

MONTHLY REPORT
OF THE
BANK DEUTSCHER LÄNDER

DECEMBER, 1949

Translated from the German by Patria Translation Bureau,
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Economic Situation in the Area of the German Federal Republic in November and December 1949¹⁾

Money and Credit

1. Creation of Credit, Movements of Money, and Liquidity of Banks

The expansion of credit by the commercial banks, which in October and November reached extraordinary proportions, seems at first sight to have taken place to a much smaller extent in December. At the banks which render weekly returns the volume of short-term credits increased between 30th November and 31st December by a net amount of only DM 89 million, whereas it increased in November by DM 258 million and in October by DM 344 million. Thus the rate of increase, if measured on a purely statistical basis, seems to have declined to about the same level as that at which it stood in the first quarter of 1949. This was a period when certain measures of credit control were being applied and prices were falling, as the result of which credit was being expanded comparatively slowly.

Credits to business and private customers, if considered apart from other types of credit, show a movement which appears even more surprising. These, at the 112 banks rendering weekly returns, rose in December by a net amount of only DM 10 million, whereas in November they rose by DM 162 million and in October by no less than DM 316 million. The fact that the total figures showed an increase a good deal greater than this was solely due to the fact that at the end of December the Government in one of the Lands took up an exceptionally large credit.

However, it would give a false impression to measure the expansion of credit simply by calculating the difference between the amount of credits granted and the amount of those repaid. This would take no account of certain movements of money which are important for forming an estimate of what really took place. As shown in the last Report, the movement of credits during the last few months was affected by a number of special factors. One of the most

¹⁾ Gone to press on 15th January, 1950.

Note: In all tables of this report, the figures are printed according to German usage, i. e., with a comma for the decimal point (e. g., 1 113,2 for 1,113.2).

important of these was the so-called Cash Deposits, that is, the requirement that persons seeking import permits must deposit the full amount at the Land Central Banks. These Cash Deposits reached their maximum of over DM 1 milliard on 23rd November, 1949. To a large extent they were only made possible by the banks' granting credits. They accordingly caused a great inflation of the volume of credit outstanding. It was found, however, that this system was not effective in discouraging the lodging of exaggerated requests for import permits. Accordingly, from the beginning of December no further Cash Deposits were required with applications for foreign exchange. Thereupon, after the applications for foreign exchange had, as expected, been sharply cut down, the greater part of the DM 213 million of Cash Deposits still remaining at the beginning of December became free again. At the close of the year there still remained a total of DM 22 million of these Cash Deposits. There can be little doubt that a very large part of the released Cash Deposits was used to repay the credits which rendered their formation possible. At all events the banks in Hamburg rendering weekly returns, which account for about three-quarters of the total credits granted by all Hamburg banks, showed during December a marked decline in their credits outstanding. This was after these same banks had shown in the previous month the largest of the increases in credits. On the other hand in the Land of North Rhine-Westphalia, where the Cash Deposits were always relatively unimportant compared with those in, say, Hamburg, or in Bavaria, there was a further increase of credits in December by almost 10 per cent. Thus the actual amount of credits granted in December seems to have been still considerable, even though the rate of increase probably declined to some extent. In order to measure the real amount of cash made available to the business community by the creation of credit, one ought perhaps to add the DM 190 million decline in the Cash Deposits to the net increase in credits at the commercial banks (this increase being estimated at DM 150 to 200 million for the whole banking system). This follows the precedent of the two previous months, in which the increase in Cash Deposits

Short-Term Credits by Commercial Banks to Non-Bank Customers

Monthly and Weekly Increases (+) or Decreases (—)
(In millions of DM)

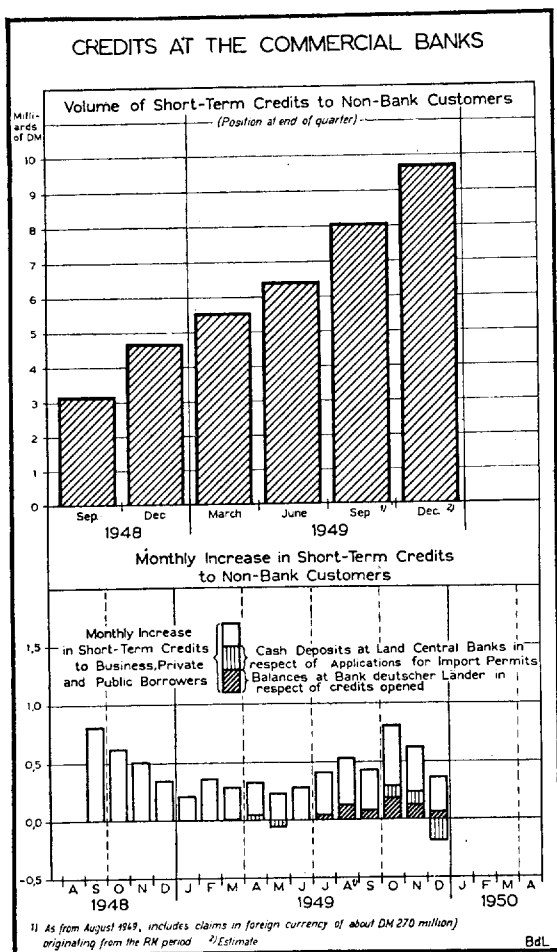
Period	Total	of which	
		Credits to Business and Private Customers	Credits to Public Authorities
I. At all Banks rendering Monthly Returns			
Monthly Increase or Decrease			
1949			
Average of 1st Quarter	+289,0	+282,1	+ 6,9
" " 2nd "	+251,8 ¹⁾	+227,4	+ 24,4
" " 3rd "	+442,4 ²⁾	+444,1	— 1,7
October	+810,3	+792,8	+ 17,5
November	+627,9	+461,3	+166,6
II. At 112 Banks rendering Weekly Returns			
Weekly Increase or Decrease			
1949			
Average of 1st Quarter	+ 22,5	+ 21,0	+ 1,5
" " 2nd "	+ 24,4	+ 22,6	+ 1,8
" " 3rd "	+ 41,2	+ 37,0	+ 4,2
" " 4th "	+ 57,5	+ 40,6	+ 16,9
Average of October	+ 85,9	+ 79,0	+ 6,9
" " November	+ 64,5	+ 40,4	+ 24,1
" " December	+ 22,2	+ 2,4	+ 19,8
December: Week 1	—116,4	— 84,5	— 31,9
" " 2	+ 76,9	+ 66,2	+ 10,7
" " 3	— 22,6	— 7,3	— 15,3
" " 4	+151,0	+ 35,1	+115,9
1950 January: Week 1	— 19,5	— 8,9	— 10,6

¹⁾ This assumes an increase in June of DM 183 million. The figures show an increase of DM 283 million, but some DM 100 million of this is due to the widening of the basis for collection of the figures.

²⁾ The increase of DM 534.9 million shown in August has been reduced by DM 59 million. This is attributable to the fact that certain banks were included for the first time in the figures.

had to be subtracted in order to find the "actual" increase in credit. It then still remains true that in December credits were expanding more slowly than in the preceding months, but the decline is not nearly so sharp as it would seem from a first glance at the statistics.

Measured by volume, the short-term credits to business and private customers at the 112 banks rendering weekly returns reached at the end of December the goodly sum of about DM 3.4 milliard. If all the commercial banks are taken together, the figure probably exceeded DM 9 milliard at the end of the year. Out of this amount quite DM 3 milliard arose during the



second half of 1949, whereas in the first half of 1949 the corresponding figure was only about DM 1.6 milliard. Thus the extension of credits was almost twice as great in the second half of 1949 as in the first half. The increase in business activity which took place after the middle of the year, and this increase in the expansion of credit, no doubt acted reciprocally on each other. In this connection the banks have not hesitated to make considerable amounts of short-term credit available for the prefinancing of investment expenditure. Thus even the interruption in the releasing of Counterpart Funds, which took place in the late autumn and which lasted for months, would seem to have done little to damp down new investment activity. All this has been one of the main reasons why the circulation of bank acceptances has in some cases reached quite unsound proportions, and why a number of banks are now feeling a pressing need to consolidate some of their credits. However, in this respect also there was some

return towards normal conditions in December. That is to say that, under a certain amount of pressure from the Central Banking System, the increase in credits has for the first time in a long period taken place more in the form of bill credits than in that of credits in current account and acceptance credits.

There has moreover been a new factor in the movement of credits during the past few weeks. That is that, while the demands of trade and industry for credit evidently fell off somewhat, public authorities have been making larger demands for credits. At the 112 banks which render weekly returns the increase in the credits granted to public authorities, including Treasury Bills purchased, amounted in December to about DM 80 million, while the whole volume of credits only rose by about DM 90 million. However, as indicated above, the whole of this increase is due to one large credit for a single Land. As against this there have actually been some repayments to the 112 banks by other public borrowers. If all commercial banks are taken together, probably the December increase in public credits, including Treasury Bills purchased, did not much exceed the amount of DM 80 million already mentioned for the banks rendering weekly returns.

Public authorities did, however, make rather heavier demands for credit on the Central Banking System. At the Land Central Banks the public credits, including in particular those granted to certain Land Governments, rose during December by DM 134 million to a total of DM 321 million. Of this total, DM 234 million were on Treasury Bills, including DM 94 million Treasury Bills of the Federal Government, while DM 87 million were taken in the form of cash advances. At the Bank deutscher Länder the effective demand for credit by the public authorities has remained as yet small. It is true that the cash advances rose in December from DM 1.6 million to DM 61.0 million, and in the first week of January again rose by a further DM 2 million. Of these amounts however DM 58 million arose from a prefinancing credit to the Reconstruction Loan Corporation. This amount has since been repaid out of released Counterpart Funds. Thus other demands for credit by public authorities were small. However, with effect

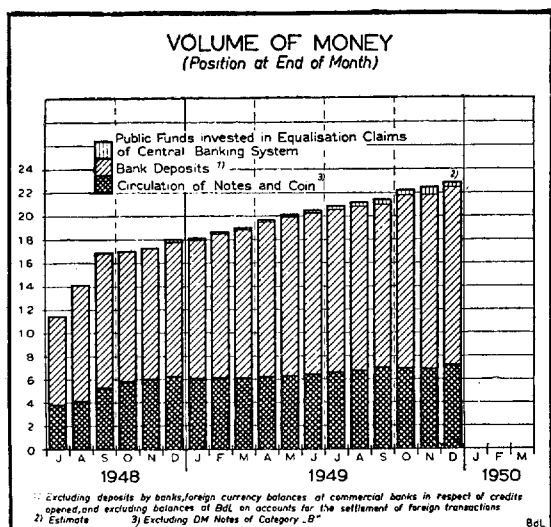
from 15th December, 1949, the Allied High Commissioners have raised the borrowing-limit for the Federal Government to DM 1,000 million. It was previously DM 560 million, and had been taken over from the Combined Economic Area and the Lands of the French Zone. They did this in view of the enlarged Federal budget and the liabilities which the Federal Government is incurring, particularly through the taking over of Counterpart Accounts (see page 15). On a decision by a three-quarters majority of the Board of Directors of the Bank deutscher Länder this borrowing-limit can be raised by a further DM 500 million to a total of DM 1,500 million. The borrowing-limit includes those Treasury Bills of the Federal Government which the Bank deutscher Länder has bought for its own account or which it has agreed to rediscount. The use of this credit-limit furthermore remains dependent on the consent of the Board of Directors of the Bank deutscher Länder, which in this matter must give strict consideration to the question whether the step can be justified on grounds of monetary policy. At the close of the year the credit facility had been used by the Federal Government at the Bank deutscher Länder to the extent of only about one-fourth: that is to say that the Bank deutscher Länder had agreed to rediscount Treasury Bills up to a total of DM 220 million. The Bank deutscher Länder at the end of the year had no Treasury Bills of the Federal authorities in its possession, having been able to place on the market DM 47 million which it had temporarily taken in. Thus the total credits taken by public authorities from the Central Banking System, as shown in the Returns, amounted at the close of the year to DM 382 million. This takes no account of unused rediscount facilities granted, nor of a DM 20 million advance facility allowed by a Land Central Bank to its Land Government.

The growth of deposits at the commercial banks, taken as a whole, has ever since the middle of 1949 been generally lagging be-

hind the growth in credits granted. In November it virtually ceased¹⁾. Even in December it seems still to have been smaller than the growth in credits. If we take all the commercial banks rendering monthly returns as a whole, we find that their credits to trade and industry in the second half of 1949 alone rose, as already mentioned, by DM 3 milliard. In the same period, if Savings Deposits were excluded, only a little over DM $\frac{1}{4}$ milliard of deposits were formed by business and private customers. The credits to public authorities and the public deposits, which have to be regarded as additions to these figures, in the period from the end of June to the end of November amounted to DM 181 million and DM 244 million respectively, and thus practically balanced each other. During the second half of 1949 the gap between the credits granted and the deposits formed was continually opening wider. To that extent the banks were obliged continually to increase their indebtedness to the Central Banking System. In the first half of 1949 on the other hand this situation was reversed. Then deposits, with DM 2.4 milliard, increased considerably more than credits, with DM 1.7 milliard. Accordingly the first half-year was characterised by constantly increasing liquidity of the commercial banks. It is, of course, true that in both the first and the second half-years there were large differences between one Land and another, and also between one bank and another, which are not taken into account when only the total figures are considered.

In earlier Monthly Reports we have given a close analysis of the reasons for the unfavourable movement of deposits at the commercial banks. One main reason is the increasing concentration of money in the Central Banking System as a result of the procedure laid down for payments in respect of foreign trade. Another reason is the increase in the circulation of notes and coin. A third reason, which was temporary, was an increase in public deposits in the Central Banking System at the expense of the commercial banks. The foreign trade payment-procedure, however, only in part led to an increase in the deposits shown in the Central Banking System. This is because in part the payments were made only to acquire foreign

¹⁾ At least if the balances held by customers in respect of credits opened abroad are excluded. These balances in practice amount to nothing more nor less than the proceeds of foreign exchange sold, even though for accounting purposes they are shown under deposits until the foreign beneficiary makes use of the facility.



exchange, or because they were reflected in items, such as for example the Counterpart Funds, which were not yet shown as deposits. The consequence was that it was not only the deposits in the commercial banks which failed to increase as fast as credit was created. There was in addition no month during the second half of 1949 during which the volume of money, calculated as notes and coin in circulation plus deposits at commercial banks and Central Banks, increased as fast as credits did. Not even in December did this happen. This was because the creation of credit was again counterbalanced by a large excess of in-payments into the foreign accounts kept at the Bank deutscher Länder. Thus, for the reasons just stated, the increase in the volume of money as shown by the figures appears smaller.

The following table shows what in-payments and out-payments took place on the Bank deutscher Länder's foreign accounts in December:

In-Payments for Imports and Out-Payments on the Bank deutscher Länder's Foreign Accounts

(In millions of DM)

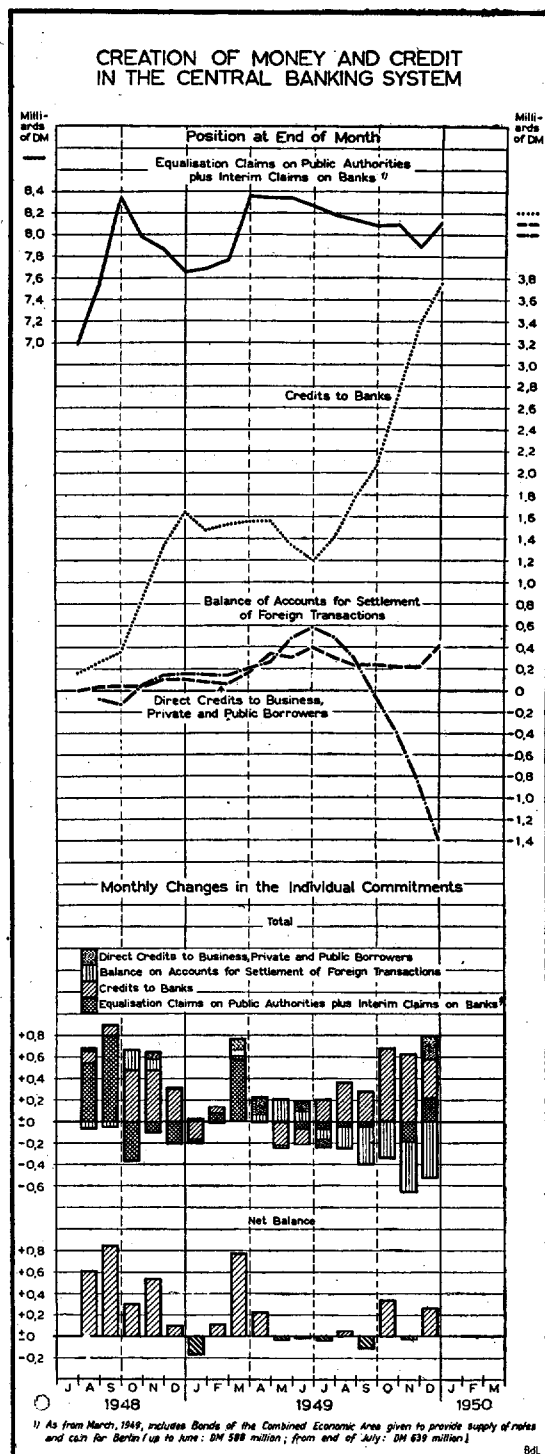
Monthly Average or Month	In-Payments by Importers			Out-Payments	Excess of In-Payments (—) or Out-Payments (+)
	Total	For Commercial Imports	For Imports Financed by Foreign Aid		
1949 1st Quarter	397,0	167,9	229,1	412,9	+ 15,9
2nd „	474,6	229,8	244,8	597,9	+ 123,3
3rd „	724,1	460,6	263,5	504,1	— 220,0
4th „ ¹⁾	890,0	660,0	230,0	470,0	— 420,0
October	729,5	546,5	183,0	414,2	— 315,3
November	904,9	704,0	200,9	425,2	— 479,7
December ¹⁾	1 040,0	730,0	310,0	560,0	— 480,0

¹⁾ Provisional figures.

It will be seen that the excess of in-payments in December was about the same as in November, at DM 480 million. Of this amount, as much as DM 310 million were paid in for imports on which the foreign exchange payment was postponed. This compared with a little over DM 200 million in the previous month. There were no releases from Counterpart Funds in December, while other outgoings, for instance in respect of Drawing Rights granted, amounted to a total of only about DM 100 million. Consequently the Counterpart Funds rose during December by about DM 220 million. In-payments for commercial imports, at approximately DM 730 million, remained almost unchanged compared with the previous month. Against this there were out-payments of about DM 560 million to exporters. The difference of DM 170 million is reflected in the decline in balances at foreign banks, as well as in the growth of the DM balances of foreign Central Banks at the Bank deutscher Länder. Between 30th November and 31st December the balances at foreign banks fell to DM 834 million, that is by about DM 150 million. In the same period the DM balances of foreign Central Banks at the Bank deutscher Länder rose to DM 179 million, that is by about DM 100 million. The discrepancy as compared with the calculated difference of DM 170 million is due to the fact that the calculation of in-payments and out-payments for foreign trade purposes is made as on dates other than those here mentioned. The balances which Foreign Trade Banks in Germany have to keep at the Bank deutscher Länder in respect of foreign credits opened, i. e., their currency accounts and their Loro Accounts in DM, increased only slightly in December, by

DM 70 million, to a total of DM 668 million. The accounts for settlement of foreign trade at the Bank deutscher Länder, as is well known, include the Counterpart Funds. The total debtor balance on all these accounts had risen by the end of the year to DM 1,375 million. Out of this, DM 535 million is due to December alone.

The resulting concentration of cash in the Central Banking System amounts, from the point of view of monetary policy, to a sterilisation of money. In addition it has the effect of reducing the liquidity of the commercial banks. In December, however, for the first time in months, strong counterbalancing factors were at work. For instance, as already mentioned in another connection, through the release of Cash Deposits about DM 190 million of Central Bank money was returned to the business community. But there was one most important factor counteracting the drain of money into the Central Banking System which resulted from the increase in the debtor balance of the foreign accounts. This was a strong outflow of public moneys out of the Central Banking System. Not only the Federal Government but also the Lands showed large cash deficits in December. In addition the Post Office at the end of the year drew quite heavily on its balances at the Central Banks. At the Bank deutscher Länder alone the Giro balances of Federal authorities declined in December by DM 134 million. In addition the Bank deutscher Länder by agreement took back again DM 129 million of Equalisation Claims which it had previously transferred to public authorities as a temporary investment of public funds. During the same period at the Land Central Banks the public deposits fell by DM 92 million; in addition the Land Central Banks, in accordance with their legal liability, repurchased DM 80 million of Equalisation Claims. This total decrease of about DM 435 million is the more remarkable inasmuch as during the same period the credits by the Central Banking System to public authorities rose by about DM 200 million, thus producing a payment of that amount into the public deposits. The actual efflux of public moneys was thus not merely DM 435 million, but about DM 635 million. Thus, while the DM 535 million increase in the debtor balance on the



foreign accounts was producing an inflow of cash into the Central Banking System, there was a total outflow of nearly DM 830 million in respect of public moneys and Cash Deposits.

In considering the effect of these movements of money on the liquidity of banks we must bear in mind the following facts. The liquidity

of the banks in December was affected not only by the excess of in-payments in respect of foreign transactions at the Bank deutscher Länder. It was also seriously reduced by a considerable increase in the circulation of cash. Between the end of November and the end of December the circulation of notes and coin, following the usual end-of-year movement, rose by DM 352 million. This was after standing, at the end of November, about DM 91 million below the year's previous highest figure of DM 7,477 million. To this extent therefore the banks had to acquire Central Bank money, or else use for these purposes a portion of the money which was coming to them from the Central Banking System. Thus, in spite of the repayment of Cash Deposits and the strong efflux of public moneys out of the Central Banking System, the liquidity of the banks during December did not improve. In fact the credits which the banks had to take at the Land Central Banks were considerably higher, viz., by DM 361 million, at the end of the year than

at the end of November. In addition, the net indebtedness of the banks, i. e., their total borrowings less their deposits in the Central Banking System, was at DM 134 million somewhat higher than at the end of November. It is true that there were again great differences between the positions of different banks. This is particularly shown by the fact that their excess reserves, in spite of the increase in their total indebtedness, again increased slightly in December, rising to DM 155 million against DM 87 million in November. Even this level is of course low compared with the levels of a year ago or even of mid-1949. For whereas the excess reserves in December, 1948, amounted to 33 per cent of the minimum reserves, and in June, 1949, to 26 per cent, in December, 1949, this proportion was only a little over 16 per cent.

For the first few weeks of the New Year the prospects of an improvement in liquidity remain slight. Certain factors, it is true, will tend to ease the situation. Thus, as from the beginning of the year the circulation of notes and coin normally falls. Above all, with the release of Counterpart Funds Central Bank money will now be continually flowing in considerable quantities to the economy, and hence to the commercial banks. On the other hand, however, the current excess of in-payments into the Bank deutscher Länder's foreign accounts will for the time being remain relatively large, since our foreign trade balance still shows a marked tendency to worsen in consequence of the moves towards liberalisation. But the most important factor on this side of the account is that in January a further considerable increase of public deposits in the Central Banking System must be expected. Not only is January usually one of the months in which tax-yields are highest. In addition, this year certain exemptions hitherto noted on wage-cards have been provisionally removed, and this is expected to produce an especially high tax revenue.

However, during the further course of the year everything indicates that the factors increasing liquidity will exert a much more powerful effect. In the first place it may be assumed that the current excess of in-payments on the foreign accounts will be more and more com-

Liquidity of the Commercial Banks in December, 1949

(According to the Combined Return of the Bank deutscher Länder and the Land Central Banks)

(In millions of DM)

Individual Factors	Increase (+) or Decrease (-)	Effect is to	
		Decrease Liquidity	Increase Liquidity
Circulation of Notes and Coin	+ 352	352	
Balance of Accounts for settling Foreign Transactions	- 535	535	
Credits to Non-Bank Customers	+ 215		215
Deposits of Non-Bank Customers in the Central Banking System (including funds invested in Equalisation Claims)	- 644		644
Items in course of Settlement	- 12		12
Other Assets / Other Liabilities (Balance)	- 112	112	
Total of Factors decreasing and increasing Liquidity		999	871
Excess of Factors decreasing over those increasing Liquidity		128	
The loss of Liquidity was covered by an increase in bank borrowings from the Central Banking System less an increase in Giro balances with the Central Banking System		227	361
Net Increase in Indebtedness of the Commercial Banks towards the Central Banking System			134

compensated by releases of Counterpart Funds. It may even be over-compensated, especially since it will not be possible to allow the present adverse trade balance to continue much longer. In addition, however, in February we may probably expect once again a large efflux of public moneys out of the Central Banking System. Not only are budgets of some of the public authorities at present showing deficits; in addition, in the second and third months of each quarter of the calendar year, in consequence of the present spacing of the dates for payment of taxes, the cash receipts of the public authorities usually fall below the level of their cash outgoings¹⁾. Thus there is every probability that, if minimum reserve requirements were kept unaltered, the liquidity of the banks would soon improve and their dependence on the Central Banking System again grow less.

2. Long-Term Credit and Capital Market

The supply of capital to the business community decidedly improved immediately after the beginning of the New Year. The Agreement on Economic Cooperation between the United States of America and the Federal Republic of Germany came into force on 29th December, 1949. On 11th January, 1950, DM 543 million out of the DM 600 million from Counterpart Funds unblocked in December were put at the disposal of the Reconstruction Loan Corporation; to be passed on to the agreed borrowers. Very shortly the Berlin Industrial Bank will receive DM 57 million: the money released out of Counterpart Funds for Berlin will be distributed through this Bank. The paying out of the DM 543 million has in the meantime begun. It is expected that during January some DM 300 million may be used. (Out of this amount DM 71.5 million will go to repay credits which the Reconstruction Loan Corporation took up at the Bank deutscher Länder during the past few weeks for prefinancing purposes.) It is thought that the rest will have been brought into use by March at latest. Furthermore, as soon as these funds are used up, the rest of the DM 1,036 million which were in principle released in December are to be unblocked. Thus the economy can count

on a continuous stream of Counterpart Funds released for investment purposes. In addition efforts are being made to ensure that in future the currently accruing Counterpart resources are, so far as possible, used immediately for investment. It goes without saying that when this is done all due regard must be paid to keeping the price-structure stable, since the maintenance of financial stability is an absolute prior condition for the release of Counterpart Funds. It is however difficult to estimate what further amount of Counterpart Funds can be expected to accrue in the course of the present E.R.P. year, that is, between 1st July, 1949, and 30th June, 1950. This is because one cannot yet foresee precisely at what dates the Assistance Deliveries within the framework of the Marshall Plan will come in, nor what amount of special items may yet have to be charged against the Counterpart Funds accruing. At the same time it looks quite possible, on the present facts, that during the rest of the present E.R.P. year Counterpart resources may be built up at the rate of about DM 200 million per month.

A further factor which has recently to some extent been contributing to an improvement in the supply of capital is the arrangements on prefinancing by the Central Banking System¹⁾ which were decided upon in August, 1949. Already in November the banks granted some DM 34 million in long-term loans on the strength of the facilities offered by the Central Banking System for supplying them with funds to finance such transactions. In December, in pursuance of the same arrangements, a further DM 32 million were paid out for general investment purposes. In addition, in December the first use was made of the facility offered for the prefinancing of long-term export orders: the amount used was DM 5 million. It is true that the total amount used is still comparatively small. This is because many banks, in view of the very tight money conditions which they have encountered during the past half-year, do not care to do the business. If they did it, they would have to give up Equalisation Claims, on which they can get ad-

¹⁾ As to this, see the Section on Public Finances.

¹⁾ See Bank deutscher Länder Monthly Report for August, 1949.

Medium- and Long-Term Credits by Banks to Non-Bank Customers in the Second Half of 1949¹⁾

(In millions of DM)

Month	Total Increase	of which				Increase excluding Transitory Credits
		Medium- and Long-Term Claims	Debts Secured on Mortgages and Real Estate	Communal Loans	Transitory Credits	
1949 July	137,6 ²⁾	69,1 ²⁾	34,9	13,6	20,0 ²⁾	117,6 ²⁾
„ August	179,3 ²⁾	104,1 ²⁾	44,4	7,8	23,0 ²⁾	156,3 ²⁾
„ September	155,8	65,4	55,0	6,5	28,9	126,9
„ October	271,7	152,0	69,5	7,1	43,1	228,6
„ November	193,1	79,4	67,3	13,8	32,6	160,5
„ December	240,0 ³⁾	125,0 ³⁾	75,0 ³⁾	10,0 ³⁾	30,0 ³⁾	210,0 ³⁾
1949 2nd Half-Year	1 177,5 ²⁾	595,0 ²⁾	346,1	58,8	177,6 ²⁾	999,9 ²⁾

¹⁾ Including credits passed on by Reconstruction Loan Corporation.

²⁾ Partly estimated, after netting-out alterations made for statistical reasons.

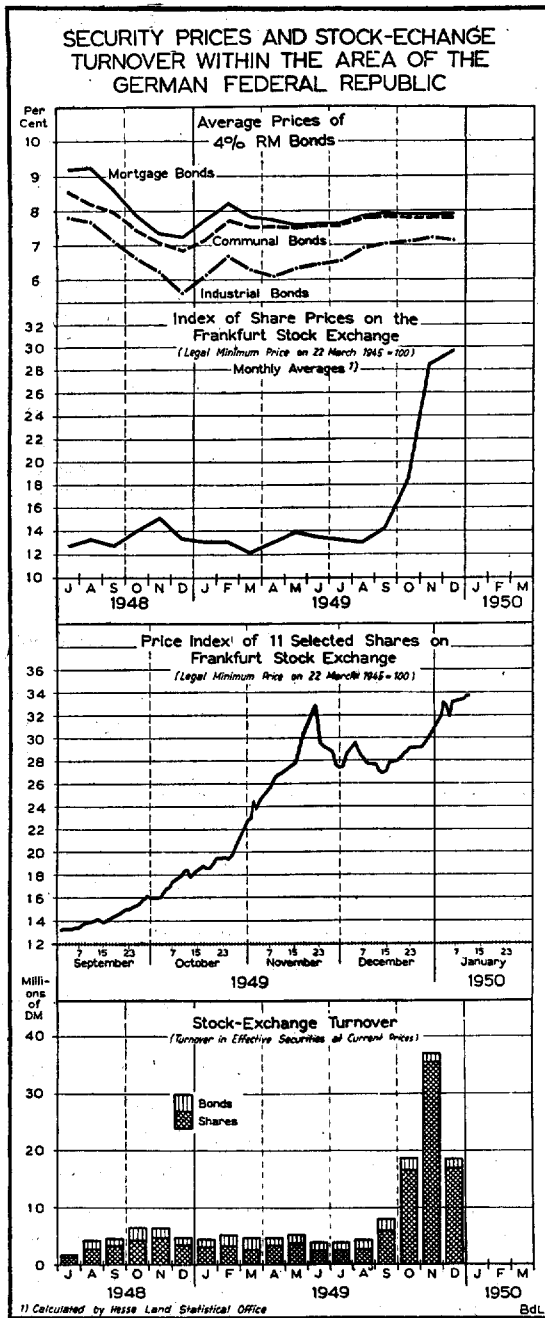
³⁾ Estimated.

vances at any time, and hold instead long-term claims on customers which cannot be used as a basis for borrowing at the Central Banks. They would thus have to put up with a still further reduction of their liquidity.

A most important fact, however, is that the formation of savings capital, in spite of many disappointments in certain fields, has on the whole continued recently to make very good progress. This is especially true as regards the growth of savings deposits at the Savings Banks and banks in general. The excess of in-payments into savings accounts, which provides an important part of the resources used by the banks for granting medium- and long-term credits, amounted in November to a total of DM 71.3 million at all banks. As against this a figure of only DM 59.7 million was achieved in October: while in September, in which month the devaluation caused a certain falling-off in savings, the figure was only DM 52.9 million. In December, the excess of in-payments probably reached about DM 100 million, this being a new record exceeding the previous highest of DM 87 million in July, 1949. Thus the decline which took place in the autumn can be said to be a thing of the past. At the Building and Loan Associations the in-payments have also steadily increased, while in addition the Insurance Companies report a continued increase in their activity. The latest facts about the formation of capital by the Social Insurance funds

are given in the section of this Report which deals with Public Finances.

On the other hand saving in the form of investments in securities continues to show disappointing results. In December DM 35.1 million of fixed-interest-bearing bonds were placed. This compares with only DM 16.0 million in November, DM 28.4 million in October and DM 32.9 million in September. These figures however, do not include the two loans of the Reconstruction Loan Corporation and the loan of the Industrial Credit Bank, as these in part remain open for subscription until the end of January. The result of the subscriptions has, however, been unsatisfactory up till now in the case of all three loans. Hence, even if the proceeds of these loans were included in the figures for the last two months of the year, the sales of securities would have been little if anything above the previous monthly average. Altogether the proceeds of issues of securities in the year 1949 amounted to some DM 470 million in the case of fixed-interest-bearing securities and a little over DM 50 million in the case of shares. These amounts together made up only about 6 per cent of the estimated amount of net new investments. Issues of securities accounted for a similar proportion of net investments in the year 1924, whereas in the year 1925 it was already possible to finance about 22 per cent of net investments by means of issuing securities.



In fixing the amount of new securities offered for subscription during the past few months, more account has been taken than before of the limited success of efforts to place new issues. Thus, during the first 9 months of 1949 on an average DM 109 million of fixed-interest-bearing securities, and barely DM 6 million of shares, were offered for subscription each month. In November, however, only DM 5 million of fixed-interest-bearing securities and DM 1.6 million of shares were issued. In October

the figures were even as low as DM 1.5 million for fixed-interest-bearing securities and DM 1.0 million for shares. In December the amount of newly offered securities, at DM 35.0 million, almost exactly equalled the amount actually placed during that month.

The public's interest in shares steadily increased during September, October and November in consequence of the sharp rises in price shown by these securities. This in turn gave a fresh upward tendency to quotations. In December, however, the public's interest noticeably declined. Thus the upward movement in shares during the autumn has given place to a period of greater calm, with prices stagnant or showing only slight changes. The turnover in shares on the Stock Exchanges during December did not amount to even half the total reached in the previous month. The market in fixed-interest-bearing securities, which showed no activity even when shares were rising, showed no great change in turnover. Share prices in most cases reached a temporary maximum between 20th and 23rd November. After that they again declined until the end of November, recovered in the first few days of December, showed weakness for a time about the middle of December, and then in most cases recovered a large part of the previous losses. At the same time, only a few securities rose above the highest point reached in November. Some of these did, however, rise above par by 31st December. The prices of fixed-interest-bearing securities during December remained almost unchanged. Only a few securities rose slightly, while some others, especially certain industrial bonds, to a small extent declined.

The amount of capital produced in the fourth quarter of 1949 was quite good in comparison with that in the previous quarter. Public authorities, as expected, were not able to produce so large an amount for the financing of investments as in the third quarter. Nevertheless the amount of about DM 600 million which they did produce is considerably higher than the estimates made beforehand gave reason to expect. Among the lendings which took place in the capital market the medium- and long-term lendings by the banks, at around DM 360 million, were considerably higher than the DM 221 mil-

lion which they reached in the previous quarter. Lendings by Building and Loan Associations also increased, while sales of securities remained at about the same level as in the third quarter. Financing out of Counterpart Funds, at DM 159 million, also showed better results than in the third quarter. Altogether, apart from firms' financing of their own needs, and from the use of short-term bank credits, approximately the following amounts were made available for financing capital investment in the second half of 1949:

Formation of Capital in the Second Half of 1949 in the Area of the German Federal Republic¹⁾

(In millions of DM)

1. Resources from Public Budgets	1 500
2. Lendings in the Capital Market	
Banks (excluding lendings out of resources arising from the issue of securities or from Counterpart Funds)	580
Issue of Securities	240
Private and Public Insurance	210
Building and Loan Associations	45
Counterpart Funds	260
	2 835

¹⁾ Excluding firms' financing of their needs out of their own resources, and financing out of short-term bank credits. Partly estimated.

Public Finances

The tax revenues of the Lands, in accordance with the usual quarterly movement of payments, again fell off slightly in November and December. In November, at DM 1,275 million, they were about DM 140 million lower than in October. In December, for which no complete data are yet available, the taxes on property and on transactions showed further slight decreases. Nevertheless the results of tax collection in the past quarter seem to have been relatively good. This is because the increase in business activity, which was observed in October, caused the reduction of tax receipts connected with the technique of payments to remain confined within comparatively narrow limits. At all events the yield of taxes in November was 6 per cent higher than in August, the last month with comparable maturity-dates for tax payments. And in December the taxes on property and on transactions yielded 15.5 per cent more than in September, or 8.5 per cent more if account be taken of the repayments in September in respect of the Turnover Tax.

Yield of Taxation in the Area of the German Federal Republic

August and November } = Months with comparable maturity dates for tax payments
September and December

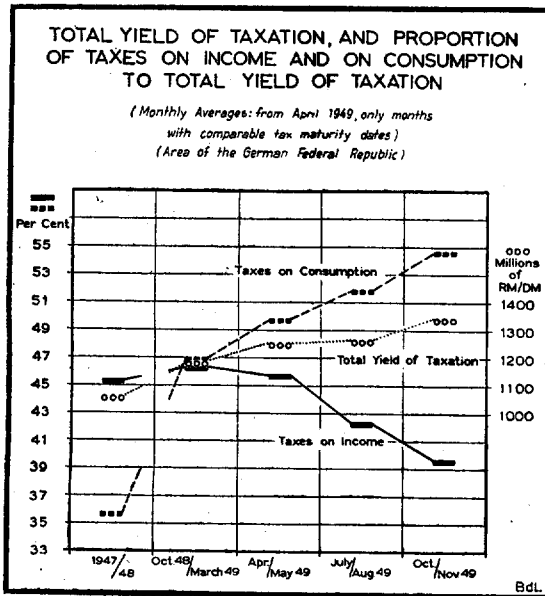
Category of Tax	August	September	October	November		December	
	In millions of DM				August = 100	In mill. of DM	Sept. = 100
1. Total of Taxes on Property and Transactions	835,4	726,5	1 054,4	882,3	105,6	839,2	115,5
Of which:							
Wages Tax	175,6	177,4	181,0	176,0	100,2	169,0	95,3
Assessed Income Tax	163,5	135,7	274,1	166,5	101,8	130,6	96,3
Corporation Tax	97,1	85,3	179,8	100,3	103,3	88,9	104,2
Turnover Tax	323,3	271,7 ²⁾	356,1	360,7	111,6	360,4	132,6
2. Taxes on Consumption and Customs	367,4	343,0	361,4	392,8	106,9	.	.
3. Total Yield of Taxation	1 202,7 ²⁾	1 069,5	1 415,8	1 275,1	106,0	.	.
4. Of which:							
Amounts of Taxes to be passed on the Federal Government ¹⁾	72,5	89,0	57,5	66,6	91,9	.	.
5. Yield of Taxation remaining to the Lands	1 130,2	980,5	1 358,3	1 208,5	106,9	.	.

