2	34.000	3.514	1.998
» 21	76.142	19.103	18.397	3.000	—	18.286	5.475	82	24.195	10.775	516	13.825	—	394	1	34.000	3.513	1.998
» 28	76.132	18.977	18.057	3.000	—	18.240	5.475	77	24.690	12.100	187	13.250	—	407	2	34.000	3.514	1.998
November 4	76.127	19.216	14.925	3.000	—	18.240	5.475	47	24.945	15.736	62	13.925	—	391	2	34.000	3.512	1.998
» 8	76.119	20.374	14.694	3.000	—	13.240	5.475	18	21.429	14.739	38	14.925	250	393	1	34.000	3.514	1.998
» 18	76.140	20.215	13.842	3.000	—	13.240	5.475	77	21.663	11.331	69	15.800	250	400	2	34.000	3.512	1.998
» 25	76.140	18.476	12.476	3.000	—	13.240	4.975	83	23.773	15.019	42	15.050	250	402	2	34.000	3.510	1.998
December 2	76.123	19.533	12.703	3.000	—	13.240	4.975	20	24.082	18.161	1.904	15.050	250	374	2	34.000	3.515	1.998
» 9	76.118	20.383	13.403	3.000	—	13.240	4.975	109	24.841	19.288	55	13.425	250	365	2	34.000	3.514	1.998
» 16	76.175	19.960	13.953	3.000	—	13.240	4.975	111	25.373	18.116	60	14.675	250	347	2	34.000	3.514	1.998
» 23	76.175	17.881	12.203	3.000	—	13.240	4.975	114	23.489	23.831	39	13.350	250	317	2	34.000	3.514	1.998
» 27	76.175	18.525	12.327	—	—	13.240	4.975	138	21.628	23.684	37	14.550	200	288	2	34.000	3.515	1.998

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

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

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

WEEKLY RETURNS PUBLISHED IN THE « MONITEUR BELGE » DURING 1968 \*

(Millions of francs)

LIABILITIES

Securities of the Staff Pension Fund	Sundries	TOTAL ASSETS	Memorandum Account : Postal Cheque Office : Balance for account of the Minister of National Education (Schools Pact, Law of 29th May, 1959, Article 15)	Notes in circulation	Current Accounts				International Agreements (Laws of 28th July, 1948 and 19th June, 1959)		Total sight liabilities	Belgian banks, monetary reserve	Foreign currencies and gold to be delivered	Staff Pension Fund	Sundries	Capital, reserves and depreciation accounts (2)	TOTAL LIABILITIES	DATE
					Public Treasury		Banks in foreign countries, ordinary accounts	Sundry current accounts	European Monetary Agreement	Other agreements								
					Ordinary account	Exceptional Counter-cyclical Tax (Law of 12th Mar., 1957)												
2.251	3.086	234.647	1.620	174.796	1	10	302	1.689	221	237	177.256	—	48.098	2.251	3.675	3.367	234.647	January 8
2.252	2.822	231.153	1.953	172.015	—	10	313	1.056	247	176	173.817	—	48.029	2.252	3.688	3.367	231.153	» 15
2.414	1.051	228.145	1.779	170.353	520	10	310	1.133	260	231	172.817	—	47.910	2.414	1.489	3.515	228.145	» 22
2.414	1.033	226.387	1.779	169.771	3	10	309	963	204	235	171.495	—	47.416	2.414	1.547	3.515	226.387	» 29
2.408	1.083	228.435	1.658	173.188	15	10	330	1.187	251	164	175.145	—	45.781	2.408	1.586	3.515	228.435	February 5
2.415	1.222	230.605	1.658	171.207	23	10	308	4.974	177	161	176.860	—	46.158	2.415	1.657	3.515	230.605	» 12
2.437	1.398	225.781	1.603	169.412	6	10	285	2.391	149	147	172.400	—	45.735	2.437	1.694	3.515	225.781	» 19
2.446	1.529	224.367	1.603	168.849	11	10	288	1.259	159	153	170.729	—	45.969	2.446	1.708	3.515	224.367	» 26
2.440	1.237	228.445	1.512	173.965	1	10	355	1.073	145	180	175.729	—	45.008	2.440	1.753	3.515	228.445	March 4
2.440	1.257	229.757	1.513	172.179	13	10	357	3.190	154	198	176.101	—	45.891	2.440	1.810	3.515	229.757	» 11
2.447	2.098	229.196	1.458	170.045	3	10	350	4.075	157	198	174.838	—	46.543	2.447	1.853	3.515	229.196	» 18
2.447	1.762	227.103	1.401	169.718	20	10	356	3.680	157	152	174.093	—	45.130	2.447	1.918	3.515	227.103	» 25
2.447	1.672	230.410	1.362	175.304	10	10	367	849	156	171	176.867	—	45.627	2.447	1.954	3.515	230.410	April 1
2.440	1.469	231.408	1.327	175.157	7	9	376	1.083	162	168	176.962	—	46.502	2.440	1.989	3.515	231.408	» 8
2.440	1.347	230.652	1.327	173.579	17	9	385	1.658	238	177	176.063	—	46.603	2.440	2.031	3.515	230.652	» 12
2.444	1.740	228.590	1.327	171.676	15	9	380	2.163	299	167	174.709	—	45.826	2.444	2.096	3.515	228.590	» 22
2.446	1.622	232.249	1.327	175.949	18	9	384	1.416	284	150	178.210	—	45.956	2.446	2.122	3.515	232.249	» 29
2.440	1.426	233.291	1.308	177.323	15	9	349	845	276	153	178.970	—	46.211	2.440	2.155	3.515	233.291	May 6
2.453	1.478	232.463	1.252	175.382	2	9	349	887	287	145	177.061	—	47.218	2.453	2.216	3.515	232.463	» 13
2.459	1.437	233.960	1.252	175.134	12	9	330	1.538	284	130	177.437	—	48.301	2.459	2.248	3.515	233.960	» 20
2.459	1.518	232.753	1.235	175.700	12	9	343	1.172	246	140	177.622	—	46.808	2.459	2.349	3.515	232.753	» 27
2.465	2.149	237.171	1.235	181.542	16	9	296	970	213	158	183.204	—	45.621	2.465	2.366	3.515	237.171	» 31
2.465	1.583	235.251	1.155	180.353	7	9	302	1.344	189	156	182.360	—	44.470	2.465	2.441	3.515	235.251	June 10
2.466	1.623	235.098	1.111	178.025	16	9	308	2.304	123	149	180.934	—	45.664	2.466	2.519	3.515	235.098	» 17
2.466	2.044	227.304	1.082	179.243	11	9	351	924	175	148	180.861	—	37.825	2.466	2.637	3.515	227.304	» 24
2.466	2.252	235.881	1.040	186.753	8	9	348	1.668	163	157	189.106	—	38.073	2.466	2.721	3.515	235.881	July 1
2.464	2.657	236.065	1.040	188.283	22	9	329	999	266	143	190.051	—	37.257	2.464	2.778	3.515	236.065	» 8
2.464	2.242	232.576	997	185.731	2	9	341	814	286	141	187.324	—	36.446	2.464	2.827	3.515	232.576	» 15
2.464	2.211	228.562	948	182.514	2	9	334	1.419	172	141	184.591	—	35.140	2.464	2.852	3.515	228.562	» 22
2.474	1.972	228.534	948	181.529	9	9	349	2.319	183	139	184.537	—	35.139	2.474	2.869	3.515	228.534	» 29
2.467	2.355	229.510	916	184.068	1	9	354	710	205	138	185.485	—	35.139	2.467	2.904	3.515	229.510	August 5
2.467	2.118	228.956	841	181.024	23	9	339	1.008	243	157	182.803	—	37.198	2.467	2.973	3.515	228.956	» 12
2.467	2.080	227.475	806	179.104	13	9	527	950	219	229	181.051	—	37.448	2.467	2.994	3.515	227.475	» 19
2.467	2.131	225.544	807	178.099	7	9	345	787	285	216	179.748	—	36.803	2.467	3.011	3.515	225.544	» 26
2.467	4.160	229.584	765	182.343	17	9	351	2.098	134	257	185.209	—	35.350	2.467	3.043	3.515	229.584	September 2
2.464	2.100	226.390	766	180.810	7	9	319	800	138	231	182.314	—	35.021	2.464	3.076	3.515	226.390	» 9
2.464	2.450	223.751	686	178.087	13	9	319	837	285	201	179.751	—	34.913	2.464	3.108	3.515	223.751	» 16
2.468	2.439	227.785	598	177.018	14	9	331	1.204	147	199	178.922	—	39.704	2.468	3.176	3.515	227.785	» 23
2.468	2.923	234.584	560	180.508	5	9	853	1.627	137	196	183.335	—	42.032	2.468	3.234	3.515	234.584	» 30
2.469	2.384	236.819	560	180.907	6	9	2.088	785	151	193	184.139	—	43.427	2.469	3.269	3.515	236.819	October 7
2.475	2.811	232.967	522	177.717	2	9	3.048	1.341	100	190	182.407	—	41.262	2.475	3.308	3.515	232.967	» 14
2.488	3.109	235.299	1.215	176.274	6	9	4.874	1.680	168	187	183.198	—	42.775	2.488	3.323	3.515	235.299	» 21
2.488	2.484	235.078	1.215	174.958	19	9	6.272	1.199	140	186	182.783	—	42.936	2.488	3.356	3.515	235.078	» 28
2.488	2.478	236.567	1.155	178.799	14	9	6.393	1.582	145	185	187.127	—	40.032	2.488	3.405	3.515	236.567	November 4
2.481	2.711	229.399	1.095	177.973	4	9	2.607	2.734	148	185	183.660	—	36.275	2.481	3.468	3.515	229.399	» 8
2.481	3.272	226.767	1.097	175.202	8	9	2.623	3.347	158	184	181.531	—	35.630	2.481	3.610	3.515	226.767	» 18
2.481	5.111	230.028	1.862	174.624	23	9	3.352	5.509	255	182	183.954	—	36.371	2.481	3.707	3.515	230.028	» 25
2.488	2.430	233.848	1.781	179.608	8	9	5.869	1.248	258	182	187.182	—	36.908	2.488	3.755	3.515	233.848	December 2
2.481	2.407	233.854	1.737	178.568	15	9	5.859	853	228	180	185.712	—	38.370	2.481	3.776	3.515	233.854	» 9
2.481	2.766	234.996	1.737	177.030	19	9	5.853	2.429	196	179	185.715	—	39.456	2.481	3.829	3.515	234.996	» 16
2.482	2.545	233.405	2.437	179.685	19	9	6.094	1.523	209	179	187.718	—	35.794	2.482	3.896	3.515	233.405	» 23
2.481	2.714	230.477	2.437	179.848	25	9	4.102	2.052	222	180	186.438	—	34.050	2.481	3.993	3.515	230.477	» 27



