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TWENTY-SIXTH REPORT

of the Commissioner of the League of Nations in Bulgaria.

(Quarter from November 15th, 1932, to February 15th, 1933.)

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INTRODUCTION.

The essential points brought out by the present report are the following:

1. At the end of the first ten months of the financial year, the 1932-33 budget showed a greatly increased provisional deficit. There seems no likelihood of any appreciable improvement before March 31st, 1933, the end of the fiscal year. The entire financial year will probably show a deficit of more than one milliard leva.
2. The situation of the Treasury, which was described as critical in our previous report, has also deteriorated.
3. In spite of the facilities granted by the creditors, the service of the external public debt is meeting with greatly increased transfer difficulties.
4. State intervention in production, trade and credit is being accentuated and regrettably increased.

The present report has been prepared in co-operation with Dr. Koestner, the Technical Adviser to the National Bank of Bulgaria.

I. STATE BUDGET.

(a) As at January 31st, 1933, the provisional results of the first ten months of the financial year 1932-33 may be expressed by the data summarised below:

<i>Revenue:</i>		<i>Millions of leva</i>
Ordinary budget and incorporated funds . . . . .	4,027.6	
Railways and harbours . . . . .	970.3	
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	4,997.9
<i>Expenditure:</i>		
(a) Paid out: Ordinary budget and incorporated funds . . . . .	3,860.6	
Railways and harbours . . . . .	724.3	
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	
	4,584.9	
(b) In suspense . . . . .	1,332.7	
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>	5,917.6
Provisional budgetary deficit . . . . .		919.7

Compared both with the figures for the same period in the previous year and with the figures on October 31st, 1932, submitted in our last report, these results are decidedly less satisfactory.

The receipts of the budget properly so called show a decline of 400 millions, or 10 per cent, as compared with the position on January 31st, 1932, and a deficit of one milliard, or 20 per cent, as compared with the estimates voted. The decline from one year to the other is particularly marked in respect of miscellaneous revenue (—230 millions), which has hitherto received the proceeds from payments accruing from extra-budgetary funds. These resources, which are relatively accessible, are now becoming scarce. The collection of the land tax leaves much to be desired, and we repeat that the budget can no longer bear the cost of a similar leniency towards the great majority of revenue sources. The collection of income tax of the current year, and, in particular, of arrears of previous years, is seriously impeded by the absence of policy on the part of the financial administration. The yield from indirect taxes and Customs is remarkably stable. The Customs have benefited and will benefit again in the near future from the increase in the tariffs protecting national industry, but will be affected by the fresh restrictions recently placed on imports (see below, "Balance of Payments," IV (d)).

The receipts of the autonomous budget of the railways and harbours have declined somewhat in comparison with the previous year (—7 per cent), while the deficit as compared with the estimates is greater (—16 per cent).

The total expenditure of 5,917 millions is only slightly reduced as compared with the corresponding figure of 1931-32 (5,968). But the subdivision into expenditure paid and payments in suspense shows the precarious position of the Treasury; the second of these categories amounts to 1,332 millions, as against 520 millions on January 31st, 1932. This accumulation of arrears not entered in the accounts makes it impossible to examine each spending department in detail. It is nevertheless true that, on the whole, no cut has taken place. The result could not be otherwise in the absence of any organic measure going to the root of the problem of economy.

The budgetary deficit therefore amounted to 920 millions at the end of the first ten months of the financial year. The provisional results for February make the position somewhat worse; in March, receipts are generally below the average. At the end of the financial year, therefore, a deficit of about one milliard leva may be expected.

The concern which we expressed at the beginning of the present financial year thus, unfortunately, appears to be justified. It is highly regrettable that, for various reasons, no real and adequate effort has been made since that time to restore equilibrium. The Government appears inclined to start this work of restoration in the 1933-34 budget, the draft of which has not yet been prepared. The matter is one of urgency, as the Treasury situation does not permit of further delay.