¹⁾ Transfers in cash of the proceeds of the Coffee Tax, Tea Tax and Customs. Such transfers are not identical with the yield of these taxes in the individual months.

²⁾ Difference arises from rounding-off of figures.

³⁾ Decline of DM 47.6 million is due to repayment of turnover tax to exporters.

Source: Federal Finance Ministry.



tion in the wider sense, that is to say, from taxes on consumption together with the Customs and the Turnover Tax. In the same period only about 40 per cent of the total yield came from direct taxation of income, while the remainder of 5 per cent came from smaller taxes such as the Property Tax, the Vehicle Tax, and so forth. On the other hand, on the monthly average of the months October, 1948, to March, 1949, about the same percentage, namely 47 per cent, was coming from the two classes of taxes.

On the other hand the productivity of the taxes on income has ceased to increase during the last few months. It is true that the Corporation Tax in the quarter from October to December, 1949, produced 2.4 per cent more than in the previous quarter. In the same period, however, the yield of the Assessed

Taxes on Income and Consumption in the Area of the German Federal Republic since October, 1948

	Total yield of Taxation in Millions of RM or DM	of which:						
		Taxes on Income ²⁾		Taxes on Consumption ³⁾			of which:	
		In millions of RM or DM	In per cent of Column 2	In millions of RM or DM	In per cent of Column 2	Turnover Tax	Customs	Other Taxes on Consumption
1	2	3	4	5	6	7	8	9
Monthly Average 1947/48 ¹⁾	1 063,1	482,7	45,4	380,6	35,8	174,5	13,3	192,8
Oct., 1948, to March, 1949	1 190,9	554,3	46,5	559,5	47,0	292,0	12,5	255,0
April—May	1 255,3	574,0	45,8	625,5	49,8	307,9	19,5	298,1
July—August	1 268,8	537,0	42,4	658,1	51,9	320,5	24,8	312,8
October—November	1 345,5	539,1	39,7	735,5 ⁴⁾	54,7	358,4	31,9	345,3

¹⁾ Combined Economic Area.

²⁾ Wages Tax, Assessed Income Tax, Corporation Tax, Tax on Yield of Capital.

³⁾ Taxes on Consumption, Customs, Turnover Tax.

⁴⁾ Difference due to rounding-off of figures.

The increase in yield due to the growth in business activity was again greatest in the case of the Turnover Tax, as well as in the cases of the taxes on consumption and the Customs. The yield from both these sources was higher in November than in any other month since the Currency Reform. In fact, ever since the middle of last year there has been an increasing tendency for the main part of the tax revenue to be produced by taxes on consumption rather than by those on income. As the above table shows, on the average of the months October to November, 1949, nearly 55 per cent of the entire yield of taxation came from taxes on consump-

Income Tax fell further, though only by 2.2 per cent, and the Wages Tax also has been showing since November a tendency to produce less.

There are no figures available for the expenditure of the Lands in the period from June of last year onwards. It may, however, be assumed that the expenditure was comparatively high, especially in December. In November, in the first place there was still part of the Immediate Assistance to be prefinaanced. In December a special charge arose as the result of the interest payments on Equalisation Claims which fall to be met by the Lands. In addition the Lands had to meet the liability which they had assumed

**Funds held by the Lands at Land Central Banks
since the end of September, 1949**

(In millions of DM)

	Deposits according to Statistical Data	Equalisation Claims	Total	Change as compared with preceding month
September 30	164,8	255,8	420,6	
October 31	307,7	304,1	611,8	+ 191,2
November 30	216,6	270,8	487,4	— 124,4
December 31	161,4	191,3	352,7	— 134,7
Change in Dec. as compared with September	— 3,4	— 64,5	— 67,9	

to pay subsidies on foodstuffs in the first half of the financial year, that is from April to September, their payments under this head having in part fallen into arrears. Besides this, the general budget expenditure in December is as a rule comparatively high. The partial data available regarding the movement of cash holdings and new indebtedness show that, as the result of these factors, the Lands again had budget deficits in November and December. This compares with October, when, as the result of relatively high budget receipts, a surplus estimated at DM 300 million was achieved. In November and December the cash kept by the Lands in the Central Banking System, which, it is true, make up only a part of the Lands' total cash reserves, fell by a total of DM 267 million. This more than cancelled out the increase of DM 189 million which took place in October.

The indebtedness of the Lands also showed a greater increase in November and December than during the summer months. In November it grew by about DM 56 million and reached DM 363 million. At the end of December it probably amounted to a full DM 600 million. In this connection it is worth remarking that recently in two Lands of the former Combined Economic Area, namely Bavaria and Hesse, considerable amounts of Treasury Bills have been issued, whereas up till October, 1949, Treasury Bills had only been issued by the Lands in the French Zone. At the end of November the new indebtedness of the Lands in the form of Treasury Bills amounted to about DM 56 million. By the end of December this had risen to DM 162 million. As is shown by the following table, which gives the movements and the sources of the new indebtedness of the Lands, there was also in December a larger amount of borrowing from the banking system in the form of cash advances.

The Federal Government's financial position has also been noticeably tighter during the past few weeks. In the first place the Federal Government, like the Lands, had to meet interest payments due on Equalisation Claims at the end of 1949, as well as payments in arrears for subsidies on imported foodstuffs. In addition a considerable sum, namely DM 60 million for the month of December, had to be

New Indebtedness of the Lands since September, 1949

(In millions of DM)

Type of Indebtedness	Position on				Change	
	30 Sep.	31 Oct.	30 Nov.	31 Dec.	In December as compared with November	In December as compared with September
1. Credits from the Banking System	121,3	97,5	99,9	rd. 235,2 ²⁾	+ 135,3 ²⁾	+ 113,9 ²⁾
Central Banking System	(57,4)	(45,5)	(47,6)	(85,2)	(+ 37,6)	(+ 27,8)
Commercial Banks	(63,9)	(52,0)	(52,3)	(rd. 150,0)	(+ 97,7)	(+ 86,1)
2. Postal Credits	36,5	46,5	46,5	46,5	± 0	+ 10,0
3. Treasury Bill Credits	20,1	17,6	56,3	162,3	+ 106,0	+ 142,2
4. Debts owed to the Unemployment Insurance Fund ¹⁾	131,9	143,6	159,8	rd. 170,0 ²⁾	+ 10,2 ²⁾	+ 38,1 ²⁾
5. Total	309,8	305,2	362,5	rd. 614,0 ²⁾	+ 251,5 ²⁾	+ 304,2

¹⁾ Arrears of repayments of Unemployed Relief expenditure advanced by the Unemployment Insurance Fund. Only Lands in the former Combined Economic Area.

²⁾ Partly based on estimates.

paid over for the first time in respect of the Berlin Assistance scheme. To a great extent the Federal Government was able to meet these payments out of the relatively large cash holdings which it had at the end of November. In addition, however, it had to have recourse to borrowing. It was for this purpose that DM 23 million of the Treasury Bill issue of October, 1949, were sold. As the result of this the total liability of the Federal Government in respect of Treasury Bill issues amounted at the end of December, 1949, to DM 213 million. At the same time cash advances by the Bank deutscher Länder were again not made use of. The net result was that at the end of December the Federal Government's indebtedness exceeded its cash holdings by DM 155.3 million. This compares with the end of November, when the cash holdings still exceeded by about DM 9 million the total of the debts incurred up to that time.

The Federal Budget for the period between the inauguration of the Federal Republic on 21st September, 1949, and 31st March, 1950, was laid before the Bundesrat (Senate) in December and before the Bundestag (Parliament) at the beginning of January, but has not yet been passed. According to the estimates, total expenditure is to amount to DM 1,536 million, of which about DM 970 million comes within the budget proper and DM 566 million are in a Supplementary Budget. This latter contains in the main contributions towards Price Equalisation (DM 389 million gross) and towards the extended Berlin Assistance. As regards this last, the latest intention is to reduce the contribution, originally fixed at DM 60 million a month between November, 1949, and March, 1950, by DM 5 million in January and by a further DM 5 million in each succeeding month. Thus the amount required in March this year would be reduced to DM 45 million.

The contemplated expenditure of DM 1,536 million is about DM 230 million higher than the expenditure estimated for the whole financial year 1949/50 in the budget of the Combined Economic Area, including the supplementary budgets passed in June and August, 1949. One must however bear in mind that the rise in expenditure is largely due to the increase in spe-

cial items such as Price Equalisation and the Berlin Assistance; further, that in the Combined Economic Area, as in the Federal Republic, the greater part of the expenditure would have fallen in the second half of the financial year — in fact, up to the 21st of September only DM 435 million of expenditure had been incurred. If allowance is made for these factors, the increase in actual administrative expenditure is seen to be much smaller than it might at first appear.

The only regular receipts provided for the Federal Government in the period up to 31st March, 1950, are the proceeds of the Berlin Emergency Offering, the Customs, the Turnover Equalisation Tax, the Coffee Tax, the Tea Tax, the contributions of the Federal Railways and the Post Office, as well as sundry administrative receipts, including contributions of the Mineral Oil Company. They are likely to fall considerably short of the expenditure. It is true that the sources of taxation available to the Federal Government have shown themselves during the past few months to be capable of producing greater yields than were estimated in the budget of the Combined Economic Area. Furthermore, an increase in receipts can be expected to result from the fact that, as from 1st January this year, Customs duties on mineral oils are being collected again, as well as from the prolongation of the Berlin Emergency Offering, which was originally meant to come to an end on 31st December, 1949. As the result of these factors the estimated receipts from the taxes due to the Federal Government in the area of the former Combined Economic Area rose by about DM 288 million. To this must be added about DM 16.3 million, which are to be transferred by the Lands in the French Zone. On the other hand, however, the Railways since June, 1949, have not been meeting their contributions, which were fixed at DM 174 million for the whole financial year. The shortage of receipts expected to result from this cause is put in the estimates at the relatively low figure of approximately DM 100 million.

The total of ordinary resources expected to accrue to the Federal Budget up to 31st March, 1950, is now put at DM 1,136.7 million, made up as follows:

	Millions of DM
1. Taxes	558.5
2. Receipts from Price Equalisation (Amounts accruing from the difference between import price and lower inland price)	38.5
3. Other Receipts (contributions by Rail- ways, Post Office, Mineral Oil Co. and general administrative receipts)	539.7
Total:	<u>1,136.7</u>

With expenditure at DM 1,536 million there would thus be a deficit of about DM 400 million. It is provided that the Lands are to contribute DM 362.6 million to the Federal budget, of which DM 21.6 million is to go to the general budget and DM 341 million to the supplementary budget. In so far as the Lands decide to accept these obligations (it is however still doubtful whether they will accept them), the deficit of the Federal budget would be kept within very narrow limits, namely about DM 40 million.

The budget has not been charged with the liabilities which may arise for the Federal Government out of the taking over of the Counterpart Accounts in pursuance of the E.C.A. Agreement. It is not yet possible to form a clear judgment regarding the amount of these liabilities. The Federal Government has, however, already accepted one liability in connection with the current formation of Counterpart Funds. That is, to meet any temporary shortages, arising because the amounts which the E.C.A. Administration orders to be credited are larger than the amounts which importers in fact pay in, by making advances of corresponding amounts. For this purpose the Federal Government has decided to reserve a credit-line of DM 200 million. In view of this, and of the prospective extension of the scope of the Federal budget, the limit for borrowings by the Federal Government at the Bank deutscher Länder has been increased by a Law enacted by the High Commissioners with effect from 15th December. How this was done is described on page 4. In order to bring the Budget Law into harmony with this change, the provision which up till now empowered the Federal Finance Minister to borrow up to DM 500 million (this was the limit on borrowings taken over from the Combined Economic Area)

has been amended by Federal Law so that the limit is raised to DM 800 million.

As regards the expenditure for which the Federal Government will be liable in the financial year 1950/51, the Federal Finance Minister for the first time gave some preliminary information in his speech in Parliament on 11th January this year. On this occasion he estimated the charges arising for the Federal Government in consequence solely of the war and of the liability for social services at DM 10.3 mil-

Charges on the Lands and on the Federal Government arising from the War and from Social Services

(In millions of DM)

Categories of Expenditure	Actual Expenditure of the Lands in the first year since the Currency Reform (21st June 48 to 30th June 49)	Expected Expenditure of the Lands in the Financial Year 1949/50 (according to the Senate's figures)	Estimated Expenditure of the Federal Government in the Financial Year 1950/51 (according to the Federal Finance Minister's figures)
1. Charges resulting from the War: total of which:	6 677	7 560	8 483
a) Occupation Costs and Related Expenditure	4 112 ¹⁾	4 500 ¹⁾	4 500
b) Payments to persons who have suffered bodily injuries or bereavement as a result of the war	1 489	2 100	3 178
c) Contributions to Local Authorities for meeting charges for Social Services due to the war	668	600	} 805
d) Other Social Charges due to the war	408 ²⁾	360 ²⁾	
2. Other Social Charges: total of which:	676	1 225	1 835
a) Contributions to Social Insurance Institutions	500	600	826
b) Unemployment Relief	176	625 ³⁾	1 009 ⁴⁾
Total of charges arising from the War and from Social Services (1 + 2)	7 353	8 785	10 318

¹⁾ Excluding Occupation Costs of the Combined Economic Area and Federal Government. Estimated in the current financial year at DM 35 million.

²⁾ Inter alia provision for expelled officials and assistance to repatriated prisoners of war.

³⁾ Assuming that the Lands will fully repay the advance payments of the Unemployment Insurance Fund.

⁴⁾ Also includes assistance to repatriated prisoners of war.

liard. Accordingly, if one includes the Berlin Assistance, the amounts required for the food subsidies (which are to go on until the end of June, 1950), and liability for expenditure on personnel and materials, the total of Federal expenditure would amount to some DM 12 milliard. However, as will be seen from the preceding table, this presupposes a very considerable rise in certain items of expenditure and no decrease in Occupation Costs and Related Expenditure. All of these are assumptions whose rightness or wrongness cannot as yet be judged.

In any case, however, the regular receipts accruing to the Federal Government as from 1st April, 1950, will be a good deal smaller than the prospective liability for expenditure. According to the Basis Law the Federal Government is to receive certain new revenues from taxes, namely the Turnover Tax, Taxes on Consumption (excluding the Beer Tax), and Transport Tax. To judge by the results achieved so far, the yield of these taxes, together with those already at the disposal of the Federal Government in the current financial year, may be put at about DM 8.7 milliard, excluding contributions by the Federal Railways. If they yielded no more during the next financial year (which, provided that the economic recovery continues, is quite improbable, even if certain taxes on consumption were reduced), and if expenditure did in fact reach figures of the order of those estimated above, then there would be a deficit of about DM 3.3 milliard. If the receipts turned out to be better, and the expenditure to be less than estimated above, then the deficit might be a good deal smaller.

As from the next financial year the Lands will still have to meet the following items of expenditure: the allocations to municipal authorities, debt service in so far as this is a liability of the Lands, the expenditure on personnel and materials for the Lands' own administration, investment expenditure, and expenditure for cultural and economic purposes. In the current financial year, according to the Federal Finance Minister and the Senate, the Lands may be expected to expend a total of about DM 7.8 milliard for these purposes. The individual items making up this sum would be as follows:

	Millions of DM
1. General Allocations to Municipal Authorities	1 450
2. Debt Service	335
3. Expenditure on Personnel (without Pension Payments)	2 290
4. Pension Payments	700
5. Investment Expenditure ¹⁾	1 050
6. All other Expenditure. (Expenditure on material for administration purposes, and expenditure for social, cultural and economic objects)	1 950
Total of Items 1 to 6	7 775

¹⁾ Excluding the Lands' investments financed out of receipts under the Law for Securing Mortgages and out of the resources of the Unemployment Insurance Fund.

It is not expected that there will be any increase in these items of expenditure in the next financial year.

As to receipts, the following should continue to accrue to the Lands during the next financial year: the Income Taxes (in full, so far as the Federal Government does not claim any specified share), the Property Tax, the Beer Tax and a number of smaller taxes. For the current year the yield of these taxes may be put at about DM 6.9 milliard. This estimate allows for the suggested reform of the Income Tax coming into force as from 1st January, 1950, and is based on the results of the first 8 months of the financial year 1949/50 after allowing for the usual seasonal movements. In the next budget year, it is true, the proposed reduction of the Income Tax will make itself more strongly felt. If the matter is left as proposed in the Tax Bill of the Federal Government, then, other things being equal, a reduction of the yield by about DM 800 million can be expected. It may, however, be legitimate to make the following assumptions. First, that the proceeds of taxes remaining to the Lands may rise, as a result of the increase in business activity, by say only 5 per cent above their level for the present year: in fact, as already mentioned, the yield of the taxes this year between August and November alone rose by 6 per cent. Secondly, it might be assumed that the other receipts accruing to the Lands next year will remain constant. If these two things happened, the Lands would have total receipts of about DM 8.8 milliard. If the expenditure remained at the level of about DM 7.8 milliard, the combined Land budgets in the next financial year might achieve a surplus of about DM 1 milliard.

The expenditure in pursuance of the Immediate Assistance scheme has evidently risen rather sharply in December. This is because a large part of the amount for Household Furniture Assistance was paid out before Christmas. Up to the end of November the actual out-payments for Maintenance Assistance and for Household Furniture Assistance amounted to DM 265 million. Some indication of the probable future trend is given by the amount of the sums made available by the Chief Office for Immediate Assistance, including sums which come out of Land moneys. However, the actual out-payments probably did not move exactly in accordance with the sums made available. On 7th January, 1950, nearly DM 500 million were made available for the following purposes:

For Maintenance Assistance	DM 289 million
„ Household Furniture Assistance	„ 153 „
„ Community Assistance	„ 52 „

As against this, the amounts collected up to the end of December last year in respect of the Immediate Assistance Levies came to a total of about DM 570 million, made up as follows:

From the General Levy	DM 493 million
„ „ Special Levy on Stock in Trade	„ 77 „

This was although the second instalment of the levy on real estate and industrial property, due at the end of December, had by that date hardly been collected in full. Thus at the end of the year the amounts received by the Chief Settlement Office exceeded the amounts made available for payment for Immediate Assistance purposes by at least DM 70 million. Hence the repayment of the sums advanced by the Lands up to November to facilitate Immediate Assistance payments ought not to meet with any difficulties.

As to the financial position of the municipalities no fresh figures of results are available. However, from partial data regarding the proceeds of taxes due to the municipalities, and regarding their indebtedness, it can be seen that in general no serious difficulties have occurred as yet. It is true that some municipalities and groups of municipalities must expect deficits in the current financial year. However, the municipalities' indebtedness to the banking system rose in November by only DM 18.3 million. Of this amount about DM 15 million was in re-

spect of medium- and long-term credits, chiefly Communal Loans, which, it may be supposed, served in the main to finance investment expenditure.

In contrast with what took place in the budgets of governmental and local authorities, which in November and December, 1949, closed on balance with deficits, it would seem that the Social Insurance funds taken as a whole achieved a small surplus during the same period. There were, however, great differences as between the various branches of insurance. The Unemployment Insurance Fund was in the worst position. In the Lands of the former Combined Economic Area this Fund in November showed a small deficit of DM 1.2 million. In December, in consequence of increased unemployment, it will probably have come off worse than that, unless the Lands have done better than before in repaying what they owe for sums advanced by the Fund for relief of the unemployed. This worsening of the present position is in striking contrast with that of a year ago, when the Unemployment Insurance Fund was achieving monthly surpluses of some DM 40 to 50 million. It is mainly due to three causes. First, in consequence of the Ordinance to Revise Social Insurance Benefits which came into force on 1st June, 1949, the revenues of the Fund have been falling ever since last July: see Column 1 in the following table. Secondly, the expenditure required has sharply risen as the result of the increase in unemployment since the beginning of last year. The expenditure in November, at about DM 117 million, was almost 70 per cent higher than the average expenditure of the months July, 1948 to March, 1949, which was about DM 70 million per month. Finally certain Lands are in arrears with their repayments of sums advanced by the Unemployment Insurance Fund for the relief of the unemployed. The arrears amount to a total of DM 160 million. As the following table shows, the payments for Unemployment Relief have constantly risen during the last few months, while those in respect of Unemployment Insurance have at the same time fallen. This rise is due to the fact that the insurance payments proper are made only for a limited period. Hence Unemployment Relief payments are having to be made to an in-

**Receipts and Expenditure of the Unemployment Insurance Fund
in the former Combined Economic Area since May, 1949**

(In millions of DM)

Period	Total Receipts	Expenditure			Unemployment Relief as Percentage of Total Expenditure	Surplus (+) or Deficit (-)	
		Total	Of which:			Actual	Assuming full repayment of Unemployment Relief payments
			Unemployment Insurance Benefit	Unemployment Relief			
	1	2	3	4	5	6	7
May	135,5	108,9	50,4	33,3	30,6	+ 26,7	+ 40,4
June	138,3	116,6	54,7	37,9	32,5	+ 21,7	+ 33,8
July	120,9	111,6	52,5	42,1	37,7	+ 9,3	+ 21,9
August	113,4	112,4	52,4	43,9	39,0	+ 1,0	+ 14,8
September	108,4	115,0	47,6	47,9	41,7	- 6,6	+ 7,6
October	114,8	114,2	44,7	51,9	45,5	+ 0,6	+ 14,2
November	115,8	116,9	43,2	56,4	48,2	- 1,1	+ 16,5

creasing extent. It is in fact true that, if payments for Unemployment Relief were repaid 100 per cent by the Lands, the Unemployment Insurance Fund would even to-day still be achieving surpluses. In the quarter from September to November, 1949, these would have amounted to DM 38.3 million. The Lands are, however, usually much in arrears with their repayments. In consequence there was in actual fact a deficit of DM 7.1 million. To meet this deficit the Fund had to draw on the reserves which it built up during the first year after the Currency Reform.

The Annuity Insurance Funds, on the other hand, have recently been achieving quite large surpluses. This is because the Ordinance to Revise Social Insurance Benefits, which came into force on 1st June, 1949, considerably improved the position of the Annuity Insurance Funds at the expense of the Unemployment Insurance Fund. The effects of this law were to be seen for the first time in the figures for the third quarter of 1949, which are now available. That quarter closed with a surplus twice as high as

Receipts and Expenditure of the Annuity Insurance Funds in the Combined Economic Area
(In millions of DM)

Period	Receipts	Expenditure	Surplus (+) or Deficit (-)
1949 Jan.—Mar.			
Apr.—Jun.	567,0	524,0	+ 43,0
Jul.—Sep.	562,3	582,4	- 20,1
	792,9	695,9	+ 97,0
Jul.—Sep. as percentage of Jan.—Mar.	140	133	226

in the first quarter. This surplus followed a considerable deficit in the second quarter. The deficit occurred because the increased annuities had to be paid as from June, 1949, whereas the revenues rose only as from July.

As the receipts of the Old Age Insurance Funds, and their liability to make payments, remain fairly constant, it may be expected that the last quarter of the past year will also show a surplus about as big as in the preceding quarter.

Production, Sales, Employment

Trade in goods during the last few weeks of the year continued to show the same lively activity which began in the autumn. The index of industrial production, after remaining stationary for a while in October, again rose in November by more than 5 per cent per working day. Thus it reached a level only two points below the yearly average for 1936. It was about 25 per cent above the level of December, 1948, and 10 per cent above that of June, 1949. In December this level was maintained at least at the beginning of the month. During the last ten days of the month production in some branches fell off considerably in consequence of the usual closing down of works or short-time working. In consequence the result for the month, again reckoned per working day, was about 3 per cent under that of the previous month. Nevertheless, from the point of view of judging the level of economic activity, the production of the previous month was at least maintained, if not indeed somewhat exceeded.

Industrial Production in Western Germany

Changes as compared with Previous Month
in per cent

	1949		
	Sept.	Oct.	Nov.
Total of all Industry, including Electricity and Gas	+ 5,7	± 0	+ 5,4
excluding " " "	+ 5,9	± 0	+ 5,6
Total of Investment Goods	+ 4,9	± 0	+ 5,8
of which: Raw Materials	± 0	- 2,6	+ 1,3
Finished Goods	+ 9,5	+ 1,1	+ 8,6
Producers' Goods in general	+ 2,9	+ 0,9	+ 3,7
of which: Coal	+ 1,1	+ 2,2	+ 5,3
Consumers' Goods	+ 11,5	+ 2,3	+ 5,6
of which: Textiles	+ 13,6	+ 2,2	+ 5,3

In addition the building industry, whose production is not included in the industrial index figure, continued to show quite good activity until the end of the year. It was helped by the comparatively mild weather. In November its production stood at almost 100 per cent of the level of 1936, and again exceeded that of the previous month. This was because, in the many buildings whose construction was begun rather late, there still remained a good deal of interior building to do. It was not until December that the seasonal tendencies, which normally produce a decline at that time, got the upper hand.

The continued good activity in building had a good deal to do with the fact that, in the last two months of the past year, the increase in production was no longer concentrated mainly in the industries producing consumers' goods. The industries turning out producers' goods and those turning out investment goods had about an equal share in the increase. In particular, heavy industry, which showed a decline in September and October owing to the sharp decreases in the amount of new orders, recovered strongly. In the course of this recovery the August level of production was in general again reached and even exceeded. In consequence of this the production of steel in the year 1949 reached a figure of a little over 9 million tons. This compares with 5.5 million tons in 1948 and 14.5 million tons in 1936 in the area of the German Federal Republic. Coal production also made further progress. It is true that the output of bituminous coal in

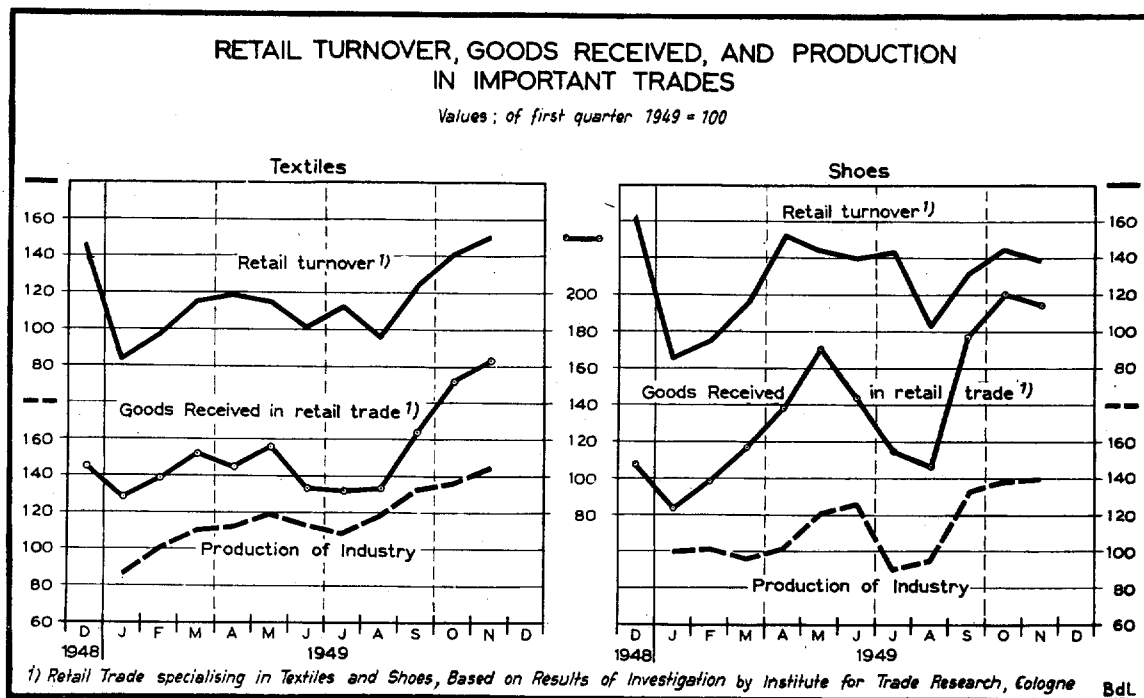
December, at 351,000 tons per working day, was about 17,000 tons per day lower than in November. However, if one takes into account that large quantities were produced in advance during November for use over Christmas, while the usual falling-off took place between Christmas and the New Year, this result was quite in accordance with expectations. For the whole year 1949 the output of bituminous coal reached 103.2 million tons. Thus it exceeded the production of the previous year by about 19 per cent, and reached approximately 88 per cent of the 1936 level. The production of electric current was helped in the last few months by the better supply of water for the hydroelectric power plants. It accordingly also increased further. In a few districts, however, the supply of current still remained too small. This caused certain industries which are much dependent on the supply of electricity, such as the non-ferrous metals industry and the chemical industry, to continue to suffer from the lack of current.

In the industries producing investment goods the increase in production during November was greater than in any other month during the past year. Those branches which, in part, produce consumers' goods in addition — for instance wireless sets — again did especially well. But production was also considerably increased in those branches which exclusively or mainly produce investment goods in the narrower sense of the words. One reason for this was that export business in some trades was more lively. Another more special reason was that trade and industry have for some time past been acting rather more boldly in the dispositions it has made: the expected releases of Counterpart Funds in particular have improved the prospects of obtaining capital, and this has led producers to take advantage of the financial facilities which the banks in many cases have been offering them. The machine-building industry in November reached the 1936 level of production, while the vehicle-building industry in the same month considerably exceeded it with an index of activity of 108, against 106 in October (1936 being taken as 100). The electrical equipment producing industry was also able to increase its production

further. It did so in spite of the continued keen competition from the Eastern Zone of Germany and the deliveries from Berlin, which are gradually increasing again. The production of this industry is now more than twice what it was before the war. Among the larger industries turning out producers' goods the only ones showing a decline in production were the industry of stones and earths and the sawn timber and wood industry: and in their cases everything indicates that the decline in activity was smaller than usual in extent, and was moreover due to seasonal causes.

The production of consumers' goods in almost all branches continued to increase vigorously, at least until the first weeks of December, although production here seems later on to have come under the influence of the seasonal tendency towards decline. At the point of highest activity the production in these industries was some 25 to 30 per cent above the temporary low point of July, 1949, which had been due not only to seasonal influences but also to certain adjustments of the amounts of goods held in stock, these adjustments being determined by the trend of prices at the time. At the same time the higher production of the last few months can only to a small extent be attributed to the

building up of stocks. At all events, as will be seen from the chart below, production in at least two important lines, viz., textiles and shoes, did not rise nearly so much as the turnover in retail trade. In fact there is no doubt that the main force contributing to the increase in activity was the higher level of consumption. This was in part seasonal. The Christmas trade this year started quite early, but in most lines was still very satisfactory right up to the holidays, and this had an important influence. In addition, there was a general increase in purchasing power parallel with the increase in business activity. Particular causes of this were the comparatively high level of employment, which continued well into November; higher incomes; improved Social Service payments; the beginning of the Immediate Assistance payments; and, last but not least, the increase in farmers' receipts. No doubt another reason for the better sales of consumers' goods produced by industry was the fact that the cost of food appreciably sank, in accordance not only with the official prices but still more with the black market prices. On the other hand, no doubt, a part of the purchasing power released by these causes was absorbed by the increase in the supply of imported goods. It is anyhow certain that the willingness of con-



sumers to spend money was greater than in the first half of the year. This is partly a result of the periodic tendency in savings. This tendency, which is now gradually becoming less strongly marked, appears to have been started by the Currency Reform, or else this latter intensified a tendency which already existed to seasonal fluctuations in the rate of savings. As is well known, in the first few months after the Currency Reform consumers used up a large part of the liquid reserves which still remained to them. By way of reaction against this, consumers in the first half of 1949 showed a marked reserve. By the second half of the year some reserves had been accumulated, and these were used to meet a fresh increase of expenditure on

Movements in Consumers' Incomes

Monthly Average or Month	Total of Wages and Salaries in Industry ¹⁾	Social Service Payments ²⁾	
	In millions of DM		
	In Combined Economic Area	In German Federal Republic	In German Federal Republic
1949 1st Quarter	900	.	386
2nd ..	945	.	444
July	977	.	511
August	1 012	1 111	524
September	1 019	1 122	572
October	.	1 117	605
November	.	1 147	626

¹⁾ From Reports by Industry.

²⁾ To pensioners, persons injured or bereaved as a result of the war, and recipients of relief and of Immediate Assistance.

articles for consumption. Finally there was the fact that the financing of certain consumers' expenditure on credit has made considerable progress since the middle of 1949. Consequently the turnover in retail trade has to some extent been made greater by the spending of future incomes in advance.

Some of the causes mentioned above will occur only once, or are at least only temporary. This no doubt means that the activity in consumption which has so far taken place rests on unstable foundations: and it will continue to do so, at least so long as the rates of tax on incomes and wages are not reduced in the way which people have been led to expect. It is a fact that some trades expect in many branches a more than seasonal falling-off in consumption

in the first few months of the new year. It would seem that stocks of goods are being kept down to low levels, while the shoe industry, for instance, was already working on short time during the last few weeks of the old year. This would appear to be a sign that producers and traders are already getting ready to face a lower level of consumption.

However that may be, a somewhat lower level of consumption, particularly of luxury goods, would fit in quite well with the reduced possibilities of production: and in the long run, in spite of the views expressed in some quarters, we must reckon with these reduced possibilities, more especially in a number of important industries producing consumers' goods. This is because a certain limit is set to production by the supply of raw materials. Some illuminating material on this subject was included in the memorandum on the E.R.P. Programmes for the years 1950/51 and 1951/52 which the German Federal Government recently communicated to the O.E.E.C. In general terms this memorandum states that the total expenditure on consumption in the E.R.P. year 1950/51 can only be allowed to rise to DM 61.7 milliard, as against DM 59.1 milliard in the current E.R.P. year, if the balance of the country's economy is not to be disturbed. This is because of the limited margin available for imports and the prospect of a poorer harvest. The German Federal Government thinks that it will be difficult in some industries producing consumers' goods to maintain even the level of production of the last few months. This applies for instance to the textile industry. In this industry in the first four months of the E.R.P. year 1949/50 (1st July to 30th June) production reached 85.5 per cent of the 1936 level. The memorandum considers that in view of the foreign exchange prospects it will hardly be possible to maintain this level, even after allowing for the efforts that are being made to increase the production of artificial fibres. This is in full accordance with the estimate set out in this section of our last Monthly Report. There is was shown that the cotton imports planned for the next E.R.P. year are about 15 per cent below the actual rate of consumption of cotton in the months of September and October, 1949. Of course it

may well be that here too ways and means will be found to widen to some extent any bottle-necks which prudence makes it necessary to expect. For instance, the movement in imports which has followed on the liberalising of Germany's external trade with certain European countries has shown that it may be possible to cover in Europe a larger part of Germany's needs for foodstuffs, especially for fats, than was hitherto intended. Thus it might turn out that dollars which had been reserved to pay for imports of food could be made available to pay for imports of raw materials for industry. But no doubt in many important branches of the production of consumers' goods the chances of increasing production will be a good deal smaller next year than previously. The German Federal Government rightly emphasises that, unless savings grow a good deal faster than last year, the planning of investments must perforce be kept within fairly narrow limits.

The supply of foodstuffs improved further during the past few months. This is a result of the excellent harvest in 1949 and of the fact that imports still remain at a high level. This last fact is increasingly due to the amounts received since October from the "liberalisation" countries. Even in the case of commodities such as, in particular, fats, where the position was previously thought to be critical, a great degree of equilibrium has by now been established between demand and supply. As the result of this the Federal Government decided as from 1st March to abolish rationing, which in the course of the last few months had already to a large extent been made less stringent or had become superfluous. Only sugar, for which the

demand still has to be covered to the extent of about 60 per cent by imports, will continue to be rationed.

In point of fact the abolition of rationing did not lead to any rise in prices, but on the contrary to a collapse in the prices on the black market which to some extent still existed for certain of the rationed articles. This shows that in abolishing rationing nothing unfair was done against the poorer sections of the population. On the contrary, the fall in prices has led to these sections getting better supplies. At the same time it is necessary to prevent misunderstandings from arising, especially in foreign countries. It must therefore be continually emphasised that apart from the fact that a certain minimum supply of food is assured by the foreign deliveries against deferred foreign exchange payment, the equilibrium between demand and supply in the foodstuffs market in Western Germany is due solely to the fact that there is no inflation of incomes and that the real income of wide sections of the population is very small. In spite of the apparent surplus, especially in the high-quality foods, the general standard of nourishment is still certainly not up to the pre-war level. Nor is it up to the level in the other industrial countries of Western Europe. In fact to a large extent it is still very low indeed. That is to say, the per capita consumption of bread, prepared cereals and potatoes continues to be higher than before the war; that of meat and eggs is still very considerably lower; and that of fats and milk is appreciably lower. In this respect also it will probably only be gradually possible to bring about any change, especially if the next harvest should turn out to be a poorer one; and this, after the record harvests of the past two years, is unfortunately probable. At all events, the foreign trade position will hardly allow of any large increase in our imports of foodstuffs next year. As against this the demand is increasing because, apart from all else, the population of Western Germany is still showing marked expansion, largely because of the continued influx from outside.

The position on the labour market in December again grew a good deal worse. The number of unemployed had already risen in No-

Yearly Consumption of Important Foodstuffs per Head of Population

(in the Area of the German Federal Republic)

According to information published by the Administration for Food, Agriculture and Forestry

Foodstuff	Unit	1936	1949/50 (1 July to 30 June)
Bread	Kg	144	158
Prepared Cereals	"		
Potatoes	"	190	194
Meat	"	55	23
Fats	"	18	15
Eggs	Each	114	67
Full-cream Milk	Litre	113	81

vember by about 71,000. In December it increased by about 175,000. At the end of the year, at 1.58 million, it was about twice as high as the year before, and amounted to a good 10 per cent of the total number of unemployed plus non-independent employed persons.