## ECONOMIC AND FINANCIAL STATISTICS

Table 1.

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

	Monthly averages in billions of francs							In per cent of the total value	
	1963	1964	1965	1966	1967	1967	1968 <i>p</i>	1960	1968 <i>p</i> (First 11 months)
						(First 11 months)			
European Economic Community ...	12.26	14.58	16.45	17.87	18.45	18.29	21.62	50.5	64.2
Federal Republic of Germany ...	(3.73)	(4.83)	(5.81)	(6.00)	(5.80)	(5.76)	(7.09)	(15.8)	(21.1)
France .....	(2.94)	(3.53)	(3.87)	(4.60)	(5.19)	(5.12)	(6.14)	(10.4)	(18.2)
Italy .....	(1.04)	(0.88)	(0.91)	(0.94)	(1.17)	(1.16)	(1.25)	(3.1)	(3.7)
Netherlands .....	(4.55)	(5.34)	(5.86)	(6.33)	(6.29)	(6.25)	(7.14)	(21.2)	(21.2)
United Kingdom .....	1.16	1.15	1.28	1.34	1.39	1.37	1.47	5.5	4.4
United States and Canada .....	1.89	2.10	2.49	2.72	2.67	2.65	3.44	10.6	10.2
Other European O.E.C.D. countries and Finland .....	2.20	2.36	2.84	2.78	2.77	2.75	2.93	13.3	8.7
Japan .....	0.14	0.13	0.15	0.20	0.25	0.25	0.22	0.6	0.7
Comecon countries and Yugoslavia	0.36	0.39	0.45	0.58	0.82	0.81	0.69	2.8	2.0
Sterling area, excluding European O.E.C.D. countries .....	0.72	0.78	0.92	0.93	0.98	0.97	1.00	4.9	3.0
Democratic Republic of the Congo	0.19	0.26	0.26	0.27	0.21	0.22	0.28	1.6	0.8
Countries not included elsewhere :									
of Latin America .....	0.44	0.58	0.60	0.59	0.63	0.60	0.65	4.2	1.9
of Africa .....	0.25	0.29	0.39	0.36	0.37	0.36	0.43	1.5	1.3
of Asia .....	0.42	0.51	0.55	0.61	0.57	0.57	0.69	4.0	2.1
Miscellaneous .....	0.13	0.16	0.21	0.20	0.19	0.19	0.23	0.5	0.7
<b>Total ...</b>	<b>20.16</b>	<b>23.29</b>	<b>26.59</b>	<b>28.45</b>	<b>29.30</b>	<b>29.03</b>	<b>33.65</b>	<b>100.0</b>	<b>100.0</b>

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

Table 2.

### Net Gold and Foreign Assets of the National Bank of Belgium

(Billions of francs)

At end of	Gold holding	Assets acquired at the International Monetary Fund (1)	Assets in convertible foreign currencies	Other net assets and liabilities		Total (4)	Annual changes in total
				Assets abroad in Belgian francs (2)	Others (3)		
1962 .....	68.3	6.7	12.8	...	3.2	91.0	
1963 .....	68.6	7.1	21.5	1.5	3.5	102.2	+11.2
1964 .....	72.5	10.2	27.0	1.5	3.6	114.8	+12.6
1965 .....	77.9	15.6	21.9	1.5	5.9	122.8	+ 8.0
1966 .....	76.2	18.6	21.4	1.5	6.8	124.5	+ 1.7
1967 November .....	75.5	16.1	36.7	3.0	- 0.6	130.7	+ 6.2 <sup>(5)</sup>
December .....	74.0	16.6	36.1	3.0	7.2	136.9	+12.4
1968 November .....	76.1	18.2	19.0	3.0	6.3	122.6	--14.3 <sup>(5)</sup>
December .....	76.2	15.3	18.1	...	13.1	122.7	-14.2

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

(<sup>2</sup>) United States Treasury Certificates expressed in Belgian francs.

(<sup>3</sup>) Foreign assets in Belgian francs, other than the assets mentioned in footnote (<sup>2</sup>), but including the holding of Belgian franc certified acceptances representing exports from the Belgian-Luxemburg Economic Union; liabilities to foreign countries, including, in November and December, 1968, Belgian franc assets held by the Federal Reserve Bank of New York following the National Bank's utilisation of facilities provided by swap agreements.

(<sup>4</sup>) For the reasons stated on page 110 of the Report on the National Bank's activities in 1962 this total takes no account of the foreign exchange and gold to be received or delivered at forward dates.

(<sup>5</sup>) Change in the first eleven months.

Table 3.