(b) *Situation of the Treasury.*

This situation (see Appendix 1, (d)) as at January 31st, 1933, may be summarised (in millions of leva) as follows:

<i>Credit</i>		<i>Debit</i>	
Profits on seigniorage . . . . .	100	Calls for account of the pre-	
Treasury bills . . . . .	278.9	ceding year . . . . .	863.2
Extra-budgetary receipts . . . . .	63	Present deficit of the finan-	
Calls on "funds", to be regu-		cial year . . . . .	919.7
larised . . . . .	28.9	Balance of the Treasury ac-	
Payment orders in suspense . . . . .	1,332.7	counts with the National	
		Bank . . . . .	20.6
			<hr/>
Total . . . . .	1,803.5	Total . . . . .	1,803.5

In spite of subscriptions of Treasury bills rendered possible by the account for the "non-transferred service of the public debt," the Treasury deficit has increased by more than 200 millions during the last three months. In practice, it is only covered by payment orders in suspense, of which about 800 millions represent salaries and balances due to civil and military officials since the month of October 1932. Pensioners are also still awaiting the payment of more than 100 millions due on January 1st, 1933. These figures need no comment; but it should be added that certain palliatives which appear at first sight capable of provisionally meeting a critical situation are likely to lead to serious and lasting trouble.

(c) *Directorate for the Purchase and Export of Cereals.*

This body has slowed down its operations since the beginning of the present winter, and the data contained in our previous report have undergone little change. At the most, it may be hoped that the operations in connection with the 1932 harvest will show a slight profit, as future sales must apparently be reserved for home consumption.

On February 28th, 1933, the State owed the Directorate about 100 millions for supplies delivered to it in respect of the 1931 harvest. On that date the working fund lent to the Directorate by the Agricultural Bank amounted to 162 millions, while the volume of tax bonds provisionally acquired by that institute amounted to 120 millions. To this amount must be added about 76 millions of bonds still held by the public. As our previous report showed, the working of this Directorate at present causes the Agricultural Bank to tie up 280 millions for the benefit of the State.

(d) *Railways.*

The balance-sheet and profit-and-loss account for the financial year 1930-31 have just been drawn up. We annex (Appendix 1, (e)) a summary of the second of these documents, which shows a net deficit of 30.9 millions, as against a profit of 122.2 for 1929-30. The gross surplus from operation has declined from one year to the other from 368 to 215 millions.

In accordance with Articles 40 and 41 of the Organic Law,<sup>1</sup> this deficit must be charged to the reserve fund up to the available amount of that fund (12.2 millions), and the amount in excess of this must be entered among the expenditure of the State budget as an advance.

II. PUBLIC DEBT.

(a) On February 15th, 1933, the following totals stood to the credit of the various paragraphs of the account opened for receiving the non-transferred portion of the service of the external public debt:

	Millions of leva
§ A. 1926 7% and 1928 7½% secured loans . . . . .	200
§ B. Secured loans: 1902 5%, 1904 5%, 1907 4½% . . . . .	105.9
§ C. Unsecured loans . . . . .	44.2
§ D. Various loans guaranteed by the State . . . . .	9.2
Total . . . . .	359.3

(b) On the same date the investments of these available assets in Treasury bills amounted to the figures given below, which express, on the one hand, the nominal value of the bills acquired and, on the other hand, the net debits of the account after deduction of the 6 per cent interest still to run on the occasion of each transfer:

	Nominal value of the bills	Net debits
	(Millions of leva)	
§ A . . . . .	161	159.3
§ B . . . . .	77.9	77.1
§ C . . . . .	39.9	39.6
Total . . . . .	278.8	276

As and when these transfers were effected, the National Bank discounted fresh bills issued by the Treasury for equal nominal amounts.

(c) These investments have from the outset been made in such a manner that the bills retained by the account should always mature uniformly. The first date of maturity was November 15th, and the bills in question were offered for renewal for three months, subject to the payment of interest by the Treasury at 6 per cent per annum for the period from November 15th, 1932, to February 15th, 1933. This payment has, however, been deferred. A Decree of the Council of Ministers of December 21st, 1932, formally recognised the principle but expressed the Government's desire to obtain a reduction in the interest rate of 6 per cent. This request was first submitted to the Financial Committee, which (see paragraph 7 of its report of January 25th, 1933) recommended that the Bulgarian Government should enter into direct negotiations with its creditors in order to settle this question.

It did not, however, appear that this interest, like that which was to be paid on the bills falling due on February 15th, 1933, could remain in suspense till a final settlement was reached. The Council of Ministers therefore decided, on February 15th, 1933, to open a special account with the National Bank of Bulgaria, called "Commissioner of the League of Nations in Bulgaria for the deposit of interest on renewed Treasury bills and fresh Treasury bills to be issued". On the same date this account was credited with interest which had remained in suspense in respect of payments due on November 15th, 1932, and interest due on the payment of February 15th, 1933, making a total of 6,816,000 leva. Subsequently, the same account should receive interest relating to the subscriptions of new bills, which, in accordance with the recommendations of the above-mentioned report by the Financial Committee, are in future to be subscribed direct with the Directorate of the Public Debt.