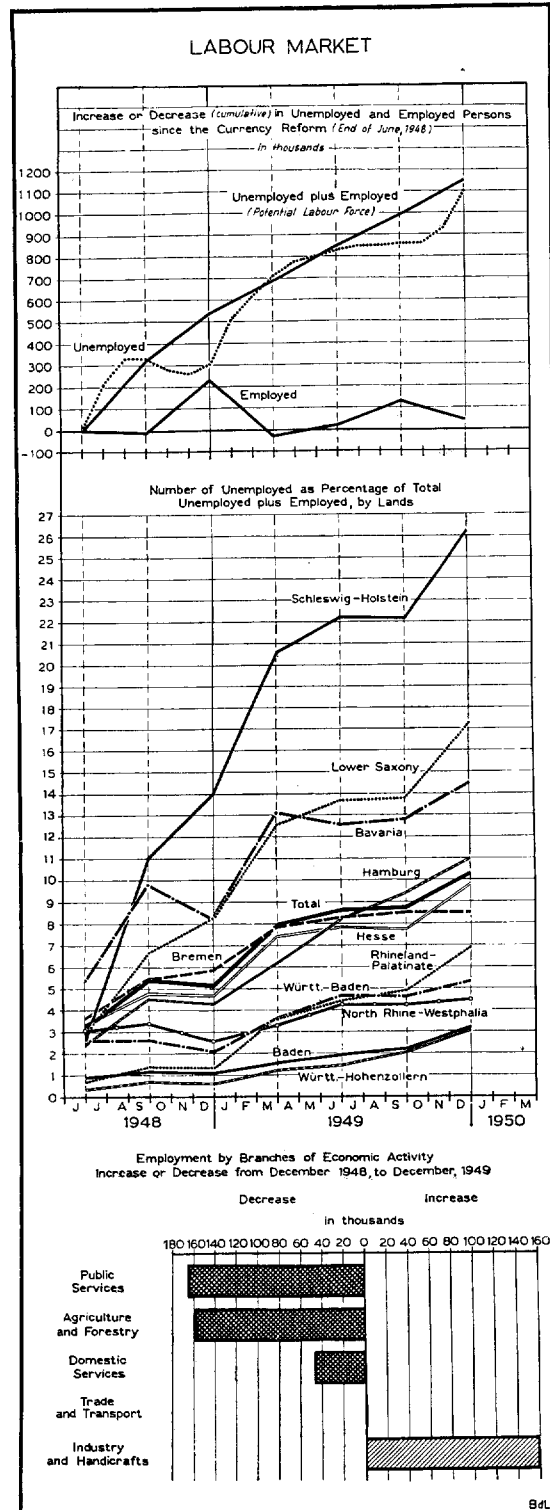
It must, however, again be emphasised that this increase in the number of unemployed by no means reflects a corresponding decrease in fact that, in consequence of the seasonal restriction of activity, the economy of the country could no longer absorb the continuing additions to the labour force to the same extent as in the summer months. Thus, the total number of the unemployed rose between the end of September and the end of December by nearly 245,000. In the same period the number of non-independent employed persons, as shown by the recently published quarterly statistics, only fell by a bare 49,000. Unless therefore the newly

Unemployment and Employment in the Area of the German Federal Republic

(In thousands)

	Persons newly joining the Labour Force	Increase (+) or Decrease (-) in the number of	
		Employed	Unemployed
1948			
3rd Quarter	+ 328,0	- 5,0	+ 333,0
4th "	+ 215,2	+ 239,7	- 24,5
1948: 2nd Half-year	+ 543,2	+ 234,7	+ 308,5
1949			
1st Quarter	+ 153,0	- 255,5	+ 408,5
2nd "	+ 156,6	+ 41,4	+ 115,2
3rd "	+ 146,1	+ 115,7	+ 30,4
4th "	+ 195,9	- 48,9	+ 244,8
1949: Whole Year	+ 651,6	- 147,3	+ 798,9
June, 1948 to December, 1949	+ 1 194,8	+ 87,4	+ 1 107,4

unemployed people came to an appreciable extent from the ranks of people who were previously working for their own account, nearly four-fifths of the increase during the past quarter must come from the following sources: refugees from the East, repatriated prisoners of war, young persons entering the field for employment, and a general widening of the circle of persons compelled to earn their living.



In so far as employment has declined during the past quarter, this is in the main merely a seasonal phenomenon. As yet, it is true, no subdivision of the figures by trades is available. The movement of the figures for the different

regions, however, shows that the decline is mainly in outdoor occupations. Employment has in fact decreased only in the mainly agricultural districts Schleswig-Holstein, Lower Saxony and Bavaria. In the last of these three, moreover, there was much the largest increase in unemployment. On the other hand, in the mainly industrial areas North Rhine-Westphalia, Württemberg-Baden, Württemberg-Hohenzollern and Baden the number of employed persons has actually risen; while in Hamburg, Bremen and the Rhineland-Palatinate there is scarcely any change observable. It is true that outside industry there is a structural contraction of employment going on. At all events, as the foregoing chart shows, in agriculture, forestry, the public services and domestic service the number of employed persons at the end of 1949 was probably not merely lower than in the autumn of that year, but actually smaller than at the end of 1948. As against this, only industry, handicrafts, and to a lesser extent transport and trade, show an increase in the number of persons employed. However, there is no doubt that at the time of the Currency Reform agriculture, forestry and the public services had far too many people working in them. Thus a certain tendency for people to leave these occupations merely represents, from the economic point of view, a most necessary process of rationalisation.

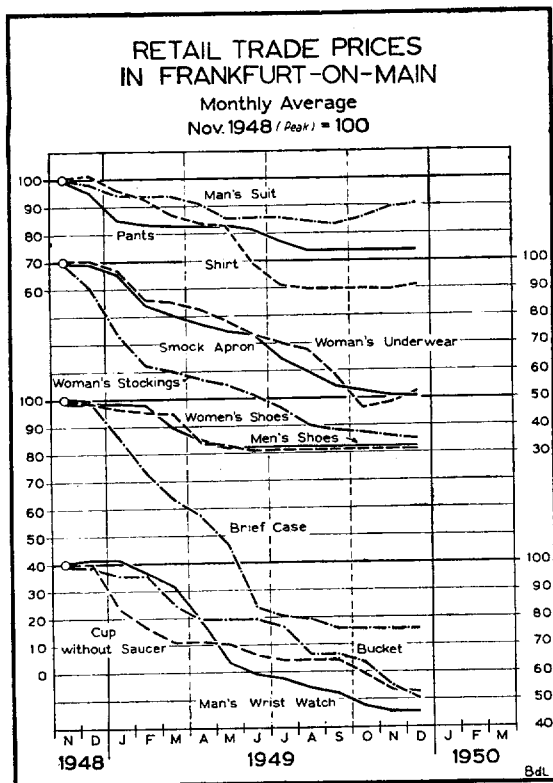
The fact that the persons thus released from employment, as well as a large portion of the recruits to the labour force, could not be absorbed into economic life, no doubt reveals a serious weakness in the West German economic structure. The problem is considerably complicated by the fact that industry also is going through a process of rationalisation. This process in itself is no doubt altogether to be welcomed. Nevertheless industry is about the only branch of activity in which new recruits to the labour force can be used, and the rationalisation does naturally reduce its capacity to absorb such recruits. In the year 1949 the production of industry, excluding building, rose by almost 25 per cent. It is however estimated that the number of persons employed rose by only 7 or 8 per cent. That is to say, the efficiency of labour increased by about 19 per cent. If, in face of this large increase in the productivity of labour,

industry is to employ appreciably more people, it must be in a position to expand its production even more than before. At this point, however, it comes up, in many cases, against the barriers which are set to its expansion by the restricted position in which, as mentioned above, Western Germany finds itself from the point of view of foreign trade. In other words, we have a structural disequilibrium between the personal and the material factors in production. This has been caused by the sudden piling up of people in the limited area of the Federal Republic. Like any other structural disequilibrium, it can only be cured, wholly or at least partially, by hard and tedious work.

Prices and Wages

The price level during the past few weeks has on the whole shown little change, although in individual commodities there were again some quite considerable movements both upwards and downwards. However, the tendency which was noticed in November for the upward movements gradually to get the upper hand does not seem to have persisted. This was in spite of the fact that in retail trade the strong Christmas demand did to some extent tend to harden prices. Thus the danger that prices might rise because certain imported raw materials had become dearer seems to have been overcome: the more so inasmuch as the prices of imported goods have not recently shown any further appreciable rises. The rises in raw material costs which previously occurred have evidently been absorbed by trade and industry.

On the market for foodstuffs the factors at work have been the good harvest, the growing supply of cattle, and the large imports produced by the liberalisation of foreign trade. These have exerted in some directions a definite downward pressure on prices. In particular the prices of meat, eggs and fruit have sharply fallen. For fats it was recently possible to take off rationing without the price rising above the previous official level. For those consumers who used to supplement their supplies by buying on the black market, the cost of food has fallen by even more than the official reductions in price. To some extent this process had already begun in



October and November. It is true that, in spite of that, in the index of prices of Basic Materials in November the group Foodstuffs still shows

an increase. This is, however, mainly due to the fact that the index was based on the official maximum prices: and, after the prices of hogs were decontrolled on 10th November, the new "market prices" stood for the time being above the previous official prices, which, however, were of little importance in determining the prices that people really had to pay for supplies. In December, and still more in January, as already mentioned, the market prices themselves fell by large amounts.

For some time past there has been a certain instability of prices on the grain markets. Competent authorities, it is true, have stated that no rise in grain prices is to be expected during the present crop-year. Nevertheless farmers, whose deliveries of wheat were exceptionally high just after the harvest, have been holding back a good deal with deliveries since November. They did this in order to speculate on the price, or they demanded, and in some cases received on the illegal market, higher prices for their wheat. Rye on the other hand can at present only be sold with difficulty, because consumers of grain in baked form prefer wheat; and the bakers favour this tendency because there is

Prices of Certain Imported Luxury Foods and Raw Materials
(In DM)

Article	Quantity	July 7, 1949	Oct. 21, 1949	Nov. 21, 1949	Dec. 21, 1949	Rise (+) or Fall (-) between 7 Sep. and 21 Dec. in per cent.
Raw Coffee IV Pr Duty unpaid, delivery Bremen	100 kg	187,00	280,00	440,00	480,00	+ 156,7
Tea, Orange Pekoe Ceylon O V Pr, duty unpaid, Hamburg-Bremen, Free Port Warehouse	1 kg	7,40	7,40	7,40	7,50	+ 1,4
Raw Wool Australian Merino A, delivery Hamburg	1 kg	11,70	11,45	12,60	12,80	+ 9,4
Crossbred Buenos Aires D1 delivery Hamburg	1 kg	5,40	5,30	5,60	6,30	+ 16,7
Cotton American Staple, 29/32 inches strict middling, c. i. f. Bremen						
Egyptian	100 kg	256,66	309,46	301,51	309,91	+ 20,8
Ashmouni	100 kg	383,52	385,52	471,43	471,32	+ 22,9
Karnak	100 kg	613,43	471,41	526,72	511,10	- 16,7
Raw Jute, First Quality Graded, IV Pr. delivery Bremen	100 kg	150,90	146,50	144,35	141,50 ¹⁾	- 6,2 ¹⁾
Raw Rubber, ribbed smoked sheets, I E Pr free of duty, at Quay Warehouse Hamburg	100 kg	140,00	136,00	136,00	136,00	- 2,9
Ox Hides Buenos Aires, Frigorifico, G E Pr, for delivered weight, gross weight for net	1 kg	2,61	2,85	2,73	2,77	+ 6,1

¹⁾ Price on 7 Dec. 1949.

a higher margin of profit to them if they use wheaten flour. To correct the tendency will require a thoroughgoing revision of the grain-price policy pursued hitherto. The aim of this revision must also be to reduce the need for subsidies on imported grain, since it is becoming more and more clear that the heavy burden of these subsidies in the long run cannot be borne, and at the same time to give German grain-growers the incentive which they need to make them intensify production. In this connection it may be remarked in passing that a revision of this kind would be a good deal easier to-day than a few weeks ago. This is because the fall in the prices of meat, eggs, and to some extent of fats would afford a compensation for any resulting rise in the price of bread. It might be added that considerations of social policy can afford little serious ground for keeping wheat prices artificially low.

The movements in the prices of industrial basic materials are at the moment to a large extent characterised by the revision of the official prices which were previously fixed by the authorities. As early as December steel prices were raised. With effect from 1st January the inland prices for coal, the prices for motor fuels and for semi-finished steel products were also raised. The raising of the inland prices for coal was in accordance with the agreement reached with the Allied High Commission on the occasion of the change in the conversion rate for the DM. The purpose was gradually to abolish the difference existing between the inland price for coal and the export price, which foreign countries to some extent regarded as a form of discrimination. At the end of December the gap between the average inland prices and the average export prices still amounted to some DM 8 per ton. For the first quarter of 1950 it was now laid down that German export prices for coal were to be reduced by an average of DM 2.18 per ton, while the inland prices were to be raised by an average of DM 0.30 per ton. A further reduction of the gap by about DM 1 is to be achieved by a raising of the inland freight-rates which will not affect the foreign buyers. However, for reasons of general price policy strongly differential rates will be applied where the inland prices are

raised. The object is to temper the effect of the increased prices on certain branches of production in which coal accounts for a relatively large part of the production costs. This is the case, for instance, with gas and electricity works. Some individual prices are indeed to be lowered. In consequence of this there will in future be no fewer than 97 different prices for coal. As to the effect of the changes on the ability of the German coal-miners to earn profits, which has for a long time been a matter of extreme difficulty, the raising of the inland prices will not make up for the lowering of the export prices while the export quota remains at its present level, and there is little prospect that it will in future be any higher. To cover this point a rise in price of about DM 0.66 per ton would have been required, and this was refused in view of its effect on the general price-level. The fall in the receipts of the coal-mines as the result of the uncompensated lowering of export prices is estimated at about DM 20 million per year.

Prices of motor fuels have been raised by reintroducing Customs duties upon them, while at the same time raising the maximum prices which were in force for inland production. As the result the price of petrol has been raised in principle from 41 to 60 pfennigs per litre, and that of Diesel oil from 32 to 45 pfennigs per kilogramme. For agriculture and for inland shipping, however, the previous prices remain in force. The prices for other users were raised with two objects: first, to meet the increased costs of production, and secondly to provide funds to cover certain extraordinary expenditure of the Federal Government, namely the Berlin Assistance and the subsidies on imported foodstuffs. In its effect on the competition between road and rail the measure will of course be of some importance, especially since the Railways are scarcely affected by the rise in the price of coal: this is because the locomotives burn almost exclusively lump-coal the price of which has not been raised. Accordingly the road-transport undertakings strongly oppose the new arrangement. On the other hand the Federal Railways, which in recent years have had much to suffer from the growing competition of the motor-lorry, hope that the measures taken will bring them at least a little relief.

It still remains to be seen what effect the various increases in the prices of basic materials will have on the general price level. On the whole, however, it may well be that prices to the final consumer will hardly be affected. This is because the margin between costs and gross receipts is, for many processing or consuming firms, very high as compared with the price increases for basic materials. Many industrial firms, if properly supplied with capital, will be able to meet the increased costs by further rationalisation. One particular result of such efforts to rationalise has been that during the period reviewed by the present Report the prices of various types of motor vehicles have been lowered. It is possible that one reason for this measure was the desire to make allowance for the higher prices of motor fuels.

**Wages of Industrial Workers¹⁾
in the Area of the German Federal Republic**

	Average number of Hours worked per week	Average Gross Earnings per Week in DM	Average Gross Earnings per Hour in Pfennigs
1948			
September	43,8	47,40	108,3
December	44,2	50,70	113,2
1949			
March	45,3	52,55	116,1
June	46,3	55,31	119,6
September ²⁾	47,5	57,05	120,1

¹⁾ Male and female workers.

²⁾ Provisional, excluding Hesse and Württemberg-Baden.

As to wage movements, figures are now available up to the autumn of last year. According to these figures the gross earnings of industrial workers per hour and per week rose further in the third quarter of 1949. As the result of this the earnings per hour stood about 11 per cent above their level in September, 1948 and the earnings per week about 20 per cent above it. The rise in real wages was certainly greater than this, because the cost of living declined during this period. At all events, if the official index-figure of the cost of living be taken as a basis, the real weekly earnings of industrial workers rose on the average by about 24 per cent. Among other groups of workers the comparable movements were probably on the average about the same. In their case,

partly as a result of the conclusion of new tariff agreements, wage rates were also raised and the hours of work in all probability were extended as well. In individual cases, it is true, there may have been considerable differences, although it would be only in exceptional cases that these would be likely to cause any great differentiation as between the high-paid and the low-paid categories of workers. As a rule indeed efforts were made, when revising the tariffs, to improve in the first place the wage-rates for the lower groups. Thus the gap in wages between the fully-qualified male workers on the one hand and females and young persons on the other was diminished rather than increased. The same would apply as between skilled workers and unskilled workers, and between the various classes grouped according to localities. As a matter of fact this levelling-down process is not entirely free from objection from the point of view of stimulating production, because it reduces the incentive to the worker to seek to obtain the best possible qualification in his trade.

Apart from this, if one compares the movement in real weekly earnings of industrial workers with the movement of the productivity index, one finds that between September, 1948 and September, 1949 real weekly wages rose by about 24 per cent, but productivity by only about 21 per cent. However, the calculation of both these figures is uncertain, and no importance should be attached to the small difference between them. It remains true that on the whole the real wages of industrial workers at least kept pace with the increase in productivity, while nominal wages did not rise at the same rate as productivity. This was because the hours of work were increased, and the increase in productivity was at least partly reflected in a reduction of prices. It is essential that this course be further pursued. The German price-level, from the international point of view, is in many fields still too high. An improvement in the German balance of payments can only be achieved if these unduly high prices continue by degrees to be corrected. That at least is the clear lesson on price policy to be drawn from the last few months' movement of our foreign trade, which we shall now proceed to examine.

Foreign Trade and Payments

In November, the last month for which data were available at the time of going to press, exports again increased. They amounted to \$ 87.9 million, and thus still remained smaller than before the conversion rate for the DM was changed. It is true that no comparable figures for the whole area of the German Federal Republic are available. If, however, one takes as a basis the foreign trade statistics for the former Combined Economic Area, which account for much the greatest part of the exports, it appears that in terms of dollars exports in November, 1949, were lower by \$ 9.5 million, that is, lower by 10 per cent, than the average for the third quarter of the year. Furthermore, in terms of value the exports from the area of the German Federal Republic rose in November by \$ 7 million: but out of this amount \$ 1.4 million were due to seasonal exports of hops and more than \$ 4 million to the increase in exports of coal, coke and scrap, regarding which it is still uncertain whether in the long run they can be maintained at this level. This is because, in the first place, the lower price fixed for exported coal in January will reduce the foreign exchange proceeds by about half a dollar per ton. In addition, it would seem that in terms of quantity something like the maximum has been reached in coal exports for the time being. As to exports of scrap, these, in view of the gradu-

al exhaustion of stocks, will in the long run actually decline. At the same time exports of finished goods in November recovered only \$ 0.5 million of the decline of \$ 9 million which, in terms of value, they suffered in October.

The exports from the area of the German Federal Republic in October and November stood at about \$ 84.4 million, and were thus moving at the rate of about \$ 1 milliard per year. As against this, in the Economic Plan of the Federal Government the exports for the current E.R.P. year, i. e., from 1st July, 1949, to 30th June, 1950, are estimated at \$ 1,273 million. This Economic Plan was recently communicated to the O.E.E.C. in a detailed memorandum regarding the Programmes for the years 1950/51 and 1951/52. According to the same Plan the figure just mentioned is to increase in the next E.R.P. year to \$ 1,580 million, and in the following year, the last of the Marshall Plan, to \$ 1,813 million. This means that, even in order to reach the target for the current year, the exports in the months December, 1949 to June, 1950 would have to come to about \$ 120 million per month on the average. That is to say, they would have to rise by about 40 per cent as compared with the level in October and November.

In judging the results of the export trade for the past few months one factor must not be forgotten. That is, that the exports were to a

Foreign Trade of the Combined Economic Area¹⁾

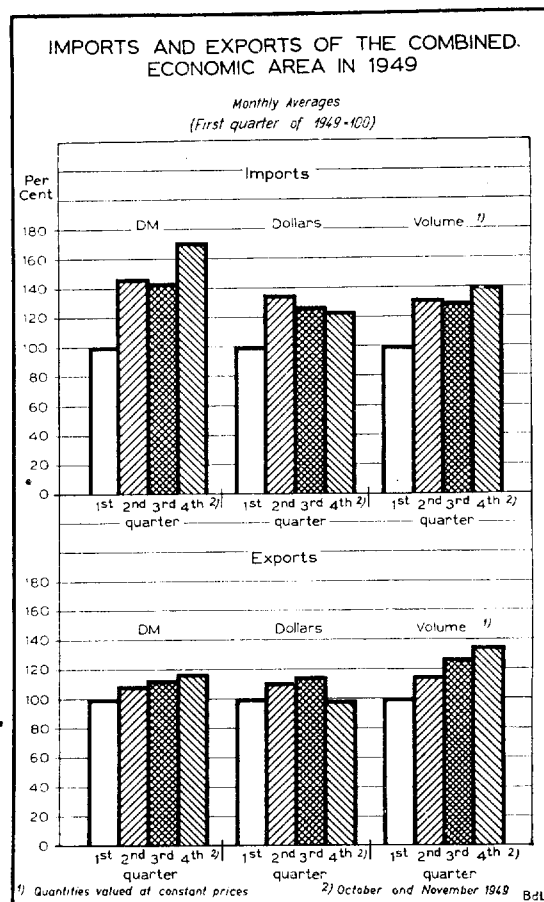
(In millions of DM)

	Imports						Exports					
	Combined Economic Area				Area of German Federal Republic		Combined Economic Area				Area of German Federal Republic	
	Monthly Average						Monthly Average					
	2nd Half 1948	Jan. to Mar. 1949	Apr. to Jun. 1949	Jul. to Sep. 1949	Oct. 1949	Nov. 1949	2nd Half 1948	Jan. to Mar. 1949	Apr. to Jun. 1949	Jul. to Sep. 1949	Oct. 1949	Nov. 1949
Foodstuffs	179,6	180,3	270,7	270,7	477,7	388,3	3,5	9,8	3,7	2,2	9,0	15,9
Industrial Materials	152,6	231,9	333,9	324,4	318,4	305,8	218,5	270,1	301,9	313,7	333,3	354,3
of which:												
Raw Materials	82,7	125,6	174,7	155,3	171,5	153,9	54,4	56,6	60,6	68,2	73,4	78,9
Semi-finished Goods	51,2	66,6	86,9	86,0	86,2	85,8	66,8	94,6	96,9	84,5	77,0	90,2
Finished Goods	18,7	39,7	72,3	83,1	60,7	66,1	97,3	118,9	144,4	161,0	182,9	185,2
of which:												
For further processing	10,9	21,8	28,2	30,7	26,1	33,2	51,1	60,5	64,4	71,8	63,6	60,1
Finally finished	7,8	17,9	44,1	52,4	34,6	32,9	46,2	58,4	80,0	89,2	119,3	125,1
Total	332,2	412,2	604,6	595,1	796,1	694,1	222,0	279,9	305,6	315,9	342,3	370,2

¹⁾ As from October, the area of the German Federal Republic.

very large extent still affected by the alteration of the conversion rate for the DM. The effect of this was at first unavoidably to reduce the value of the total exports. This was because exporters could only gradually make up what they lost through the reductions in price, expressed in foreign currency, by increasing the quantity of the goods which they exported. None the less it can be seen that in this respect quite a good start has been made. Thus, whereas the dollar value of the exports in the months of October and November was on the average 3 per cent lower than the corresponding values in the second quarter of 1949, the volume of exports was 18 per cent greater. The "volume" is taken as being the effective quantities, valued at like prices. Even as compared with the last quarter before the alteration of the conversion rate, the volume of exports in October and November increased by about 7 per cent. In these two months the exports of finished goods alone show an increase of 5 per cent. They are thus about 60 per cent greater in terms of quantity than in the first quarter of 1949. If this expansion in quantity continues, it may be assumed that it will soon lead to a considerable increase in the foreign exchange proceeds coming in. The reason for this is because prices, in the course of the last few months, have already gone quite a long way towards adjusting themselves to the level of prices on the world market. It remains of course true that in a number of trades prices may still need quite a good deal of correction in order to get over the handicap which German prices are imposing on the efforts of German exporters to increase their sales abroad.

The volume of imports has also further increased, according to the latest monthly figures. On the average of the months October and November it was about 9 per cent above the level of the months July to September, 1949. At the same time the value of the total imports, expressed in DM, rose by 18 per cent. On the other hand, in terms of dollars a part of the imports has become cheaper: this refers to the imports coming from countries which have devalued more than Germany. Consequently, in spite of the increase in quantity and in the DM value, the amount of dollars required to pay for imports has become smaller than it was be-



fore the adjustment of exchange rates. The reduction, it is true, amounts to only 2 per cent, whereas the foreign exchange accruing from exports in the months of October and November was on the average 14 per cent less than in the third quarter of the year.

The expansion in the volume of imports since the devaluation of the pound sterling is attributable solely to the increase in food imports. In October the imports of grain from overseas were exceptionally large. In addition to this, in consequence of the liberalisation of foreign trade there was in November a considerable increase in the imports from Europe of foodstuffs, drinks and tobacco. On the other hand the volume of imports of industrial materials, which, after a sharp rise in the spring, had been falling for some months, sank still further. On the average of the months October and November they were actually some 21 per cent smaller than on the monthly average of the second quarter of the year. A decisive

factor in producing this result was probably the fact that in the spring of 1949 in the case of some raw materials there was for a time an excessive building up of stocks. This happened for instance in the case of non-ferrous metals and of technical fats and oils. Consequently imports of these commodities under the Marshall Plan are continuing to run at a comparatively low level. In November only \$ 8.2 millions' worth of industrial materials were imported into the area of the German Federal Republic under the Marshall Plan. These imports were thus even smaller than the average of the first four months of the current Marshall Plan year, which was \$ 21.0 million.

At the same time, apart from a small number of exceptions, no difficulties have occurred in the supply of raw materials. This means that the present arrears in deliveries under the Marshall Plan programmes are actually to be regarded as a welcome reserve against the time when E.C.A. allocations will fall off more steeply.

The liberalising of foreign trade has so far done little to give Western Germany any new opportunities to get raw materials in Europe. Up to the end of December a total of \$ 458 million of import permits had been granted in

Status of Delivery Programmes for Marshall Plan Imports into the German Federal Republic as at 30th November 1949
(In millions of Dollars)

Status	Delivery Programmes for First and Second Marshall Plan Years ¹⁾				
	Food-stuffs	Industrial Materials	Total	Freight	Total
Delivery Programmes	322,2	442,3	764,5	73,9	838,4
of which:					
Delivered	261,1	229,4	490,5	43,2	533,7
Not yet delivered	61,1	212,9	274,0	30,7	304,7
of which:					
Contracts placed, but goods not yet delivered	10,2	72,2	82,4	2,8	85,2
Approved, but contracts not yet placed	—	63,6	63,6	23,7	87,3
Not yet approved	50,9	77,1	128,0	4,2	132,2

¹⁾ The E.C.A. allocation for the second Marshall Plan year has been as yet only partly programmed.

pursuance of the liberalised trade treaties and the unilateral free list. Out of this amount only some 35 per cent relate to industrial materials, and even that figure includes some finished goods. As against this, foodstuffs, drinks and tobacco account for no less than 65 per cent. From the German point of view these imports are to a great extent made up of so-called "non-essentials". However, it would be by no means true to say that it would be impossible, through this stepping-up of Germany's imports from Europe, to effect any savings of dollars. On the contrary, if the imports which have come in from Europe during the last few months are analysed by categories of goods, the result is to show that, apart from many which cannot be called really essential, a part of them does consist of goods which to some extent can replace dollar imports. This is especially true of the fats and oils which have so far been imported. If it proves possible to maintain these imports at their present level, they might help to reduce the imports of these commodities planned to come from dollar sources, and might thereby make dollars free to pay for imports of materials for industry. Something of the same kind applies to imports of such things as eggs, milk products and the like, which cannot altogether be classed as essential basic foods. These things, when imported, bring about such a noticeable improvement in the quality of the people's food that the requirement for certain basic foodstuffs, such as grain, or vegetable oils and fats, falls off at least to some extent. Most of these basic foodstuffs had to be got from the Dollar Area. Thus the process does make possible some improvement in our dollar balance of payments, even though the total effect may not be large.

Of course a condition of this is that the stepping-up of Germany's trade with Europe must not in its turn lead to a loss of dollars. It might for instance do so by causing German exporters to concentrate their attention too much on the European market, thus paralysing the "dollar drive". Or it might be that dollars would be required for meeting any eventual debit balances on trade with European countries. In the light of the events of the past few months, this last danger at the moment looks

particularly great. As shown in last month's Report, Western Germany has gone so far as to adopt far-reaching measures of liberalisation in the interests of a closer economic co-operation between the European Marshall Plan countries. The first effect of these measures has been to produce a marked worsening in Germany's balances of trade and payments with Europe. This is because the countries which buy from Germany have not gone nearly so far in meeting the desire of the E.C.A. for liberalisation. It is also because for evident reasons the vacuum which demands filling by imports is much stronger in Western Germany than in most of the other European countries taking part in the Marshall Plan. There is still another reason why the German position was bound to become initially worse. This is that the goods bought by Germany are for the most part paid for in cash, whereas, for the goods which Germany sells, international usage in many cases requires longer periods for payment.

In November also the trade balances have turned out to the disadvantage of the German Federal Republic. Thus, whereas in comparison with October Western Germany's total imports

declined, her imports from E.R.P. countries, including the Sterling Area, increased by \$ 19 million. On the other hand Western Germany's exports to these countries rose by only \$ 4.7 million. Consequently the import surplus, which in October amounted to \$ 2.1 million, rose in November to \$ 16.4 million. As the table below shows, this has caused Western Germany for some time now to be showing a considerable debtor balance in the Intra-European Payments Scheme under the Paris Agreement. And this is in spite of the fact that the Payments Plan of 9th September provided that for the current E.R.P. year Western Germany was to have a monthly average creditor balance of \$ 6.1 million.

The immediate effect of these developments has been that the position as regards payments of the German Federal Republic vis-à-vis the other Marshall Plan countries, taken as a whole, has been considerably altered. At the end of September Western Germany had quite high balances in these countries, including the Sterling Area. During the last quarter of 1949 these balances fell by almost 90 per cent. Again, under the Intra-European Payments and Compensation

Balance of Payments of Western Germany vis-à-vis Countries participating in the Intra-European Payments Scheme*)

Monthly Balances for Payment in the Clearing at the Bank for International Settlements
(In millions of Dollars)

Monthly Averages	Vis-à-Vis 6 countries to which Germany has granted Drawing Rights ¹⁾	Vis-à-vis 3 countries in which Germany holds funds (or has received Drawing Rights) for meeting current settlements ²⁾	Vis-à-vis 4 countries with which a "balanced account" is expected ³⁾	Vis-à-vis all countries taking part in the Intra-European Payments Scheme ⁴⁾
Actual Balances for Payment				
1948 4th Quarter	+ 5,6	+ 3,4	- 4,2	+ 4,8
1949 1st "	+ 19,6	- 1,4	- 2,8	+ 15,3
2nd "	+ 19,2	+ 0,2	- 13,5	+ 5,9
3rd "	+ 10,9	+ 9,2	- 7,6	+ 12,5
October	+ 0,1	- 8,9	- 2,5	- 11,3
November	- 28,5	- 13,9	- 9,0	- 51,4
December	- 20,2	- 24,7	- 7,0	- 51,9
Scheduled Balance for Payment in 1949/50				
Total	+ 163,9	- 90,1	± 0	+ 73,8
Monthly Average	+ 13,7	- 7,5	± 0	+ 6,1

*) Including non-participating countries in the Sterling Area

¹⁾ Austria, France, Greece, Netherlands, Norway, Turkey

²⁾ Sterling Area, Sweden, Denmark

³⁾ Belgium-Luxemburg, Italy, Portugal, Switzerland

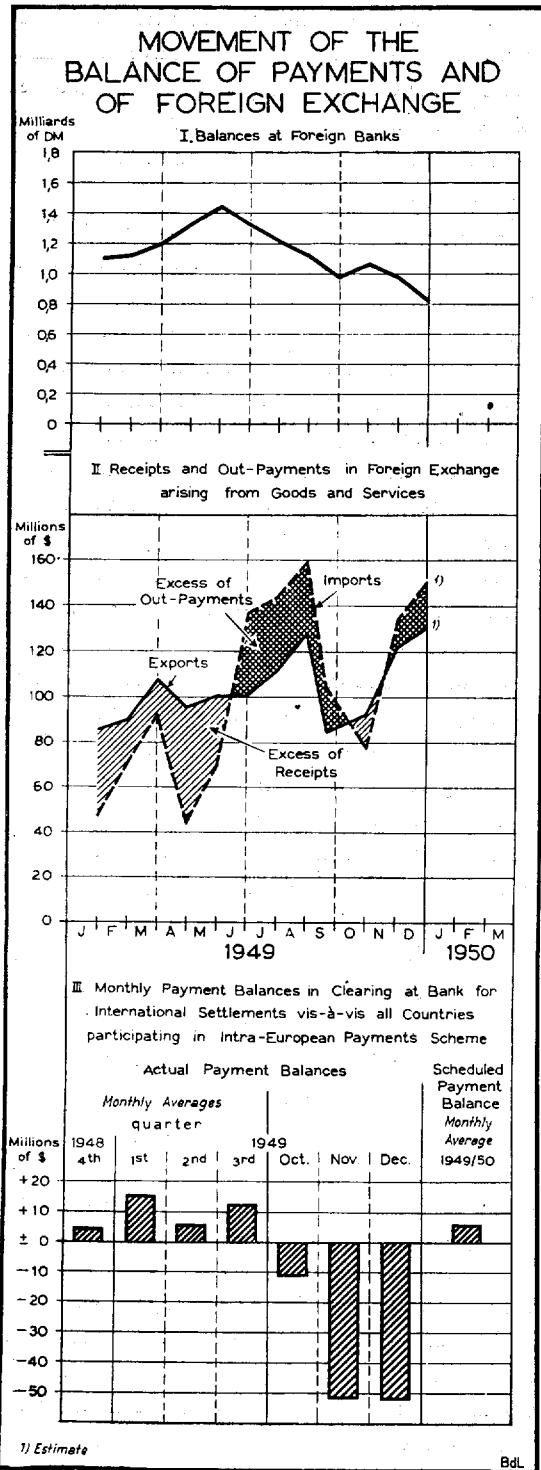
⁴⁾ O.E.E.C. countries plus non-participating countries in the Sterling Area

Agreement certain countries have drawing rights in Germany. Vis-à-vis certain of these countries the balance of payments has turned out in a way which is the exact opposite of what was expected. That is to say, that instead of the expected debtor balances vis-à-vis Western Germany some of these countries are showing large creditor balances. Other countries again had import surpluses in their trade with the German Federal Republic, but these import surpluses were so small that the countries in question could only to a decreasing extent use the drawing rights allowed to them. There is only one country which has up till now used its drawing rights in Western Germany not merely to the extent expected, but actually, on the monthly average, rather more than it ought to have done. That country is Austria. Thus, on the present showing, as between the O.E.E.C. countries the German Federal Republic can be regarded for practical purposes as a debtor country. This is because its liabilities, which can be confidently expected, are at the moment greater than its prospective claims. In spite of all this, in the first half of the current Marshall Plan year, that is, including the compensation effected on the 18th January in respect of the position as at 31st December, the German Federal Republic still had to put a total of \$ 67.9 million of drawing rights at the disposal of other countries. This was an important factor in causing the decline which took place in German balances at foreign banks, or which, in so far as the relative transactions have not yet been passed through the accounts, is still in course of taking place. There is yet another reason which has caused a reduction of Western Germany's claims on certain countries. That is that under the European Clearing arrangements West German balances in those countries have been automatically set off against West German liabilities by First Category compensations. For the most part this has been done against liabilities which have arisen as a result of the steps taken to liberalise foreign trade. The total of these compensations, if one relatively small Second Category compensation be included, amounts so far to \$ 7.8 million.

At the same time these developments are not so dangerous as they might at first sight appear.

For instance, up to a certain point it is no disadvantage that Western Germany should have been able to reduce the large claims which it held, almost up to the middle of 1949, on the countries taking part in the Marshall Plan. It is at least no disadvantage in so far as these claims could not have been settled in hard currency, and no other means of settlement were available. Thus, as one example, there were comparatively high German balances in sterling. The decline in these balances, and the simultaneous worsening of Western Germany's trade balance with Great Britain, have now made it possible to make use of the German drawing rights in sterling which, during the first Marshall Plan year, remained unused. In addition to this it has been arranged, through decisions of the O.E.E.C. and by agreement with sundry participating countries, that any eventual debtor balances have not to be immediately settled in dollars, even if they exceed the agreed "swings". Thus there is no doubt that there are various "cushions" available, and for the time being these are to a large extent diminishing and absorbing the effect of the worsened balance of payments on Western Germany's foreign exchange position. As a result of all this, a fair amount of time is available for making the balances of payments balance. Nevertheless it remains necessary in the long run to reach a proper balance, in the last resort even by means of payments in "hard" currency.