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

(Daily quotations in Belgian francs)

1968	1	1	1	1	1	100	1 Canadiann lire		1	1	1	1	100	100	100
	U.S. dollar	pound sterling	Nether- lands guilder	Deutsche Mark	French franc	Italian lire	Tele- graphic transfer	Mail transfer	Swiss franc	Swedish crown	Danish crown	Norwe- gian crown	Austrian schillings	100 escudos	100 pesetas
<b>January</b>															
Highest . . .	49.74	119.90	13.81	12.43	10.11	7.96	45.97	45.97	11.47	9.64	6.67	6.96	192.35	174.08	71.47
Lowest . . .	49.64	119.39	13.76	12.40	10.07	7.94	45.55	45.55	11.41	9.61	6.65	6.95	191.70	173.25	71.25
Mean . . .	49.69	119.71	13.79	12.41	10.09	7.95	45.82	45.82	11.44	9.62	6.66	6.96	192.00	173.63	71.37
<b>February</b>															
Highest . . .	49.68	119.72	13.77	12.42	10.10	7.95	45.70	45.70	11.42	9.63	6.67	6.96	192.15	173.45	71.25
Lowest . . .	49.63	119.38	13.75	12.39	10.08	7.94	45.63	45.63	11.41	9.60	6.65	6.95	191.65	173.10	71.17
Mean . . .	49.64	119.63	13.76	12.40	10.09	7.95	45.66	45.66	11.42	9.61	6.66	6.95	191.91	173.29	71.20
<b>March</b>															
Highest . . .	49.71	119.61	13.82	12.51	10.13	7.98	45.96	45.96	11.56	9.66	6.67	6.97	192.18	174.00	71.35
Lowest . . .	49.63	118.60	13.75	12.40	10.05	7.94	45.63	45.62	11.42	9.60	6.66	6.95	190.00	173.00	70.80
Mean . . .	49.65	119.15	13.77	12.45	10.09	7.96	45.77	45.77	11.46	9.61	6.67	6.96	191.86	173.48	71.19
<b>April</b>															
Highest . . .	49.83	119.70	13.77	12.50	10.11	7.97	46.15	46.15	11.48	9.63	6.69	6.98	192.95	174.05	71.54
Lowest . . .	49.63	118.95	13.71	12.45	10.05	7.95	45.92	45.92	11.43	9.60	6.65	6.95	192.00	173.00	71.23
Mean . . .	49.73	119.46	13.75	12.48	10.09	7.96	46.04	46.04	11.46	9.62	6.67	6.96	192.45	173.86	71.39
<b>May</b>															
Highest . . .	49.83	119.02	13.79	12.52	10.08	8.02	46.28	46.28	11.60	9.67	6.68	6.98	193.20	174.00	71.50
Lowest . . .	49.63	118.61	13.71	12.45	10.00	7.96	46.01	46.01	11.44	9.60	6.65	6.95	192.08	173.18	71.23
Mean . . .	49.73	118.80	13.74	12.49	10.06	7.99	46.14	46.14	11.50	9.63	6.66	6.96	192.40	173.69	71.35
<b>June</b>															
Highest . . .	49.95	119.00	13.80	12.51	10.06	8.03	46.43	46.43	11.63	9.67	6.68	6.99	193.58	174.50	71.60
Lowest . . .	49.80	118.72	13.75	12.45	10.01	7.98	46.22	46.22	11.56	9.64	6.66	6.97	192.73	173.80	71.40
Mean . . .	49.86	118.91	13.77	12.48	10.03	8.00	46.30	46.30	11.59	9.65	6.67	6.98	193.06	174.17	71.50
<b>July</b>															
Highest . . .	50.03	119.62	13.82	12.50	10.06	8.04	46.59	46.59	11.64	9.68	6.67	7.00	193.88	174.80	71.80
Lowest . . .	49.89	119.02	13.77	12.43	10.03	8.01	46.42	46.42	11.60	9.65	6.64	6.98	193.33	174.40	71.58
Mean . . .	49.96	119.40	13.80	12.47	10.05	8.03	46.52	46.52	11.63	9.67	6.66	7.00	193.60	174.57	71.70
<b>August</b>															
Highest . . .	50.19	119.80	13.83	12.64	10.09	8.07	46.80	46.80	11.67	9.72	6.68	7.03	194.45	175.00	72.04
Lowest . . .	49.96	119.53	13.78	12.43	10.04	8.04	46.56	46.56	11.59	9.67	6.64	6.99	193.35	174.48	71.72
Mean . . .	50.04	119.67	13.80	12.47	10.06	8.05	46.65	46.65	11.62	9.69	6.66	7.01	193.79	174.70	71.86
<b>September</b>															
Highest . . .	50.32	120.26	13.85	12.66	10.12	8.09	46.92	46.92	11.71	9.75	6.71	7.05	194.90	175.65	72.28
Lowest . . .	50.09	119.55	13.77	12.60	10.07	8.05	46.65	46.94	11.65	9.70	6.67	7.01	193.70	174.65	71.87
Mean . . .	50.21	119.89	13.81	12.64	10.10	8.07	46.80	46.79	11.68	9.73	6.69	7.03	194.28	175.21	72.08
<b>October</b>															
Highest . . .	50.36	120.42	13.87	12.66	10.13	8.10	46.95	46.95	11.72	9.75	6.71	7.05	194.98	175.88	72.29
Lowest . . .	50.29	120.14	13.82	12.63	10.11	8.07	46.87	46.87	11.69	9.72	6.69	7.04	194.25	175.25	72.15
Mean . . .	50.33	120.30	13.84	12.64	10.12	8.08	46.92	46.92	11.71	9.73	6.71	7.05	194.79	175.60	72.23
<b>November</b>															
Highest . . .	50.31	120.23	13.96	12.64	10.13	8.08	46.95	46.95	11.71	9.73	6.70	7.06	194.50	175.70	72.19
Lowest . . .	50.07	119.38	13.77	12.56	10.06	8.03	46.63	46.62	11.64	9.67	6.66	7.01	193.50	174.75	71.84
Mean . . .	50.15	119.68	13.82	12.61	10.09	8.04	46.74	46.74	11.66	9.69	6.68	7.02	193.88	175.16	71.96
<b>December</b>															
Highest . . .	50.26	119.90	13.95	12.60	10.16	8.06	46.84	46.85	11.70	9.71	6.71	7.04	194.65	176.10	72.09
Lowest . . .	50.03	119.29	13.86	12.51	10.11	8.02	46.64	46.64	11.64	9.67	6.68	7.01	193.63	174.80	71.76
Mean . . .	50.15	119.60	13.90	12.56	10.13	8.04	46.74	46.74	11.67	9.69	6.69	7.02	194.16	175.56	71.93
<b>Year</b>															
Highest . . .	50.36	120.42	13.96	12.66	10.16	8.10	46.95	46.95	11.72	9.75	6.71	7.06	194.98	176.10	72.29
Lowest . . .	49.63	118.60	13.71	12.39	10.00	7.94	45.55	45.55	11.41	9.60	6.64	6.95	190.00	173.00	70.80
Mean . . .	49.93	119.52	13.80	12.51	10.08	8.01	46.34	46.34	11.57	9.66	6.67	6.99	193.19	174.41	71.65

Table 4.

## National Debt

(Billions of francs)

At end of	Direct debt						Indirect debt (2)	Total debt, excluding debt taken over from the Congo (3)	Debt taken over from the Congo (4)	Total debt, including debt taken over from the Congo (3)
	in Belgian francs				in foreign currencies (1)	Total				
	Consolidated	Medium term	Short term	Total						
1962 .....	251.6	20.9	86.1	358.6	37.1	395.7	27.5	423.2	...	...
1963 .....	261.6	13.7	94.9	370.2	46.5	416.7	29.3	446.0	...	...
1964 .....	276.9	6.3	97.4	380.6	48.2	428.8	33.3	462.1	...	...
1965 .....	293.6	6.8	104.9	405.3	45.4	450.7	33.9	484.6	4.4	489.0
1966 .....	305.6	7.8	109.3	422.7	49.8	472.5	31.0	503.5	3.9	507.4
1967 October .....	319.1	8.0	105.2	432.3	55.8	488.1	34.9	523.0	3.5	526.5
December ...	317.1	8.5	103.7	429.3	55.4	484.7	40.7	525.4	3.5	528.9
1968 October .....	337.5	9.7	109.6	456.8	55.0	511.8	39.8	551.6	3.1	554.7
December ...	335.0	9.1	120.6	464.7	55.0	519.7	47.6	567.3	3.0	570.3

Source : Treasury and Public Debt Administration.