III. CURRENCY AND CREDIT.

(a) *Circulation* (see Appendix 3, (a)).

The reduction in the note circulation became more marked during the quarter under consideration and ran parallel with the decline in the foreign exchange reserves of the National Bank. On February 15th, 1933, this reduction amounted to 267 millions as compared with February 15th, 1932. During the same period, however, the issue of fresh subsidiary currency to some extent mitigated the decrease in the total means of payment placed at the disposal of the public. On February 15th, 1933, the subsidiary currency in circulation amounted to 816 millions, as against 911 on November 15th, and 678 on February 15th, 1932. On February 15th, 1933, it represented 25.3 per cent of the total circulation. It would appear that this proportion cannot be increased without compromising the position of the National Bank as the regulator of circulation, especially in view of the narrow margin which that institution possesses over the minimum legal cover for any future extension of its credit policy.

<sup>1</sup> See our twelfth report, pages 17 and 18.

(b) *National Bank of Bulgaria.*

The statements of the National Bank (see Appendix 3, (a)) show that the bill holdings and advances decreased during the period under review, while on the side of liabilities there was a considerable increase in the deposits of the private banks (1,101 millions on February 15th as against 860 on November 15th last year). This figure is evidence of the desire of the banks to keep their funds liquid, a policy which is due to the uncertainty of the economic position and the constant threat to credit arising out of the possibility of further more or less arbitrary legislative measures.

It will again be observed that, under these circumstances, the initiative for a revival of activity on the credit market is in the hands primarily of the private institutions and not of the bank of issue.

The profit-and-loss account of the National Bank shows a net profit of 31.9 millions in the past year as against 39.1 in 1931 and 83.3 in 1930. Appendix 3, (b), shows that, since 1931, this profit has been derived exclusively from the monopoly in foreign exchange transactions. The net average difference between the purchase and sale rates, compared with the total foreign exchange sold, was 1.5 per cent in 1932 as against 0.8 per cent in 1931. The reduction in interest rates and the decrease in miscellaneous investments and internal advances have considerably reduced the corresponding profits, while receipts from assets abroad have practically disappeared.

The Bank has made considerable cuts in its expenditure budget, which has been reduced to 122.2 millions for 1933 as against 137.7 in 1932. The number of employees has been reduced from 1,653 to 1,567, the expenditure under this heading from 99 millions to 94, and other overhead charges from 38.6 to 28.2. It should be borne in mind that a number of agencies are working at a loss and that their only business is to act as cashier of the Public Treasury. Moreover, the profit made by the Sofia office amounted to 63.2 millions in 1932, while all the branches and agencies together showed a loss of 31.3 millions. These results could no doubt be improved by simplifying and modernising the complicated working of this body.

(c) *Central Agricultural Bank.*

For the past year this institution shows a net profit of 44.3 millions. The profit-and-loss account (see Appendix 3, (c)) shows that, out of 960.4 millions of interest due, 514.7 millions, or 54 per cent, was not collected. This item is partially balanced by an entry on the debit side of 405 millions. The balance-sheet only allocates 174.3 millions for doubtful debts, and the only cover for this is 2 millions. These figures should be compared with the total bill-holdings of the Bank, amounting to more than 5 milliards. It should be borne in mind that the Central Agricultural Bank carries on various commercial transactions, while its balance-sheet and profit-and-loss account give no hint as to the results.

(d) *Credit.*

Most of the private banks and the people's banks have not yet published their balance-sheets for the past year. The figures which we have been able to obtain show that credit restrictions were fewer in 1932 than in 1931. The State banks (Central Agricultural and co-operative banks, people's banks) have practised a policy of easier credit, while the private banks showed growing reserve, which was more marked than the withdrawals of their deposits would appear to warrant. In short, it would appear that the private banks are gradually withdrawing from the market and making room for the State banks. It is true that they are not both governed by the same strict principles.

The following figures illustrate this tendency:

*Bill-holdings and Investments of the Bulgarian Banks.*

(In millions of leva.)