It is however clear that in some directions the position is already growing easier. In the first place the strong demand for imports, shown by the German market in the past few months, has recently in certain respects been slackening off. The level of current liabilities on import credits was no higher at the end of December than at the end of November, although against this must be set the fact that there was a further increase in the number of orders for payment. In addition, there is a visible falling off in the extent to which importers actually make use of the import licences granted to them. The fact is that for many types of goods, especially certain kinds of consumers' goods, the market is for the time being sated: the more so, inasmuch as the willingness of consumers to spend generally declines after Christmas. It is also true that the



object of balancing the exchanges of goods at a higher level, it is clearly necessary further to develop Western Germany's exports so that they will more quickly follow the growth in imports. To this end Western Germany itself can make only a modest contribution. As must be continually emphasised, one fact above all is restricting Western Germany's exports to the other European countries taking part in the Marshall Plan. That is that these countries have liberalised their foreign trade to a much lesser extent than Western Germany; they have not granted to Western Germany any concessions similar to those which our country has granted to them. It must indeed be admitted that in this connection a good deal has recently been done towards setting matters right. But, taking all things together, Western Germany is still a good distance ahead of the other countries in its liberalisation measures. If this situation does not alter, Western Germany may well be forced to take steps to protect its balance of payments. It might for instance be obliged to make use of the escape clauses contained in the various Agreements. And, in agreement with the competent international authorities, it might have to limit the trade concessions which it grants, and to reduce these to the level of those granted by the other countries.

But on a longer view Western Germany will also have to take steps towards achieving by degrees some surpluses in its trade with other European countries. Up to the outbreak of the second world war Germany was by reason of its economic structure always a creditor country in its trade with Europe. By means of the surpluses which it achieved in its European trade it used to pay for its heavy imports from overseas sources. Now Western Germany has been cut off from the mainly agricultural areas in the East. In addition, there has been a great piling up of people within its narrow boundaries. This makes it more than ever dependent on three-cornered trade in its relations with the rest of the world. Even the European Payments Union now in course of formation ought not to try to do anything which aims at altering these relationships, determined as they are, by the economic structure of the countries concerned. The Union ought on the contrary to leave to

people are showing much less of that "hunger for novelties" which led them, after more than ten years during which they were almost isolated from world markets, to rush to buy goods of many categories.

In order to get any effective relief from the present difficulties, and in order to achieve the

those countries, which by reason of their economic structure will earn surpluses, the possibility of earning in Europe a part of the dollars they need for buying food and raw materials from the Dollar Area.

It is of course no less important to promote exports, that is to say direct exports, to the Dollar Area. This is because dollar aid can only be expected to continue for a limited period. On the other hand, Western Germany will continue to remain dependent on the Dollar Area for a large part of its imports of raw materials and basic foodstuffs. As and when the German exports to European countries catch up with German imports from those countries, and then overtake them (which we may hope will be soon), it will be necessary systematically to develop our exports against dollars. This has already been indicated earlier in this Report. The fact is that to a large extent it is the same goods which can be exported both to dollar countries and to non-dollar countries. There is thus no little danger that, unless special incentives are provided to encourage exports against dollars, exporters will prefer to send their goods to Europe, because this will probably be less difficult. Thus there will no doubt be one most urgent task for Western Germany's trade policy to fulfil, apart from bringing the trade balance with Europe into a normal condition: that is, to give exporters a special interest in exporting goods to the Dollar Area. It is obvious that the policy regarding economic matters inside our frontiers will also have to pay increasing attention to these tasks. This is because foreign help will greatly diminish in the course of the next two years, and this means that our supplies of raw material will more and more depend on our own exports.

Results of the Year 1949 as a Whole

In what has been written so far we have not only attempted to describe the present situation. We have also to some extent tried to take a look back at the past year and a look forward at the coming year. We may now proceed to sum up and to draw the conclusions. It is clear that the recovery of the West German economy has made further great progress in the year 1949.

It is also clear that many old difficulties still remain, and that many new ones have come into existence. The overcoming of these difficulties will demand a high degree of skill, of discernment, and perhaps also of moderation in the field of economic policy.

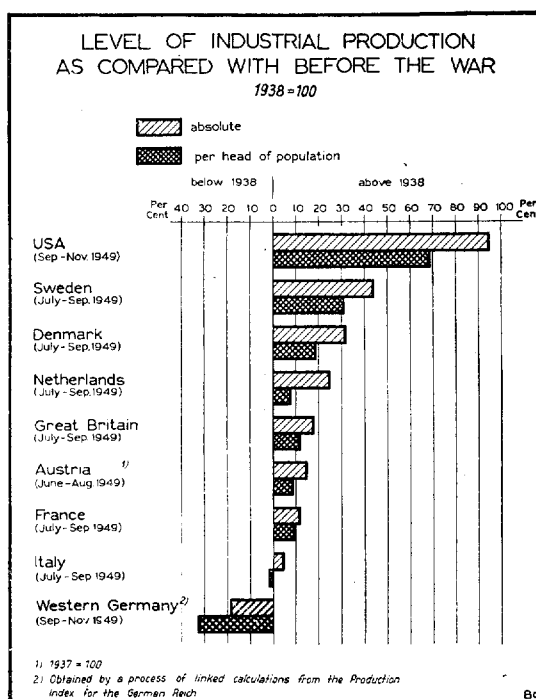
To illustrate the economic progress that has been made we need only mention a few facts. The production of industry rose between December, 1948 and December, 1949 by about 20 per cent. At its seasonal peak in November it actually exceeded the level of December, 1948 by more than 25 per cent, and was only 2 per cent below that of the year 1936. There were seasonal declines in July and December and a temporary recession in March. Apart from these, however, industrial production rose month by month more or less continuously. The first half of the year was much affected by a reaction, in itself quite a healthy reaction, against the rises in price which took place during the second half of 1948. But even in the first half of 1949, according to the index figure newly calculated for the whole area of the German Federal Republic, there was nothing like the stagnation which it seemed for a time must be assumed to be occurring. A year before there had been bottle-necks in the supply of certain basic materials, such as coal, electricity and steel. These bottle-necks were now considerably widened. Building activity too, after hesitating at the start, in the end came in strongly; and this helped to keep the upward surge of industry going until well into the autumn. It is true that quite a large part in this activity was taken by building projects which were perhaps not of urgent necessity; but in addition in 1949 some 180,000 to 200,000 dwellings were either newly built or made serviceable again. This is a figure which well stands comparison with the increase in the number of dwellings in the best years before the war. Agriculture too made considerable further progress in overcoming the losses of real assets which it suffered in the years of war and after the war. The grain harvest was considerably higher than in 1948: as regards bread-grains it was actually higher than in 1935-38. This was mainly due to the climatic conditions, which were extraordinarily favourable to the growth of grain. It was, how-

ever, also to a large extent a result of the more abundant supplies of fertiliser and more careful working of the soil. The potato harvest also was better than before the war, even though it was not quite so good as in the previous year. All these facts, together with the imports of feeding-stuffs under the programmes of foreign aid, made it possible in 1949 to build up the stock of cattle a good deal further, even though their number and their average yield remained to some extent below the pre-war level.

Among the economic developments of the past year representing the most decided progress was the following. It proved possible to abolish the greatest part of the controls and rationing which a year ago still remained in force. This was after steps had been taken to make sure of a certain minimum level of supplies. This in turn was done with the help of the larger German production and of considerably higher imports: of these latter about two-fifths came from the generous foreign assistance deliveries. Another fact which greatly helped was the gradual drying up of the large-scale government creation of new money. This creation of new money was connected with the Currency Reform. In the second half of 1948 it had been making possible a large excess of consumption over current incomes, and in addition had been very largely paralysing the power of the Central Banking System to control credit. During 1949 the function of supplying money came more and more under Central Bank control. By careful measurement of the doses in which money was put out it proved possible completely to overcome the tendencies to inflation that still existed at the end of 1948. The consequence was that the "sellers' markets" which had existed up to that time were quickly replaced by "buyers' markets". Another consequence was that it proved possible to avoid new rises in price even when, first, rationing was reduced to quite small limits and, secondly, in connection with the international wave of devaluations in September, 1949, the economy of the country was exposed to the quite severe psychological test of an alteration in the rate of exchange. This led to a welcome increase in the confidence of foreign countries in the German currency: and, with an eye to the possibilities of credit, it must

always be one of the most important tasks of Western Germany's economic policy to promote this confidence. One symptom of this increased confidence, although its real importance must not be exaggerated, has been the sharp rise in the rates quoted for the DM on the free markets in Zurich and New York. Thanks to this rise the DM stands on these markets to-day at a discount of only about 20 per cent, against 84 per cent in December, 1948.

On the other hand it must be borne in mind that the level of economic activity is in itself still low. It is especially low if one considers that since the end of the war Western Germany has had to receive some 8 million refugees, or about a fifth of the population which it had at that time. Even in the year 1949 immigration caused the population to rise by nearly a further three-quarters of a million. By way of illustration one may take the production of industry per head of population. This, even at its seasonal peak in November, reached only 79 per cent of its 1936 level. In absolute terms on the other hand it was only about 2 per cent below the level at which it stood at that time. As the chart below shows, the recovery of production in Western Germany is lagging far behind that in the other Marshall Plan countries. And even so the goods currently produced can-



not all be used, in Western Germany, for consumption or for new investment. In Western Germany a greater part of them than elsewhere must certainly be applied to the mere replacement of the apparatus of production which was destroyed by the war.

There is further evidence which indicates that the supplies reaching the people of Western Germany, in spite of the progress made during the past year, are still appreciably below the pre-war standard. This evidence is to be found in the foodstuffs consumed. On an earlier page of this report it has been shown by means of figures that the consumption of meat, fats, eggs and full-cream milk, to take only these products as an example, still remains smaller than before the war. The deficiency is made up only by the fact that people are consuming more bread, prepared cereals and potatoes. This is especially true as regards the standard of foods consumed by those sections of the people whose means fall within the lowest class: and, it must be remarked, the social differences between the various layers of the population are in certain respects still very great. In one of our earlier Monthly Reports the expression "step-children of the recovery" was coined. This referred to those classes, some 9 million in numbers, consisting of people receiving social service pensions or relief, persons who suffered injury or bereavement through the war, and the unemployed, who up till then had benefited little, if at all, from the improvement in the country's economic condition. Now, in the further course of the year 1949, the position even of these classes has grown slightly better. This is a result of the raising of the amount of certain maintenance payments, the opportunities for a change in diet afforded by the better supplies available, and above all the decline in the cost of living. Nevertheless the living standards of these classes are still extraordinarily low.

Towards the end of the year the number of the unemployed actually rose appreciably. This certainly casts a dark shadow on the picture presented by the present economic situation. The number of the unemployed stood at 1.56 million, that is to say, a full 10 per cent of the number of non-independent persons available for employment. The figure was about 800,000

greater than a year earlier. It may be expected that in January there will be a further seasonal rise. This increase, in so far as it does not correspond with the normal seasonal movement, is no doubt mainly due to the continued stream of new recruits to the labour force. These recruits are chiefly produced by the continuous influx of refugees. In point of fact the number of employed persons only decreased, in the period under consideration, by 147,000. This decrease moreover is in great part due to rationalisation and to the dismissal of people in the service of the public authorities and of the Occupying Forces. One fact at least remains clear: the growth in unemployment shows that the economic recovery has not been nearly strong enough to provide work for all the additional recruits to the labour force, and to fulfil thereby an important duty of any normally growing economy.

If this structural weakness of the West German economy is to be alleviated within any short period, the volume of new investment must become much greater than it has hitherto been. It is true that gross investments in 1949 were estimated at no less than 19 per cent of the gross social product. But it is precisely new investments which have the greatest effect on the level of current employment. It is moreover to a great extent only through investment, above all through the building of dwellings, that the conditions can be created which would allow of a greater mobility in the unemployed labour force: for, as is known, the unemployed tend to be particularly concentrated in those areas where the refugees mainly congregate.

During the past year it has been said in many quarters that this increase in the volume of investment, which is in itself desirable, has been damped down by the credit policy of the Central Banking System, which, it has been alleged, is too restrictive. At the beginning of the year, for instance, there was a marked increase in unemployment. There were certain symptoms of a reaction in prices, which had risen dangerously in the first months after the Currency Reform. These phenomena led to prophecies that the economy of the country was threatened with a sudden and violent collapse. The only remedy, it was said, would be for the

Bank deutscher Länder to begin forthwith to pump into circulation each month several hundred million DM of long-term money. Today it is obvious how wrong this prognosis was. Instead of falling, production rose by 20 or 25 per cent. And this was not only in those industries producing consumers' goods, but also in those producing investment goods. Many people, it is true, maintain that this increase in activity might have gone much farther if the credit policy of the Central Banking System had been more liberal. But, as against this, the credit policy of the Central Banking System did allow the volume of credits granted by the commercial banks to rise during 1949 by some DM 5 milliard; and there is no doubt that a large part of this sum served to prefinance investments. There were several ways in which the Central Banking System supported this expansion of credit. It reduced the discount rate twice. It several times reduced the requirement of minimum reserves, until these were down to the legal minimum: that is, if no account be taken of the difference which has to be made between the liability of the banks to maintain minimum reserves in places which have, and places which have not, a Central Bank or a Branch of one. Further, the Central Banking System considerably loosened the rules laid down for the granting of credits. And finally, it greatly expanded the amount of credit granted by itself. The refinancing credits granted by the Central Banking System, i. e., its credits to banks alone rose during 1949 by DM 2.1 milliard. In addition to this the Central Banking System in August took special steps to facilitate the prefinancing of investment and of production for export, in so far as the credits granted for these purposes could be made to retain the character of temporary facilities.

It has however repeatedly been shown that any lack of activity in new investment has certainly not been due solely to a shortage of credit facilities. There is for example one important factor which affects new building, and also new investment in other forms which are still subject to governmental control. That is that, owing to the keeping of the yield, rent, etc., down to an artificially low level, such investment has become very largely uninteresting for private capital. Another obstructive factor

is the extremely heavy tax-burden which the West German economy has to bear. The effect of this was the more regrettable in so far as the high taxes led to quite considerable revenue surpluses in the hands of the public authorities during the first months of the year, as indeed they had already to some extent been doing in the last quarter of 1948: and these surpluses were by no means all paid out again, but were hoarded in a large number of different ways. This fact, and not the policy of the Central Banking System, did at times bring a real element of deflation into the monetary situation. It is true that about the middle of the year the public authorities abandoned this policy and began making funds more freely available. This was in pursuance of the "drive for investments" which was begun at that time. But here again evidence was provided that the question of finance was not the only obstacle to the growth of investment. The funds made available by the Lands were surprisingly slow in finding employment. This was partly because no matured plans for investment were ready for execution, and partly for reasons of red tape which are often unavoidable where investments by public authorities are concerned. Striking proof was thus afforded of the unwisdom of using exorbitant taxes to concentrate in governmental hands a large part of the capital formed by the country's economy.

But even the private sector of the economy showed at times a very strong desire for liquidity, and thus unwittingly produced some tendency to deflation. Once people had got back their confidence in the currency, efforts were made in some quarters to build up again the liquid reserves which had been so drastically cut down by the Currency Reform. These efforts were thoroughly understandable from the point of view of the business man. People held back with their spending. But they did not put the money so saved back at the disposal of the banks or the capital market in long-term form. They kept it as liquid as they could. People in fact "saved", without the capital market being thereby fertilised, and without any increase in the ability of other business people to spend. In consequence even the banks had to keep a high degree of liquidity. This is why, as time

went on, they not only showed more reserve in their own granting of advances to finance investments; they also showed slowness in making use of the Central Banking System's offer to support them in the granting of such advances. This was because they were not willing to give up Equalisation Claims, on which they could raise money at any time, and to hold instead illiquid claims in respect of credits to their customers. It was only in the last few months of the year that trade and industry became less anxious for liquidity, and again showed more readiness to spend money and to make investments. Even so, however, the main emphasis lies for the time being on a greater readiness to consume. This is regrettable, because the ideal would be great readiness of consumers to save and great readiness of entrepreneurs to invest.

It remains true that the psychological conditions for a growth of investment activity are now present to a greater extent than previously. It is also true that the economy is now much further forward than it was last summer in the working out of actual plans for investment. It is pleasant to report that the question of financing can now be answered in a more favourable manner than it could a few months ago. Savings deposits are growing. This is taking place because incomes are higher, and in spite of the fact that more is being spent on consumption. The same is true as regards the premium incomes of the private insurance companies. The financing by industry of its own investments continues at a high rate. This is because the price-reductions by industrial firms are in great part the result of successful rationalisation and fuller use of productive capacity. In the public sector some large amounts of money still remain set aside for employment in particular ways. These are funds which it was not possible to bring into use before the past building season came to an end. It is also possible that out of the revenues in the New Year larger amounts can be made available than is at present commonly supposed. Thus for instance the Federal Government intends to take into its own hands the prerogative of coinage, and to use the profit from this to finance its programme of building of dwellinghouses. But,

above all, a stream of capital is now beginning to flow more strongly from a source from which last year, contrary to all expectations, little could be obtained. That is the release of Counterpart Funds. In 1949 a total of only some DM 470 million of Counterpart Funds was effectively released. In December the E.C.A. approved in principle DM 1,036 million of projects for the financing of investments. Out of this amount DM 543 million in Counterpart Funds were unblocked in the first half of January. A further DM 57 million will shortly be transferred to West Berlin. The release of the balance is to follow as soon as this first tranche has been used up. In addition, it is intended in future to use the currently accruing Counterpart Funds for investment, so far as possible, as and when they accrue. At least, this will be done in so far as it is compatible with the maintenance of financial stability. These releases, apart from their immediate effect on the volume of investment, will certainly also increase the liquidity of the banking system. They will do this not only by bringing new Central Bank money into use, but even more by making it possible to consolidate some existing positions. It may be expected that as a consequence of this the commercial banks will show more readiness to grant credits.

There is no doubt that these streams of newly flowing capital will in part produce effects equivalent to those produced by a creation of new money. This is true for instance of the seigniorage profit on the coinage, which the Federal Government intends to spend. It is also true of a large part of the Counterpart Funds which are to be brought into use during the next few weeks and months. The greater part of these funds came into existence in the course of the past year. The effect of their deposit on the Counterpart accounts was that, at the time, a corresponding portion of the money and credit in circulation was temporarily sterilised. That is to say, there was at least a tendency for the volume of money in active circulation to be diminished. In fact, these amounts were no longer shown at all in the statistics of the volume of money. This was in the first place due to technical reasons connected with the form of the returns. There was however also

a deeper economic reason for it, inasmuch as these funds were for the moment merely sterilised money: that is to say, they could not be considered as available purchasing media. However, as and when these idle funds are released and handed out to borrowers, they immediately become active again. They once more constitute purchasing power, and, as soon as they come to be spent, they increase the effective demand for goods and services. Thus they have the same effect as a creation of credit which brings new purchasing power into existence.

To a certain extent even to-day reasons can be found to justify such a creation of money. The bottle-necks which existed a year and less than a year ago, especially in the production of basic materials, have become less serious. The public is more disciplined. During the past few months, it is true, the public has still shown a strong inclination to spend, but this inclination is no longer so excessive as in the autumn of 1948. It will no doubt diminish in the months immediately before us, if only for seasonal reasons, and, perhaps, also by way of reaction after the heavy spending before Christmas. Labour, in consequence of the high level of unemployment, is available in plenty, excepting only in certain special trades. At the same time the Central Banking System now has the supply of money under closer control than it had at the middle of last year. The governmental creation of money on the basis of the Currency Laws has come to an end. Finally the banks, during the past half-year, have had to incur such heavy indebtedness at the Central Bank System that this can with fair ease exert an influence on the commercial banks' credit policy.

All the same, now more than ever the position of our foreign trade and payments sets very definite limits to the possibility of any expansion of money and credit being found justifiable from the monetary point of view. In one of the preceding sections of this Report it has been shown what risks Western Germany has taken in liberalising its foreign trade in the interests of a closer economic cooperation with the other European countries taking part in the Marshall Plan. It was also shown that Western Germany cannot increase its imports from these countries to an unlimited extent without serious

danger to its foreign exchange position. No less important is the need to look after our exports, especially our exports to the Dollar Area. During the past year the exports of Western Germany have in fact made some progress, but the progress which they made was much less satisfactory than that which was made in production. Thus, the target for industrial production in the current E.R.P. year, from 1st July, 1949 to 30th June, 1950, was a monthly average equal to 92 per cent of the 1936 index figure. This level was already reached in the first five months, and in November was actually exceeded by 6 points. On the other hand, exports in October and November were running at a rate which was lower by a quarter than the rate provided for the year. It was concern at these developments which in the past year caused the Central Banking System, in all its decisions on monetary policy, to weigh carefully the need for keeping down and even forcing down the German price level, so as to provide an incentive for exports. At the present time there are even stronger grounds for keeping the needs of our foreign trade prominently before our eyes. For if we follow a too expansive money and credit policy, and if sales on the inland market become too easy, people will lose interest in exports, and may even lose their ability to compete in foreign markets. The consequence will be that the demand for imports will be artificially stimulated and that our foreign exchange position will grow worse. The end of this vicious circle might well be a serious reduction in our ability to attract and pay for imports. This would remove an important prop from under our artificially expanded economic activity. And it might well make a return to stricter exchange control, and to autarchic methods, seem to be the only way out. But at the present time this alleged way out would also be the way out of the "club" of the Marshall Plan countries, since these are under obligation to liberalise their whole system of payments within a very short time. It is clear that for a country in the position of Western Germany any such isolation is quite unthinkable. For this reason the German Federal Government, in its memorandum to the O.E.E.C. on the programme for 1950/51 and 1951/52, rightly drew express attention to the limits

which are for the present set to any expansion of production in Western Germany by the country's restricted opportunities for foreign trade. One theme in this argument deserves special attention, and is in direct opposition to widely-held popular belief. It is that the supply of consumers' goods in particular is no longer very elastic. On the contrary, it is likely to run up against closely drawn limits, both because the possibilities of importing raw materials are now relatively small, and because the harvest in the next crop year is likely to be poorer than in this.

Hence any expansion of money and credit must be measured out in very careful doses. Where there is little elbow-room, one must confine one's self to the most urgent tasks. Above all, we must concentrate strictly on the promotion of new investment. Consumption must not be allowed to expand on a basis of credit. Or, if and in so far as this is already happening, it must not go on, unless we are to see the possibilities of promoting investment cut from under us. This imposes special obligations on the public authorities. There has been much talk lately of large deficits, into which, it is said, the public finances are bound to run. In reality there is no need at all for this to happen. Even if the proposed reform of the Income Tax is carried out, there is every prospect that tax revenues will remain high: so high, that is, that budgets can be balanced, at least if taken as a whole, and provided that expenditure is kept within limits which are reasonable in the light of German conditions. Some figures are contained in the section of this Report on "Public Finances" which have a bearing on this point. They show the expenditure which has been incurred hitherto. They also bring out that it should be possible to balance budgets, in particular provided that two things are done. First, that the subsidies on imported foodstuffs are kept down to the strictly essential minimum: these subsidies are in any case of doubtful wisdom from the point of view of either agrarian or foreign exchange policy. The second condition is that the Occupation Costs must be brought down. It would then

only remain to bring into force a more accurate system of financial adjustment between the authorities governing the different geographical units within the country. The object would be to make due allowance for the differences between the various authorities' ability to collect tax revenue, and between the amounts of expenditure for which it has been agreed that they must assume liability. There would then be no need to transfer any appreciable amount of investment expenditure, hitherto financed in the ordinary budgets, into extraordinary budgets, where these cannot be financed out of the normal resources of the capital market. For any such transfer would in reality represent merely a camouflaged financing of consumption by credit. It would pro tanto reduce the possibility of using credit to finance investment expenditure. Thus it will to a large extent depend on the good or bad conducting of public finances whether the admissible expansion of money and credit can be directed principally to those points where it can have the healthiest effect on our economic development.

The granting of credit by the commercial banks in the immediate future will also have to be brought carefully within the framework of general monetary policy. Once the Counterpart Funds which have hitherto been sterilised are released, and once there is a larger direct use of Central Bank credit, then, other things being equal, it will be easier for the banks to proceed to an independent creation of credit. In order to prevent excessive injections into the circulation of money and credit, it might then become necessary again to put on stricter credit controls. At all events commercial bank credit must not be allowed to make inland sales and imports so easy that the most urgent economic task of this year is neglected: that is, to apply all possible energy to securing a better balance of our external payments, hitherto so largely dependent on foreign help. For this purpose the whole development of our economy must be strictly adjusted, both to the level of imports which our foreign exchange position will permit, and to the paramount need for an increase in exports.

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Notes and Coin in Circulation
(In millions of DM)

Date	Notes and Coin issued in the West German Currency Area	Notes and Coin issued in the West German Currency Area and in Berlin
1948		
Sep. 7	4 897	5 256
15	5 053	5 400
23	5 004	5 342
30	5 358	5 656
Oct. 7	5 524	5 832
15	5 560	5 854
23	5 444	5 759
31	5 885	6 192
Nov. 6	5 931	6 230
15	5 829	6 145
23	5 648	5 957
30	6 018	6 339
Dec. 7	6 090	6 406
15	5 984	6 314
23	6 029	6 362
31	6 319	6 641
1949		
Jan. 7	6 240	6 556
15	6 029	6 357
23	5 829	6 148
31	6 167	6 508
Feb. 7	6 176	6 510
15	5 959	6 284
23	5 777	6 119
28	6 216	6 583
Mar. 7	6 251	6 612
15	6 005	6 378
23	5 770	6 133
31	6 187	6 649
Apr. 7	6 203	6 683
15	6 098	6 570
23	5 792	6 256
30	6 333	6 791
May 7	6 256	6 712
15	6 110	6 577
23	5 877	6 332
31	6 362	6 803
June 7	6 463	6 893
15	6 200	6 632
23	6 004	6 418
30	6 553	6 974
July 7	6 576	6 999
15	6 409	6 828
23	6 179	6 586
31	6 688	7 107
Aug. 7	6 674	7 113
15	6 520	6 947
23	6 278	6 693
31	6 815	7 222
Sep. 7	6 844	7 279
15	6 740	7 177
23	6 541	6 967
30	7 029	7 453
Oct. 7	7 002	7 417
15	6 794	7 198
23	6 524	6 947
31	7 060	7 477
Nov. 7	6 966	7 405
15	6 731	7 159
23	6 386	6 801
30	6 978	7 386
Dec. 7	7 018	7 423
15	6 943	7 363
21	6 852	7 266
31	7 330	7 738

Combined Return of Bank deutscher Länder

(In millions)

Date	ASSETS							
	Credit Balances with Foreign Banks, inclusive of Credit Balances within the scope of Trade Agreements ²⁾	Other Accounts covering Foreign Transactions	Foreign Currencies ²⁾	Postal Cheque Balances	Bills and Cheques	Treasury Bills and Short-Term Treasury Bonds	Collateral Claims	
							Total	Of which, against Equalisation Claims on Public Authorities
1	2	3	4	5	6	7	8	
1948								
30 September	622,1	848,2	—	60,2	350,2	0,1	10,3	10,2
31 October	763,6	1 014,3	—	66,7	778,0	0,6	59,7	59,5
30 November	843,0	1 214,6	0,0	29,5	1 231,6	0,1	95,2	83,6
31 December	983,1	1 538,6	0,0	129,2	1 461,0	0,5	167,2	132,1
1949								
31 January	1 113,2	1 770,2	0,2	69,9	1 297,0	1,1	162,3	122,0
28 February	1 131,3	1 942,9	0,2	39,3	1 314,4	0,6	201,2	149,8
31 March	1 204,6	2 226,5	0,6	76,1	1 376,9	35,3	163,8	116,8
30 April	1 345,1	2 446,2	0,7	101,8	1 350,9	50,0	190,2	143,3
31 May	1 448,4	1 774,1	0,9	47,7	1 137,4	50,6	183,9	159,8
30 June	1 335,8	1 521,4	1,7	28,3	1 026,0	101,6	145,2	129,2
31 July	1 221,7	1 380,3	2,5	29,5	1 197,2	106,9	182,7	158,9
31 August	1 123,1	1 440,7	3,6	29,7	1 553,9	149,2	175,0	152,2
30 September	990,1	1 057,6	4,4	33,9	1 831,8	160,9	173,0	131,9
31 October	1 070,3	1 120,3	6,7	29,2	2 440,4	164,8	232,7	194,5
30 November	986,6	1 045,9	8,7	33,9	2 929,7	139,7	369,4	286,6
31 December	833,9	755,2	11,7	33,4	3 225,7	233,7	357,6	302,3

Date	LIABILITIES								
	Notes and Coin in Circulation ⁴⁾	Deposits							
		Total (columns 21, 22, 27 and 28)	Amounts contained in Column 20 in respect of Deposits of:						Other Depositors in Germany ⁷⁾
			Banks (including Postal Cheque Offices and Postal Savings Bank Offices)	Other Bodies					
Total	Occupying Powers	Federal Republic and Lands ⁵⁾		Communes and Associations of Communes	Other Public Bodies				
19	20	21	22	23	24	25	26	27	
1948									
30 September	5 358,1	3 261,3	1 325,4	1 676,4	579,2	465,7	28,8	602,7	256,2
31 October	5 885,3	2 846,3	1 037,0	1 585,4	479,9	438,9	60,3	606,3	221,5
30 November	6 017,5	3 313,3	1 492,7	1 572,4	492,5	374,1	86,3	619,5	245,8
31 December	6 319,4	3 132,3	1 572,5	1 335,1	455,3	452,7	86,0	341,1	222,1
1949									
31 January	6 166,6	3 118,2	1 474,5	1 413,3	489,7	623,0	62,5	238,1	227,6
28 February	6 215,6	3 063,1	1 348,4	1 484,2	527,1	593,9	55,0	308,2	227,9
31 March	6 649,6	3 193,7	1 471,2	1 498,9	566,3	647,5	53,6	231,5	220,3
30 April	6 791,8	3 372,9	1 485,6	1 500,4	563,7	697,6	48,3	190,8	383,6
31 May	6 802,7	3 286,9	1 486,1	1 432,0	575,9	630,2	52,2	173,7	364,1
30 June	6 974,0	2 955,3	1 300,9	1 293,8	592,2	503,9	50,1	147,6	356,5
31 July	7 107,4	2 846,9	1 141,4	1 368,6	626,0	449,5	53,9	239,2	331,4
31 August	7 222,3	2 749,6	1 198,5	1 312,6	650,4	357,1	46,4	258,7	234,9
30 September	7 453,2	2 409,7	1 016,5	1 090,7	485,5	135,4 ⁶⁾	49,3	420,5 ⁶⁾	298,5
31 October	7 476,9	2 745,4	1 175,2	1 247,2	503,4	278,9	45,4	419,5	317,7
30 November	7 386,0	2 688,5	1 041,2	1 246,7	482,4	227,7	10,8 ⁶⁾	525,8	395,4
31 December	7 737,5	2 480,2	1 268,5	1 000,5	462,2	173,0	11,4	353,9	204,3

+) Differences in the decimal figure as compared with similar figures in other tables are due to the rounding off of figures of the Bank deutscher Länder for January, 1949. ²⁾ Managed for the Military Government. ³⁾ Up to 28th February, 1949, only coin issued in Berlin. ⁴⁾ Up to 31st August, 1949, Deposits of "State Cash Offices", of which a portion is shown in column 26 Currency Area. ⁵⁾ Up to and including 30th June, 1949, Deposits outside the West German Currency Area. ⁶⁾ The reduction as to deposits of the corresponding Lands at the respective Land Central Banks.

and Land Central Banks¹⁾ +)
of DM)

ASSETS									
Cash Advances				Securities		Participation in the B.d.L.	Claims on Public Authorities	Interim Claims on Banks in respect of the first provision of new money	Other Assets
Total	Of which to:			Total	Of which purchased Equalisation Claims on Public Authorities				
	Military Government	Lands	Other Public Bodies						
9	10	11	12	13	14	15	16	17	18
35,3	1,0	27,5	6,8	11,4	11,4	100,0	7 833,7	526,5	372,6
27,8	1,0	16,7	10,1	32,8	32,5	100,0	7 778,4	211,1	219,0
93,6	0,8	37,0	55,8	36,5	36,5	100,0	7 687,1	190,5	207,6
98,5	0,7	34,6	63,2	38,3	38,2	100,0	7 520,7	143,0	306,0
67,8	0,5	6,9	60,4	39,6	39,5	100,0	7 592,0	105,5	295,7
48,3	0,4	22,3	25,6	43,5	43,4	100,0	7 672,1	106,5	273,7
117,4	0,4	38,4	78,6	44,3	44,2	100,0	8 295,2 ^{b)}	74,0	78,1
270,3	0,4	42,5	227,4	47,6	47,6	100,0	8 301,7	57,1	90,2
242,4	0,5	54,2	187,7	49,9	49,8	100,0	8 310,2	39,9	104,2
286,6	0,5	78,2	207,9	60,3	60,2	100,0	8 240,5	33,6	109,3
192,3	0,4	52,4	139,5	69,3	69,2	100,0	8 174,9	20,8	279,8
74,7	0,4	68,0	6,3	89,0	88,9	100,0	8 134,3	12,5	336,7
61,1	0,4	57,4	3,3	100,1	100,0	100,0	8 085,3	9,5	345,9
46,3	0,4	45,6	0,3	104,9	104,8	100,0	8 096,6	8,1	204,0
49,3	0,4	47,6	1,3	129,6	129,5	100,0	7 898,9	6,7	219,1
148,3	0,3	86,5	61,5	228,4	228,1	100,0	8 129,7	—	230,8

LIABILITIES							
Deposits	Foreign Exchange Liabilities towards J.E.I.A.	Other Accounts covering Foreign Transactions	Capital Stock of B.d.L. and Land Central Banks	Reserves	Items in course of settlement inside the Central Banking System	Other Liabilities	Total of Balance Sheet
Foreign Depositors ^{b)}							
28	29	30	31	32	33	34	35
3,3	621,7	969,7	370,0	0,6	99,5	89,7	10 770,6
2,4	759,6	958,2	370,0	9,5	186,4	36,7	11 052,0
2,4	839,6	1 061,1	370,0	6,5	77,4	43,9	11 729,3
2,6	977,8	1 375,9	370,0	6,5	135,3	168,9	12 486,1
2,8	1 106,7	1 620,5	370,0	6,5	37,0	189,0	12 614,5
2,6	1 110,8	1 810,7	370,0	6,5	81,6	215,7	12 874,0
3,3	1 177,4	2 043,2	370,0	6,5	137,0	215,4	13 792,8
3,3	1 305,5	2 209,4	370,0	6,5	78,4	217,3	14 351,8
4,7	1 402,6	1 326,6	370,0	6,5	90,1	204,2	13 489,6
4,1	1 283,4	982,5	370,0	6,5	140,2	278,4	12 990,3
5,5	1 148,6	953,2	370,0	11,5	84,2	436,1	12 957,9
3,6	1 031,0	1 229,7	385,0	12,4	108,9	483,5	13 222,4
4,0	854,5	1 243,2	385,0	14,0	104,7	489,3	12 953,6
5,3	922,6	1 654,2	385,0	14,1	101,6	324,5	13 624,3
5,2	884,4	1 996,8	385,0	14,5	220,3	342,0	13 917,5
6,9	—	2 975,9	385,0	35,0	208,7	466,1	14 288,4

¹⁾ For an explanation of the individual items see the article "The Returns of the Bank deutscher Länder" in the Monthly Report Equalisation Claims; as from 31st March, 1949, includes Bonds. ⁴⁾ As from 31st March, 1949, includes Bank Notes and divisional as from 30th September, 1949. ⁵⁾ See note 5). ⁷⁾ Up to and including 30th June, 1949, Deposits within the West German compared with the previous months is mainly due to a book transfer of deposits of the Municipalities of Bremen and Hamburg

Monthly Returns of the Land Central Banks

(In millions)

	Bavaria	Hesse	Württemberg-Baden	Bremen	North Rhine-Westphalia
Assets:					
Credit Balances at B.d.L.	29,5	23,7	23,8	23,0	77,8
Postal Cheque Balances	0,9	0,0	0,0	—	0,3
Bills and Cheques	0,9	0,4	12,3	49,4	269,5
Treasury Bills and Short-Term Treasury Bonds	101,1	27,8	—	2,0	60,3
Securities	—	—	—	—	—
Equalisation Claims	518,9	237,9	275,3	44,5	482,4
Of which: Arising from Conversion of Own Balance	(408,1)	(227,0)	(254,9)	(40,8)	(454,9)
Sheets Purchased	(110,8)	(10,9)	(20,4)	(3,7)	(27,5)
Collateral Claims	87,1	74,4	25,1	3,3	34,7
Of which: against Equalisation Claims	(82,4)	(53,9)	(21,9)	(0,3)	(32,5)
Cash Credits	—	32,0	4,9	—	—
Of which: To Government of Land	(—)	(32,0)	(4,9)	(—)	(—)
To Other Public Authorities	(—)	(0,0)	(—)	(—)	(—)
Participation in the B.d.L.	17,5	8,5	9,0	3,0	28,0
Other Assets	9,3	18,9	5,0	3,8	45,8
Interim Claims arising from the Currency Reform	—	—	—	—	—
Total of Assets	765,2	423,6	355,4	129,0	998,8
Liabilities:					
Capital	*50,0	30,0	30,0	10,0	65,0
Reserves	17,6	—	2,1	0,1	7,0
Deposits	245,7	188,6	198,2	110,8	648,5
Of which: Banks within the same Land (including Postal Cheque Offices and Postal Savings Bank Offices)	(187,6)	(104,6)	(131,1)	(38,1)	(374,9)
Banks in other German Lands	(1,3)	(5,1)	(1,9)	(0,8)	(0,5)
Public Administrations	(25,8)	(15,6)	(43,4)	(49,1)	(157,4)
Agencies of Occupying Powers	(7,8)	(48,3)	(2,2)	(0,4)	(25,9)
Other Depositors in Germany	(11,5)	(12,0)	(15,9)	(21,5)	(81,3)
Foreign Depositors	(0,0)	(1,9)	(0,0)	(—)	(0,0)
Giro Transfers in course of settlement between Land Central Banks and their branches	(11,7)	(1,1)	(3,7)	(0,9)	(8,5)
Collateral Claims on B.d.L.	429,8	195,0	108,1	—	226,3
Other Liabilities	22,1	10,0	17,0	8,1	52,0
Interim Liabilities arising from the Currency Reform	—	—	—	—	—
Total of Liabilities	765,2	423,6	355,4	129,0	998,8
Endorsement Liabilities on Rediscounted Bills	583,1	289,2	313,1	26,1	458,9
Of which, Foreign Bills	(0,5)	(0,4)	(2,0)	(—)	(1,8)