(1) Not including the inter-governmental debts resulting from the 1914-1918 war. The figures in this column represent only a fraction of the foreign debt, which also includes the indirect debt in foreign currencies, the debt taken over from the Congo and the Belgian franc liabilities on which the Government is a debtor to foreign countries either directly or through the intermediary of Belgian institutions. Changes in the Government's total recourse to foreign countries are shown in item 3 of Table 6, on page 63, and in item 2 of Table 11 on page 73.

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

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

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

Table 4bis.

**Changes in the National Debt,  
and Meeting of the Government's Net Financial Requirements**

(Billions of francs)

	1963	1964	1965	1966	1967	1967	1968
						(First 10 months)	
1. Changes in the public debt :							
a) Direct and indirect debt (1)	+22.8	+16.1	+22.5	+18.9	+21.9	+19.5	+26.2
b) Debt taken over from the Congo (2) .....	- 1.2	- 1.2	- 2.1	- 0.5	- 0.4	- 0.4	- 0.4
Total ...	+21.6	+14.9	+20.4	+18.4	+21.5	+19.1	+25.8
2. To be eliminated :							
a) Accounting movements :							
Treasury Certificates held by the International Monetary Fund (3) .....	- 0.3	- 1.7	- 3.5	+ 1.3	+ 0.5	...	- 3.5
Treasury Certificates taken by the N.B.B. to finance loans to the International Monetary Fund pursuant to the General Arrangements to Borrow (4) ...	...	+ 1.5	+ 1.9	...	- 1.5	- 1.5	+ 3.6
N.B.B.'s credit balance at the P.C.O. for account of the Minister of National Education (5) .....	- 0.4	+ 0.1	- 0.1	...	+ 0.3	- 0.1	- 0.5
b) Duplications :							
Treasury Certificates subscribed with the proceeds of indirect borrowing .....	- 1.0	...	...	...	...	...	...
Total to be eliminated ...	- 1.7	- 0.1	- 1.7	+ 1.3	- 0.7	- 1.6	- 0.4
3. Changes in the public debt which gave rise to payments or receipts for the Treasury (3 = 1 - 2) .....	+23.3	+15.0	+22.1	+17.1	+22.2	+20.7	+26.2
4. Changes in bills accepted by the Road Fund (6) .....	—	—	—	—	+ 0.8	—	+ 1.1
5. Total corresponding to meeting of the Government's net financial requirements (5 = 3 + 4)	+23.3	+15.0	+22.1	+17.1	+23.0	+20.7	+27.3

(1) According to Table 4.

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

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

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

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

(<sup>6</sup>) Changes of the Road Fund's indebtedness in the form of bills accepted by it in settlement for work done and approved (Royal Decree No. 41 of 29th September, 1967).

Table 5.

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

*(Changes in billions of francs)*

	Bank acceptances	Commercial bills	Advances	Total
1963 .....	+ 0.1	+ 9.6	+ 6.7	+ 16.4
1964 .....	+ 1.0	+ 4.6	+ 5.4	+ 11.0
1965 .....	+ 2.3	+ 6.7	+ 7.0	+ 16.0
1966 .....	+ 1.2	+10.3	+ 8.5	+ 20.0
1967 .....	- 1.1	+12.7	+14.4	+ 26.0
1967 First 10 months .....	- 3.2	+ 5.4	+13.7	+ 15.9
1968 First 10 months .....	- 1.4	+ 2.4	+13.9	+ 14.9

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

Table 6.

Notes and Coin (\*)

(Billions of francs)

At end of	Notes issued by the National Bank of Belgium	Notes and coin issued by the Treasury (1)	Total notes and coin (2)	Annual changes in total
1962 .....	138.5	5.8	141.7	
1963 .....	150.5	6.1	153.7	+12.0
1964 .....	160.3	6.4	163.7	+10.0
1965 .....	170.3	6.6	173.4	+ 9.7
1966 .....	175.3	6.9	178.7	+ 5.3
1967 October .....	173.3	6.5	176.0	- 2.7 (3)
December .....	177.5	6.5	180.1	+ 1.4
1968 October .....	178.9	6.5	181.5	+ 1.4 (3)
December .....	183.2	6.6	n.a.	n.a.

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

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

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

(3) Change on the first ten months.

n.a. Figures not available.

**Table 7.**

**Sight Deposits (\*)**

(Billions of francs)

At end of	Held by public authorities (1)	Held by enterprises and individuals				Grand total	Annual changes in grand total (2)
		at the National Bank of Belgium	at the Postal Cheque Office	at banks and public institutions	Total		
1962 .....	10.6	0.5	30.4	71.3	102.2	112.8	
1963 .....	12.1	0.5	32.9	78.6 <sup>(3)</sup>	112.0 <sup>(3)</sup>	124.1 <sup>(3)</sup>	+13.6
1964 .....	10.8	0.6	35.9	86.4	122.9	133.7	+ 9.6
1965 .....	11.8	0.4	37.5	95.4	133.3	145.1	+11.4
1966 .....	14.9	0.5	41.5	104.1	146.1	161.0	+15.9
1967 October .....	13.6	0.4	42.6	105.9	148.9	162.5	+ 1.7 <sup>(4)</sup>
December .....	17.4	0.5	39.0	113.5	153.0	170.4	+ 9.6
1968 October .....	18.9	0.4	44.1	114.8	159.3	178.2	+ 7.8 <sup>(4)</sup>

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

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

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

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

(4) Change on the first ten months.

Table 8.

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

Monthly averages per standard month of 25 days	Total amount of payments effected (Billions of francs)			Frequency of turnover	
	through sight deposits at banks	through balances at Postal Cheque Office	Total	of sight deposits at banks	of balances at Postal Cheque Office
1963 .....	132.5	107.1	239.6	2.23	2.85
1964 .....	154.7	121.0	275.7	2.46	3.08
1965 .....	167.8	135.8	303.6	2.48	3.30
1966 .....	191.3	149.3	340.6	2.67	3.47
1967 .....	210.3	163.9	374.2	2.72	3.71
1967 First 11 months .....	208.1	164.1	372.2	2.71	3.73
1968 First 11 months .....	232.0	173.1	405.1	2.71	3.83

(\*) See the Information Bulletin of the National Bank, Statistics, Table XIII-18.

Table 9.

**Deposits on Ordinary Deposit or Savings Books (1)**

*(Changes in billions of francs)*

	Institutions receiving deposits				Total
	Banks	General Savings and Pensions Fund	Private savings banks	Public financial credit intermediaries	
1963 .....	+ 9.4	+ 4.1	+ 3.2	+ 1.5	+ 18.2
1964 .....	+ 6.3	+ 2.4	+ 2.9	+ 0.6	+ 12.2
1965 .....	+ 6.4	+ 8.1	+ 4.1	+ 1.0	+ 19.6
1966 .....	+ 6.6	+ 6.1	+ 4.5	+ 1.4	+ 18.6
1967 .....	+10.8	+ 6.4	+ 5.3	+ 1.1	+ 23.6
1967 First 10 months .....	+ 8.8	+ 3.5	+ 3.6	+ 0.8	+ 16.7
1968 First 10 months .....	+ 9.5	+ 4.1	+ 4.8	+ 1.1	+ 19.5

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

Table 10.