	December 31st, 1930		December 31st, 1931		December 31st, 1932	
	Volume	Percent- age of total	Volume	Percent- age of total	Volume	Percent- age of total
National Bank (bill-holdings and advances) . . . . .	632		579		437	
Central Agricultural Bank . . . . .	4,585		4,904		5,142	
Central Co-operative Bank . . . . .	523		688		769	
State Banks . . . . .	5,740	41.6	6,171	47.6	6,348	50.8
200 People's Banks . . . . .	1,900	13.8	1,963	15.1	2,083 <sup>1</sup>	16.7
131 Private Banks . . . . .	5,782		4,363		3,575 <sup>1</sup>	
Mortgage Bank . . . . .	382		467		485	
Private Banks . . . . .	6,164	44.6	4,830	37.3	4,060	32.5
Total . . . . .	13,804	100	12,964	100	12,491	100

<sup>1</sup> On September 30th, 1932.

The same tendency is shown as regards the movement of deposits; the grand total shows little variation during the last three years, but the distribution is becoming more and more favourable to the official establishments. It is true that the customers of the private banks appear to be more inclined to invest in immovable property.

*Deposits in Bulgarian Banks.*

(In millions of leva.)

	December 31st, 1930		December 31st, 1931		December 31st, 1932	
	Volume	Percent- age of total	Volume	Percent- age of total	Volume	Percent- age of total
National Bank . . . . .	833		576		679	
Central Agricultural Bank . . . . .	4,300		4,864		5,374	
Central Co-operative Bank . . . . .	619		838		713	
Post Office Savings Bank . . . . .	874		1,268		1,404 <sup>1</sup>	
State Banks . . . . .	6,626	45.4	7,546	52.1	8,170	56.5
200 People's Banks . . . . .	2,093	14.3	2,493	17.2	2,323 <sup>1</sup>	16.1
131 Private Banks . . . . .	5,887	40.3	4,449	30.7	3,961 <sup>1</sup>	27.4
Total . . . . .	14,606	100	14,488	100	14,454	100

<sup>1</sup> On September 30th, 1932.

These two tables show that the process of credit deflation followed by the private commercial banks is neutralised by the activity of the State banks. It should be pointed out that the latter are following a totally different policy from that of the private establishments, that the movements which we have described are developing in accordance with the State's policy of a controlled economy and consequently can only be changed if that policy is itself modified.

IV. ECONOMIC SITUATION.

(a) *Economic Regulations.*

Legislative measures and regulations have continued during the quarter under review to govern production, trade and prices.

The last measure taken in this domain is the law of December 7th, 1932, on the encouragement of rice cultivation, a short analysis of which is given in Appendix 4, (a).

The application of the laws "for the protection of debtors", the non-collection of taxes due from the farmers, and the artificial maintenance of the prices of agricultural products have, moreover, had significant results. Farmers are beginning to hold back products the prices of which have remained, or have again become, free and are consequently low; this is the case with wheat, which has thus exceeded the price granted by the Cereals Directorate. Although the production statistics show that there is an exportable surplus (20,000 tons), supplies for urban consumption are scarce. In order to prevent a rise in the price of bread, the Supply Commissariat has taken all the mills under its control and has compelled them to produce a "flour type" containing 10 per cent of maize, which is sold at a fixed price in the same manner as bread. These measures are also bound to keep up the internal price of maize, of which there is an exportable surplus of about 500,000 tons. Consequently, exports of this product, which at this time of the year generally begin to bring in considerable amounts of foreign exchange, have so far been very inactive.

(b) *Commercial Policy.*

The Bulgarian-German Commercial Treaty signed on June 24th last came partially into force on February 27th, 1933. It provides for the grant of preferential tariffs by both parties on many items and the prospect of further concessions which are deferred for the moment.

During the period under review, the National Bank succeeded in concluding with France and Italy clearing arrangements in accordance with the principles which it had laid down. The previous arrangement with Switzerland has worked satisfactorily.

We may recall that this arrangement provided for the exportation to Switzerland during the period from April 1st, 1932, to March 31st, 1933, of 5,000 metric tons of Bulgarian eggs. Twenty per cent of the value of the consignments, together with 12 Swiss francs for transport charges, are placed at the free disposal of the National Bank of Bulgaria, the balance being devoted to the settlement of Swiss claims, or of claims domiciled in Switzerland, against Bulgaria. In return, Bulgaria has granted reductions in Customs duties on certain Swiss products.