*) Differences in the decimal figure as compared with similar figures in other tables are due to the rounding-off of figures.

as at 31th December 1949 *)
of DM)

Lower Saxony	Schleswig-Holstein	Hamburg	Rhineland-Palatinate	Baden	Württemberg-Hohenzollern	Total		
						31st Dec., 1949	30th Nov., 1949	31st Oct., 1949
18,9	6,2	26,3	17,2	10,3	5,6	262,3	245,4	359,7
0,2	0,0	0,1	0,2	0,0	0,0	1,7	1,8	1,6
29,3	0,0	26,5	5,5	4,8	6,5	405,1	424,6	336,9
1,0	—	27,0	6,2	5,3	3,0	233,7	139,7	164,8
—	—	—	0,3	—	—	0,3	0,1	0,1
296,7	126,7	216,5	145,1	78,7	59,4	2 482,1	2 269,0	2 207,5
(289,6)	(115,7)	(193,2)	(133,8)	(77,3)	(58,8)	(2 254,1)	(2 139,6)	(2 102,8)
(7,1)	(11,0)	(23,3)	(11,3)	(1,4)	(0,6)	(228,0)	(129,4)	(104,7)
28,9	18,9	33,2	39,0	4,7	8,3	357,6	369,3	232,8
(26,5)	(18,2)	(14,7)	(39,0)	(4,7)	(8,3)	(302,4)	(286,7)	(194,5)
—	7,6	—	25,9	16,0	1,0	87,4	47,6	44,3
(—)	(7,6)	(—)	(25,7)	(12,7)	(1,0)	(83,9)	(45,9)	(43,6)
(—)	(—)	(—)	(0,2)	(3,3)	(—)	(3,5)	(1,7)	(0,7)
11,5	4,5	8,0	5,5	2,5	2,0	100,0	100,0	100,0
3,9	12,8	3,9	8,0	4,6	2,3	118,3	127,9	118,5
—	—	—	—	—	—	—	19,7	21,1
390,4	176,7	341,5	252,9	126,9	88,1	4 048,5	3 745,1	3 587,3
40,0	10,0	10,0	20,0	10,0	10,0	285,0	285,0	285,0
—	—	6,8	1,0	0,5	—	35,1	14,4	14,1
157,1	51,8	219,3	142,9	80,6	47,4	2 090,9	2 160,6	2 124,6
(106,1)	(30,2)	(111,4)	(70,3)	(32,5)	(31,2)	(1 218,0)	(962,6)	(1 043,6)
(1,3)	(3,3)	(4,2)	(0,4)	(0,3)	(0,4)	(19,5)	(29,9)	(25,3)
(27,5)	(14,1)	(61,0)	(42,6)	(20,0)	(6,5)	(463,0)	(554,6)	(558,3)
(0,4)	(0,1)	(21,4)	(11,4)	(14,8)	(6,0)	(138,7)	(159,8)	(154,8)
(14,1)	(3,1)	(19,1)	(9,9)	(9,5)	(2,2)	(200,1)	(387,5)	(306,9)
(1,1)	(0,0)	(2,2)	(1,5)	(0,2)	0,0	(6,9)	(5,1)	(5,3)
(6,6)	(1,0)	(—)	(6,8)	(3,3)	(1,1)	(44,7)	(61,1)	(30,4)
179,5	99,4	89,6	79,1	31,4	25,7	1 463,9	1 145,0	1 035,5
13,8	15,5	15,8	9,9	4,4	5,0	173,6	134,5	121,7
—	—	—	—	—	—	—	5,6	6,4
390,4	176,7	341,5	252,9	126,9	88,1	4 048,5	3 745,1	3 587,3
246,6	143,0	516,6	168,5	45,7	25,9	2 816,7	2 508,4	2 103,6
(0,3)	(—)	(0,3)	(0,2)	(—)	(0,1)	(5,6)	(3,4)	(0,5)

Balance Sheet Figures:
Monthly Banking Statistics for
Collected jointly by the Bank deutscher
(In millions)

Assets

Position at end of Month 1949	Number of Reporting Banks ²⁾	Cash Reserve ³⁾		Own Balances ⁴⁾ ⁶⁾		Other Bank Balances ⁵⁾	Currency Balances at B. d. L. in respect of Credits granted	Bills (Excluding own Acceptances in own possession)					Treasury Bills and Non-Interest-Bearing Treasury Bonds	Own Equalisation Claims on Public Authorities ⁶⁾
		Total	Of which Balances at Land Central Banks	Total	Of which Postal Cheque Balances			Total	Of which:					
									Com-mercial Bills	Accept-ances of Other Banks	Other Bills			
											Total	Of which Debtors Drawings		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	

Schleswig-Holstein

July	185	33,8	22,0	21,2	1,5	—	.	23,9	21,7	0,1	2,1	1,2	0,0	205,7
Aug.	187 ⁹⁾	39,5	27,1	18,5 ⁸⁾	1,6	—	1,1	25,3	21,2	2,1	2,0	1,2	0,0	208,0
Sep.	187	35,9	23,5	21,5	1,4	—	1,7	23,6	19,2	1,8	2,6	1,7	0,0	214,8
Oct.	188	40,2	27,6	23,0	1,3	0,0	3,2	22,2	18,4	1,9	1,9	1,0	0,0	216,6
Nov.	188	37,3	23,4	24,5	1,5	1,2	3,7	24,2	20,1	0,1	4,0	2,9	—	215,6

Hamburg¹¹⁾

July	53	81,1	63,0	138,2	2,5	3,6	.	179,8	153,1	18,5	8,2	7,9	5,3	255,7
Aug.	53	72,3	56,6	101,2 ⁸⁾	1,6	0,8	51,5	138,1	108,8	21,0	8,3	8,1	5,3	252,2
Sep.	53	58,0	44,4	86,0	2,2	2,9	104,2	111,1	97,3	6,7	7,1	6,9	2,6	252,9
Oct.	53	82,9	66,3	95,7	1,9	12,9	167,7	104,0	91,2	7,3	5,5	5,2	2,6	264,3
Nov.	53	87,5	69,1	70,2	1,9	48,5	228,3	85,6	78,2	4,6	2,8	2,6	2,7	288,0

Rhineland-Palatinate¹¹⁾

July	277	57,5	45,4	55,8	2,7	2,1	.	48,3	43,4	0,7	4,2	3,1	6,2	296,4
Aug.	276	61,8	48,5	56,1 ⁸⁾	2,6	3,5	9,2	45,6	39,9	1,0	4,7	3,5	7,2	293,3
Sep.	276	50,4	38,2	52,6	2,7	2,2	12,3	52,1	46,7	0,8	4,6	3,7	4,7	297,9
Oct.	276	49,9	36,4	48,8	2,3	0,7	17,8	48,7	44,0	0,8	3,9	2,8	6,1	306,6
Nov.	276	50,7	36,9	41,9	2,2	2,2	17,8	45,4	40,2	0,9	4,3	3,6	6,8	292,3

Baden¹¹⁾

July	169	42,8	35,6	66,6	2,1	4,2	.	26,0	19,1	2,7	4,2	2,3	2,9	171,1
Aug.	169	48,7	41,0	92,5 ⁸⁾	1,9	8,2	9,4	30,0	22,1	3,6	4,3	2,5	1,9	170,9
Sep.	169	36,3	29,3	68,7	1,7	11,1	12,0	30,2	22,9	2,7	4,6	2,8	3,6	174,6
Oct.	169	37,2	30,3	53,1	1,9	10,1	14,9	22,8	17,5	0,7	4,6	3,0	5,3	177,4
Nov.	169	34,0	26,6	42,9	1,6	13,4	15,2	22,4	16,4	1,2	4,8	3,2	4,4	176,0

Württemberg-Hohenzollern¹¹⁾

July	147	34,6	26,5	80,0	1,1	0,3	.	18,1	14,8	1,3	2,0	1,0	3,9	140,8
Aug.	147	36,2	27,4	73,0 ⁸⁾	1,0	0,4	4,0	19,6	14,4	3,0	2,2	1,0	3,6	140,8
Sep.	147	27,7	19,5	78,3	1,0	0,5	5,0	20,5	17,0	1,5	2,0	1,0	1,6	142,0
Oct.	147	30,4	21,5	72,7	0,9	0,3	6,0	15,6	12,8	0,8	2,0	1,0	—	142,8
Nov.	147	32,9	24,1	74,1	0,9	1,1	7,8	13,8	10,9	1,2	1,7	0,9	2,6	144,5

Banks not included in any Land's Statistics

July	22	84,6	72,9	9,9	0,4	0,5	.	18,3	18,3	—	—	—	1,2	242,9
Aug.	25 ⁹⁾	69,0	57,9	22,4 ⁸⁾	0,6	—	—	71,9	71,4	0,5	—	—	1,2	245,4
Sep.	25	113,0	102,0	14,6	0,8	—	—	55,8	55,0	0,8	—	—	—	244,8
Oct.	25	162,5	151,7	14,4	0,8	—	0,2	49,8	48,7	1,1	—	—	—	246,3
Nov.	25	131,2	119,8	8,0	0,5	12,9	0,4	55,9	50,8	5,1	—	—	—	246,5

) Alterations as compared with previously published figures are due to corrections which came in late. 1) Excluding Bank deutscher Länder and Land the balance-sheet total of all banks is of small importance. 2) Including branches which lie in the territory of a different Land Central Bank from that in turns, as well as by adding new banks which are required to render them. 3) Cash, and balances at Land Central Banks. 4) Postal Cheque balances and Equalisation Claims after deducting the amount of the bank's own Equalisation Claims which it has sold. 5) The claims in foreign currencies, existing time in August, 1949. 6) As from August, 1949 the figures in column 7 are shown separately. 7) Alteration in part affected by newly including various the amount of Conversion Land Charges managed for account of the Lands. 11) In the present tables the figures of the Postal Cheque Offices — contrary statistics.

by Lands

the West German Currency Area*)¹⁾

Länder and the Land Central Banks
of DM)

Assets

Claims in respect of Carry-Over Transactions and Advances		Advances on Goods in course of Transport or in Warehouse		Debtors ⁷⁾						Debts Secured on Mortgages and Real Estate		Communal Loans		Transitory Credits (on Trust basis only)		Position at end of Month 1949
				Non-Bank Customers			Banks									
				Short-Term Claims ⁷⁾		Medium and Long-Term Claims	Short-Term Claims ⁷⁾		Medium and Long-Term Claims							
Total	Of which Advances against Securities which are good delivery on Stock Exchanges	Total	Of which Claims in Foreign Currency arising from the RM period	Total	Of which Claims in Foreign Currency arising from the RM period											
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	

Schleswig-Holstein

0,1	—	0,8	—	167,3 ⁷⁾	.	5,1	26,1	.	—	29,9	3,4	6,5	0,7	11,6	.	July
0,2	—	2,1	—	179,4	0,1	4,7	30,3	—	—	30,0	3,5	6,5	0,7	13,9	.	Aug.
0,2	—	2,6	—	195,9	0,2	6,5	25,2	—	—	30,3	3,8	6,8	1,1	14,2	.	Sep.
0,2	—	3,0	—	213,9	0,2	9,1	29,8	—	0,2	30,3	4,3	7,1	1,4	19,9	15,9	Oct.
0,0	—	2,8	—	245,6	0,1	11,3	31,2	—	0,2	30,6	4,6	8,2	2,5	17,7	13,7	Nov.

Hamburg ¹¹⁾

0,7	0,2	82,1	0,0	453,9 ⁷⁾	.	22,0	26,9	.	0,1	27,1	4,8	0,3	—	35,5	.	July
0,4	0,1	108,6	0,0	530,2	42,2	27,0	35,4	3,7	0,2	31,0	8,0	0,3	—	11,1 ¹⁰⁾	.	Aug.
0,5	0,2	110,0	—	549,1	42,4	29,1	35,4	2,7	0,2	32,9	10,7	0,3	—	18,7	.	Sep.
0,4	0,3	139,1	—	717,6	44,4	32,5	35,4	2,7	0,3	41,1	19,6	0,3	—	24,8	20,8	Oct.
0,4	0,3	162,3	—	779,3	44,3	35,7	38,0	1,9	0,3	44,6	20,5	0,3	—	22,7	18,7	Nov.

Rhineland-Palatinate¹¹⁾

0,1	0,0	—	—	230,3 ⁷⁾	.	9,6	48,8	.	0,9	22,4	4,7	4,2	2,2	19,9	.	July
0,1	0,0	0,0	—	247,1	8,2	10,5	49,6	0,3	0,8	23,2	5,5	4,6	2,7	9,8 ¹⁰⁾	.	Aug.
0,1	0,0	0,0	—	261,5	8,4	11,8	49,4	0,3	1,1	25,0	7,5	5,0	3,0	12,7	.	Sep.
0,1	0,0	0,0	—	289,5	6,9	13,2	61,0	0,3	1,1	27,3	9,7	6,1	4,1	14,1	8,4	Oct.
0,1	0,0	0,0	—	314,3	6,8	14,9	67,0	0,5	1,1	29,8	12,3	7,0	4,9	14,8	8,8	Nov.

Baden ¹¹⁾

0,1	—	1,3	—	97,1 ⁷⁾	.	1,8	20,6	.	—	5,7	1,9	0,5	0,4	1,1	.	July
0,1	0,0	0,8	—	107,3	1,3	2,7	19,5	—	—	6,1	2,4	0,5	0,4	0,9 ¹⁰⁾	.	Aug.
0,1	0,0	0,6	—	116,4	1,1	2,9	12,0	—	—	6,7	3,0	0,8	0,7	1,9	.	Sep.
0,2	0,0	0,4	—	146,1	1,0	3,6	16,0	—	—	7,3	3,6	1,4	1,3	6,1	3,6	Oct.
0,2	—	0,2	—	169,4	1,0	3,8	19,5	—	—	7,9	4,2	1,7	1,6	8,3	4,4	Nov.

Württemberg-Hohenzollern ¹¹⁾

0,1	—	—	—	73,5 ⁷⁾	.	4,7	13,2	.	1,4	5,2	2,8	0,6	0,4	—	.	July
—	—	—	—	84,8	1,1	4,7	12,9	—	1,9	6,3	3,8	0,6	0,4	0,0	.	Aug.
0,0	—	—	—	96,7	0,4	5,0	12,2	—	2,3	7,5	5,0	0,7	0,3	0,0	.	Sep.
0,0	—	—	—	108,9	0,4	5,1	17,5	—	3,2	8,9	6,5	0,9	0,7	0,0	—	Oct.
—	—	0,0	—	117,7	0,4	5,6	19,3	—	4,3	10,7	8,4	1,4	1,2	0,3	0,3	Nov.

Banks not included in any Land's Statistics

—	—	—	—	44,0 ⁷⁾	.	5,2	0,2	.	—	—	—	—	—	1,0	.	July
0,1	—	—	—	57,4	—	244,5 ⁹⁾	0,0	—	30,4 ⁹⁾	0,1	0,1	—	—	1,5	.	Aug.
—	—	—	—	83,3	—	271,0	0,2	—	57,0	0,1	0,1	—	—	1,5	.	Sep.
—	—	—	—	102,5	—	379,9	0,3	—	71,5	0,1	0,1	—	—	2,0	2,0	Oct.
—	—	—	—	89,1	—	425,2	0,2	—	86,4	0,1	0,1	—	—	2,0	2,0	Nov.

Central Banks. In addition those banks are disregarded which had on 31st March, 1948 a balance-sheet total less than RM 2 million. Their proportion of which their Head Office lies, and which render separate returns. Alterations arise through taking out banks which are no longer required to render re-claims on banks of undoubted solvency and liquidity. ⁵⁾ Including balances of Deposit Accounts at medium and long term. ⁶⁾ Estimated total amount of since the RM period, which were included in the weekly banking statistics as from July, 1949, are shown in the monthly banking statistics for the first special institutions such as the Reconstruction Loan Corporation, the Agricultural Mortgage Bank, etc. ¹⁰⁾ Decrease caused by taking out of the accounts to what appeared in earlier compilations - are no longer shown in the figures for the Lands, but under the heading "Banks not included in any Land's

Balance Sheet Figures:
Monthly Banking Statistics for
Collected jointly by the Bank deutscher
(In millions)

Liabilities

Position at end of Month 1949	Deposits													Credits availed of by Custom- ers with third parties	
	On Invest- ment Account	On Blocked Account	On Free Account		Amounts contained in Column 33 in respect of										Savings Deposits
			Including	Excluding	Deposits by Banks			Deposits by Public Authorities		Other Creditors					
			Deposits by Banks		Total	Of which:		Total	Of which Time Deposits	Total	Of which:				
			33	34		35	Currency Balances in respect of credits granted				37	38	39			40	Currency Balances in respect of credits granted	42
31	32	33	34	35	36	37	38	39	40	41	42	43	44		

Schleswig-Holstein

July	14,8	0,9	344,2	321,9	22,3	—	1,8	45,4	18,0	183,1	—	15,8	93,4	0,8
Aug.	14,9	0,9	365,1	342,7	22,4	—	1,4	48,3	15,5	198,4	1,1	15,2	96,0	0,9
Sep.	14,8	0,5	369,4	343,9	25,5	0,1	1,6	49,5	15,8	196,7	1,6	16,6	97,7	0,7
Oct.	14,7	0,5	378,0	352,4	25,6	—	1,6	54,3	22,9	198,5	3,2	12,9	99,6	0,7
Nov.	14,4	0,3	379,6	354,8	24,8	—	1,7	51,5	9,3	201,3	3,7	10,0	102,0	0,6

Hamburg ³⁾

July	15,9	3,0	1 015,6	879,2	136,4	—	5,2	212,6	167,4	586,0	—	151,7	80,6	3,0
Aug.	15,4	2,5	996,5	867,4	129,1	2,3	7,8	190,9	139,8	591,8	49,2	130,6	84,7	1,0
Sep.	15,4	1,9	960,1	863,4	96,7	2,0	7,9	129,1	69,5	647,2	102,3	131,7	87,1	1,0
Oct.	14,6	1,6	1 151,0	1 032,1	118,9	3,5	11,7	107,3	58,0	834,1	169,4	128,1	90,7	2,3
Nov.	13,8	1,5	1 139,8	1 028,8	111,0	5,8	9,4	174,7	116,9	760,4	221,5	83,5	93,7	2,2

Rhineland-Palatinate ³⁾

July	22,1	2,3	607,8	550,0	57,8	—	12,8	97,9	28,3	273,3	—	16,1	178,8	0,7
Aug.	21,8	1,7	627,5	569,6	57,9	0,2	12,1	105,1	31,1	278,0	9,0	19,6	186,5	0,6
Sep.	21,3	1,6	629,3	578,7	50,6	0,2	12,4	100,6	28,3	288,0	12,1	18,7	190,1	0,7
Oct.	20,8	1,2	630,7	582,1	48,6	0,3	10,1	99,4	28,6	289,7	17,3	24,0	193,0	0,4
Nov.	21,0	1,0	623,5	580,9	42,6	0,1	9,3	111,5	30,7	271,3	17,7	22,0	198,1	0,9

Baden ³⁾

July	12,6	1,6	423,2	372,5	50,7	—	6,5	66,8	16,0	195,2	—	9,7	110,5	—
Aug.	12,5	1,3	480,8	409,7	71,1	0,4	7,5	86,3	21,0	206,7	9,0	9,9	116,7	—
Sep.	12,4	0,9	457,9	401,3	56,6	0,3	7,3	70,9	22,5	209,4	11,8	10,1	121,0	0,0
Oct.	12,3	0,8	454,8	396,4	58,4	0,3	15,0	78,5	25,2	194,2	14,6	9,5	123,7	0,0
Nov.	12,0	0,7	450,3	403,2	47,1	0,2	10,5	77,9	31,3	198,4	15,1	9,8	126,9	0,0

Württemberg-Hohenzollern ³⁾

July	11,5	0,4	343,9	289,2	54,7	—	28,7	56,1	18,1	140,2	—	6,0	92,9	0,0
Aug.	11,3	0,3	355,0	300,7	54,3	2,4	28,6	56,3	18,8	148,3	1,6	7,6	96,1	—
Sep.	11,3	0,2	367,3	306,8	60,5	3,0	27,0	54,0	19,9	154,8	2,0	8,5	98,0	0,0
Oct.	11,2	0,2	366,0	309,7	56,3	2,8	28,0	58,3	22,0	152,0	3,2	8,2	99,4	—
Nov.	10,8	0,1	378,7	322,1	56,6	3,0	26,4	66,0	26,8	154,2	4,8	8,3	101,9	—

Banks not included in any Land's statistics

July	14,2	3,6	867,6	735,3	132,3	—	1,1	119,3	4,3	533,2	—	5,5	82,8	—
Aug.	13,8	3,1	890,5	758,9	131,6	—	2,1	161,1	7,9	509,7	—	6,2	88,1	—
Sep.	13,7	2,8	908,1	777,2	130,9	—	1,1	150,2	7,7	535,9	—	6,7	91,1	—
Oct.	12,3	2,5	951,3	821,7	129,6	—	1,0	158,5	7,7	571,1	0,2	22,5	92,1	—
Nov.	11,9	2,3	933,7	803,2	130,5	—	1,1	159,0	7,7	550,5	0,4	5,7	93,7	1,0

*) Alterations as compared with previously published figures are due to corrections which came in late. ¹⁾ Excluding Bank deutscher Länder and Land the balance-sheet total of all Banks is of small importance. ²⁾ Other monies borrowed and credits taken up inside and outside Germany; as from August, to what appeared in earlier compilations — are no longer shown in the figures for the Lands, but under the heading "Banks not included in any Land's" ence between columns 56 and 57 shows the amount in DM of the capital of newly formed institutions, as well as individual institutions' newly cultural Mortgage Bank, etc. ³⁾ Decrease caused in part by conversion into bonds. ⁸⁾ See note 7).

by Lands

the West German Currency Area*)¹⁾
Länder and the Land Central Banks
of DM)

Liabilities

Total	Own Liabilities ²⁾			Own Acceptances in Circulation	Loans		Origin of Loans and Monies taken up for other than short periods (Columns 51 and 48)			Transitory Credits (on Trust basis only)	Own Capital		Bills (Own Drawings) in circulation	Liability on Guarantees of Bills and Cheques, and Indemnities	Liability on Endorsements		Amount of Own Equalisation Claims sold	Position at end of Month 1949
	Liabilities in Foreign Currency arising from the RM period	Own Liabilities arising from pledging Equalisation Claims as Security for Advances	Monies and Credits taken for more than 6 months		Against Bonds	Other Loans					Total ⁵⁾	Of which in accordance with Currency Law (Regulation No. 36 under the Conversion Law) ³⁾			Total	Of which Acceptances of Other Banks Rediscounted		
							Banks	Public Authorities	Others									
45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	

Schleswig-Holstein

81,5	.	13,2	2,7	41,6	14,7	10,2	.	.	.	11,6	11,0	.	5,5	11,0	42,4	5,2	2,7	July
76,6 ²⁾	0,0	18,1	2,7	46,4	14,7	11,2	.	.	.	13,9	14,9	11,4	5,6	22,7	53,0	0,1	2,7	Aug.
69,5	0,0	14,8	2,6	51,4	14,8	12,8	.	.	.	14,2	22,5	19,0	5,8	20,0	72,9	5,2	2,7	Sep.
84,8	0,0	13,1	7,6	56,7	16,4	14,4	13,4	2,1	6,5	19,9	24,5	19,1	6,1	24,5	64,4	0,3	2,7	Oct.
95,7	0,0	23,5	7,9	73,4	16,4	15,1	8,9	7,6	6,5	17,7	25,4	19,8	6,6	24,2	51,7	0,5	6,6	Nov.

Hamburg³⁾

39,9	.	1,5	4,2	114,0	34,1	2,9	.	.	.	35,6	37,7	.	2,4	100,2	121,6	11,6	15,6	July
77,9 ²⁾	40,9	2,4	5,1	156,1	34,4	3,2	.	.	.	11,1 ⁴⁾	38,3	38,3	2,3	158,5	159,4	10,2	17,2	Aug.
81,3	45,6	2,2	5,3	220,0	34,4	3,9	.	.	.	18,7	50,5	50,5	2,3	212,1	169,0	16,5	19,7	Sep.
89,9	48,3	3,6	5,6	315,0	34,1	11,0	7,7	2,5	6,4	25,0	52,1	31,3	2,1	403,6	197,2	21,4	21,2	Oct.
164,5	48,6	16,2	6,1	392,2	34,1	11,5	8,2	3,0	6,4	22,7	55,4	35,8	4,0	332,0	225,8	26,8	23,7	Nov.

Rhineland-Palatinate³⁾

77,1	.	26,6	8,0	34,6	23,8	0,8	.	.	.	25,6	17,3	.	2,7	22,1	40,2	1,1	6,0	July
82,3 ²⁾	5,5	22,4	8,9	43,5	24,0	0,9	.	.	.	14,7 ⁴⁾	13,4	13,4	2,5	26,2	53,7	1,6	6,2	Aug.
92,3	6,2	17,6	7,3	47,3	24,4	1,2	.	.	.	14,6	21,4	21,4	2,9	34,5	56,6	2,0	6,2	Sep.
116,4	6,2	28,3	8,5	63,6	24,8	1,9	8,0	0,9	1,5	15,5	24,7	23,1	3,9	39,6	72,9	3,4	6,1	Oct.
121,5	6,1	39,7	22,2	75,9	25,0	2,1	21,8	1,5	1,0	16,3	25,4	23,7	5,1	43,1	87,5	5,2	8,9	Nov.

Baden³⁾

11,4	.	1,0	0,1	1,2	0,0	0,0	.	.	.	1,1	8,1	.	0,5	10,0	7,3	0,6	0,0	July
10,0 ²⁾	0,6	1,2	0,6	2,2	0,0	0,0	.	.	.	0,9 ⁴⁾	8,4	8,4	0,4	13,8	7,6	0,6	0,0	Aug.
8,0	0,6	0,1	1,0	2,5	0,0	0,0	.	.	.	1,9	15,5	14,5	0,6	16,0	6,0	0,3	0,0	Sep.
13,6	0,6	1,8	0,9	12,7	0,0	0,1	1,0	—	—	6,1	16,1	14,8	0,7	17,9	14,4	0,4	0,0	Oct.
21,9	0,6	5,4	0,2	24,7	0,0	0,1	0,3	—	—	8,3	16,4	15,0	1,2	21,1	19,8	0,7	0,4	Nov.

Württemberg-Hohenzollern³⁾

13,8	.	3,4	1,2	4,4	—	0,3	.	.	.	—	5,5	.	0,3	5,2	7,9	1,1	0,1	July
13,6 ²⁾	0,4	3,0	0,8	7,2	—	1,2	.	.	.	0,0	6,1	6,1	0,6	18,7	8,9	1,4	0,1	Aug.
12,5	0,4	2,6	1,2	11,9	—	1,7	.	.	.	0,0	9,2	9,2	0,6	11,1	11,6	2,8	0,2	Sep.
20,0	0,4	7,2	1,7	13,0	—	2,3	3,9	—	0,1	0,0	10,3	8,7	0,7	11,6	13,7	3,0	0,4	Oct.
23,5	0,4	8,2	2,9	14,0	—	3,0	5,9	—	0,0	0,3	11,1	9,8	1,0	9,9	17,1	2,6	0,4	Nov.

Banks not included in any Land's statistics

11,1	.	—	—	—	—	—	.	.	.	1,0	0,5	.	—	6,7	157,7	—	—	July
266,0 ²⁾ ⁶⁾	—	—	250,5 ⁶⁾	36,9 ⁶⁾	—	18,0 ⁶⁾	.	.	.	1,5	125,5 ⁶⁾	0,5	—	25,5 ⁶⁾	134,9	19,6 ⁶⁾	—	Aug.
374,9	—	—	354,1	47,4	—	19,0	.	.	.	1,5	125,4	0,5	—	27,0	125,6	16,4	—	Sep.
80,6 ²⁾	—	—	— ⁷⁾	59,9	258,4 ⁶⁾	96,9	2,9	37,0	57,0	2,0	219,8	3,8	—	30,1	174,5	22,9	—	Oct.
82,3	—	—	67,1	54,0	269,6	112,9	70,9	52,1	57,0	2,0	219,8	3,9	—	13,9	163,3	23,3	—	Nov.

Central Banks. In addition those banks are disregarded which had on 31st March, 1948 a balance-sheet total less than RM 2 million. Their proportion of 1949, includes liabilities in foreign exchange arising from the RM period. ³⁾ In the present tables the figures of the Postal Cheque Offices — contrary statistics". ⁴⁾ Decrease caused by taking out of the accounts the amount of Conversion Land Charges managed for account of the Lands. ⁵⁾ The differ-formed capital. ⁶⁾ Alteration in part affected by newly including various special institutions such as the Reconstruction Loan Corporation, the Agri-

Balance Sheet Figures:

Weekly Banking Statistics for

Sample Statistics collected jointly by the Bank deutscher Länder

Assets

(In millions)

Position on	Cash Reserve ¹⁾		Own Credit Balances		Other Bank Balances ²⁾	Currency Balances at B. d. L. in respect of Credits granted	Bills	
	Total	Of which Balances at Land Central Banks	Total	Of which Postal Cheque Balances			Total (excluding Own Acceptances)	Of which: Commercial Bills ⁴⁾
	1	2	3	4	5	6	7	8
1948								
Oct. 31	452,4	378,1	468,4	20,8	.	.	773,6	644,2
Nov. 30	700,4	628,0	621,5	25,4	.	.	639,4	493,5
Dec. 31	717,1	644,9	510,8	34,1	.	.	706,8	575,7
1949								
Jan. 31	670,8	607,6	619,0	19,7	.	.	716,4	636,2
Feb. 28	567,1	506,8	723,7	22,8	.	.	774,9	683,7
Mar. 31	638,4	577,4	705,3	17,9	.	.	792,6	693,8
Apr. 30	707,6	640,1	739,0	18,0	.	.	829,2	734,3
May 31	642,3	577,7	864,8	15,5	.	.	993,9	870,8
June 30	564,6	501,3	821,9	18,6	.	.	1079,5	921,2
July 31	402,4	331,1	798,2	17,8	31,2	.	1164,1	948,6
Aug. 31	466,0	398,8	798,0	17,3	43,9	.	1080,1	872,8
Sep. 30	392,7	327,0	785,4 ⁵⁾	14,1	42,7	184,7	1097,4	918,9
Oct. 31	374,1	305,3	666,1	15,1	50,4	283,7	933,0	761,6
Nov. 30	402,3	326,5	637,5	14,6	131,6	360,1	777,3	649,8
Dec. 7	488,5	416,6	670,7	16,0	145,9	353,9	764,3	651,0
Dec. 15	456,3	384,1	682,0	13,6	128,7	355,8	760,4	654,8
Dec. 21	631,9	553,7	685,3	13,4	121,4	332,8	795,3	688,1
Dec. 31	563,1	488,6	642,3	31,4	104,4	315,7	893,7	758,5

Liabilities

Position on	Deposits								
	Deposits on Investment Account	Deposits on Blocked Account	Deposits on Free Account Including Deposits by Banks Excluding Deposits by Banks		Amounts contained in column 19 in respect of				
					Deposits by Banks			Deposits by Public Authorities	
					Total	Of which		Total	Of which Time Deposits
Currency Balances in respect of Credits Granted	Time Deposits								
	17	18	19	20	21	22	23	24	25
1948									
Oct. 31	.	424,6	3 082,6	2 501,1	581,5	.	65,1	825,0	279,7
Nov. 30	45,7	164,3	3 583,9	2 885,5	698,4	.	95,5	1 057,6	385,5
Dec. 31	75,6	84,2	3 688,0	3 059,7	628,3	.	96,4	1 065,4	482,5
1949									
Jan. 31	86,2	53,9	3 941,8	3 285,9	655,9	.	119,1	1 259,4	649,7
Feb. 28	91,2	41,6	4 131,6	3 463,1	668,5	.	111,2	1 294,7	734,1
Mar. 31	97,1	25,9	4 301,7	3 559,7	742,0	.	145,7	1 288,8	739,4
Apr. 30	99,5	17,2	4 575,7	3 833,3	742,4	.	176,7	1 490,8	808,2
May 31	101,4	10,7	4 838,6	3 919,3	919,3	.	191,7	1 446,2	832,9
June 30	95,2	8,1	4 984,2	4 053,5	930,7	.	213,6	1 450,4	890,2
July 31	79,2	6,7	4 886,6	4 029,4	857,2	.	228,7	1 420,6	940,2
Aug. 31	76,5	5,9	4 932,3	4 046,9	885,4	.	221,0	1 373,8	923,9
Sep. 30	74,7	4,2	5 055,4	4 150,8	904,6	7,5	215,9	1 349,7	907,2
Oct. 31	71,7	3,3	5 124,1	4 362,8	761,3	9,3	223,7	1 370,1	918,8
Nov. 30	68,8	2,8	5 107,9	4 368,9	739,0	10,5	224,6	1 441,4	998,1
Dec. 7	67,4	2,8	5 116,3	4 403,2	713,1	12,0	220,1	1 449,9	958,7
Dec. 15	66,1	2,6	5 158,2	4 453,4	704,8	12,2	203,1	1 524,1	1 001,7
Dec. 21	65,0	2,5	5 285,3	4 535,7	749,6	12,4	207,2	1 596,1	1 019,2
Dec. 31	64,2	2,2	5 252,6	4 486,6	766,0	10,9	223,8	1 478,6	969,1

¹⁾ Alterations as compared with previously published figures are due to corrections which came in late. ²⁾ Cash and balances at Land Central Bills. ³⁾ Up to and including 30th June, 1949, includes in addition trifling amounts of other bills. ⁴⁾ As from July, 1949, includes claims in figures of the 11 banks in Lower Saxony. ⁵⁾ As from August, 1949, includes liabilities in foreign currencies arising from the RM period. ⁶⁾ As

112 Banks

the West German Currency Area*)
and the Land Central Banks from 112 Banks
of DM)

Assets

Bills			Treasury Bills and Non- Interest- Bearing Treasury Bonds ³⁾	Debtors — Short-Term Claims only —			Other Short-Term Claims (Carry-Overs, Advances on Se- curities and Goods)	Position on
Of which:				Non-Bank	Customers	Banks		
Acceptances of Other Banks	Total	Of which Debtors Drawings							Total	Of which Currency Claims arising from the RM period
9	10	11	12	13	14	15	16	
				768,3	.	166,2	22,1	1948
129,4	.	.	.	942,9	.	204,2	35,4	Oct. 31
110,5	.	35,4	.	996,4	.	230,8	29,1	Nov. 30
95,6	.	35,5	0,5					Dec. 31
				1 078,6	.	248,5	43,3	1949
62,4	.	17,8	5,3	1 213,9	.	238,7	51,1	Jan. 31
74,1	.	17,1	5,7	1 309,1	.	238,9	64,2	Feb. 28
81,0	.	17,8	8,5	1 400,8	.	275,1	73,0	Mar. 31
77,4	.	17,5	9,7	1 436,9	.	243,7	70,9	Apr. 30
103,1	.	20,0	10,8	1 538,7	.	245,2	65,5	May 31
134,6	.	23,7	9,7	1 748,2 ⁵⁾	85,9	269,9	64,5	June 30
176,8	38,7	32,1	9,6	1 911,7	114,6	276,0	64,5	July 31
166,7	40,6	30,5	35,9	2 040,3	122,3	258,8	95,6	Aug. 31
140,9	37,6	31,0	33,7	2 341,6	119,7	330,7	91,2	Sep. 30
139,5	31,9	27,3	55,5	2 493,2	120,5	353,2	118,0	Oct. 31
96,1	31,4	23,6	110,3					Nov. 30
82,5	30,8	24,7	84,1	2 397,3	121,2	361,5	115,5	Dec. 7
75,3	30,3	25,3	84,2	2 467,0	121,9	385,0	115,9	Dec. 15
77,2	30,0	25,0	84,6	2 428,6	121,2	398,4	122,4	Dec. 21
102,3	32,9	24,1	95,8	2 489,1	122,0	338,5	121,9	Dec. 31

Liabilities

Deposits				Own Liabilities ⁶⁾			Own Accept- ances in Cir- culation	Bills (Own Drawings) in Circulation	Own Liability on Endorsements		Amount of Own Equali- sation Claims Sold	Position on	
Amounts contained in column 19 in respect of				Total	Of which				Total	Of which			
Other Creditors		Savings Deposits	Currency Balances in respect of Credits Granted		Time Deposits	Liabilities in Foreign Currency arising from the RM period							Own Liabi- lities arising from pledging Equalisation Claims as Security for Advances	Acceptances of Other Banks Rediscounted
Total	Total			27			28	29	30	31	32	33			34	35	36	37
													1948
1 522,2	.		110,2	153,9	102,6	.	158,8 ⁷⁾	.	527,2	.	4,0		Oct. 31
1 643,2	.		131,8	184,7	171,9	.	39,2	204,7	23,6	582,6	78,5	5,0	Nov. 30
1 755,4	.		154,4	238,9	236,7	.	77,0	251,3	27,4	599,0	88,2	5,5	Dec. 31
													1949
1 756,4	.		165,2	270,1	286,7	.	51,3	229,8	5,9	508,2	65,8	6,6	Jan. 31
1 874,1	.		216,4	294,3	328,7	.	68,3	266,2	6,1	496,3	92,0	7,8	Feb. 28
1 952,8	.		269,1	318,1	275,9	.	30,2	290,6	8,0	490,4	78,6	9,9	Mar. 31
2 006,5	.		293,4	336,0	304,5	.	44,5	293,2	8,7	498,9	71,6	10,9	Apr. 30
2 112,2	.		364,0	360,9	326,5	.	55,8	271,3	10,9	458,1	67,6	11,4	May 31
2 225,1	.		422,0	378,0	262,1	.	28,5	280,0	13,3	397,9	58,8	11,4	June 30
2 212,7	.		419,2	396,1	353,1	.	47,5	376,4	15,3	488,9	42,2	25,2	July 31
2 262,1	.		419,7	411,0	459,4 ⁸⁾	109,4	40,0	487,6	15,9	604,3	55,8	26,2	Aug. 31
2 381,5	169,2		413,0	419,6	444,6	124,0	31,7	616,9	13,3	640,3	81,7	27,3	Sep. 30
2 560,4	261,1		415,6	432,3	470,8	124,3	60,7	795,8	19,7	750,5	98,8	27,4	Oct. 31
2 481,3	353,1		353,5	446,2	603,9	127,1	121,2	977,9	26,7	848,2	151,3	34,5	Nov. 30
2 503,3	319,3		366,2	450,0	562,9	127,1	145,0	986,1	26,2	850,1	160,3	35,6	Dec. 7
2 476,3	322,6		367,9	453,0	635,5	127,8	199,0	976,0	24,0	838,0	158,0	39,9	Dec. 15
2 484,4	299,5		377,9	455,2	662,4	127,8	210,8	986,3	24,1	828,2	163,5	41,7	Dec. 21
2 535,7	284,5		427,0	472,3	542,7	129,8	124,7	1 020,9	26,1	925,2	183,4	71,8	Dec. 31

banks. ²⁾ Including balances of Deposit Accounts at medium and long term. ³⁾ Up to and including 30th June, 1949, includes only Treasury foreign currencies arising from the RM period. ⁴⁾ Other monies borrowed and credits taken up inside and outside Germany. ⁷⁾ Excluding the from September the figures in column 6 are shown separately.