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

(Changes in billions of francs)

	Issuers						Total
	Government (2)	Public financial inter- mediaries	Other public authorities and institutions	Banks	Private savings banks, mortgage and capital accumu- lation companies	Other private companies	
1963 .....	+ 3.7	+ 4.0	+ 1.7	+ 0.3	+ 0.4	+ 3.1	+13.2
1964 .....	+12.7	+ 9.4	+ 0.2	...	+ 1.3	+ 2.0	+25.6
1965 .....	+ 8.2	+ 9.3	+ 5.0	...	+ 1.9	+ 4.5	+28.9
1966 .....	+ 7.5	+ 9.2	+ 9.1	+ 0.6	+ 2.5	+ 1.5	+30.4
1967 .....	+13.1	+20.4	+ 4.4	+ 1.5	<i>p</i> + 4.6	<i>p</i> + 1.0	<i>p</i> +45.0
1967 First 10 months .	+11.5	+17.0	+ 2.5	+ 1.2	<i>p</i> + 3.7	<i>p</i> + 0.4	<i>p</i> +36.3
1968 First 10 months .	+ 4.8	+14.5	+ 7.5	+ 2.6	<i>p</i> + 4.1	<i>p</i> + 1.8	<i>p</i> +35.3

(1) Bonds, medium-term notes and savings bonds or certificates issued, less amounts held by public authorities (including administrative and social security institutions) and by financial intermediaries. The figures, however, include the holdings of certain financial intermediaries which could not be excluded in 1968, namely those of life assurance companies and of employers' liability insurance companies as well as those of pension funds.

(2) Direct and indirect debt.

*p* Provisional figures.

Table 11.

Rates for Investments Accessible to the General Public <sup>(1)</sup>

(Per cent)

At end of	Deposits on ordinary savings books at the General Savings and Pensions Fund (2)	Yield, at issue, on public financial credit intermediaries' bonds and medium-term notes		Average yield on Government loans (at more than 5 years) (3)	
		(1 year)	(5 years)	(4)	(5)
1962 .....	3.30	3.80	4.60	4.96	
1963 .....	3.30	4.50	5.80	5.32	5.98
1964 .....	3.40	4.75	6.12	5.62	6.43
1965 .....	3.50	4.75	6.12	5.66	6.45
1966 .....	3.50	5.25	6.70	5.85	6.76
1967 June .....	3.50	5.25	6.70	5.92	6.77
December .....	3.50	5.25	6.70	5.70	6.58
1968 January .....	3.50	5.25	6.70	5.68	6.60
February .....	3.50	5.25	6.70	5.54	6.51
March .....	3.50	5.00	6.50	5.48	6.51
April .....	3.50	5.00	6.50	5.46	6.47
May .....	3.50	5.00	6.50	5.50	6.44
June .....	3.50	5.00	6.50	5.41	6.52
July .....	3.50	5.00	6.50	5.45	6.45
August .....	3.50	5.00	6.50	5.49	6.58
September .....	3.50	5.00	6.50	5.66	6.58
October .....	3.50	5.00	6.50	5.64	6.59
November .....	3.50	5.00	6.50	5.56	6.63
December .....	3.50	5.00	6.50	5.58	6.65

(1) Rates before deduction of tax at source.

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

(3) Yield at the start of the following year or of the following month. Not including loans which are perpetual or are redeemable only through repurchase on the market, and not including premium bonds. See the Information Bulletin of the National Bank, Statistics, Table XIX-6.

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

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

Table 12.

## Call Money (\*)

(Billions of francs)

Daily averages	Lent by			Borrowed by				Total dealings	Funds withdrawn
	banks	the Securities Stabilisation Fund	other institutions	banks	the Securities Stabilisation Fund	the Rediscount and Guarantee Institute	other institutions		
1963 .....	1.6	0.2	1.8	1.6	0.1	1.1	0.8	3.6	...
1964 .....	1.9	...	2.7	1.3	0.5	1.7	1.1	4.6	...
1965 .....	1.8	0.7	2.5	1.4	...	2.4	1.2	5.0	0.1
1966 .....	1.9	0.3	2.6	1.2	0.8	1.7	1.1	4.8	...
1967 .....	2.0	1.1	3.3	1.7	0.3	3.4	1.0	6.4	...
1968 .....	2.1	1.6	3.0	2.4	0.1	3.1	1.1	6.7	...

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

Table 13.

## National Bank of Belgium's Discount and Advance Rates

(Per cent)

	Rates in force								
	on 31st December, 1962	on 31st December, 1963	on 31st December, 1964	on 31st December, 1965	on 31st December, 1966	on 31st December, 1967 (1)	from 7th March to 18th December, 1968	since 19th December, 1968	
<i>Discount</i>									
Bills accepted payable at a bank, warrants Acceptances previously certified by the National Bank of Belgium :	3.50	4.25	4.75	4.75	5.25	4.00	3.75	4.50	
Imports .....	3.50	4.25	4.75	4.75	5.25	4.00	3.75	4.50	
Exports .....	2.75	3.75	4.25	4.25	4.75	3.50	3.25	4.00 <sup>(2)</sup>	
Bills accepted but not payable at a bank	4.00	5.00	5.25	5.25	5.75	4.75	4.50	5.25	
Bills not accepted payable at a bank .....	4.50	5.75	5.75	5.75	6.25	5.25	5.00	5.75	
Bills not accepted and not payable at a bank, promissory notes .....	5.00	6.25	6.25	6.25	6.75	5.75	5.50	6.25	
<i>Advances in current account and loans against</i> Maximum proportion									
Treasury Certificates and Securities Stabilisation Fund Certificates issued at up to 130 days .....	95 p.c.	3.50	4.50	5.25	5.25	6.00	5.00	4.75	5.50
Treasury Certificates issued at over 130 days and up to 366 days <sup>(3)</sup> .....	95 p.c.	4.00	5.25	5.75	5.75	6.25	5.25	5.00	5.75
Other public securities .....	80 p.c.	5.00	6.25	6.50	6.50	7.00	5.75	5.50	6.25

(1) Rates in force until 6th March, 1968.

(2) This rate was raised to 4.50 p.c. with effect from 1st January, 1969 for exports to European Economic Community countries.

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

Table 14.

## Money Market Rates (\*)

(Per cent)

	Call money (1)	Treasury Certificates at very short term (3 months) (2)	Certifi- cates of the Securities Stabil- ization Fund (4 months) (3)	Treasury Certificates issued by tender (4)		R.G.I. : certified bank accept- ances represent- ing imports (120 days or less) (2)	Uncertified acceptances negotiated on the market outside the National Bank (2)	
				(9 months)	(12 months)		commer- cial (at about 30 days)	bank (at about 90 days)
1962 .....	2.14	3.00	3.30	3.40	3.45	2.75	3.37	3.75
1963 .....	2.31	4.10	4.35	4.60	4.75	4.125	4.25	5.00
1964 .....	3.35	4.75	5.25	5.55	5.65	4.50	4.50	5.50
1965 .....	3.17	4.75	5.15	5.45	5.50	4.50	4.50	5.25
1966 .....	3.88	5.85	6.15	6.10	6.25	5.20	5.15	6.60
1967 June .....	3.53 <sup>(5)</sup>	5.45	5.75	5.85	5.90	4.40	4.40	5.60
December .....	2.88 <sup>(6)</sup>	4.40	4.90	5.10	5.15	3.60	3.90	5.10
1968 January .....	2.57	4.35	4.75	5.10	5.10	3.50	3.50	4.30
February .....	2.63	4.10	4.50	5.00	5.00	3.50	3.50	4.30
March .....	2.45	3.95	4.40	4.90	4.90	3.25	3.25	4.10
April .....	2.73	3.75	4.20	4.75	4.80	3.25	3.15	3.80
May .....	2.78	3.75	4.25	4.75	4.75	3.35	3.25	4.00
June .....	2.64	3.75	4.25	4.75	...	3.35	3.35	4.40
July .....	3.22	3.75	4.25	4.75	4.75	3.35	3.60	4.60
August .....	2.79	3.75	4.25	...	...	3.25	3.40	4.25
September .....	2.80	3.80	4.35	...	4.75	3.25	3.40	4.25
October .....	3.04	4.10	4.50	4.90	4.90	3.25	3.50	4.60
November .....	3.23	4.50	4.80	5.10	5.10	3.35	3.50	5.00
December .....	3.36	5.00	5.25	5.30	5.30	4.00	4.30	6.50

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

(1) Daily averages.