A new arrangement with Italy, which came into force on January 1st, 1933, applies exclusively to purchases of Bulgarian tobacco by the Italian monopoly. These purchases are paid for in lire placed in a blocked account in favour of the National Bank of Bulgaria, which supplies the equivalent amount in leva. In addition, the Bank is opening with the "Istituto Nazionale per i Cambi con l'Estero" an account which will be credited with the amounts paid by importers

of Italian goods against credits on current account. The equivalent of these sums is debited to the blocked account in lire in favour of the "Istituto Nazionale", which pays the creditors concerned under instructions received from Sofia. Any balance at the end of each month in favour of the National Bank is free for any other commercial payments in Italy. The foreign exchange resulting from other transactions with Italy is free, and any subsequent restrictions imposed on them would invalidate the present agreement.

A Franco-Bulgarian clearing arrangement came into force on January 26th, 1933. While established on the model prepared by France on this subject, it leaves at the disposal of the National Bank the exceptional proportion of 30 per cent of the proceeds of Bulgarian exports. Seventy per cent of the balance is devoted to the payment of French claims falling due after the agreement came into force and the remainder to the payment of previous claims. Private compensation agreements are still possible.

Compensation permits properly so called (Bulgarian exports against foreign imports) have been granted by the National Bank to the amount of 780 million leva during the year 1932. Of the total of these authorisations, 704 millions remained in suspense on January 1st, 1933. It should also be pointed out that two compensation arrangements were carried out in 1932 with Germany, one of them being based on tobacco purchases and the other on the export of Bulgarian eggs; the amounts were 250 million leva and 2 million Reichsmarks respectively.

At the present moment, an operation on a much greater scale is under consideration; it would involve the delivery of all old tobacco stocks and the sale of a part of the crops for the next few years against the importation of considerable quantities of railway material and supplies for public works. It will be remembered that the Council of Ministers decided, on December 12th, 1932, that the Government, in accordance with Article VI, § 8, of the Protocol of March 10th, 1928, will ask the Governor of the National Bank and the Adviser of that Bank in writing for their opinion on all measures of monetary and credit policy. Neither the Governor of the National Bank nor the Adviser has yet been consulted in respect of this plan. The Bulgarian Government will no doubt take the necessary steps to bring about this consultation before the plan is put into effect; and it is, moreover, necessary to examine the effects of this plan on the equilibrium of future railway budgets.

(c) *Foreign Trade.*

	Imports	Exports	Balance
	(Millions of leva)		
1930 . . . . .	4,590	6,191	+ 1,601
1931 . . . . .	4,660	5,934	+ 1,274
1932 . . . . .	3,471	3,383	— 88

As compared with 1931, the imports and exports in 1932 showed a decline of 25.5 per cent and 43.1 per cent respectively. The heavy drop in exports was not followed by a corresponding decline in imports, so that there was an adverse trade balance, following on an active balance in 1931, which was estimated at 1,274 millions. Almost all export items show a reduction in quantity; there is also a general, and in some cases considerable, drop in prices. According to the statistical department, the average price of tobacco exported in 1932 was 52.7 leva per kilogramme, as against 104.8 leva in 1931. Since 20,500 tons were exported in 1932, as against 24,600 tons in 1931, this commodity alone is responsible for a decline in value of 1,500 millions.

Exports in January 1933 amounted to 135 million leva, as against 420 in December and 307 in January 1932. The imports amounted to 232 millions as against 288 and 247. The adverse balance of 97 millions is disquieting, since January has hitherto been a good month.

Appendix 4, (b), shows the growing importance of Bulgarian exports to Italy.

(d) *Balance of Payments.*

It is not yet possible to furnish reliable figures for the year 1932, and we can only follow the National Bank's transactions in foreign exchange, while pointing out that that institution has a monopoly of those transactions.

	1930	1931	1932
	(Millions of leva)		
Foreign exchange purchased . . . . .	7,513	5,963	3,240
Including exports . . . . .	4,569	4,190	2,496
Foreign exchange sold . . . . .	7,878	6,498	3,375
Including imports . . . . .	4,169	3,589	2,027
To the State . . . . .	1,705	1,654	671
To students and travellers . . . . .	200	186	127
Balance . . . . .	— 365	— 535	— 135
Net stock of foreign exchange at the National Bank on December 31st . . . . .	792	257	122

Appendix 4, (c), gives particulars regarding the year 1932 and shows the growing percentage of foreign exchange which, on being received or delivered, passed through clearing accounts or blocked accounts. During the last quarter, 43 per cent of the foreign exchange derived from exports, and 55 per cent of the foreign exchange allocated for imports, passed through this channel. The amounts actually available for the service of the foreign debt or for certain external needs of the State (Legations, etc.) are thus becoming very small, and on February 15th, 1933, for instance, amounted to 3 million leva.