Volume of Credit:

(In millions)

Position at end of Month/Week	I. Credits to Non-Bank Customers													
	Credits to Non-Bank Customers									Columns 4-9				
	Short-Term Credits		Of which:							Medium and Long-Term Credits ²⁾	Transitory Credits	Business and		
	Total	Of which Currency Claims arising from the RM period	Debtors (Short-Term Claims)			Other Short-Term Credits ¹⁾	Customers' Liability on Bills of Exchange, Treasury Bills ⁶⁾ and Non-Interest-Bearing Treasury Bonds	Total	Of which Currency Claims arising from the RM period			Debtors (Short-Term Claims)		
			Total	Currency Claims arising from the RM period	Acceptance Credits							Total	Of which: Currency Claims arising from the RM period	Acceptance Credits
1	2	3	4	5	6	7	8	9	10	11	12	13	14	

Monthly Banking Statistics for Collected jointly by the Bank deutscher

1948													
July	1 339,2	.	165,0	.	.	5,7	1 168,5	.	.	.	1 243,7	.	91,5
Aug.	2 378,3	.	826,5	.	.	20,5	1 531,3	.	.	.	2 243,8	.	751,2
Sep.	3 196,4	.	1 449,2	.	.	40,8	1 706,4	.	.	.	3 011,0	.	1 382,2
Oct.	3 818,6	.	1 979,3	.	.	53,8	1 785,5	.	.	.	3 549,8	.	1 904,1
Nov.	4 333,1	.	2 345,2	.	.	79,1	1 908,8	239,1	.	.	4 034,9	.	2 280,5
Dec.	4 684,3	.	2 466,7	.	.	81,8	2 135,8	473,3	.	.	4 388,8	.	2 418,2
1949													
Jan.	4 900,6	.	2 743,4	.	.	112,2	2 045,0	614,6	.	.	4 623,6	.	2 683,7
Febr.	5 264,7	.	3 062,8	.	.	134,0	2 067,9	646,0	.	.	4 951,7	.	2 980,3
March	5 551,2	.	3 206,4	.	.	161,9	2 182,9	705,3	.	.	5 234,9	.	3 141,3
April	5 886,9	.	3 464,2	.	.	187,7	2 235,0	744,4	.	.	5 577,5	.	3 400,2
May	6 123,6	.	3 636,4	.	.	193,1	2 294,1	790,4	.	.	5 769,4	.	3 511,3
June	6 406,7	.	3 928,4	.	1 082,2	160,0 ³⁾	2 318,3	1 018,1	.	.	6 017,1	.	3 773,5
July	6 823,1	?)	4 290,1	?)	1 184,8	131,2	2 401,8	1 117,6	317,9	.	6 447,0	?)	4 138,6
Aug.	7 624,5 ⁷⁾	266,5	4 918,6 ⁷⁾	266,5	1 388,1	150,4	2 555,5	1 471,0 ¹³⁾	168,9 ¹⁰⁾	7 238,4 ⁷⁾	264,2	4 793,3 ⁷⁾	264,2
Sep.	8 060,1	267,3	5 289,9	267,3	1 567,6	146,4	2 623,8	1 597,9	197,8	7 673,3	264,9	5 146,5	264,9
Oct.	8 871,9	268,8	5 913,0	268,8	1 868,1	201,0	2 757,9	1 826,5	240,9	8 468,8	267,6	5 760,8	267,6
Nov.	9 501,7	271,3	6 385,7	271,3	2 073,2	231,7	2 884,3	1 987,0	273,5	8 931,0	269,1	6 114,3	269,1

Weekly Banking Statistics Sample Statistics Collected jointly by the Bank deutscher Länder (Short-Term)

1948													
Oct. 31	1 429,5	.	768,3	.	.	14,6	646,6	.	.	.	1 376,6	.	723,4
Nov. 30	1 642,8	.	942,9	.	.	22,7	677,2	.	.	.	1 600,0	.	908,7
Dec. 31	1 818,1	.	996,4	.	.	16,2	805,5	.	.	.	1 787,5	.	966,7
1949													
Jan. 31	1 882,2	.	1 078,6	.	.	32,0	771,6	.	.	.	1 843,4	.	1 048,2
Feb. 28	2 000,0	.	1 213,9	.	.	37,1	749,0	.	.	.	1 962,6	.	1 183,3
Mar. 31	2 088,0	.	1 309,1	.	.	46,2	732,7	.	.	.	2 039,8	.	1 270,6
Apr. 30	2 209,1	.	1 400,8	.	.	53,8	754,5	.	.	.	2 160,4	.	1 363,9
May 31	2 290,5	.	1 436,9	.	.	54,2	799,4	.	.	.	2 226,5	.	1 386,8
June 30	2 380,7	.	1 538,7	.	.	48,4	793,6	.	.	.	2 311,0	.	1 482,0
July 31	2 607,7	85,9	1 748,2	85,9	608,6	59,0	800,5	.	.	2 531,0	85,9	1 683,4	85,9
Aug. 31	2 848,3	114,6	1 911,7	114,6	689,0	93,3	843,3	.	.	2 739,0	114,6	1 840,5	114,6
Sep. 30	2 997,6	122,3	2 040,3	122,3	764,3	83,9	873,4	.	.	2 877,3	122,3	1 957,2	122,3
Oct. 31	3 338,7	119,7	2 341,6	119,7	957,2	87,1	910,0	.	.	3 190,9	119,7	2 251,2	119,7
Nov. 30	3 597,6	120,5	2 493,2	120,5	1 053,6	114,0	990,4	.	.	3 353,5	120,5	2 364,2	120,5
Dec. 31	3 688,0	122,0	2 489,1	122,0	1 040,9	117,4	1 081,5	.	.	3 364,5	122,0	2 265,4	122,0
Dec. 7	3 481,9	121,2	2 397,3	121,2	1 028,8	111,5	973,1	.	.	3 269,7	121,2	2 273,9	121,2
Dec. 15	3 559,5	121,9	2 467,0	121,9	1 058,2	111,6	980,9	.	.	3 336,6	121,9	2 333,0	121,9
Dec. 21	3 536,2	121,2	2 428,6	121,2	1 073,2	117,5	990,1	.	.	3 328,6	121,2	2 309,9	121,2
Dec. 31	3 688,0	122,0	2 489,1	122,0	1 040,9	117,4	1 081,5	.	.	3 364,5	122,0	2 265,4	122,0

*) Alterations as compared with previously published figures are due to corrections which came in late. ¹⁾ Claims arising from carry-over business, debts secured on mortgages and real estate. ²⁾ Including Communal loans. ³⁾ Monthly banking statistics up to and including May, 1949, excluding cluding Bank deutscher Länder and Land Central Banks. In addition those banks are disregarded which had on 31st March, 1948, a balance-sheet total the RM period, which were included in the weekly banking statistics as from July, 1949, are shown in the monthly banking statistics for the first item Debtors (Short-Term Claims). In this latter item up till May, 1949, only credits in current account and acceptance credits were included. course of transport which, as from June, 1949, are shown in the item Other Short-Term Credits. ⁴⁾ As from August, 1949, claims in foreign current-accounts the amount of Conversion Land Charges managed for account of the Lands. ⁵⁾ Alteration in part affected by newly including various special

General Conspectus

of DM)

Bank Customers										II. Credits to Banks							
comprise credits to:										Of which:							
Private Customers				Public Authorities						Total of Short-Term Credits	Debtors (Short-Term Claims)		Other Short-Term Credits ¹⁾	Customers' Liability on Bills of Exchange	Medium and Long-Term Credits	Transitory Credits	Position at end of Month/Week
Of which:				Of which:							Total	Of which Acceptance Credits					
Other Short-Term Credits ¹⁾	Customers' Liability on Bills of Exchange	Medium and Long-Term Credits ³⁾	Transitory Credits	Total of Short-Term Credits	Debtors (only Short-Term Claims)	Other Short-Term Credits	Treasury Bills ²⁾ and Non-Interest-Bearing Treasury Bonds, also Other Bills	Medium and Long-Term Credits ⁴⁾	Transitory Credits								
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

the West German Currency Area*)⁶⁾

Länder and the Land Central Banks

5,6	1 146,6	.	.	95,5	73,5	0,1	21,9	.	.	82,5	15,8	.	6,9	59,8	.	.	July
19,3	1 473,3	.	.	134,5	75,3	1,2	58,0	.	.	372,5	78,8	.	12,7	281,0	.	.	Aug.
34,2	1 594,6	.	.	185,4	67,0	6,6	111,8	.	.	763,4	133,2	.	14,1	616,1	.	.	Sep.
46,7	1 599,0	.	.	268,8	75,2	7,1	186,5	.	.	1 058,0	212,0	.	14,0	832,0	.	.	Oct.
73,5	1 680,9	210,1	.	298,2	64,7	5,6	227,9	29,0	.	1 056,7	284,2	.	22,4	750,1	36,6	.	Nov.
78,8	1 891,8	412,0	.	295,5	48,5	3,0	244,0	61,3	.	1 098,6	340,7	.	23,5	734,4	42,9	.	Dec.
104,7	1 835,2	524,1	.	277,0	59,7	7,5	209,8	90,5	.	1 049,4	367,7	.	20,6	661,1	55,7	.	Jan.
130,4	1 841,0	550,9	.	313,0	82,5	3,6	226,9	95,1	.	1 120,4	366,5	.	25,5	728,4	59,9	.	Febr.
158,5	1 935,1	607,1	.	316,3	65,1	3,4	247,8	98,2	.	1 122,7	379,6	.	32,2	710,9	69,5	.	March
182,7	1 994,6	650,6	.	309,4	64,0	5,0	240,4	93,8	.	1 219,9	446,1	.	36,9	736,9	71,9	.	April
187,9	2 070,2	695,6	.	354,2	125,1	5,2	223,9	94,8	.	1 304,2	431,9	.	32,4	839,9	88,6	.	May
159,1 ¹⁹⁾	2 084,5	888,4	.	389,6	154,9	0,9	233,8	129,7	.	1 375,1	472,9	9,0	5,9 ¹⁸⁾	896,3	70,2	.	June
130,8	2 177,6	953,4	297,1	376,1	151,5	0,4	224,2	164,2	20,8	1 543,3	503,4	11,4	3,4	1 036,5	70,4	63,1	July
150,1	2 295,0	1 279,8 ¹¹⁾	153,2 ¹⁰⁾	386,1 ⁹⁾	125,3 ⁹⁾	0,3	260,5	191,2	15,7 ¹⁰⁾	1 593,3 ⁹⁾	525,4 ⁹⁾	12,3	3,1	1 064,8	96,0 ¹¹⁾	72,3	Aug.
146,3	2 380,5	1 394,2	180,9	386,8	143,4	0,1	243,3	203,7	16,9	1 560,5	492,9	15,0	3,0	1 064,6	141,0	86,8	Sep.
201,0	2 507,0	1 601,5	223,3	403,1	152,2	0,0	250,9	225,0	17,6	1 685,2	619,9	19,7	4,2	1 061,1	148,8	102,7	Oct.
231,7	2 585,0	1 759,7	255,4	570,7	271,4	0,0	299,3	227,3	18,1	1 638,6	670,8	20,1	4,2	963,6	180,2	108,5	Nov.

for the West German Currency Area*)

and the Land Central Banks from 112 Banks Credits)

13,4	639,8	.	.	52,9	44,9	1,2	6,8	.	.	787,7	166,2	.	7,5	614,0	.	.	1948
22,7	668,6	.	.	42,8	34,2	0,0	8,6	.	.	757,7	204,2	.	12,7	540,8	.	.	Oct. 31
16,1	804,7	.	.	30,6	29,7	0,1	0,8	.	.	774,2	230,8	.	12,9	530,5	.	.	Nov. 30
29,3	765,9	.	.	38,8	30,4	2,7	5,7	.	.	729,9	248,5	.	11,3	470,1	.	.	Dec. 31
36,7	742,6	.	.	37,4	30,6	0,4	6,4	.	.	772,1	238,7	.	14,0	519,4	.	.	1949
45,8	723,4	.	.	48,2	38,5	0,4	9,3	.	.	812,7	238,9	.	18,0	555,8	.	.	Jan. 31
53,1	743,4	.	.	48,7	36,9	0,7	11,1	.	.	883,4	275,1	.	19,2	589,1	.	.	Feb. 28
53,5	786,2	.	.	64,0	50,1	0,7	13,2	.	.	927,6	243,7	.	16,7	667,2	.	.	Mar. 31
47,7	781,3	.	.	69,7	56,7	0,7	12,3	.	.	950,5	245,2	.	17,1	688,2	.	.	Apr. 30
58,9	788,7	.	.	76,7	64,8	0,1	11,8	.	.	1 066,7	269,9	10,8	5,5	791,3	.	.	May 31
93,2	805,3	.	.	109,3	71,2	0,1	38,0	.	.	1 065,4	276,0	11,3	2,3	787,1	.	.	June 30
83,8	836,3	.	.	120,3	83,1	0,1	37,1	.	.	1 036,1	258,8	14,1	2,2	775,1	.	.	July 31
87,0	852,7	.	.	147,8	90,4	0,1	57,3	.	.	1 072,9	330,7	14,7	4,1	738,1	.	.	Aug. 31
114,0	875,3	.	.	244,1	129,0	—	115,1	.	.	994,4	353,2	13,6	4,0	637,2	.	.	Sep. 30
117,4	981,7	.	.	323,5	223,7	—	99,8	.	.	995,5	338,5	12,9	4,5	652,5	.	.	Oct. 31
111,5	884,3	.	.	212,2	123,4	—	88,8	.	.	994,2	361,5	13,3	4,0	628,7	.	.	Nov. 30
111,6	892,0	.	.	222,9	134,0	—	88,9	.	.	971,5	385,0	14,0	4,3	582,2	.	.	Dec. 7
117,5	901,2	.	.	207,6	118,7	—	88,9	.	.	983,5	398,4	11,9	4,9	580,2	.	.	Dec. 15
117,4	981,7	.	.	323,5	223,7	—	99,8	.	.	995,5	338,5	12,9	4,5	652,5	.	.	Dec. 21

advances on securities and goods (reimbursement credits). ²⁾ Including debts secured on mortgages and real estate; also Communal loans. ³⁾ Including non-interest-bearing Treasury Bills; weekly banking statistics up to and including June, 1949, excluding non-interest-bearing Treasury Bills. ⁴⁾ Excess than RM 2 million. Their proportion of the balance-sheet total of all banks is of small importance. ⁵⁾ The claims in foreign currencies, existing since time in August. ⁶⁾ All further short-term credits which up to and including May, 1949, were shown in this item, are included as from June, 1949, in Certain banks, up to and including May, 1949, were showing in the item Debtors (Short-Term Claims) the advances on goods in warehouse or in cities arising out of the RM period are also shown in the figures of the public authorities and of the banks. ¹⁰⁾ Decrease caused by taking out of the institutions such as the Reconstruction Loan Corporation, the Agricultural Mortgage Bank, etc.

Volume of Credit:
Monthly Banking Statistics for the Bank
Collected jointly by the Bank
(In millions)

Position at end of Month 1949	I. Credits to Non-Bank Customers													
	Credits to Non-Bank Customers										Columns 1-9			
	Short-Term Credits ¹⁾		Of which:							Business and				
	Total	Of which Currency Claims arising from the RM period	Debtors ²⁾ (Short-Term Claims)			Other Short- Term Credits ³⁾	Customers' Liability on Bills of Exchange, Treasury Bills and Non-Inter- est-Bearing Treasury Bonds	Medium and Long- Term Credits ⁴⁾	Transi- tory Credits	Short-Term Credits ⁵⁾		Of which:		
			Total	Cur- rency Claims arising from the RM period	Accept- ance Credits					Total	Of which Currency Claims arising from the RM period	Debtors ²⁾ (Short-Term Claims)	Of which:	Currency Claims arising from the RM period	Accept- ance Credits
1	2	3				4	5	6	7							8	9	10	11	12	13	14

Schleswig-Holstein

July	227,4	.	167,3	.	47,8	0,9	59,2	41,5	11,6	215,2	.	155,8	.	47,8
Aug.	241,7	0,1	179,4	0,1	51,5	2,3	60,0	41,2	13,9	229,3	0,1	167,8	0,1	51,5
Sep.	272,7	0,2	195,9	0,2	58,3	2,8	74,0	43,6	14,2	258,9	0,2	182,8	0,2	58,3
Oct.	289,0	0,2	213,9	0,2	61,3	3,2	71,9	46,5	18,7	270,0	0,2	195,5	0,2	61,3
Nov.	310,7	0,1	245,6	0,1	81,4	2,8	62,3	50,1	16,5	295,7	0,1	231,8	0,1	81,4

Hamburg

July	781,6	.	453,9	.	169,0	82,6	245,1	49,4	35,5	765,7	.	443,3	.	169,0
Aug.	883,8	42,2	530,2	42,2	191,2	108,8	244,8	58,3	11,1 ⁸⁾	871,6	42,2	523,3	42,2	191,2
Sep.	897,0	42,4	549,1	42,4	220,7	110,2	237,7	62,3	16,0	893,7	42,4	548,4	42,4	220,7
Oct.	1 115,0	44,4	717,6	44,4	354,9	139,3	258,1	73,9	20,1	1 111,4	44,4	716,6	44,4	354,9
Nov.	1 206,0	44,3	779,3	44,3	400,2	162,5	264,2	80,6	22,2	1 171,8	44,3	747,8	44,3	398,7

Rhineland-Palatinate

July	308,9	.	230,3	.	59,2	0,1	78,5	36,2	18,1	293,2	.	221,0	.	59,2
Aug.	333,2	8,2	247,1	8,2	65,1	0,1	86,0	38,3	7,2 ⁸⁾	316,3	6,9	237,7	6,9	65,1
Sep.	353,6	8,4	261,5	8,4	73,3	0,1	92,0	41,8	8,2	342,4	7,1	255,4	7,1	73,3
Oct.	393,1	6,9	289,5	6,9	82,0	0,1	103,5	46,6	9,1	377,5	6,9	280,3	6,9	82,0
Nov.	428,6	6,8	314,3	6,8	94,5	0,1	114,2	51,7	9,7	412,0	6,8	304,7	6,8	94,5

Baden

July	126,3	.	97,1	.	10,4	1,4	27,8	8,1	1,1	119,7	.	93,5	.	10,4
Aug.	135,5	1,3	107,3	1,3	14,1	0,9	27,3	9,3	0,9 ⁸⁾	129,8	1,3	103,8	1,3	14,1
Sep.	148,3	1,1	116,4	1,1	16,3	0,7	31,2	10,4	1,9	140,5	1,1	112,4	1,1	16,3
Oct.	181,9	1,0	146,1	1,0	19,0	0,6	35,2	12,3	6,1	171,7	1,0	141,4	1,0	19,0
Nov.	207,9	1,0	169,4	1,0	39,6	0,4	38,1	13,4	8,3	198,0	1,0	164,0	1,0	39,6

Württemberg-Hohenzollern

July	97,0	.	73,5	.	7,0	0,1	23,4	10,5	—	91,8	.	72,2	.	7,0
Aug.	108,6	1,1	84,8	1,1	9,3	—	23,8	11,6	0,0	103,5	1,1	83,4	1,1	9,3
Sep.	120,9	0,4	96,7	0,4	12,8	0,0	24,2	13,2	0,0	117,4	0,4	94,9	0,4	12,8
Oct.	132,6	0,4	108,9	0,4	14,3	0,0	23,7	14,9	0,0	130,2	0,4	106,6	0,4	14,3
Nov.	145,8	0,4	117,7	0,4	16,7	0,0	28,1	17,7	0,3	140,8	0,4	115,4	0,4	16,7

Banks not included in any Land's statistics

July	221,2	.	44,0	.	—	—	177,2	5,2	1,0	41,4	.	11,2	.	—
Aug.	243,8	—	57,4	—	38,1	0,1	186,3	244,6 ⁹⁾	1,5	115,1	—	50,8	—	38,1
Sep.	241,6	—	83,3	—	51,4	—	158,3	271,1	1,5	114,0	—	69,9	—	51,4
Oct.	297,7	—	102,5	—	81,5	—	195,2	380,0	2,0	178,4	—	96,0	—	81,5
Nov.	279,4	—	89,1	—	63,7	—	190,3	425,3	2,0	106,3	—	20,6	—	4,3

¹⁾ Alterations as compared with previously published figures are due to corrections which came in late. ²⁾ Excluding Bank deutscher Länder and Land of the balance-sheet total of all banks is of small importance. ³⁾ The claims in foreign currencies, existing since the RM period, which were included arising from carry-over business, advances on securities and goods (reimbursement credits). ⁴⁾ Including debts secured on mortgages and real estate, foreign currencies arising out of the RM period are also shown in the figures of the public authorities and of the banks. ⁵⁾ Decrease caused by taking various special institutions such as the Reconstruction Loan Corporation, the Agricultural Mortgage Bank, etc.

by Lands

the West German Currency Area*)¹⁾
deutscher Länder and the Land Central Banks
of DM)

Bank Customers										II. Credits to Banks ⁷⁾							Position at end of Month 1949
comprise credits to:										Of which:							
Private Customers				Public Authorities ⁷⁾						Debtors (Short-Term Claims) ⁷⁾			Other Short- Term Credits ³⁾	Custom- ers' Liability on Bills of Exchange	Medi- um and Long- Term Credi- ts	Transi- tory Credi- ts	
Of which:		Total of Short- Term Credits ⁷⁾	Of which:			Total	Of which Ac- ceptance Credits	Total of Short- Term Credits ⁷⁾	Transi- tory Credits								
Other Short- Term Credits ³⁾	Custom- ers' Liability on Bills of Exchange		Medium and Long- Term Credits ⁵⁾	Transi- tory Credits	Total of Short- Term Credits ⁷⁾					Debtors (only Short- Term Claims) ⁷⁾	Other Short- Term Credits	Trea- sury Bills and Non- Interest- Bearing Treasury Bonds; also Other Bills	Medi- um and Long- Term- Credi- ts ⁶⁾	Transi- tory Credits			
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	

Schleswig-Holstein

0,9	58,5	34,5	11,6	12,2	11,5	—	0,7	7,0	—	39,1	26,1	0,1	—	13,0	—	—	July
2,3	59,2	34,2	13,9	12,4	11,6	—	0,8	7,0	—	54,6	30,3	0,0	—	24,3	—	—	Aug.
2,8	73,3	36,2	14,2	13,8	13,1	—	0,7	7,4	—	53,6	25,2	0,1	—	28,4	—	—	Sep.
3,2	71,3	38,5	18,7	19,0	18,4	—	0,6	8,0	—	50,8	29,8	0,1	—	21,0	0,2	1,2	Oct.
2,8	61,1	41,1	16,5	15,0	13,8	—	1,2	9,0	—	51,4	31,2	0,1	—	20,2	0,2	1,2	Nov.

Hamburg

82,6	239,8	49,1	35,4	15,9	10,6	—	5,3	0,3	0,1	96,9	26,9	3,5	0,2	69,8	0,1	—	July
108,8	239,5	58,0	11,0 ^{b)}	12,2	6,9	—	5,3	0,3	0,1	102,8	35,4	4,4	0,2	67,2	0,2	—	Aug.
110,2	235,1	62,0	15,9	3,3	0,7	—	2,6	0,3	0,1	85,0	35,4	6,3	0,3	49,3	0,2	2,7	Sep.
139,3	255,5	73,5	20,0	3,6	1,0	—	2,6	0,4	0,1	85,5	35,4	4,2	0,2	49,9	0,3	4,7	Oct.
162,5	261,5	80,2	22,1	34,2	31,5	—	2,7	0,4	0,1	94,2	38,0	2,3	0,2	56,0	0,3	0,5	Nov.

Rhineland-Palatinate

0,1	72,1	31,7	12,1	15,7	9,3	—	6,4	4,5	6,0	70,6	48,8	—	—	21,8	0,9	1,8	July
0,1	78,5	33,2	1,5 ^{b)}	16,9	9,4	—	7,5	5,1	5,7 ^{b)}	74,5	49,6	—	—	24,9	0,8	2,6	Aug.
0,1	86,9	36,2	2,3	11,2	6,1	—	5,1	5,6	5,9	76,3	49,4	—	—	26,9	1,1	4,5	Sep.
0,1	97,1	40,2	3,0	15,6	9,2	—	6,4	6,4	6,1	91,2	61,0	—	—	30,2	1,1	5,0	Oct.
0,1	107,2	43,7	3,5	16,6	9,6	—	7,0	8,0	6,2	99,4	67,0	0,1	—	32,4	1,1	5,1	Nov.

Baden

1,4	24,8	7,6	1,1	6,6	3,6	—	3,0	0,5	—	30,7	20,6	—	—	10,1	—	—	July
0,9	25,1	8,6	0,9 ^{b)}	5,7	3,5	0,0	2,2	0,7	0,0	33,4	19,5	—	—	13,9	—	—	Aug.
0,7	27,4	9,4	1,8	7,8	4,0	0,0	3,8	1,0	0,1	23,2	12,0	—	—	11,2	—	—	Sep.
0,6	29,7	10,8	5,7	10,2	4,7	0,0	5,5	1,5	0,4	24,8	16,0	—	—	8,8	—	—	Oct.
0,4	33,6	11,5	7,8	9,9	5,4	0,0	4,5	1,9	0,5	30,2	19,5	—	—	10,7	—	—	Nov.

Württemberg-Hohenzollern

0,1	19,5	9,6	—	5,2	1,3	—	3,9	0,9	—	21,5	13,2	0,2	—	8,3	1,4	—	July
—	20,1	10,8	0,0	5,1	1,4	—	3,7	0,8	—	22,4	12,9	0,6	—	9,5	1,9	—	Aug.
0,0	22,5	12,2	0,0	3,5	1,8	—	1,7	1,0	—	23,0	12,2	0,6	—	10,8	2,3	—	Sep.
0,0	23,6	13,7	0,0	2,4	2,3	—	0,1	1,2	—	24,5	17,5	0,6	—	7,0	3,2	—	Oct.
0,0	25,4	15,7	0,3	5,0	2,3	—	2,7	2,0	—	26,5	19,3	0,9	—	7,2	4,3	—	Nov.

Banks not included in any Land's statistics

—	30,2	0,7	—	179,8	32,8	—	147,0	4,5	1,0	0,2	0,2	—	—	—	—	—	July
0,1	64,2	239,5 ^{b)}	—	128,7	6,6	—	122,1	5,1	1,5	21,7	0,0	—	—	21,7	30,4 ^{b)}	—	Aug.
—	44,1	261,0	—	127,6	13,4	—	114,2	10,1	1,5	23,3	0,2	—	—	23,1	57,0	—	Sep.
—	82,4	359,6	2,0	119,3	6,5	—	112,8	20,4	—	29,3	0,3	—	—	29,0	71,5	—	Oct.
—	85,7	400,2	2,0	173,1	68,5	—	104,6	25,1	—	29,1	0,2	—	—	28,9	86,4	—	Nov.

Central Banks. In addition those banks are disregarded which had on 31st March, 1948 a balance-sheet total less than RM 2 million. Their proportion in the weekly banking statistics as from July, 1949, are shown in the monthly banking statistics for the first time in August, 1949. ³⁾ Claims also Communal loans. ⁵⁾ Including debts secured on mortgages and real estate. ⁶⁾ Including Communal loans. ⁷⁾ As from August, 1949, claims in out of the accounts the amount of Conversion Land Charges managed for account of the Lands. ⁸⁾ Alteration in part affected by newly including

Turnover in Savings

(Free Accounts only)

Date	Amount of Savings Deposits at beginning of Reporting Period	Accruals from:		In-Payments		Out-Payments		Balance of In- and Out-Payments	Amount of Savings Deposits at end of Reporting Period	
		Conversion	Interest	Total	Of which Cash In-Payments	Total	Of which Cash Out-Payments		Total	Of which Deposits enjoying Tax Privileges
	1	2	3	4	5	6	7	8	9	10

Monthly Banking Statistics for the West German Currency Area*) 1) 2)

Collected jointly by Bank deutscher Länder and Land Central Banks
(In millions of DM)

1948										
July									312,6	
August	312,6								686,7	
September	686,7				59,1		290,5		957,9	
October	957,9				49,8		259,8		1 152,1	
November	1 152,1				48,1		169,9		1 353,8	
December	1 353,8				58,4		151,9		1 598,9	
1949										
January	1 598,9				74,6		98,5		1 767,4	
February	1 767,4				77,5		100,9		1 925,7	
March	1 925,7				89,1		112,2		2 097,0	
April	2 097,0				93,9		110,1		2 215,6	
May	2 215,6				109,3		115,0		2 362,5	
June	2 366,2 ^{a)}	41,1	0,8	216,0	103,0	154,9	102,1	+ 61,1	2 469,2	13,8
July	2 469,6 ^{b)}	26,5	1,3	248,3	127,7	161,3	107,9	+ 87,0	2 584,4	20,6
August	2 584,4	17,3	0,5	234,1	127,8	151,7	109,2	+ 82,4	2 684,6	25,1
September	2 684,5 ^{b)}	13,5	0,4	234,1	131,7	181,2	134,5	+ 52,9	2 751,3	32,8
October	2 751,0 ^{a)}	10,1	0,3	235,0	121,8	175,3	124,9	+ 59,7	2 821,1	48,2
November	2 821,1	8,7	0,4	242,9	126,2	171,6	112,1	+ 71,3	2 901,5	60,4

Weekly Banking Statistics for the West German Currency Area*) 4)

Sample Statistics collected jointly by Bank deutscher Länder and Land Central Banks from 112 banks
(In millions of DM)

1948										
Oct. 1-31	127,4				7,5		42,3		153,9	
Nov. 1-30	153,9				7,7		27,4		184,7	
Dec. 1-31	184,7				9,9		25,1		238,9	
1949										
Jan. 1-31	238,9				12,8		14,9		270,1	
Feb. 1-28	270,1				13,3		14,8		294,3	
Mar. 1-31	294,3				15,1		16,7		318,1	
Apr. 1-30	318,1				15,9		16,8		336,0	
May 1-31	336,0				18,5		17,9		360,9	
June 1-30	360,9				19,5		18,0		378,0	
July 1-31	377,8 ^{b)}	4,2	0,6	37,5	21,8	24,0	16,8	+ 13,5	396,1	
Aug. 1-31	396,1	2,2	0,0	36,0	21,4	23,3	17,5	+ 12,7	411,0	
Sep. 1-30	411,0	1,2	0,0	34,3	21,2	26,9	20,8	+ 7,4	419,6	
Oct. 1-31	419,6	1,3	0,0	36,8	21,2	25,4	19,2	+ 11,4	432,3	11,8
Nov. 1-30	432,0 ^{b)}	1,1	0,1	37,6	21,7	24,6	18,2	+ 13,0	446,2	14,9
Dec. 1-31	445,8 ^{b)}	1,3	6,3	49,5	30,2	30,6	22,8	+ 18,9	472,3	20,1
1949 (continued)										
Dec. 1-7	446,2	0,2	0,0	10,5	6,3	6,9	5,5	+ 3,6	450,0	15,7
Dec. 8-15	450,0	0,3	0,6	11,1	6,4	9,0	6,2	+ 2,1	453,0	16,3
Dec. 16-21	453,0	0,3	0,1	7,6	5,0	5,8	4,8	+ 1,8	455,2	17,0
Dec. 22-31	454,8 ^{b)}	0,5	5,6	20,3	12,5	8,9	6,3	+ 11,4	472,3	20,1

*) Alterations as compared with previously published figures are due to corrections which came in late. 1) Excluding Bank deutscher Länder and Land Central Banks. In addition those banks are disregarded which had on 31st March, 1948 a balance-sheet total less than RM 2 million. Their proportion of the balance-sheet total of all banks is of small importance. 2) Up to December 1948 the only figures available from the Postal Savings Banks were amounts of deposits, which were included in the figures of Savings Deposits. As from January, 1949 the turnover of Postal Savings Banks is also included; Munich, however, is excluded up to and including May, 1949. 3) Differences as compared with the figure at the end of the previous month or previous week are due to corrections by sundry institutions. 4) In the upper part of the table all the weeks in each month are included: i.e., the figures showing the amount of Savings Deposits refer to the amounts at the beginning and end of the month, and the figures of inward and outward movements include all movements of the accounts during four weeks.

Minimum Reserves of Banks in the West German Currency Area, classified according to Groups of Banks *)
(Monthly Reserve Reports by Banks to the Land Central Banks)

Groups of Banks	Legal Minimum Reserves (Required Reserves) in millions of DM					Excess Reserves (or Deficits, shown by — sign) in millions of DM				
	1949					1949				
	Aug.	Sep.	Oct.	Nov.	Dec.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Successor Institutions to Branches of Large Banks	261,5	217,0	221,4	222,4	222,2	22,4	19,4	19,0	12,9	18,5
2. Regional Banks	140,4	116,6	118,7	117,0	113,7	8,6	19,4	11,8	9,9	19,0
3. Private Banks	29,6	25,5	25,9	27,2	29,1	2,2	2,6	4,2	4,3	4,4
4. Central Giro Institutions	110,4	94,1	92,4	92,2	86,6	62,3	82,4	37,0	32,8	77,2
5. Credit Cooperatives ratives, and Agricultural tutions of Credit Coope-	338,4	291,2	295,4	295,0	293,1	14,1	24,6	13,8	13,5	13,5
6. Mortgage Banks	1,1	0,9	1,2	0,4	0,3	0,5	1,0	0,9	1,2	1,1
7. Agricultural Central Insti-										
8. Industrial Central Institutions of Credit Cooperatives	74,0	64,7	67,8	69,7	68,2	2,6	5,2	2,9	2,5	3,1
9. Industrial Credit Cooperatives	1,7	1,3	1,2	1,2	1,1	0,8	0,8	0,6	0,6	1,0
10. Other Banks	64,0	55,3	55,7	54,5	55,3	1,7	5,3	2,6	1,8	3,3
	89,9	74,7	78,5	79,7	79,3	12,1	9,1	9,7	7,6	13,6
Total of all Groups of Banks	1 111,0	941,3	958,2	959,3	948,9	127,3	169,8	102,5	87,1	154,7

Groups of Banks	Excess Reserves in per cent :									
	Of Legal Minimum Reserves (Required Reserves)					Of Total Amount of Excess Reserves of all Groups of Banks				
	1949					1949				
	Aug.	Sep.	Oct.	Nov.	Dec.	Aug.	Sep.	Oct.	Nov.	Dec.
1. Successor Institutions to Branches of Large Banks	8,6	8,9	8,6	5,8	8,3	17,6	11,4	18,5	14,8	12,0
2. Regional Banks	6,1	16,6	9,9	8,5	16,7	6,8	11,4	11,5	11,3	12,3
3. Private Banks	7,4	10,2	16,2	15,8	15,1	1,7	1,5	4,1	4,9	2,9
4. Central Giro Institutions	56,4	87,6	40,0	35,6	89,1	48,9	48,5	36,1	37,7	49,9
5. Savings Banks	4,2	8,4	4,7	4,6	4,6	11,1	14,5	13,5	15,5	8,7
6. Mortgage Banks	45,5	111,1	75,0	300,0	366,7	0,4	0,6	0,9	1,4	0,7
7. Agricultural Central Insti- tutions of Credit Coope- ratives, and Agricultural Credit Cooperatives	3,5	8,0	4,3	3,6	4,5	2,0	3,1	2,8	2,9	2,0
8. Industrial Central Institutions of Credit Cooperatives	47,1	61,5	50,0	50,0	90,9	0,6	0,5	0,6	0,7	0,6
9. Industrial Credit Cooperatives	2,7	9,6	4,7	3,3	6,0	1,3	3,1	2,5	2,1	2,1
10. Other Banks	13,5	12,2	12,4	9,5	17,2	9,6	5,4	9,5	8,7	8,8
Total of all Groups of Banks	11,5	18,0	10,7	9,1	16,3	100,0	100,0	100,0	100,0	100,0

*) Differences in the decimal figure as compared with similar figures in other tables are due to the rounding off of figures.

Minimum Reserve Requirements
(as a percentage of the Deposits to which
the Reserve Liability applies) ¹⁾

Applicable as from	Sight Deposits		Time Deposits (including savings deposits)
	At "Bank- Places" ²⁾	At "Non-Bank Places"	
1948			
July 1	10	10	5
Dec. 1	15	10	5
1949			
June 1	12	9	5
Sep. 1	10	8	4

¹⁾ The Reserve Liability applies to all deposits in Free Account, Blocked Account, and Investment Account. From this total are deducted the deposits of such banks as are themselves required to maintain minimum reserves at Land Central Banks or at the Berlin Central Bank. Time Deposits are considered to be all deposits with a fixed date of maturity, or which are subject to notice of at least one month, as well as all Savings Deposits and deposits on Investment Account. All other deposits are considered to be Sight Deposits.

²⁾ "Bank Places" are places at which there is a Land Central Bank or a branch of one.