(2) End of period.

(3) Last weekly tender in the period.

(4) Last tender in the year or tender in the month.

(5) First half-year.

(6) Second half-year.



**Convention of 30th March, 1968**  
**between the Belgian Government and the National Bank of Belgium**  
**approved by the Council of Ministers**

*(Moniteur Belge of 4th April, 1968)*

In view of the Law dated 28th July, 1948, amending the National Bank of Belgium's Organic Law, and especially of Article 1, section 3, paragraph *a* in the said Law, which provides that « until further provision is made the amount of the portfolio held by the Bank in consequence of operations effected according to Article 11, 3° and 9°, must not exceed a limit which will be fixed by Conventions between the Minister of Finance and the National Bank after concordant advice by the Council of Regency », and that « these Conventions will be approved by the Council of Ministers and published within one week in the *Moniteur Belge* »;

In view of the Special Protocol concluded between Belgium and the Grand Duchy of Luxemburg on 29th January, 1963 regarding the arrangements for monetary association, and the ratio between the respective populations of the two countries;

Whereas since 1948 the Belgian Government's cash requirements, caused by the differences in the course of the year between its receipts and its expenditure, have increased in the proportion of one to three as compared with the percentage increase of its ordinary receipts;

Whereas it is consequently justifiable to raise from ten billion three hundred and thirty-three million francs to sixteen billion five hundred and thirty-three million francs the limit fixed by the Conventions concluded between the Belgian Government and the National Bank of Belgium on 14th September, 1948 (*Moniteur Belge* of 18th September, 1948) and on 15th April, 1952 (*Moniteur Belge* of 20th April, 1952);

Whereas it is desirable periodically to subject the agreed limit to re-examination and, if necessary, to adjust it with due regard, *inter alia*, on the one hand, for the increase of the Belgian Government's ordinary receipts, and on the other hand, for the said one to three ratio, and whereas this periodical re-examination could be triennial;

Whereas moreover the joint concern of the parties is not to confer on the operations in question the character of a permanent borrowing facility, and the intention expressed by the Belgian Government is to give to use of its option for recourse to the National Bank the normal mobility of a cash facility used to cover cash deficits in the course of the year;

After review of the Conventions concluded between the Belgian Government and the National Bank of Belgium on 14th September, 1948, 15th April, 1952, 1st February, 1963 and 1st December, 1964;

On concordant advice given by the Council of Regency at its session on 27th March, 1968,

Between the Belgian Government,  
represented by the Minister of Finance, of the one part,

and the National Bank of Belgium,  
represented by its Governor, of the other part,

The following has been agreed.

*Article 1.* — In Article 1 of the Convention dated 14th September, 1948, amended by the Convention of 15th April, 1952 and completed by that of 1st February, 1963, the amount of « ten billion three hundred and thirty-three million francs » shall be replaced by that of « sixteen billion five hundred and thirty-three million francs ».

This same Article shall be completed by the following three paragraphs :

« The Belgian Government intends to impart, to utilisation of its option for recourse to the National Bank, as mentioned in the first paragraph, the normal mobility of a cash facility used to cover cash deficits in the course of the year. Such utilisation shall not on the average exceed, on a three-year period, two-thirds of the said limit.

» The amount of sixteen billion five hundred and thirty-three million francs will be re-examined every three years, for the first time in 1971; it will be adjusted, if necessary, by additional Conventions.

» In case of such adjustment the said amount shall be increased by a percentage which must not exceed one-third of the percentage increase, between 1967 and the last year of the elapsed triennial period, of the ordinary receipts which the Belgian Government obtains per calendar year. »

*Art. 2.* — This Convention shall come into force on 1st September, 1968.

Done in duplicate at Brussels on 30th March, 1968.

For the Belgian Government,  
The Minister of Finance,  
R. HENRION

For the National Bank of Belgium,  
The Governor,  
H. ANSIAUX

\*  
\*\*

**Convention of 12 April, 1968**  
**between the Luxemburg Government and the National Bank of Belgium**

In view of the undertakings assumed by Belgium towards the Grand Duchy of Luxemburg pursuant to the Special Protocol of Monetary Association dated 29th January, 1963, according to which it is desirable to give the Luxemburg Government and economy access to any credits which may be granted by the National Bank of Belgium;

In view of the Convention concluded on 30th March, 1968 between the Belgian Government and the National Bank of Belgium, raising from ten billion three hundred and thirty-three million francs to sixteen billion five hundred and thirty-three million francs the limit on the portfolio which can be held by the Bank in consequence of operations effected according to Article 11, 3° and 9°, of its Organic Law;

After review of the Convention dated 15th April, 1952 between the Luxemburg Government and the National Bank of Belgium,

Between the LUXEMBURG GOVERNMENT,  
represented by the Minister of the Treasury, of the one part,

and the NATIONAL BANK OF BELGIUM,  
represented by its Governor, of the other part,

The following has been agreed :

*Article 1.* — Article 1 of the said Convention concluded on 15th April, 1952 between the Luxemburg Government and the National Bank of Belgium is abrogated and replaced by the following provision :

« The National Bank of Belgium shall place at the Luxemburg Government's disposal a credit line amounting to five hundred and thirty-three million Belgian francs for the operations in Luxemburg securities mentioned in Article 11, 3°, of its Organic Law.

» In case of any increase in the limit of sixteen billion five hundred and thirty-three million francs fixed by Convention concluded on 30th March, 1968 between the Belgian Government and the National Bank of Belgium the credit line mentioned in the previous paragraph may by a parallel rise be increased, through additional Conventions, in the ratio between the respective populations of the two countries ».

*Art. 2.* — This Convention shall come into force on 1st September, 1968.

Done in duplicate at Luxemburg on 12th April, 1968.

For the Luxemburg Government,  
The Minister of the Treasury,  
P. WERNER

For the National Bank of Belgium,  
The Governor,  
H. ANSIAUX



**Royal Decree of 8th March, 1968, approving Amendments made in the Statutes  
of the National Bank of Belgium**

*(Moniteur belge of 21st March, 1968)*

BAUDOUIN, King of the Belgians,

To all, present and to come, Greetings.

In view of Royal Decree n° 42 of 4th October, 1967, issued pursuant to the Law of 31st March, 1967 assigning certain powers to the King with a view to promoting economic activity, to quickening regional reconversion and to stabilising budgetary equilibrium;

In view of Article 92 in the National Bank of Belgium's Statutes, approved by the Regent's Decree of 13th September, 1948;

In view of the execution on 26th February, 1968 before the Brussels Notary M° A. Scheyven of a publicly authenticated deed, making, in the Statutes of the joint stock company named « National Bank of Belgium », certain amendments which were adopted by the duly constituted General Meeting of Shareholders;

After review of the Regent's Decree dated 13th September, 1948, and of the Royal Decree dated 1st October, 1957 and 29th July, 1959;

On our Finance Minister's proposal,

We have decreed and do decree the following :

*Article 1.* — The following amendments made in the Statutes of the National Bank of Belgium by the aforesaid deed dated 26th February, 1968 are approved;

1° The text of Article 1 shall be replaced by the following text :

« The National Bank of Belgium, constituted in the form of a joint stock company formed pursuant to the Law of 5th May, 1850, its duration having been last extended in accordance with the Law of 19th June, 1959, shall henceforth be governed by the provisions of Royal Decree n° 29 dated 24th August, 1939, issued pursuant to the Law of 1st May, 1939, which provisions were last amended by Royal Decree n° 42 of 4th October, 1967, issued pursuant to the Law of 31st March, 1967, and by the present Statutes.