The National Bank is daily reducing the foreign exchange allotted to the payment of bills and commercial invoices in suspense. In March 1932, when the period of restrictions began, it granted all the foreign exchange required for bills not exceeding 100,000 leva and 50 per cent for bills of larger amounts. Since that time, these proportions have been changed twenty times; under the latest provision, dated February 1st, 1933, 5 per cent is allotted to commercial bills during the three months following the due date, and 10 per cent to industrial bills; renewed bills are to receive 6, 7 and 10 per cent (commercial bills) and 15, 20 and 40 per cent (industrial bills) on the first, second and third renewal respectively. These rates are compulsory and do not require the consent of the creditors.

Under these circumstances, the total volume of invoices and bills in suspense, which was stated in our previous report to be 1,100 millions on December 31st, 1932, was increased to about 1,500 millions on February 15th, 1933.

A measure of considerable importance has been taken in the form of an amendment (*Official Journal* of January 31st, 1933) to the "Law on the Trade in Foreign Means of Payment"; the importation into the kingdom of goods despatched after January 1st, 1933, is subject to the production to the Customs authorities of a permit from the National Bank. The latter is therefore now in a position effectively to control and limit imports, while it was hitherto merely able to refuse the foreign exchange required for imports which it had not authorised—that is to say, to compel the debtors to procure either credits or "illegal" foreign exchange.

It is too early to estimate the effects of this new restriction; but the question arises whether, in spite of its necessity, it will not involve certain harmful effects in various ways.

(e) *Prices.*

The manipulations of the prices of agricultural products, the high cost of coal, of which the State has practically a monopoly, the high duties protecting national industry and the restrictions imposed on exports, all act in the same direction and cause a considerable disparity between internal and world prices. This is evident from the following table, which indicates approximately the movement of wholesale prices in Bulgaria (basis 1929 = 100):

Years (months)	Products of internal consumption	Exported products	Imported products	General index number
1929 . . . . .	100	100	100	100
1930 . . . . .	84.01	72.83	89.43	80.60
1931 . . . . .	72.04	51.77	75.62	63.71
1932 . . . . .	65.97	45.27	72.87	57.78
January 1932 . . . . .	67.12	48.85	68.55	59.44
January 1933 . . . . .	63.16	41.65	75.37	55.04

As against a drop of 45 per cent in the general index number during this period, there is a drop of 58 per cent in the index number of exported products, 25 per cent for imported products, and 37 per cent for products of Bulgarian origin consumed in the country. In January 1933, the index number of imported products returned to the 1931 level, while that of exported products fell 20 per cent below that level, and that of products of internal consumption 12 per cent. The disparity between this last index number and that of the exported products is now about 50 per cent of the latter. Furthermore, the above index number applies especially to raw materials and semi-manufactured commodities. The disparity would be accentuated if it were possible to analyse a greater number of prices of manufactured articles and, in particular, retail prices.

(f) *Production.*

Import restrictions, increases in Customs duties and the support given to the prices of agricultural products have stimulated industry, as is shown by the movements of employed labour (see Appendix 4, (e)).

While old industries (furniture, cigarettes) appear to be declining, new undertakings (textiles, clothing, boots, electricity) are rapidly increasing their activity. The total number of workmen employed increased from 68,000 in December 1930 to 76,400 in December 1932. There would appear to be no industrial crisis in Bulgaria. On the contrary, in the towns there is even a boom in the building industry, on which we reported at the time when it began, and which is said to have required a total investment in 1932 alone of about one milliard leva.

This revival has had an effect on railway traffic (see Appendix 4, (f)), though the receipts of the railways have not benefited from it. This surprising fact is due, in particular, to the grant of reduced rates for the transport of heavy material and to the decline in exports.



V. SETTLEMENT OF BULGARIAN REFUGEES.

(a) *Position of the 1926 7 % Loan Account* (see Appendix 5, (a)).

Balance on January 31st, 1933 = 20,471,847 leva.