III. Volume of Money in the West German Currency Area

Development and Structure of the Money Volume ¹⁾

In millions of DM

Position at End of	Total	Structure		
		Notes and Coin in circulation ²⁾	Bank Deposits ³⁾	Giro Balances of Public Authorities at the Central Banking System which are not shown due to temporary Investment in Equalisation Claims of the Bank deutscher Länder and the Land Central Banks
1948				
July	11 495	3 831	7 664	—
August	14 197	4 178	10 019	—
September	16 882	5 358	11 524	—
October	17 013	5 885	11 128	—
November	17 343	6 018	11 325	—
December	18 054	6 319	11 535	200
1949				
January	18 199	6 167	11 863	169
February	18 665	6 216	12 359	90
March	19 027	6 187	12 750	90
April	19 768	6 333	13 331	104
May	20 162	6 362	13 687	113
June	20 520	6 553	13 776	191
July	20 944	6 688	13 931	325
August	21 218	6 815	14 040	363
September	21 480	7 029	14 040	411
October	22 298 ⁴⁾	7 060	14 830 ⁴⁾	408
November	22 528	6 978	14 940	610

¹⁾ Excluding Counterpart Funds and other balances of non-bank customers booked on the Debtor Accounts for Settlement of Foreign Trade. ²⁾ Excluding notes of Category "B". ³⁾ Excluding deposits of banks and excluding currency balances at commercial banks for credits granted by the Bank deutscher Länder. ⁴⁾ Including a correction of (+) DM 310 million made for statistical reasons. Cf. Footnote 4) to table "Bank Deposits".

First Supply of New Money ¹⁾

In millions of DM

Supplement 1 to table „Development and Structure of the Money Volume“

Position at End of	Oct. 1948	Nov. 1948	Dec. 1948	Jan. 1949	Feb. 1949	March 1949	April 1949	May 1949	June 1949	July 1949	Aug. 1949	Sep. 1949	Oct. 1949	Nov. 1949
Military Governments	772	772	772	772	772	772	772	772	772	772	772	772	772	772
Lands and Communes	2 354	2 351	2 348	2 348	2 350	2 350	2 350	2 350	2 350	2 350	2 351	2 351	2 369	2 369
Railway and Postal Administration	315	315	315	315	315	315	315	315	316	316	316	316	316	316
Business Amounts	468	473	472	472	472	472	474	474	474	474	474	474	474	473
1st and 2nd part of quota per capita	2 793	2 780	2 782	2 782	2 782	2 781	2 782	2 781	2 782	2 782	2 782	2 783	2 783	2 783
Total	6 702	6 691	6 689	6 689	6 691	6 690	6 693	6 692	6 694	6 694	6 695	6 696	6 714	6 713

¹⁾ The amounts are computed according to the breakdown of the Items "Provisional Equalisation Claims on Public Authorities" and "Interim Claims on Land Central Banks" in the returns of the Bank deutscher Länder. The amounts are subject to slight alterations.

Bank Deposits ¹⁾

In millions of DM

Supplement 2 to table "Development and Structure of the Money Volume"

Position at End of	At Commercial Banks							At Central Banking System (Bank deutscher Länder and Land Central Banks)	Total	
	According to Monthly Banking Statistics					Additional Amount for institutions not included in the Statistics (Estimate) ²⁾	Total		Including Currency Balances at Commercial Banks for Credits granted by Bank deutscher Länder	Excluding
	Sight Deposits		Time Deposits		Investment Accounts and Blocked Accounts					
	Total	Of which Currency Balances for Credits granted by B. d. L.	Savings Deposits	Time Deposits						
1948										
July	3 604	—	313	84	1 533	59	5 593	2 071	7 664	.
August	4 631	—	687	192	2 353 ³⁾	82	7 945	2 074	10 019	.
September	5 339	—	958	365	2 828 ³⁾	99	9 589	1 935	11 524	.
October	5 794	—	1 152	530	1 732 ³⁾	111	9 319	1 809	11 128	.
November	6 408	—	1 354	691	927 ³⁾	125	9 505	1 820	11 325	.
December	6 650	—	1 599	845	746 ³⁾	135	9 975	1 560	11 535	.
1949										
January	6 599	—	1 767	1 051	663 ³⁾	139	10 219	1 644	11 863	.
February	6 731	—	1 926 ³⁾	1 238	602 ³⁾	147	10 644	1 715	12 359	.
March	6 875	—	2 097 ³⁾	1 357	545	153	11 027	1 723	12 750	.
April	7 075	—	2 216 ³⁾	1 478	515	160	11 444	1 887	13 331	.
May	7 240	—	2 363 ³⁾	1 632	485	166	11 886	1 801	13 687	.
June	7 258	—	2 469 ³⁾	1 775	450	170	12 122	1 654	13 776	.
July	7 160	.	2 584	1 902	407	172	12 225	1 706	13 931	.
August	7 440	146	2 685	1 940	395	175	12 635	1 551	14 186	14 040
September	7 643	250	2 751	1 937	384	182	12 897	1 393	14 290	14 040
October	7 966	408	2 821	2 010	371	500 ⁴⁾	13 668 ⁵⁾	1 570 ⁶⁾	15 238 ⁵⁾	14 830 ⁵⁾
November	7 980	488	2 902	2 040	359	500	13 781	1 647 ⁷⁾	15 428	14 940

¹⁾ Excluding Deposits by banks. ²⁾ Only those banks are not included in the statistics, whose balance-sheet total on 31st March, 1948 was less than RM 2 million. ³⁾ Figures adjusted subsequently. ⁴⁾ The previous addition had to be increased considerably on the basis of newly collected statistics on the proportion of institutions so far not covered by the statistics, i. e., in particular a great number of Agricultural Credit Cooperatives. The additions made in previous months have not been adjusted subsequently. ⁵⁾ Includes a correction of (+) DM 310 million necessary for statistical reasons. Cf. Footnote 4). ⁶⁾ Includes Cash Deposits, made at the Land Central Banks in respect of applications for Import Permits: DM 103 million. ⁷⁾ Includes Cash Deposits at the Land Central Banks in respect of applications for Import Permits: DM 213 million.

Short-Term Credits¹⁾ of Commercial Banks and Central Banking System

(In millions of DM)

Supplement 3 to table "Development and Structure of the Money Volume"

Position at End of	Commercial Banks ²⁾				Central Banking System (Bank deutscher Länder and Land Central Banks): Treasury Bills and Short-Term Treasury Bonds, Cash Advances, and Direct Credits ⁴⁾ to business and private customers	Total
	According to Monthly Banking Statistics		Additional Amount for Institutions not covered by the statistics (Estimate) ³⁾	Total		
	Total	Of which Currency Claims originating from the RM period				
1948						
July	1 339	Figures not collected statistically up to and including July, 1949	12	1 351	4	1 355
August	2 378		22	2 400	40	2 440
September	3 196		30	3 226	44	3 270
October	3 819		33	3 852	42	3 894
November	4 333		35	4 368	113	4 481
December	4 684		40	4 724	114	4 838
1949						
January	4 901 ⁵⁾		45	4 946	87	5 033
February	5 265		48	5 313	69	5 382
March	5 551		51	5 602	172	5 774
April	5 887		54	5 941	342	6 283
May	6 124		56	6 180	311	6 491
June	6 407 ⁶⁾		59	6 466 ⁸⁾	401	6 867
July	6 823 ⁸⁾		62	6 885 ⁸⁾	314	7 199
August	7 625 ⁷⁾	267	67	7 692 ⁸⁾	239	7 931
September	8 060 ⁸⁾	267	72	8 132 ⁸⁾	241	8 373
October	8 872 ⁸⁾	269	150 ⁹⁾	9 022 ¹⁰⁾	228	9 250 ¹⁰⁾
November	9 502	271	155	9 657	211	9 868

¹⁾ Excluding credits to banks. ²⁾ Credits in Current Account, Acceptance Credits, Bill Credits and other short-term credits. ³⁾ Cf. Footnote ²⁾ to Table "Bank Deposits". ⁴⁾ These credits may be granted only by the Land Central Banks of the French Zone. ⁵⁾ As from January, includes Treasury Bills. ⁶⁾ As from June, includes non-interest-bearing Treasury Bonds. ⁷⁾ As from August, includes Currency Claims originating from the RM period. ⁸⁾ Figures adjusted subsequently. ⁹⁾ Cf. Footnote ⁴⁾ to Table "Bank Deposits". ¹⁰⁾ This figure includes a correction of (+) DM 70 million made for statistical reasons. Cf. preceding Footnote.

IV. Other Statistics regarding
Interest Rates in Force in the West
in per cent

	Bavaria ²⁾	Hesse ³⁾	Württemberg-Baden ³⁾	Bremen ³⁾	North Rhine-Westphalia ⁴⁾					
Debtor Interest Rates										
Interest Rates of the Land Central Banks, valid as from 14th July, 1949										
Discount Rate	4	4	4	4	4					
Advance Rate	5	5	5	5	5					
Valid as from:	Charge for credits 14th July, 1949	Charge for credits 1st Sep., 1949	Charge for credits 1st Sep., 1949	Charge for credits 14th July, 1949	Charge for credits 14th July, 1949					
	in detail	total	in detail	total	in detail	total	in detail	total	in detail	total
1. Charges for Credits in Current Account										
a) Approved Credits										
Interest	Advance Rate + 1 1/2%		Advance Rate + 1 1/2%		Advance Rate + 1%		Advance Rate + 1 1/2%		Advance Rate + 1 1/2%	
Credit Commission	1/8% per month	8 1/2	1/4% per month	8 1/2	1/8% per month	8 2/5	1/4% per month	8 1/2	1/4% per month	8 1/2
b) Overdrafts										
Interest	Advance Rate + 1 1/2%		Advance Rate + 1 1/2%		Advance Rate + 1%		Advance Rate + 1 1/2%		Advance Rate + 1 1/2%	
Overdraft Commission	1/8% per day	11	1/8% per day	10	1/8% per day	10 1/2	1/8% per day	10	1/8% per day	10
2. Acceptance Credits (normal terms)										
Interest	Discount Rate + 1%		Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1 1/2%	
Acceptance Commission	1/8% per month	7	1/4% per month	7 1/2	1/4% per month	7 1/2	1/8% per month	7 1/2	1/4% per month	7 1/2
3. Charges for Bill Credits										
a) Items of DM 20,000 or above										
Interest	Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1%		Discount Rate + 1 1/2% - 1%		Discount Rate + 1 1/2%	
Discount Commission	1% per month	6 7/10	1/8% per month	6	1/12% per month	6	1/8% per month	6-6 1/2	1/24% per month	6
b) Items from DM 5,000 to under DM 20,000										
Interest	Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1%		Discount Rate + 1 1/2% - 1%		Discount Rate + 1 1/2%	
Discount Commission	1% per month	6 7/10	1/8% per month	6 1/2	1/12% per month	6	1/8% per month	6-6 1/2	1/12% per month	6 1/2
c) Items from DM 1,000 to under DM 5,000										
Interest	Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1%		Discount Rate + 1 1/2% - 1%		Discount Rate + 1 1/2%	
Discount Commission	1/8% per month	7	1/8% per month	7	1/8% per month ¹¹⁾	6 1/2	1/8% per month	6 1/2-7	1/8% per month	7
d) Items under DM 1,000										
Interest	Discount Rate + 1 1/2%		Discount Rate + 1 1/2%		Discount Rate + 1%		Discount Rate + 1 1/2% - 1%		Discount Rate + 1 1/2%	
Discount Commission	1/8% per month	7 1/2	1/8% per month	7	1/8% per month ¹¹⁾	7	1/4% per month	7 1/2-8	1/8% per month	7 1/2
4. Drawings on customers										
Interest	no terms agreed		Advance Rate + 1 1/2%		no terms agreed		no terms agreed		no terms agreed	
Credit Commission			1/4% per month	8 1/2						
Turnover Commission	1/8% per half-year, on minimum of 3 times highest debit balance		1/8% on minimum of twice total credit per quarter		no terms stated		1/2 per mille on the larger side of the account, less balance brought forward, minimum 1/2% per half-year on amount of credit		1/8% per half-year	
Minimum Charge for Discounting	DM 2.—		DM 2.—		DM 2.—		DM 2.—		DM 2.—	
Domicile Commission	1/2% min. DM —.50		1/2% min. DM —.50		1/2%		1/2%		1/2% min. DM —.50	

¹⁾ Compiled on the basis of data furnished by the Land Central Banks in the individual Lands. Rates of discount and rates for advances are to which, in certain Lands, are provided and have been agreed for various classes of credit. ²⁾ Maximum rates. ³⁾ Normal rates. It is permissible for Lübeck. ⁷⁾ For items under DM 1,000 a processing fee of DM 1 to DM 2 is to be charged, according to circumstances, without regard to and business premises. ⁸⁾ Credits up to DM 5,000: 7 1/2% to 9% net. ¹⁰⁾ Not uniform, and the regulation is not obligatory. ¹¹⁾ For small for discount.

Money and Credit

German Currency Area ¹⁾

per annum.

Lower Saxony		Schleswig-Holstein ⁶⁾		Hamburg ²⁾		Rhineland-Palatinate ³⁾		Baden ³⁾		Württemberg-Hohenzollern ³⁾	
Debtor Interest Rates											
4 5		4 5		4 5		4 5		4 5		4 5	
Charge for credits 14th July, 1949		Charge for credits 27th Aug., 1949		Charge for credits 1st Oct., 1949		Charge for credits 14th July, 1949		Charge for credits 14th July, 1949		Charge for credits 14th July, 1949	
in detail	total	in detail	total	in detail	total	in detail	total	in detail	total	in detail	total
Advance Rate + 1/2 ‰ 1/4 ‰ per month	8 1/2	Discount Rate + 1 1/2 ‰ 1/4 ‰ per month	8 1/2	Advance Rate + 1/2 ‰ 1/4 ‰ per month	8 1/2	Advance Rate + 1/2 ‰ 1/4 ‰ per month	8 1/2	Advance Rate + 1/2 ‰ 1/4 ‰ per month ⁸⁾	8 1/2	Advance Rate 1/4 ‰ per month	8 ⁹⁾
Advance Rate + 1/2 ‰ 1/8 ‰ ⁰⁰⁰ per day	10	Discount Rate + 1 1/2 ‰ 1/8 ‰ ⁰⁰⁰ per day	10	Advance Rate + 1/2 ‰ 1/8 ‰ ⁰⁰⁰ per day	10	Advance Rate + 1/2 ‰ 1/8 ‰ ⁰⁰⁰ per day	10	Advance Rate + 1/2 ‰ 1/8 ‰ ⁰⁰⁰ per day	10	Advance Rate 1/8 ‰ ⁰⁰⁰ per day	9 1/2
Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1/2 ‰ 1/6 ‰ per month	6 1/2
Advance Rate + 1/2 ‰ 1/24 ‰ ⁰⁰⁰ per month	6	Discount Rate + 1/2 ‰ - 1 1/2 ‰ ⁰⁰⁰ 1/8 ‰ per month	6-7	Discount Rate + 1 ‰ 1/8 ‰ per month	6 1/2	Discount Rate + 1 1/2 ‰ 1/24 ‰ ⁰⁰⁰ per month	6	Discount Rate + 1/2 ‰ 1/8 ‰ per month	6	Discount Rate 1/8 ‰ per month	5 1/2
Advance Rate + 1/2 ‰ 1/12 ‰ ⁰⁰⁰ per month	6 1/2	Discount Rate - 1/2 ‰ - 1 1/2 ‰ ⁰⁰⁰ 1/8 ‰ per month	6-7	Discount Rate + 1 ‰ 1/8 ‰ per month	6 1/2	Discount Rate + 1 1/2 ‰ 1/24 - 1/12 ‰ ⁰⁰⁰ per month	6-6 1/2	Discount Rate + 1/2 ‰ 1/8 ‰ per month	6	Discount Rate + 1 ‰ 1/12 ‰ per month	6
Advance Rate + 1/2 ‰ 1/8 ‰ per month	7	Discount Rate + 1 1/2 ‰ 1/6 ‰ per month	7 1/2	Discount Rate + 1 ‰ 1/6 ‰ per month	7 min. DM 2.—	Discount Rate + 1 1/2 ‰ 1/8 ‰ per month	7	Discount Rate + 1/2 ‰ 1/6 ‰ per month	6 1/2	Discount Rate + 1 ‰ 1/8 ‰ per month ⁴⁾	6 1/2
Advance Rate + 1/2 ‰ 1/6 ‰ per month	7 1/2	Discount Rate + 1 1/2 ‰ 1/4 ‰ per month	8 1/2	Discount Rate + 1 ‰ 1/4 ‰ per month	8 min. DM 2.—	Discount Rate + 1 1/2 ‰ 1/6 ‰ per month	7 ⁷⁾	Discount Rate + 1/2 ‰ 1/4 ‰ per month	7 1/2	Discount Rate + 1 ‰ 1/6 ‰ per month ⁴⁾	7
no terms agreed		Discount Rate + 1/2 ‰ 1/6 - 1/4 ‰ ⁰⁰⁰ per month	6 1/2-7 1/2	no terms agreed		Advance Rate + 1/2 ‰ 1/4 ‰ per month	8 1/2	Advance Rate + 1/2 ‰ 1/4 ‰ per month ⁸⁾	8 1/2	no uniform arrangement	
no terms agreed		1 1/2 per mille on turnover of the larger side of the account		Calculation must be made in manner laid down in para. 5 of Agreement regarding Debtor Interest, together with instructions issued by the Reich Credit Supervision Office regarding collection and calculation of commission on turnover (turnover charges) on debtor accounts, dated 5 March, 1942		1/8 ‰ on the larger side of the account with minimum of twice highest debt out- standing per quarter		1 per mille on the larger side of the account, with minimum 2 1/2 times the highest debt outstanding per quarter		1 per mille on 3 times credit limit per half-year ¹⁰⁾	
DM 2.— 1/2 ‰ ⁰⁰⁰ min. DM —.50		DM 2.— 1/2 ‰ ⁰⁰⁰ min. DM —.50		DM 2.— not fixed		DM 2.— 1/2 ‰ ⁰⁰⁰ min. DM —.50		DM 2.— 1/2 ‰ ⁰⁰⁰ min. DM —.50		DM 2.— 1/2 ‰ ⁰⁰⁰ min. DM —.50	

be seen from the interest rates quoted by the Land Central Banks. The table does not take account of special rates or preferential arrangements, to exceed these rates in cases where there is good reason for doing so. ⁴⁾ Rates quoted for guidance. ⁹⁾ Rates in force only the expenses of discount. ⁸⁾ 1/8 ‰ per month for credits to owners of property in connection with projects for the building of dwelling-houses industrial or for agricultural customers the commission can be fixed at 1/12 ‰ per month independently of the value of the document presented

Interest Rates in Force
In per cent

Valid as from:	Bavaria ²⁾	Hesse ²⁾	Württemberg-Baden ²⁾	Bremen ²⁾	North Rhine-Westphalia ²⁾
	Creditor Interest Rates				
	1st Oct., 1948	1st Sep., 1949	1st Sep., 1949	14th July, 1949	14th July, 1949
1. For Monies payable on demand					
a) On Accounts free of Commission	1	1	1	1	1
b) On Accounts subject to Commission	1 ¹ / ₂	1 ¹ / ₂	1 ¹ / ₂	1 ¹ / ₂	1 ¹ / ₂
2. Savings Deposits					
a) With legal period of Notice	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂
b) With agreed period of Notice					
b 1) From 6 months to less than 12 months	3	3	3	3	3
b 2) From 12 months upwards	4	4	4	4	4
3. For Monies at Notice					
a) At 1 and less than 3 months	2 ¹ / ₄	2 ¹ / ₄	2 ⁸ / ₈	2 ¹ / ₄	2 ¹ / ₄
b) At 3 and less than 6 months	2 ¹ / ₂	2 ¹ / ₂	2 ⁸ / ₈	2 ¹ / ₂	2 ¹ / ₂
c) At 6 and less than 12 months	2 ³ / ₄	2 ⁷ / ₈ ¹⁰⁾	2 ⁷ / ₈ ¹⁰⁾	2 ⁷ / ₈ ¹⁰⁾	2 ⁷ / ₈ ¹⁰⁾
d) At 12 months and over	3 ³ / ₄	3 ³ / ₄ ¹⁰⁾	3 ³ / ₄ ¹⁰⁾	3 ³ / ₄ ¹⁰⁾	3 ³ / ₄ ¹⁰⁾
4. For Monies placed for Fixed Periods					
a) 30 to 89 days	2	2 ¹ / ₄	2 ¹ / ₄	2 ¹ / ₄	2 ¹ / ₄
b) 90 to 179 days	2 ¹ / ₄	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂	2 ¹ / ₂
c) 180 to 359 days	2 ¹ / ₂	2 ³ / ₄	3 ¹ / ₄	2 ³ / ₄	2 ³ / ₄
d) 360 days and over	3 ¹ / ₂	3 ¹ / ₂	3 ³ / ₄	3 ¹ / ₂	3 ¹ / ₂
Interest Credited in Advance, in the case of Cooperatives and Private Banks	On Basis of Principles laid down by the Reich Credit Supervision Office for the crediting of interest in advance, dated 23rd April, 1940, with amendments dated 4th March, 1941, and 15th November, 1941.	1/4 maximum Interest in advance may be credited by those banks which, on the basis of their Balance Sheet of 31st December, 1947, are entitled to do so according to the "Principles Governing the Crediting of Interest in Advance".	On basis of principles laid down by the Reich Credit Supervision Office for the crediting of interest in advance, dated 23rd April, 1940. Where fixed monies are received in amounts of DM 100,000 and over, interest may not be credited in advance.	1/4 maximum	1/4 This must not, however, lead to the present maximum rate of 4% being exceeded.

¹⁾ Compiled on the basis of data furnished by the Land Central Banks in the individual Lands. ²⁾ Maximum rates. ³⁾ Normal rates. ⁴⁾ Rates in may apply the maximum rates which are in force in the Land in question. ⁵⁾ For German Banker customers outside the Hamburg region: 1¹/₄% be granted in cases where the customer does not take advantage of the right to demand repayment — in the case of c) for at least three be credited. ¹⁰⁾ For amounts of fixed money of DM 100,000 and upwards, banks may in special cases depart from the maximum interest banks may either a) in the case of customers residing outside the Land of Hamburg, apply the maximum rates which are in force in the Land rates up to the maximum rates in force in that Land, in so far as the customer proves that he has received offers exceeding the maximum

in the West German Currency Area ¹⁾
per annum

Lower Saxony ⁷⁾	Schleswig-Holstein ⁴⁾	Hamburg ²⁾ ¹²⁾	Rhineland-Palatinate ³⁾	Baden ²⁾	Württemberg-Hohenzollern ²⁾
Creditor Interest Rates					
14th July, 1949	1st Jan., 1949	1st Oct., 1949	14th July, 1949	1st Nov., 1948	1st Aug., 1949
1	1	1 ⁶⁾	1 ⁷⁾	1 ⁸⁾	1
1 ^{1/2}	1	1 ^{1/2}	1 ^{1/2} ⁸⁾	1 ^{1/2}	1 ^{1/2}
2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}
3	3	3	3	3	3
4	4	4	4	4	4
For deposited amount of DM 50,000 and over		For deposited amount of DM 50,000 and over	For deposited amount of DM 50,000 and over		
2 ^{1/4}	2 ^{1/4}	2 ^{1/4}	2 ^{1/4}	2 ^{1/4}	2
2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/4}
2 ^{7/8} ¹⁰⁾ 3 ^{1/2} ¹⁰⁾	2 ^{7/8}	2 ^{7/8} ¹⁰⁾ 3 ^{1/2} ¹⁰⁾	2 ^{7/8} ¹⁰⁾ 3 ^{1/2} ¹⁰⁾	2 ^{7/8} ¹⁰⁾	2 ^{1/2}
3 ^{3/4} ¹⁰⁾ 4 ¹⁰⁾	3 ^{3/4}	3 ^{3/4} ¹⁰⁾ 4 ¹⁰⁾	3 ^{3/4} ¹⁰⁾ 4 ¹⁰⁾	3 ^{3/4} ¹⁰⁾	3
2 ^{1/4}	2 ^{1/4}	2 ^{1/4}	2 ^{1/4}	2 ^{1/4} } 2 ^{1/2} } 2 ^{3/4} } 3 ^{1/2} } Minimum amount DM 10,000	2 } 2 ^{1/4} } 2 ^{1/2} } 3 } 1 ^{1/4} maximum ¹¹⁾
2 ^{1/2}	2 ^{1/2}	2 ^{1/2}	2 ^{1/2}		
2 ^{3/4} 3 ^{1/4}	2 ^{3/4}	2 ^{3/4} 3 ^{1/4}	2 ^{3/4} 3 ^{1/4}		
3 ^{1/2} 3 ^{3/4}	3 ^{1/2}	3 ^{1/2} 3 ^{3/4}	3 ^{1/2} 3 ^{3/4}		
1/4	Special fixed rates	Interest in advance, with a maximum of 1/4%, may be credited by those private banking firms and Credit Cooperatives in whose case the total deposits of their customers on 31st December, 1948, did not exceed DM. 1,000,000, according to paragraph 2 (2) of the Instructions regarding Minimum Reserves issued on 23rd December, 1948, by the Land Central Bank of the Hanse Town Hamburg.	Subject to agreement in accordance with the notice issued on 23rd April, 1940, by the Reich Credit Supervision Office regarding the agreement of 22nd Dec. 1936, on creditor interest rates, with the Qualification that the balance-sheet totals named therein as limiting the rate of interest credited in advance are reduced to 1/16th of their previous amount. In the case of deposits bearing 4% interest, no interest may be credited in advance.	Principles Governing the Crediting of Interest in Advance, according to the version of 4th March, 1941 (Reich Gazette No. 54).	Interest in advance may be credited by those banks which, on the basis of their Balance Sheet of 31st December, 1947, are entitled to do so according to the "Principles Governing the Crediting of Interest in Advance". Where fixed monies are received in amounts of DM 100,000 and over, interest may not be credited in advance.

force only in Lübeck. ⁵⁾ For amounts of fixed money of DM 100,000 and over, if competitors in other Lands are offering higher rates, Banks ⁷⁾ For Banker customers 1^{1/4}%. ⁸⁾ For Banker customers 1^{3/4}%. ⁹⁾ For Banker customers 1^{1/4}%. ¹⁰⁾ The rates mentioned at c) and d) may only months, in the case of d) for at least six months, from the date of the agreement. Otherwise only the rates for fixed monies (4c or 4d) may rates fixed. ¹²⁾ To prevent an efflux of money into other Lands as the result of creditor interest rates having been fixed at differential levels, where in the customer is resident, or b) without regard to the customer's place of residence, meet bids from banks in another Land by quoting rates in force in his own Land.

**Fixed-Interest-Bearing Securities
Average Prices and Indices**

(Fourth quarter 1948 = 100)

Month	Overall Index	Of which 4% Bonds					
		Mortgage Bonds		Communal Bonds including Municipal Loans		Industrial Bonds	
		Average Prices	Index Figure	Average Prices	Index Figure	Average Prices	Index Figure
1948							
July	123,5	9,25	123,2	8,55	120,4	7,85	127,4
August	123,0	9,29	123,6	8,23	115,8	7,70	124,9
September	118,1	8,97	119,3	8,00	112,6	7,16	116,3
October	105,4	7,90	105,1	7,43	104,6	6,64	107,8
November	98,9	7,39	98,4	7,06	99,4	6,26	101,6
December	95,7	7,25	96,5	6,84	96,2	5,60	90,8
1949							
January	102,5	7,76	103,3	7,15	100,7	6,25	99,8
February	109,1	8,22	109,4	7,73	108,7	6,71	108,9
March	104,4	7,86	104,6	7,54	106,2	6,32	102,6
April	104,4	7,89	105,1	7,54	106,1	6,13	99,5
May	101,7	7,58	100,9	7,50	105,6	6,36	103,2
June	102,5	7,61	101,3	7,51	105,7	6,50	105,6
July	103,3	7,66	101,9	7,58	106,7	6,56	106,5
August	106,3	7,85	104,5	7,80	109,8	6,94	112,7
September	107,2	7,91	105,3	7,84	110,3	7,07	114,8
October	107,0	7,89	105,0	7,82	110,1	7,13	115,7
November	107,3	7,89	105,0	7,84	110,3	7,24	117,5
December	107,1	7,89	105,0	7,82	110,1	7,17	116,4

**Issues of Long-Term Bonds and Shares
In the Area of the German Federal Republic
(In millions of DM)**

Period	Fixed-Interest-Bearing Securities						Shares		Total since Currency Reform	
	of which:					Monthly Total	Total since Currency Reform (up to the end of the month)	Monthly		Total since Currency Reform
	Mortgage Bonds	Communal Bonds	Industrial Bonds	Bonds of Banks	Loans of Public Authorities					
1948										
From the Currency Reform until December	32,5	4,0	10,0	—	—	46,5	46,5	—	—	46,5
1949										
January	—	—	40,0	—	—	40,0	86,5	—	—	86,5
February	44,5	3,5	25,0	—	—	73,0	159,5	—	—	159,5
March	92,5	30,0	10,0	—	—	132,5	292,0	13,5	13,5	305,5
April	45,0	17,0	—	—	—	62,0	354,0	12,0	25,5	379,5
May	7,0	3,0	10,0	—	—	20,0	374,0	12,9	38,7	412,7
June	—	—	68,0	—	64,0 ¹⁾	132,0	506,0	3,1	41,5	547,7
July	64,5	22,0	88,5	—	276,4 ¹⁾	451,4	957,4	3,8	45,3	1 002,7
August	14,5	4,0	36,5	—	—	55,0	1 012,4	1,7	47,0	1 059,4
September	64,5	26,0	21,0	150,0	—	261,5	1 273,9	3,0	50,0	1 323,9
October	—	—	1,5	—	—	1,5	1 275,4	1,0	51,0	1 326,4
November	—	5,0	—	—	—	5,0	1 280,4	1,5	52,5	1 332,9
December	15,0	20,0	—	—	—	35,0	1 315,4	1,6	54,1	1 369,5
Total:	380,0	134,5	310,5 ²⁾	150,0	340,4 ¹⁾	1 315,4	1 315,4	54,1	54,1	1 369,5
Of which placed up to 31st December, 1949:	209,6	35,6	120,7 ³⁾	—	340,4 ¹⁾	—	706,3	—	53,4	759,7

Of the fixed-interest-bearing securities DM 468 million bear interest at 5%, DM 150 million at 5¹/₂%, DM 411.9 million at 6%, and DM 285.5 million at 6¹/₂%.

¹⁾ Loan of the Federal Railways (Reichsbahn). ²⁾ Of this amount DM 160.8 million are destined to secure credits through the Reconstruction Loan Corporation. ³⁾ The amounts of issues destined to secure credits through the Reconstruction Loan Corporation are not included in these figures.

V. Public Finances
Yield of Taxation of the Lands in the Area of the German Federal Republic,
classified according to the Type of Tax
(In millions of DM)

	"DM portion" of the Accounting Year 1948/49 (21st June, 1948, to 31st March, 1949)	Accounting Year 1949/50						
		April-June	July	August	September	October	November	December ⁽⁶⁾
I Taxes on Property and Transactions								
Total	6 942,9	2 696,7	1 026,9	835,4	726,5	1 054,4	882,3	839,2
Of which								
Wages Tax	1 363,6	493,8	173,8	175,6	177,4	181,0	176,0	169,0
Assessed Income Tax	1 946,7	690,3	285,2	163,5	135,7	274,1	166,5	130,6
Non assessed taxes on earnings	9,7	1,4	0,7	0,2	—0,3	0,4	0,1	.
Corporation Tax	859,1	385,5	177,8	97,1	85,0	179,8	100,3	88,9
Property Tax	158,4	31,3	14,5	18,4	3,0	3,4	18,7	.
Inheritance Tax	8,0	3,4	1,3	1,4	1,8	1,5	1,8	.
Turnover Tax	2 199,0	924,1	317,6	323,3	271,7 ⁵⁾	356,1	360,7	360,4
Capital Transactions Tax	5,9	2,4	1,1	1,2	1,1	1,1	1,1	.
Vehicle Tax	164,7	50,0	30,5	14,4	14,3	21,0	14,6	.
Supplementary Vehicle Tax	8,4	1,6	0,4	0,3	0,2	0,2	0,1	.
Bills of Exchange Tax	15,6	6,7	2,3	2,3	2,7	2,8	3,2	.
Transport Tax	116,8	64,6	8,9	25,7	23,4	18,4	22,4	.
II Taxes on Consumption, and Customs								
Total ¹⁾	1 925,5	962,4	307,9	367,4	343,0	361,4	392,8	.
Of which								
Tobacco Tax	1 090,5	549,2	161,7	204,4	180,2	175,0	196,5	.
Coffee Tax ²⁾	129,7	74,6	21,9	22,7	18,3	23,8	24,0	.
Sugar Tax	228,2	82,7	28,2	32,2	30,0	29,9	44,8	.
Salt Tax	23,5	6,2	3,1	2,7	3,0	3,5	3,6	.
Beer Tax	121,7	54,4	21,8	30,1	38,0	36,6	27,9	.
Yield of Spirit Monopoly	126,3	95,4	34,5	36,8	37,5	43,5	47,5	.
Tax on Sparkling Wines	20,7	3,2	0,9	1,0	1,0	2,1	1,5	.
Tax on Matches	40,6	12,5	3,2	2,0	4,2	8,1	4,0	.
Equalisation Tax on Mineral Oils	17,4	10,1	4,9	5,3	4,9	4,7	3,8	.
Customs ³⁾	99,2	63,8	24,0	25,7	21,9	29,6	34,1	.
Total (I and II)	8 868,5⁴⁾	3 659,1	1 334,8	1 202,7⁴⁾	1 069,5	1 415,8	1 275,1	.
Of which the amounts to be transferred to the Combined Economic Area or to the Federal Republic were:	80,2	91,0	31,5	72,5	89,0	57,5	66,6	.

¹⁾ Including war-time additions.

²⁾ To be transferred by the Lands in the Combined Economic Area to the Finance Administration or to the Federal Republic, in so far as the liability to tax arose after 31st October, 1948.

³⁾ To be transferred by the Lands in the Combined Economic Area to the Finance Administration or to the Federal Republic, in so far as the liability to tax arose after 31st March, 1949.

⁴⁾ Differences due to rounding off of figures.

⁵⁾ Decline of DM 47.6 million is due to repayment of turnover tax to exporters.

⁶⁾ Preliminary Figures.

Source: Federal Finance Ministry.