» It shall have its registered office at Brussels. »

2° Items 3° and 8° in Article 17 shall be replaced by the following provisions :

« 3° To discount, purchase and assign short or medium-term securities issued or guaranteed by the Belgian Government or by the Luxemburg Government, or issued by institutions the liabilities of which are guaranteed by the Belgian Government or by the Luxemburg Government;

» 8° To grant advances in current account and short-term loans against pledge :

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

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

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

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

3° The third paragraph of Article 43 shall be replaced by the following provision :

« There may also be at the Head Office a Discount Committee, the composition and functions of which are determined by these Statutes and by the internal rules. »

4° Amendments to the Dutch text of the Statutes :

a) In the second paragraph of Article 33 the word « verkopen » shall be replaced by the word « tegeldemakingen ».

b) The text of the penultimate paragraph in Article 63 shall be replaced by the following text :

« Het heeft het recht dadingen en compromis aan te gaan. »

In het last paragraph of the same Article the word « rentetarieven » shall be replaced by the word « tarieven ».

c) In the third paragraph of Article 64 the word « rentetarief » shall be replaced by the word « tarief ».

d) In the last paragraph of Article 67 the word « boeken » shall be replaced by the word « geschriften ».

In the last paragraph of the same Article, after the word « waarbij », the words « het tarief of » shall be inserted.

e) In the first paragraph of Article 72 the phrase « Hij kan overdracht doen van macht » shall be replaced by the phrase « Hij mag delegatie verlenen ».

In the second paragraph of the same Article the words « privilegiën en ontbindende vorderingen » shall be replaced by the words « voorrechten en vorderingen tot ontbinding ».

f) In the first paragraph of Article 77 the word « boeken » shall be replaced by the word « geschriften ».

*Article 2.* — Our Minister of Finance is charged with the execution of this Decree, which shall come into force on the date of its publication in the *Moniteur Belge*.

Given at Brussels on 8th March, 1968.

BAUDOUIN

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



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

Agricultural Fund	Fonds Agricole
Agricultural Investment Fund	Fonds d'investissement agricole
Antwerp Port Administration	Administration du Port d'Anvers
Asian Development Bank	Banque Asiatique de Développement
Autonomous Funds	Fonds autonomes
Autonomous War Damage Fund	Caisse Autonome des Dommages de Guerre
Bank for International Settlements	Banque des Règlements Internationaux
Bank of Issue	Banque d'Emission
Bank of the Belgian Congo	Banque du Congo Belge
Banking Commission	Commission Bancaire
Belgian Air Navigation Company (Sabena)	Société Anonyme Belge d'Exploitation de la Navigation Aérienne (Sabena)
Belgian Aluminium Syndicate	Syndicat Belge de l'Aluminium
Belgian Bankers' Association	Association Belge des Banques
Belgian Coal Mines Re-equipment Fund	Fonds de Rééquipement des Charbonnages Belges
Belgian-Congolese Amortisation and Management Fund	Fonds Belgo-Congolais d'Amortissement et de Gestion
Belgian-Luxemburg Economic Union (B.L.E.U.)	Union Economique Belgo-Luxembourgeoise (U.E.B.L.)
Belgian-Luxemburg Foreign Exchange Institute	Institut Belgo-Luxembourgeois du Change
Belgian Municipal Credit Institution	Crédit Communal de Belgique
Belgian National Railways Company (B.N.R.C.)	Société Nationale des Chemins de fer belges (S.N.C.F.B. ou S.N.C.B.)
Belgian Office for Increasing Productivity	Office Belge pour l'Accroissement de la Productivité
Benelux Economic Union	Union Economique Benelux
Board of Management (of E.M.A.)	Comité directeur (de l'A.M.E.)
Brussels Entente	Entente de Bruxelles
Brussels Municipal Water Company	Compagnie Intercommunale Bruxelloise des Eaux
Brussels Universal and International Exhibition	Exposition Universelle et Internationale de Bruxelles
Centenary Fund	Fonds du Centenaire
Central Bank of the Belgian Congo and Ruanda-Urundi	Banque Centrale du Congo Belge et du Ruanda-Urundi
Central Council of the Economy	Conseil Central de l'Economie
Central Office for Mortgage Credit	Office Central de Crédit Hypothécaire
Central Office for Small Savings	Office Central de la Petite Epargne
Chamber of Representatives	Chambre des Représentants
Clearing House (at Brussels)	Chambre de Compensation (à Bruxelles)
Code of taxes payable by stamp or in similar ways	Code des taxes assimilées au timbre

Commercial Food Supply Office	Office Commercial du Ravitaillement (O.C.R.A.)
Commission of the European Communities	Commission des Communautés Européennes
Committee for the Study and Promotion of Exports of Small and Medium-sized Enterprises	Commission d'études pour la promotion des exportations de petites et moyennes entreprises
Committee of Central Bank Governors (of E.E.C.)	Comité des Gouverneurs des banques centrales (de la C.E.E.)
Committee of Control for Electricity	Comité de Contrôle de l'Electricité
Committee of Management for Electricity	Comité de Gestion de l'Electricité
Committee of the Brussels Stock Exchange	Commission de la Bourse de Bruxelles
Committee on Budgetary Policy (of E.E.C.)	Comité de politique budgétaire (de la C.E.E.)
Committee on Medium-term Economic Policy (of E.E.C.)	Comité de politique économique à moyen terme (de la C.E.E.)
Consultative Committee for Coordinating Medium-Term Export Financing, known as « Cofinex »	Comité Consultatif de Coordination du Financement à Moyen Terme des Exportations (Cofinex)
Consultative Council for External Trade	Conseil Consultatif pour le Commerce Extérieur
Council of Ministers (of E.E.C.)	Conseil de Ministres (de la C.E.E.)
Council of Public Credit Institutions	Conseil des Institutions Publiques de Crédit
Council of Regency	Conseil de Régence
Council of State	Conseil d'Etat
Council of the European Communities	Conseil des Communautés Européennes
Court of Justice	Cour de Justice
Currency Reform Loan	Emprunt de l'Assainissement monétaire
Cyclical Policy Committee (of E.E.C.)	Comité de politique conjoncturelle (de la C.E.E.)
Department of Applied Economics at the Free University of Brussels	Département d'Economie appliquée de l'Université Libre de Bruxelles
Deposit and Consignment Office	Caisse des Dépôts et Consignations
Development Company of the Congo	Société de Développement du Congo
Direct Taxes Department	Administration des Contributions directes
Directing Committee (of N.B.B.)	Comité de direction (de la B.N.B.)
Directorate General of Mines	Direction Générale des Mines
Directorate of the Coal Industry	Directoire de l'Industrie charbonnière
Discount Agency	Comptoir d'Escompte
Discount Committee	Comité d'Escompte
Economic and Social Committee	Comité Economique et Social
Economic Commission (of E.E.C.)	Commission Economique (de la C.E.E.)
Economic Programming Office	Bureau de Programmation Economique
Economic Research Centre (at Louvain)	Centre de Recherches Economiques (de Louvain)
Economic, Social and Political Research Institute (of Louvain University) (E.S.P.R.I.)	Institut de Recherches Economiques, Sociales et Politiques (de l'Université de Louvain) (I.R.E.S.P.)
European Agricultural Direction and Guarantee Fund (of E.E.C.)	Fonds Européen d'Orientation et de Garantie Agricole (de la C.E.E.)