(b) *Yield of Assigned Revenue.*

Chapter of the budget	Receipts			One-twelfth of the budget estimates
	November	December	January	
	(In leva)			
15. (Excise duty on alcohol, etc.) . . . . .	1,849,616	1,178,663	1,915,797	5,250,000
16. (Excise duty on salt, etc.) . . . . .	30,448,293	34,259,072	26,546,413	29,750,000
21. (Sale of matches) . . . . .	7,902,000	6,381,000	5,373,000	9,333,333
Total . . . . .	40,199,909	41,818,735	33,835,210	44,333,333

Payments by refugees for refund of the cost of settlement amounted to:

	November	December	January	Previous payments	Total payments up to January 31st, 1933
	(In leva)				
Interest . . . . .	45,962	55,634	41,061	3,001,478	3,144,135
Amortisation and land tax . . . . .	48,492	53,617	38,962	16,013,924	16,154,995
Total . . . . .	94,454	109,251	80,023	19,015,402	19,299,130

These repayments (283,728 leva) show a further considerable decrease as compared with those of the previous quarter. The Public Debt Directorate considers that the refugees are incapable of making considerable payments in cash. On the other hand, they think it would be practicable to obtain more substantial refunds by extending the system which at present enables them, in respect of refugees who have abandoned property in Greece and have been subsequently settled in Bulgaria by means of the proceeds of the 1926 7 % loan, to retain 6 % bonds of 1923 due to the parties concerned as compensation for the property which they have abandoned. The question was examined by the Financial Committee at its forty-eighth session and forms the subject of section 8 of its report to the Council (document C.30.M.9.1933.II.A). It is to be hoped that it will be favourably considered by the trustees of the loan.

(c) *Execution of the Settlement Plan.*

On December 31st, 1932, the outdoor work undertaken by the Directorate was practically finished, with the exception of certain drainage and water-supply works which will be taken in hand on the return of fine weather. Under these circumstances it appeared possible, as from January 1st, 1933, to dissolve the Directorate's liquidation organisation and to entrust the execution of the unfinished administrative work to a special section of the Public Debt Directorate. This work is not far advanced; out of 31,000 individual files to be prepared, only 1,072 can be considered as complete.

In accordance with the provisions of Article VII of the Protocol, we annex hereto (Appendix 5, (b)) the annual account of expenditure incurred up to December 31st, 1932, out of the proceeds of the loan. The annual balance-sheet is being audited by the Commission provided for by the Law on the Settlement of Refugees.

VI. 1928 7½% STABILISATION LOAN.

(a) *Position of the Account of the Loan* (see Appendix 6).

Balance at January 31st, 1933 = 14,638,525 leva.

(b) *Yield of Assigned Revenues (Customs).*

November	December	January	One-twelfth of the budget estimates
	(In leva)		
77,230,951	79,442,091	59,020,887	86,250,000

The total Customs revenue for the quarter therefore amounted to 215,693,929 leva, as against 227,210,873 for the preceding quarter and 239,926,914 for the corresponding quarter of 1931-32.

(c) *Employment of the Loan.*

1. *Railways and harbours.*

	Leva
The total assigned to this heading amounted to . . . . .	672,300,000
Expenditure incurred up to January 31st, 1933 . . . . .	671,624,723
	<hr/>
Amount still available . . . . .	675,277
Balance to be paid on commitments . . . . .	11,172,438
	<hr/>
Outstanding expenditure . . . . .	11,847,715
	Leva
Funds held by the Administration . . . . .	9,240,922
Balance to be obtained from the proceeds of the loan	2,606,793
	<hr/>
	11,847,715

2. *Roads and bridges.*

The total assigned to this heading amounted to . . . . .	182,031,732
Expenditure incurred up to January 31st, 1933 . . . . .	178,091,732
	<hr/>
Amount still available . . . . .	3,940,000
Balance to be paid on commitments . . . . .	8,963,259
	<hr/>
Outstanding expenditure . . . . .	12,903,259
	Leva
Funds held by the Administration . . . . .	871,527
Balance to be obtained from the proceeds of the loan.	12,031,731
	<hr/>
	12,903,259

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Appendix 1.

(a) ANALYSIS OF THE ANNUAL AND QUARTERLY BUDGETARY ACCOUNTS.

(In millions of leva.)