VI. Foreign Trade of the Combined Economic Area and

Special

Month	Imports (Commercial and Non-Commercial)							
	Total	Foodstuffs	Industrial Materials					
		Total	Total	Raw Materials	Semi-finished Goods	Total	Finished Goods	
							For further Processing	Finally finished
In millions of RM or DM								Combined
1948								
January	116,3	71,7	44,7	23,6	15,5	5,6	4,1	1,5
February	145,1	94,7	50,3	24,5	20,3	5,5	4,6	0,9
March	148,2	89,8	58,4	35,9	16,2	6,3	2,4	3,9
April	204,6	126,3	78,3	43,4	24,6	10,3	4,9	5,4
May	226,5	145,0	81,4	45,4	31,9	4,1	2,4	1,7
June	330,1	219,7	110,4	62,5	37,1	10,8	7,7	3,1
July	290,9	177,8	113,2	67,6	33,3	12,3	6,4	5,9
August	331,4	188,8	142,6	80,8	48,5	13,3	9,6	3,7
September	364,2	228,3	135,9	72,7	43,0	20,2	14,9	5,3
October	218,3	108,3	110,0	50,0	42,1	17,9	10,4	7,5
November	302,7	149,4	153,3	80,0	50,-	23,3	10,4	12,9
December	485,5	227,0	258,5	145,1	88,0	25,4	13,5	11,9
Total	3163,8	1826,8	1337,0	731,5	450,5	155,0	91,3	63,7
1949								
January	315,3	147,0	168,3	75,6	65,3	27,4	11,9	15,5
February	476,4	219,0	257,4	154,6	67,2	35,6	19,0	16,6
March	445,0	174,8	270,2	146,6	67,5	56,1	34,5	21,6
April	452,4	187,7	264,7	143,2	64,0	57,5	21,6	35,9
May	704,9 ²⁾	314,2 ²⁾	390,7 ²⁾	203,4	102,0	85,3	32,6	52,7
June	656,6	310,3	346,3	177,7	94,6	74,0	30,3	43,7
July	541,4	220,7	320,7	152,5	93,4	74,8	36,3	38,5
August	700,4	326,8	373,6	167,0	85,4	121,2	29,1	92,1
September	543,6	264,6	279,0	146,5	79,2	53,3	26,7	26,6
October	768,6	464,2	304,4	166,4	81,7	56,3	23,7	32,6
November	643,9	364,6	279,3	143,9	77,5	57,9	29,1	28,8
Area of German								
October	796,1	477,7	318,4	171,5	86,2	60,7	26,1	34,6
November	694,1	388,3	305,8	153,9	85,8	66,1	33,2	32,9
In millions of \$								Combined
1948								
January	.	.	.	.	.	.	.	.
February	.	.	.	.	.	.	.	.
March	.	.	.	.	.	.	.	.
April	.	.	.	.	.	.	.	.
May	.	.	.	.	.	.	.	.
June	.	.	.	.	.	.	.	.
July	.	.	.	.	.	.	.	.
August	.	.	.	.	.	.	.	.
September	.	.	.	.	.	.	.	.
October	.	.	.	.	.	.	.	.
November	.	.	.	.	.	.	.	.
December	.	.	.	.	.	.	.	.
Total	.	.	.	.	.	.	.	.
1949								
January	104,9	52,8	52,1	23,6	20,2	8,3	4,0	4,3
February	155,5	78,1	77,4	46,2	20,1	11,1	6,1	5,0
March	151,1	67,5	83,6	45,5	20,9	17,2	10,8	6,4
April	148,1	65,1	83,0	45,7	20,0	17,3	6,5	10,8
May	208,7	91,7	117,0	60,9	30,5	25,6	9,8	15,8
June	196,6	93,1	103,5	53,0	28,3	22,2	9,1	13,1
July	161,2	65,2	96,0	45,7	28,0	22,3	10,8	11,5
August	210,0	97,9	112,1	50,2	25,6	36,3	8,7	27,6
September	150,5	73,5	77,0	40,2	22,1	14,7	7,5	7,2
October	184,1	111,4	72,7	39,7	19,6	13,4	5,6	7,8
November	156,0	87,6	68,4	35,3	19,1	14,0	7,0	7,0
Area of German								
October	190,6	114,6	76,0	40,8	20,7	14,5	6,2	8,3
November	169,0	94,1	74,9	37,8	21,1	16,0	8,0	8,0

¹⁾ The values of imports and exports in RM and DM are not comparable with each other, since the goods are valued
²⁾ Values altered (on basis of world-market prices). — Source: Statistical Office of the Combined Economic Area.

the Area of the German Federal Republic, respectively¹⁾

Trade

Total	Exports							Month
	Foodstuffs	Industrial Materials					Finished Goods	
		Total	Total	Raw Materials	Semi-finished Goods	Total		

Economic Area In millions of RM or DM

43,0	1,9	41,1	14,7	15,4	11,0	4,7	6,3	1948
67,7	10,8	56,9	17,8	16,3	22,8	14,0	8,8	January
77,4	7,3	70,1	20,1	21,4	28,6	16,0	12,6	February
97,2	2,9	94,3	26,8	29,7	37,8	21,3	16,5	March
89,6	3,5	86,1	20,3	26,7	39,1	18,7	20,4	April
109,6	1,0	108,6	31,4	32,0	45,2	25,6	19,6	May
170,5	0,5	170,0	59,6	53,5	56,9	29,2	27,7	June
223,5	1,4	222,1	57,4	69,8	94,9	50,2	44,7	July
205,8	0,4	205,3	57,6	63,7	84,0	42,9	41,1	August
216,5	1,1	215,4	52,1	68,6	94,7	51,5	43,2	September
225,8	4,3	221,6	51,7	66,9	103,0	50,9	52,1	October
290,2	13,5	276,7	47,9	78,3	150,5	81,7	68,8	November
1816,8	48,6	1768,2	457,4	542,3	768,5	406,7	361,8	December
1816,8	48,6	1768,2	457,4	542,3	768,5	406,7	361,8	Total
253,9	12,4	241,5	55,5	81,2	104,8	57,2	47,6	1949
276,5	8,8	267,7	51,4	96,1	120,2	59,4	60,8	January
309,2	8,2	301,0	62,9	106,2	131,9	64,9	67,0	February
288,0	6,3	281,7	57,1	94,5	130,1	61,6	68,5	March
331,6	2,8	328,8	63,5	106,0	159,3	69,4	89,9	April
296,9	2,0	294,9	61,2	90,3	143,4	61,6	81,8	May
309,1	2,3	306,8	69,2	84,4	153,2	70,4	82,8	June
303,4	2,4	301,0	66,0	76,4	158,6	74,1	84,5	July
335,2	2,0	333,2	69,3	92,6	171,3	70,9	100,4	August
315,7	8,0	307,7	67,0	73,7	167,0	58,8	108,2	September
340,8	13,0	327,8	73,3	86,6	167,9	53,5	114,4	October
340,8	13,0	327,8	73,3	86,6	167,9	53,5	114,4	November

Federal Republic

342,3	9,0	333,3	73,4	77,0	182,9	63,6	119,3	October
370,2	15,9	354,3	78,9	90,2	185,2	60,1	125,1	November

Economic Area In millions of \$

25,1	0,4	24,7	11,5	9,4	3,8	1,7	2,1	1948
35,0	2,4	32,6	14,5	10,6	7,5	4,5	3,0	January
40,5	1,7	38,8	16,6	12,9	9,3	5,2	4,1	February
40,9	0,7	40,2	14,9	13,4	11,9	6,7	5,2	March
36,5	0,7	35,8	11,1	12,8	11,9	5,6	6,3	April
47,1	0,2	46,9	17,4	15,4	14,1	8,0	6,1	May
49,0	0,2	48,8	17,8	15,7	15,3	7,8	7,5	June
63,0	0,4	62,6	17,2	20,1	25,3	13,1	12,2	July
57,0	0,1	56,9	17,2	18,7	21,0	10,1	10,9	August
59,3	0,3	59,0	15,5	19,6	23,9	12,3	11,6	September
61,0	1,2	59,8	15,2	18,8	25,8	12,2	13,6	October
77,6	3,5	74,1	14,2	22,5	37,4	19,0	18,4	November
77,6	3,5	74,1	14,2	22,5	37,4	19,0	18,4	December
592,0	11,8	580,2	183,1	189,9	207,2	106,2	101,0	Total
70,8	3,4	67,4	16,5	23,7	27,2	14,2	13,0	1949
78,7	2,5	76,2	15,4	28,4	32,4	15,1	17,3	January
86,8	2,4	84,4	18,9	29,5	36,0	16,8	19,2	February
82,1	1,8	80,3	17,1	27,3	35,9	16,5	19,4	March
94,2	0,8	93,4	19,0	30,0	44,4	18,6	25,8	April
84,9	0,6	84,3	18,3	25,8	40,2	17,0	23,2	May
90,0	0,6	89,4	20,8	25,2	43,4	19,5	23,9	June
88,2	0,7	87,5	19,8	22,8	44,9	20,4	24,5	July
93,1	0,5	92,6	19,3	26,5	46,8	19,1	27,7	August
74,6	1,9	72,7	16,0	17,8	38,9	13,2	25,7	September
80,9	3,1	77,8	17,6	21,1	39,1	12,2	26,9	October
80,9	3,1	77,8	17,6	21,1	39,1	12,2	26,9	November

Federal Republic

80,9	2,1	78,8	17,6	18,6	42,6	14,3	28,3	October
87,9	3,8	84,1	18,9	22,0	43,2	13,8	29,4	November

partly at world-market prices and partly at German prices.

VII. Production, Employment, Traffic Movements and Prices

Index of Industrial Production

Per Working Day

(In the Area of the German Federal Republic)

1936 = 100

Period	Number of Working Days	Overall Index		Industries producing Investment Goods														
				Raw Materials								Finished Goods						
		Incl. Electricity and Gas	Excl. Electricity and Gas	Total	Including Selected Groups of Industries as follows:								Including Selected Groups of Industries as follows:					
					Total	Iron Ore Mining	Iron and Steel	Cast Iron and Steel, malleable and otherwise	Non-ferrous Metals	Stones and Earths	Sawn Timber and Wood Industry	Total	Steel Construction	Shipbuilding	Machine Building	Vehicle Building	Production of Electrical Equipment	Iron-Steel and Tinwares
1949																		
January	25	80	77	75	64	103	53	69	58	60	100	82	58	8	87	68	170	64
February	24	85	81	79	67	108	59	68	63	61	108	86	61	9	92	74	178	66
March	27	85	81	77	68	111	61	68	68	62	97	84	53	11	93	78	161	60
April	24	86	83	81	72	108	60	66	73	76	106	87	56	30	93	81	168	59
May	25	88	85	82	76	113	63	67	76	87	104	86	58	14	94	86	166	60
June	24,5	89	86	84	77	114	65	63	75	91	101	88	59	19	96	92	168	60
July	26	86	83	81	77	114	63	64	73	94	99	84	50	17	92	89	155	54
August	27	88	84	82	78	115	65	64	72	97	95	84	58	22	87	94	159	58
September	26	93	89	86	78	112	62	67	70	100	94	92	62	16	96	99	180	62
October	26	94	91	88	76	114	58	69	68	96	99	95	60	15	96	106	187	69
November	25,5	98	95	92	77	112	64	75	67	90	94	101	64	14	102	108	210	76
December	26	95	91	88	73	111	64	74	65	75	86	97	58		100	102	203	71
Period	Industries producing Producers' Goods in general						Industries producing Consumers' Goods											
	Total	Including Selected Groups of Industries as follows:				Total	Including Selected Groups of Industries as follows:											
		Coal	Electricity Supply	Gas-Supply	Chemicals, excl. Artificial Fibres		Paper	Leather	Textiles, excl. Goods made from Artificial Fibres	Pottery	Tyres and Rubber Goods	Shoes						
1949																		
January	100	90	148	79	81	67	62	58	60	96	109	61						
February	104	90	149	80	88	74	70	56	69	98	114	62						
March	104	90	148	81	88	77	75	52	76	92	110	59						
April	101	90	143	82	87	78	77	51	77	94	98	62						
May	103	93	144	83	87	82	82	61	82	94	98	74						
June	104	91	140	83	90	80	79	63	78	87	98	77						
July	103	92	141	85	89	75	77	53	75	80	89	55						
August	105	91	147	86	88	78	75	57	81	81	96	58						
September	108	92	152	87	88	87	76	67	92	84	105	81						
October	109	94	156	88	91	89	78	74	95	86	111	83						
November	112	99	162	88	93	95	83	77	100	94	112	87						
December	110	96	165	88	90	92	84	78	98	91	97	75						

Source: Economic Administration.

Bituminous Coal: Production and Export Surplus
(In the Area of the German Federal Republic,
in thousands of Tons)

Period	Production of Bituminous Coal		Export Surplus		
	Per month	Per Working Day	Bituminous Coal	Coke	
1946	4 495	177,8	.	.	
1947	5 927	234,7	.	.	
1948	7 253	285,1	.	.	
1948	Monthly Average				
1948	January	6 624	254,8	} 2 656	
	February	6 423	267,6		
	March	7 203	288,1		
	April	6 980	268,5		
	May	5 931	265,8		
	June	7 412	285,1		
	July	7 761	287,4		786
	August	7 456	286,8		627
	September	7 567	291,0		743
	October	7 865	302,5		733
	November	7 715	308,6		697
	December	8 096	311,4		632
1949	January	8 204	328,2	852	683
	February	7 871	328,0	777	667
	March	8 893	329,4	947	759
	April	7 898	329,1	810	815
	May	8 377	335,1	865	818
	June	8 107	333,4	930	745
	July	8 749	336,5	1023	670
	August	9 047	335,1	966	601
	September	8 776	337,5	941	453
	October	8 990	345,8	956	402
	November	9 199	368,0	958	541
	December	9 125	351,0	.	.

Source: German Coal Mining Administration.

Iron and Steel Production
(In the Area of the German Federal Republic,
in thousands of Tons)

Period	Pig-Iron, including Iron Alloys	Raw Steel	Finished Products of Rolling Mills
1949 January	551	665	453
February	531	679	470
March	602	768	545
April	575	719	496
May	619	782	539
June	603	767	539
July	636	795	551
August	651	834	582
September	598	760	535
October	557	693	518
November	584	754	555
December ¹⁾	634	801	566

¹⁾ Preliminary Figures.

Source: Technical Centre for Steel and Iron.

Labour Market

(In the Area of the German Federal Republic)

Period	Employed Persons, in thousands	Unemployed Persons, in thousands	Situations Vacant, in thousands	Persons in receipt of Unemployment Insurance Benefit and Unemployment Relief, in thousands	
1948 March	31	.	471,8	757,0	18
April	30	.	469,4	794,4	15
May	31	.	448,2	802,9	13
June	30	13 468,1	451,1	677,1	13
July	31	.	665,0	285,1	79
August	31	.	784,2	271,1	194
September	30	13 463,1	784,1	297,2	263
October	31	.	739,4	305,5	287
November	30	.	715,1	276,2	310
December	31	13 702,8	759,6	225,8	380
1949 January	31	.	962,9	216,9	521
February	28	.	1 068,9	212,3	650
March	31	13 447,3	1 168,1	197,2	749
April	30	.	1 232,4	183,6	771
May	31	.	1 256,9	157,1	827
June	30	13 488,7	1 283,3	144,6	887
July	31	.	1 302,9	135,7	931
August	31	.	1 308,1	125,7	963
September	30	13 604,4	1 313,7	127,9	963
October	31	.	1 316,6	119,7	969
November	30	.	1 383,8	99,5	1030
December	31	13 555,5	1 558,5	75,4	1203

Source: Labour Administration.

Traffic Movements (In the Area of the German Federal Republic)

Period	Railways						
	Average number of Goods Waggon's made available for loading per working day, in thousands	Period for turn-round of Goods Waggon's, in days ²⁾	Goods Traffic (excluding Express goods), in thousands of tons	Passengers carried, in thousands	Goods Waggon's fit for service, in thousands	Steam Locomotives fit for service, in thousands	
1948 Monthly average	43,7	6,1	17 757	137 314	263,7	7,9	
1948 January	35,1	7,6	14 977	147 664	260,0	7,3	
February	36,8	7,2	14 258	145 080	264,3	7,3	
March	39,1	7,1	15 761	161 993	267,9	7,4	
April	39,6	6,6	17 000	157 822	260,1	7,5	
May	41,3	6,9	15 322	174 890	256,4	7,6	
June	40,0	6,2	16 456	161 566	263,9	7,7	
July	44,0	5,7	19 347	98 255	258,7	7,9	
August	47,0	5,6	19 053	114 513	261,7	8,1	
September	48,9	5,2	19 521	113 430	262,5	8,3	
October	50,2	5,2	20 797	123 605	262,9	8,5	
November	53,1	5,1	20 707	126 745	271,1	8,7	
December	49,2	5,5	19 889	122 206	274,7	8,9	
1949 January	49,9	5,4	19 697	133 010	268,6	8,8	
February	51,4	5,1	18 546	113 382	270,6	8,9	
March	50,7	4,8	20 515	115 877	261,1	8,9	
April	51,8	5,0	18 794	114 120	256,6	8,9	
May	51,2	4,8	19 258	118 274	250,4	8,9	
June	50,0	4,8	18 084	106 922	261,6	9,0	
July	51,1	4,5	19 480	107 839	261,3	9,0	
August	50,3	4,4	17 860	107 936	260,4	9,0	
September	53,2	4,4	19 704	104 325	265,4	9,0	
October	56,6	4,7	21 269	115 778	264,0	8,9	
November	57,3	4,6	21 677	110 635	259,7	8,9	
Period	Shipping and Postal Traffic						
	Inland Shipping: Goods carried (Comb. Econ. Area), in thousands of tons	Marine Shipping: Total movement of goods, in thousands of tons	German Postal Administration ²⁾				
			Letters despatched, incl. registered letters, in millions	Ordinary parcels despatched, in thousands	Telegrams in thousands	Local telephone calls, in millions	Long-distance telephone calls, incl. urgent calls, in millions
1938 Monthly average	.	4 166 ¹⁾	279,4	13 234	1 168	103,6	15,0
1947 Monthly average	2 367	1 424	277,2	5 906	3 282	124,2	21,4
1948 Monthly average	4 072	1 886	280,1	6 387	2 577	124,8	22,0
1948 January	2 281	1 282	289,9	6 113	2 955	128,4	21,6
February	2 982	1 420	286,6	6 004	2 890	125,6	21,7
March	3 899	1 608	325,4	6 586	3 655	132,7	24,0
April	4 460	1 997	297,6	6 692	3 627	138,9	25,1
May	3 816	1 964	289,1	5 733	4 030	132,7	24,0
June	4 743	2 071	299,0	5 131	3 484	137,5	23,7
July	4 755	2 146	228,3	4 715	1 233	111,7	18,1
August	4 755	2 508	251,6	5 443	1 518	108,6	19,1
September	4 898	2 325	265,4	6 482	1 752	114,3	20,9
October	4 528	1 818	246,3	6 849	1 874	119,8	22,1
November	4 245	1 726	267,1	7 291	1 813	121,8	21,9
December	3 506	1 761	315,1	9 606	2 128	127,6	22,0
1949 January	3 903	1 968	237,8	6 798	1 556	114,9	20,4
February	3 859	1 795	234,3	7 108	1 499	111,3	19,8
March	4 718	2 005	252,3	8 288	1 705	119,9	21,8
April	4 595	2 029	255,7	7 614	1 742	112,0	20,5
May	5 107	2 010	246,0	8 030	1 805	113,4	21,6
June	5 240	2 113	234,4	7 353	1 733	111,0	21,1
July	5 567	2 200	242,7	7 713	1 783	114,6	22,5
August	5 340	2 330	258,7	7 891	1 844	115,9	23,0
September	5 052	2 233	250,3	8 390	1 851	116,8	23,0
October	4 592	2 085	282,2	9 329	1 915	132,1	26,7
November	4 343	2 122	318,3	13 065	2 003		25,7

¹⁾ Only at important Ports. ²⁾ Up to and including September 1949; only Combined Economic Area.
Sources: Chief Administration of the Federal Railways; Management Association of the South West German Railways; Chief Administration of Inland Shipping; German Postal Administration (Central Technical Office).

Index of Prices of Basic Materials
(1938 = 100)

Period	Total	of which:	
		Foodstuffs	Industrial Materials (Raw Materials and Semi-finished Products)
1948 June ¹⁾	154,8	123,5	175,6
July	158,6	127,2	179,3
August	171,9	129,2	200,3
September	178,8	132,2	209,9
October	187,7	148,6	213,7
November	190,1	150,6	216,5
December	192,6	154,4	218,0
1949 January	191,6	154,8	216,2
February	189,7	155,5	212,5
March	188,5	155,8	210,3
April	186,1	152,7	208,4
May	189,2	167,6	203,6
June	187,1	163,7	202,7
July	187,1	166,2	201,1
August	187,0	166,9	200,4
September	185,4	165,3	198,8
October	190,1	166,5	205,9
November	193,9 ²⁾	176,7 ²⁾	205,3 ²⁾
December	194,5 ²⁾	179,6 ²⁾	204,5 ²⁾

¹⁾ At middle of month.

²⁾ Preliminary Figure.

Source: Statistical Office of Combined Economic Area.

Cost-of-Living Index
For a Worker's Family consisting of 4 Persons¹⁾
(In the Combined Economic Area)
1938 = 100 (New calculation)

Period	Cost of Living as a whole	Food	Food and Drink of a "Luxury" Character	Rent	Heat and Light	Clothing	Cleaning, and Care of the Body	Education and Entertainment	Household Furniture	Traveling
	1	2	3	4	5	6	7	8	9	10
1948 June	151	140	394	100	108	202	140	138	187	137
July	159	157	394	100	108	213	141	140	192	140
August	157	147	392	100	113	230	143	142	195	133
September	159	147	393	100	115	242	145	139	198	134
October	165	155	395	100	116	258	146	140	203	136
November	165	162	286	100	117	269	150	143	208	134
December	168	168	288	100	118	269	153	145	211	137
1949 January	167	169	289	100	118	258	155	145	206	139
February	168	173	290	100	119	247	156	146	203	138
March	167	174	291	100	120	238	156	145	198	137
April	164	170	290	100	120	230	158	145	192	136
May	161	165	288	100	120	220	159	145	187	135
June	159	164	286	100	120	212	158	144	183	135
July	159	167	282	100	120	206	158	144	179	135
August	157	162	281	102	120	204	157	144	175	135
September	155	158	284	102	120	201	155	148	173	134
October	155	160	285	102	119	200	154	147	172	134
November	156	162	287	102	119	199	152	146	171	134

¹⁾ Including 2 earning members and 1 child under 14.

Source: Statistical Office of Combined Economic Area.

VIII. International

Rates of Exchange

(per Unit of the

Country	Unit of Currency	Types of Quotation ³⁾	Parities (in U.S.cents per unit of the currency of each country) ⁴⁾		Selling Rates in the			
			Before Devaluation	After Devaluation	1937	1948	1949	
							Jan./March	April/June
E.R.P. Countries								
Belgium	Franc		2,28167 *)	2,0000 *)	3,375	2,275	2,275	2,275
Denmark	Krone		20,8376 *)	14,4778 *)	22,03	20,79	20,79	20,79
France	Franc ⁵⁾	Official	0,4664 ^{5a)}	0,4664 ^{5a)}	3,978	0,4837	0,4657	0,4657
"	"	Free	0,3675 ^{5b)}	0,2857 ^{5c)}	.	0,3238	0,3139	0,3056
Greece	Drachma	A ⁶⁾	.	.	0,9009	0,0199	0,0199	0,0199
"	"	B ⁶⁾	0,0100	0,00666	.	0,0103	0,0100	0,0100
Great Britain	£		403,000 *)	280,000 *)	494,4	402,75	402,75	402,75
Italy	Lira	Official	0,1739 ⁷⁾	.	5,263	0,1739	0,1739	0,1739
"	"	Free	0,1739 ⁷⁾	.	.	0,1739	0,1739	0,1739
"	"	Curb	.	.	.	0,1616	0,1472	0,1584
Netherlands	Gulden		37,6953 *)	26,3158 *)	55,04	37,59	37,61	37,62
Norway	Krone		20,1500 *)	14,0000 *)	24,75	20,12	20,12	20,12
Austria	Schilling		10,0000	6,94444 ¹⁵⁾	18,587	9,862	9,862	9,862
Portugal	Escudo		3,9896	3,4596	4,486	3,990	3,990	3,990
Sweden	Krona		27,8218	19,3303	25,43	27,78	27,78	27,78
Switzerland	Franc	Official	23,2288	22,8685	22,94	23,17	23,17	23,17
"	"	Free	.	.	.	24,88	25,15	25,27
Turkey	£T		35,7143 *)	35,7143 *)	79,37	35,40	35,40	35,40
Other European Countries								
Bulgaria	Leva		0,34904	0,34904	1,186	0,3472	0,3472	0,3472
Finland	Fmk (Finland)		0,6250	0,4329	2,171	0,7353	0,7353	0,7353
Yugoslavia	Dinar		2,000 *)	2,000 *)	2,304	2,00	2,00	2,00
Spain	Peseta	Official ⁹⁾	8,91266	8,91266	11,67	8,913	8,913	8,913
"	"	Preferred ¹⁰⁾	.	.	9,328	5,949	4,621	3,957
Czechoslovakia	Crown		2,000 *)	2,000 *)	3,486	1,994	1,994	1,994
Hungary	Forint		8,51789	8,51789	29,44 ¹¹⁾	8,455	8,455	8,455
Oversea Countries								
Canada	Can. \$	Official	100,000 *)	90,9091 *)	100,0	99,50	99,50	99,50
"	"	Free (New York)	.	.	.	91,67 ¹²⁾	92,79 ¹²⁾	94,80 ¹²⁾
Argentina	Peso	Preferred ¹³⁾	.	.	30,96	26,81	26,81	26,81
"	"	"Basis" (Official)	.	.	30,96	23,64	23,64	23,64
"	"	Free ¹³⁾	.	.	30,03	22,47	20,72	20,79
"	"	Curb	.	.	.	10,81	10,59	9,92
Brazil	Cruzeiro		5,40541 *)	5,40541 *)	6,238	5,342	5,342	5,342
Chile	Peso	Government ¹⁴⁾	.	.	5,163	5,136	5,136	5,136
"	"	Official ¹⁴⁾	3,22581 *)	3,22581 *)	3,578	3,215	3,215	3,215
"	"	Free ¹⁴⁾	.	.	.	2,320	2,320	2,320
"	"	Curb	.	.	3,792	1,653	1,544	1,533
Australia	£A		322,400 *)	224,000 *)	392,9	320,15	320,55	320,55
India	Rupee		30,2250 *)	21,000 *)	37,22	30,14	30,14	30,14
South Africa	£S.A.		403,000 *)	280,000 *)	487,4	400,75	400,75	400,75

1) Monthly Averages. Source: "Monthly Bulletin of Statistics" issued by the Statistical Office of the United Nations. Since in most countries Averages on the basis of the quotations published in „Nachrichten für Außenhandel". 2) Official = officially fixed. Free = Bourse or market devaluation is not yet finished. 3) The parities marked with an asterisk (*) have been agreed with the International Monetary Fund, which has agreed with the International Monetary Fund since 26th Jan. 1948. Instead of the former parity, two rates for settlement purposes have been purposes, last fixed at F. Fcs 272.096 per U.S. \$. This rate was calculated and fixed by taking the arithmetic mean between the official rate has stood at F. Fcs 330 = 1 U.S. dollar (i. e., 0.303 U.S. cents per F. Fc). These rates for settlement purposes (5a and 5b) were in force until 350 = 1 U.S. dollar (or F. Fcs 1 = 0.2857 U.S. cents) for currencies not freely dealt in. Guiding rate of exchange for dollar fixed monthly January, 1950, has been fixed at F. Fcs 350.00 = 1 U.S. dollar, or 1 F. Fc = 0.2857 U.S. cents. 6) Sales of exchange have hitherto been effected which importers can buy from exporters on the free market, or sometimes even from the Central Bank, the real rate (B) is higher than this is in practice Dr. 15,000 per dollar: the new New York quotation is in accordance with this. 7) Fluctuating rate. 8) On 11th October a slight a basis for Switzerland's various bilateral agreements. The guiding principle was to put the rates on to the basis of the mean gold parity of S. number of special rates were, however, altered. 10) For travellers. 11) U.S. cents per pengö. At the currency conversion on 1st Aug., 1946, ket rate (a selling rate) was lowered by about 47 per cent. Previously 1 peso equalled 20.79 U.S. cents: now 1 peso equals 11.11 U.S. cents. = 26.81 U.S. cents for the import of important goods still remains in force. In addition, a new "preferred rate" of 1 peso = 18.62 U.S. cents Hitherto this rate was 1 peso = 23.64 cents: now it is 1 peso = 16.43 U.S. cents. The previous fundamental rate (or buying rate) of 1 peso ential rates which have been brought into existence for export and import exchange. 14) Government rate: applied for governmental imports or "banking" rate: for all other imports and exports. 15) The fundamental rate was devalued by 30.5 per cent on 22nd Nov. At the same time, footnote 17).

Tables

in U.S. Cents

Currency of each Country)

the individual Countries ¹⁾				Middle Rates in New York ²⁾				
July—Sep. before Devaluation	De- valued on:	September after Devaluation	October	July-Sep. before Devaluation	September after Devaluation	October	November	December
2,275	Sep. 22	1,994	1,994	2,28	2,00	1,9978	1,9959	1,9999
20,79	Sep. 19	14,45	14,45	20,90	14,48	14,48	14,48	14,48
0,4657		0,4657	0,4657	0,4657	0,4657	0,4657	0,4657	0,4657
0,3026 ¹⁰⁾	Sep. 20	0,2857	0,2864	0,3027	0,286875	0,286458	0,2865	0,28667
0,0199		0,0199	0,0199					
0,0099	Sep. 22	0,0067	0,0067		0,006	0,006	0,006	0,006
402,75	Sep. 19	279,88	279,88	403,—	280,—	280,—	280,0156	280,0625
0,1739	Sep. 19	0,1583	0,1593	0,1739	0,158228	0,159349	0,1602	0,16020
0,1739	Sep. 19	0,1583	0,1593	0,1739	0,158228	0,159349	0,1602	0,16020
0,16195 ¹⁶⁾		0,1446	0,1478					
37,62	Sep. 21	26,28	26,28	37,69	26,32	26,32	26,32	26,32
20,12	Sep. 20	13,99	13,99	20,20	14,00	14,00	14,00	14,00
9,862	Nov.22	9,862	9,862					
3,983	Sep. 22	3,460	3,460	4,025	3,48	3,48	3,48	3,4822
27,78	Sep. 20	19,31	19,31	27,84	19,30	19,30	19,30	19,30
23,17	Sep. 26	23,09	23,09	23,40	23,40 ⁸⁾	23,065 ⁸⁾	23,0538	23,05
25,19 ¹⁰⁾	Sep. 26	23,09	23,09	25,1718	23,32	23,1161	23,1763	23,2950
35,40		35,40	35,40	35,75	35,75	35,75	35,75	35,75
0,3472		0,3472	0,3472	0,35	0,35	0,35	0,35	0,35
0,6250	Sep. 19	0,4329	0,4329	0,646	0,431	0,431	0,431	0,431
2,00		2,00	2,00					
8,913		8,913	8,913	9,16	9,16	9,16	9,16	9,16
3,957		3,957						
1,994		1,994	1,994	2,03	2,03	2,03	2,03	2,03
8,455		8,455	8,455	8,61	8,61	8,61	8,61	8,61
99,50	Sep. 20	90,50	90,50					
93,187 ¹²⁾		— ¹⁸⁾	90,43 ¹²⁾	95,0208	90,1094	90,4375	90,375	88,5278
26,81	Oct. 3	26,81	26,81 u. 18,62	26,81	26,81	26,81 u. 18,62	26,81 u. 18,62	26,81 u. 18,62
23,64	Oct. 3	23,64	16,42	23,64	23,64	16,43	16,43	16,43
20,79	Oct. 3	20,79	11,09	20,9092	20,90	11,20	11,20	11,20
8,606 ¹⁷⁾		— ¹⁸⁾	7,41	8,61	—	—	—	—
5,342		5,342	5,342	5,45	5,45	5,45	—	5,46
5,136		5,136	5,136	5,16	5,16	5,16	5,16	5,16
3,215		3,215	3,215	3,215	3,215	3,23	3,23	3,23
2,320		2,320	2,320	2,320	2,320	2,320	2,320	2,320
1,189 ¹⁷⁾		— ¹⁸⁾	1,037	1,189	—	—	—	—
320,55	Sep. 19	222,75	222,75	323,50	224,—	224,—	224,—	224,—
30,14	Sep. 22	20,94	20,94	30,22	21,—	21,—	21,—	21,—
400,75	Sep. 19	278,38	278,38	403,25	280,—	280,—	280,—	280,—

Exchange Control still exists, the "Selling Rate" is generally taken to mean the rate at which the Central Bank will sell exchange. ²⁾ Monthly rate. Curb = "Black Market". In the case of some currencies with multiple rates of exchange the formation of new types of rate since published them as at 1st Aug. 1949 and 15th Oct. 1949, i. e.; before and after devaluation. ⁵⁾ For the French Franc no parities have been introduced in France. ^{9a)} Official rate of the French Exchange Stabilisation Fund (French Fcs 214.392 per U.S. \$). ^{9b)} A rate for guidance (see 5a) and the rate for the U.S. dollar on the Paris "free" exchange market. During the last few months the rate on the Paris "free" market 18th Sep. 1949. ^{9c)} Differentiated rates (5a and 5b) abolished. U.S. dollar in future quoted only on the free market. Quotation around F. Fcs on the basis of the quotations of the U.S. dollar on the free market. The guiding rate for the period from 21st September, 1949, to 31st at the official rate (A) of about Dr. 5,000 per dollar. Since, however, the purchase of exchange depends on possession of an exchange certificate, to the extent of the market price of these certificates. Before devaluation it stood at Dr. 10,000 per dollar. Since devaluation the price payable correction of rates took place. This, however, was not a case of devaluation as such. It was simply a matter of correcting the rates serving as Fcs 4,920.63 per kilogramme of fine gold. This corresponds to a parity of S. Fcs 4.37282 per dollar. ⁹⁾ The parity remained unchanged. A 470,000 quadrillions of pengö were equal to 1 forint. ¹²⁾ Buying rates in New York. ¹³⁾ Argentina devalued on 3rd Oct., 1949. The "free market" rate is in force for all foreign payments which are not directly related to imports. The previous "preferred rate" or selling rate of 1 peso has now been created. The "basis rate" (or selling rate) for goods of secondary importance has likewise been lowered by about 30 per cent. = 29.76 U.S. cents has been maintained in force. Thus the devaluation of the Argentine peso appears only in the multiplicity of the different as well as for certain important exports. Official rate: for the import of important goods as well as for a series of less important exports. Free there are in existence premium rates for foreign trade. ¹⁶⁾ July—August. ¹⁷⁾ July—Sep. (before devaluation and after devaluation). ¹⁸⁾ Cf.

Wholesale Price Indices in Important Countries

(1938 = 100)

Period	United States (Bureau of Labor)	Great Britain (Economist)	France (Official)	Switzerland (Monthly Report of Swiss National Bank)	Italy (Economist)	Sweden (Economist)
1945 } Monthly	135	166	375	206	.	.
1946 } Average	154	176	648	200	2883	.
1947 }	194	204	989	209	5157	180
1948 }	210	225	1712	217	5442	194
1948						
January	211	217	1463	218	5371	188
February	205	220	1537	218	5350	189
March	205	224	1536	218	5316	190
April	207	223	1555	218	5238	193
May	209	226	1653	218	5182	194
June	211	228	1691	218	5140	195
July	215	226	1698	217	5137	195
August	216	225	1783	216	5704	196
September	215	227	1791	215	5769	196
October	210	227	1887	215	5724	196
November	209	228	1977	217	5667	196
December	206	231	1974	216	5697	196
1949						
January	204	232	1946	215	5698	196
February	201	231	1898	214	5656	196
March	202	231	1872	212	5556	195
April	200	230	1846	209	5393	195
May	198	235	1890	206	5278	195
June	196	233	1812	205	5215	195
July	195	229	1854	205	5034	195
August	194	230	1918	205	4889	194
September	195	241	1958	204	4912	.
October	194	244	2002	201	.	.
November	.	245	2005	201	.	.

Moody's Index of Raw Material Prices in the U.S.A.

Weekly Averages

31st December, 1931 = 100

Month		Month		Week	
1948		1949		1949	
June	431,3	January	390,5	Oct. 30 — Nov. 5	341,7
July	433,1	February	375,9	Nov. 6 — Nov. 12	343,3
August	427,2	March	372,0	Nov. 13 — Nov. 19	343,9
September	419,7	April	351,6	Nov. 20 — Nov. 26	344,0
October	404,6	May	344,2	Nov. 27 — Dec. 3	346,7
November	401,0	June	338,8	Dec. 4 — Dec. 10	345,3
December	395,9	July	338,9	Dec. 11 — Dec. 17	345,7
		August	340,7 ¹⁾	Dec. 18 — Dec. 24	345,7
		September	346,6 ¹⁾	Dec. 25 — Dec. 31	347,3
		October	338,4 ¹⁾	1950	
		November	344,1 ¹⁾	Jan. 1 — Jan. 7	348,5
		December	345,8 ¹⁾	Jan. 8 — Jan. 14	350,0

¹⁾ Preliminary figures

Prices of Commodities Important in World Trade

(Average Prices)

Period	Wheat	Maize	Coffee	Sugar	Hogs	Cotton	Rubber	Copper	Tin	Lead	Zinc	Crude Petroleum	Hides
	Chicago 1 Bushel = 60 lbs. \$	Chicago 1 Bushel = 56 lbs. \$	New York 1 lb. U.S. cents	New York 1 lb. U.S. cents	Chicago 100 lbs \$	New Orleans 1 lb. U.S. cents	New York 1 lb. \$	New York 1 lb. U.S. cents	New York 1 lb. U.S. cents	New York 1 lb. U.S. cents	St. Louis 1 lb. U.S. cents	Pennsylvania 1 Barrel = 1.59 Hecto- litres \$	Chicago 1 lb. U.S. cents
1946	1,98	1,64	17,61	4,43	18,69	29,58	0,23	13,06	52,00	7,69	8,81	3,15	18,38
1947	2,62	2,17	26,63	6,21	24,85	32,39	0,21	21,04	78,33	14,67	10,50	4,29	29,29
1948	2,45	2,08	26,77	5,52	23,65	31,51	0,22	22,21	99,25	18,04	13,38	5,00	27,00
1949	2,18	1,32	31,03	5,74	18,51	30,09	0,18	19,41	99,32	15,34	12,03	3,59	21,36
1948 January	3,20	2,81	26,50	5,60	27,50	33,70	0,22	21,38	94,00	15,00	10,50	5,00	30,00
February	2,54	2,07	26,25	5,50	22,45	30,20	0,21	21,38	94,00	15,00	12,00	5,00	25,00
March	2,57	2,37	26,25	5,45	23,05	31,65	0,20	21,38	94,00	15,00	12,00	5,00	21,00
April	2,62	2,42	26,50	5,37	20,45	35,35	0,23	21,38	94,00	17,50	12,00	5,00	25,00
May	2,49	2,37	27,00	5,15	19,20	35,65	0,24	21,38	94,00	17,50	12,00	5,00	27,50
June	2,40	2,33	27,00	5,20	23,35	35,15	0,23	21,38	103,00	17,50	12,00	5,00	28,00
July	2,30	2,20	27,00	5,70	25,65	30,50	0,23	21,38	103,00	17,50	12,00	5,00	29,50
August	2,21	2,07	27,00	5,78	27,40	28,05	0,23	23,38	103,00	19,50	15,00	5,00	28,50
September	2,26	1,95	26,50	5,65	27,50	31,15	0,28	23,38	103,00	19,50	15,00	5,00	28,50
October	2,26	1,55	27,00	5,60	25,50	27,85	0,23	23,38	103,00	19,50	15,00	5,00	26,50
November	2,27	1,39	27,25	5,68	21,25	29,05	0,20	23,38	103,00	21,50	15,50	5,00	29,50
December	2,27	1,45	27,00	5,60	20,55	29,80	0,18	23,38	103,00	21,50	17,50	5,00	25,00
1949 January	2,34	1,44	27,00	5,70	19,90	30,30	0,19	23,38	103,00	21,50	17,50	4,50	27,00
February	2,25	1,30	26,50	5,65	20,00	30,50	0,18	23,38	103,00	21,50	17,50	4,00	20,00
March	2,20	1,32	26,50	5,65	20,25	30,35	0,19	23,38	103,00	18,00	17,50	4,00	18,50
April	2,40	1,38	26,00	5,70	18,70	31,00	0,18	21,38	103,00	15,00	14,00	3,55	19,00
May	2,39	1,39	26,75	5,85	18,35	30,95	0,18	17,88	103,00	14,00	12,00	3,40	20,00
June	2,17	1,38	27,25	5,85	19,40	30,85	0,16	16,38	103,00	12,00	9,00	3,27	19,50
July	1,94	1,42	27,75	5,85	17,50	29,25	0,17	17,50	103,00	14,00	9,00	3,40	19,50
August	1,91	1,23	28,50	5,90	18,05	29,20	0,17	17,50	103,00	15,00	10,00	3,40	23,00
September	2,09	1,23	30,19	6,01	20,92	29,94	0,18	17,63	102,13	15,06	10,00	3,40	24,56
October	2,13	1,17	36,12	6,03	18,22	29,30	0,16	17,63	95,73	13,48	9,31	3,40	24,50
November	2,12	1,23	45,11	5,40	15,98	29,48	0,17	18,39	91,09	12,53	9,26	3,40	21,37
December	2,20	1,30	44,70	5,24	14,87	29,97	0,18	18,50	78,93	12,00	9,26	3,40	19,37

Source: D.B.D. (Deutscher Börsen-Dienst).