European Agricultural Markets Organisation	Organisation Européenne des Marchés Agricoles
European Atomic Energy Community (Euratom)	Communauté Européenne de l'Energie Atomique (Euratom)
European Coal and Steel Community (E.C.S.C.)	Communauté Européenne de Charbon et de l'Acier (C.E.C.A.)
European Development Fund (of E.E.C.) (formerly Fund for the Development of Overseas Countries and Territories)	Fonds Européen de Développement (de la C.E.E.) (précédemment Fonds de Développement pour les Pays et Territoires d'Outre-mer)
European Economic Community (E.E.C.)	Communauté Economique Européenne (C.E.E.)
European Fund	Fonds Européen = Fonds de l'A.M.E.
European Investment Bank	Banque Européenne d'Investissement
European Monetary Agreement (E.M.A.)	Accord Monétaire Européen (A.M.E.)
European Nuclear Energy Agency	Agence Européenne pour l'Energie Nucléaire
European Parliamentary Assembly	Assemblée Parlementaire Européenne
European Payments Union (E.P.U.)	Union Européenne de Paiements (U.E.P.)
European Social Fund (of E.E.C.)	Fonds social européen (de la C.E.E.)
Excise Department (Ministry of Finance)	Service des Accises (Ministère des Finances)
External Trade Fund	Fonds du Commerce Extérieur
Federation of Belgian Industries	Fédération des Industries Belges
Federation of Enterprises in the Metal Manufacturing Industries	Fédération des entreprises de l'industrie des fabrications métalliques
Franco-Belgian Nuclear Energy Company of the Ardennes	Société Franco-Belge d'Energie Nucléaire des Ardennes
General Agreement on Tariffs and Trade (G.A.T.T.)	Accord Général sur les Tarifs douaniers et le Commerce (G.A.T.T.)
General Arrangements to Borrow (I.M.F.)	Accords Généraux d'Emprunt (F.M.I.)
General Budget Statement	Exposé Général du Budget
General Savings and Pensions Fund (G.S.P.F.)	Caisse Générale d'Epargne et de Retraite (C.G.E.R.)
General Statistical Bulletin of the Statistical Office of the European Communities	Bulletin général de Statistiques de l'Office statistique des Communautés européennes
High Authority (of E.C.S.C.)	Haute Autorité (de la C.E.C.A.)
Housing Fund of the Large Families' League	Fonds du Logement de la Ligue des Familles Nombreuses
Housing Institute	Institut du Logement
Information Bulletin of the Ministry of Finance	Bulletin de Documentation du Ministère des Finances
Information Bulletin of the National Bank of Belgium	Bulletin d'Information et de Documentation de la Banque Nationale de Belgique
Inland Water Transport Regulating Office	Office Régulateur de la Navigation Intérieure

International Bank for Reconstruction and Development (I.B.R.D.)	Banque Internationale pour la Reconstruction et le Développement (B.I.R.D.)
International Development Association	Association Internationale de Développement
International Finance Corporation	Société Financière Internationale
International Forestry and Mining Company of the Congo	Société Internationale Forestière et Minière du Congo
International Lead and Zinc Study Group	Groupe d'Etudes International du Plomb et du Zinc
International Materials Conference	Conférence Internationale des Matières Premières
International Monetary Fund (I.M.F.)	Fonds Monétaire International (F.M.I.)
International Sugar Agreement	Accord International du Sucre
International Sugar Conference	Conférence Internationale des Sucres
International Tin Council	Conseil International de l'Etain
International Wheat Agreement	Accord International du Blé
Joint Committee of Banks and Bank Employees	Commission paritaire des banques
Katanga-Dilolo-Leopoldville Railway Company (K.D.L.)	Compagnie des Chemins de Fer Katanga-Dilolo-Léopoldville (K.D.L.)
Katanga Railway Company	Compagnie du Chemin de Fer du Katanga
Leopoldville-Katanga-Dilolo Railway Company (LEOKADI)	Société des Chemins de Fer Léopoldville-Katanga-Dilolo (LEOKADI)
London Metal Exchange	Bourses des Métaux de Londres
Minister of National Education	Ministre de l'Education Nationale
Ministry for Economic Affairs	Ministère des Affaires Economiques
Ministry of Agriculture	Ministère de l'Agriculture
Ministry of Employment and Labour	Ministère de l'Emploi et du Travail
Ministry of Finance	Ministère des Finances
Ministry of National Defence	Ministère de la Défense Nationale
Monetary Committee (of E.E.C.)	Comité Monétaire (de la C.E.E.)
Monetary Fund	Fonds Monétaire
National Coal Mines Council	Conseil National des Charbonnages
National Committee for Economic Expansion	Comité National de l'Expansion Economique
National Del Credere Office	Office National du Ducroire
National Employment Office (formerly National Employment and Unemployment Office)	Office National de l'Emploi (précédemment Office National du Placement et du Chômage)
National Foundation for Financing Scientific Research	Fondation Nationale pour le Financement de la Recherche Scientifique
National Fund for Credit to Trade and Industry	Caisse Nationale de Crédit Professionnel
National Housing Company (formerly National Cheap Dwellings Company)	Société Nationale du Logement (précédemment Société Nationale des Habitations et Logements à Bon Marché)
National Industrial Credit Company (N.I.C.C.)	Société Nationale de Crédit à l'Industrie (S.N.C.I.)
National Institute for Agricultural Credit	Institut National de Crédit Agricole

National Investment Company	Société Nationale d'Investissement
National Labour Council	Conseil National du Travail
National Mixed Mines Commission	Commission Nationale Mixte des Mines
National Sickness and Disablement Insurance Institute	Institut National d'Assurance Maladie-Invalidité
National Smallholders' Company	Société Nationale de la Petite Propriété Terrienne
National Social Insurance Office	Office National de Sécurité Sociale
National Statistical Institute (N.S.I.)	Institut National de Statistique (I.N.S.)
National Water Distribution Company	Société Nationale des Distributions d'Eau
North Atlantic Treaty Organisation (N.A.T.O.)	Organisation du Traité de l'Atlantique-Nord (O.T.A.N.)
Nuclear Energy Research Centre	Centre d'Etudes de l'Energie Nucléaire
Organisation for Economic Cooperation and Development (O.E.C.D.) [formerly Organisation for European Economic Cooperation (O.E.E.C.)]	Organisation de Coopération et de Développement Economiques (O.C.D.E.) [précédemment Organisation Européenne de Coopération Economique (O.E.C.E.)]
Permanent Budget Equalisation Fund	Fonds Permanent d'Egalisation des Budgets
Postal Cheque Account (P.C.A.)	Compte de Chèques Postaux (C.C.P.)
Postal Cheque Office (P.C.O.)	Office des Chèques Postaux (O.C.P.)
Public Debt Sinking Fund	Fonds d'Amortissement de la Dette Publique
Rediscount and Guarantee Institute (R.G.I.)	Institut de Réescompte et de Garantie (I.R.G.)
Research Department (of the National Bank of Belgium)	Département des Etudes (de la Banque Nationale de Belgique)
Road Fund	Fonds des Routes
Royal Society for Political Economy	Société Royale d'Economie Politique
Sabena (see Belgian Air Navigation Company)	Sabena (cf. Société Anonyme Belge d'Exploitation de la Navigation Aérienne)
Savings Bank of the Grand Duchy of Luxemburg	Caisse d'Epargne du Grand-Duché de Luxemburg
Savings Bank Section of the General Savings and Pensions Fund	Caisse d'Epargne de la Caisse Générale d'Epargne et de Retraite
Securities Stabilisation Fund	Fonds des Rentes
Social Programming Agreement	Accord de programmation sociale
Special Agricultural Committee (of E.E.C.)	Comité Spécial Agricole (de la C.E.E.)
Special Council of Ministers (of E.C.S.C.)	Comité Spécial des Ministres (de la C.E.C.A.)
Staff Pension Fund	Caisse de Pensions du Personnel
Statistical Office of the European Communities	Office statistique des Communautés européennes
Superior Finance Council	Conseil Supérieur des Finances
Telegraphs and Telephones Board	Régie des Télégraphes et des Téléphones
Textile Industry Federation	Fédération de l'Industrie Textile
Treasury and Public Debt Administration	Administration de la Trésorerie et de la Dette Publique
Union of Non-Ferrous Metal Industries	Union des Industries des Métaux Non Ferreux
United Nations (Organisation of the)	Organisation des Nations Unies
Veterans' Endowment	Dotation des Combattants



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