REVENUE	1930-31	1931-32	1932-33	April-December		
	Results	Results	Estimates	1931-32	1932-33	
				Results	Monthly budgetary estimates	Results
<b>A. State Budget.</b>						
Direct taxes . . . . .	602.8	489.5	675	352.3	362	282.1
Indirect taxes . . . . .	1,322.7	1,253.8	1,531	973.5	1,699.5	960.7
Customs duties . . . . .	853	959.6	1,035	730.1		714.7
Other duties . . . . .	656	563.2	655.6	429.9	417	384
Fines and confiscations . .	69.3	57.8	75	43.7	43	37.6
Railway annuity . . . . .	125	103	125	102.8	93.8	125.1
Posts, Telegraphs and Tele- phones . . . . .	283.6	293.7	391	226.8	257	213
State domains and capital .	388.3	279.6	464.4	227.1	309	277.9
Contributions of communes towards teachers' salaries	435.7	340.4	380	256.4	281	237
Miscellaneous revenue . .	477.8	654.7	478	553.7	323.6	369.3
Revenue from closed finan- cial years . . . . .	365.3	202.5	190	146.8	171.2	148.5
<b>Total . . . . .</b>	<b>5,579.5</b>	<b>5,197.8</b>	<b>6,000</b>	<b>4,043.1</b>	<b>3,957.1</b>	<b>3,749.9</b>
<b>B. Railways and Harbours . .</b>	<b>1,160.3</b>	<b>1,238.5</b>	<b>1,393</b>	<b>964.8</b>	<b>940</b>	<b>912.5</b>
<b>Grand Total . .</b>	<b>6,739.8</b>	<b>6,436.3</b>	<b>7,393</b>	<b>5,007.9</b>	<b>4,897.1</b>	<b>4,662.4</b>
<b>EXPENDITURE</b>						
<b>A. State Budget.</b>						
Head of State . . . . .	84.4	64.5	65.8	47.9	54.1	58.2
Public Debt . . . . .	2,366.4	2,155.9	2,018.9	1,619.9	1,015.3	1,506.2
Audit Office . . . . .	20.7	22.6	18.3	15.8	16.1	11.2
Foreign Affairs and Public Worship . . . . .	132.6	134	99.9	85.6	69.7	59.2
Bulgarian Orthodox Church Interior . . . . .	48.2	46.3	43.9	30.6	32.6	26.6
Public Health . . . . .	271.4	259.8	246.3	160	165.5	129.1
Education . . . . .	119.4	114.7	150.1	60.7	77.8	53.8
Finance . . . . .	884.3	852.1	890.7	541.3	653.8	471.2
Justice . . . . .	174.8	177.4	186.2	108.8	121.9	97.2
War . . . . .	233.3	205.4	210	141.8	142.9	104.4
Commerce . . . . .	1,085.6	1,010.1	1,030.3	604.4	754	457.1
Agriculture and Domains .	110.8	96.6	103.5	57.8	69.6	48.4
Public Works and Compul- sory Labour . . . . .	327.1	237.4	295.6	147.6	170.5	123.8
General Directorate of Rail- ways and Harbours . .	358.3	274.9	336.5	146.2	194.3	118.8
Posts, Telegraphs and Tele- phones . . . . .	51	47.3	51.1	28.7	35.3	21.4
Aviation . . . . .	215.8	206.7	214.9	128.7	135.3	106.4
Extraordinary budgets for previous financial years .	33.4	29.9	36	19	21.9	14.7
Supplementary war credits	8.7	11.8	—	9.6	—	4.2
Expenditure not yet entered	165.4	155.4	—	127.1	—	57.6
	158.6	—	—	—	—	17.2
<b>Total . . . . .</b>	<b>6,850.2</b>	<b>6,102.8</b>	<b>5,998</b>	<b>4,081.5</b>	<b>3,730.6</b>	<b>3,486.5</b>
<b>B. Railways and Harbours . .</b>	<b>1,255.7</b>	<b>1,264.1</b>	<b>1,300</b>	<b>770.8</b>	<b>849</b>	<b>687.3</b>
<b>Total expenditure paid . .</b>	<b>8,105.9</b>	<b>7,366.9</b>	<b>7,298</b>	<b>4,852.3</b>	<b>4,579.6</b>	<b>4,173.8</b>
<b>Expenditure in suspense .</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>429.7</b>	<b>—</b>	<b>1,244.3</b>
<b>Grand Total . .</b>	<b>8,105.9</b>	<b>7,366.9</b>	<b>7,298</b>	<b>5,282</b>	<b>4,579.6</b>	<b>5,418.1</b>
<b>Budget Deficit . .</b>	<b>1,366.1</b>	<b>930.6</b>	<b>—</b>	<b>274.1</b>	<b>—</b>	<b>755.7</b>

(b) REVISED MONTHLY ESTIMATES AND RESULTS OF THE LAST THREE MONTHS.

(In millions of leva.)

REVENUE	1932-33 One- twelfth of the budget voted	November			December			January		
		1931-32		1932-33	1931-32		1932-33	1931-32		1932-33
		Results	Monthly budget	Results	Results	Monthly budget	Results	Results	Monthly budget	Results
<i>A. State Budget.</i>										
Direct taxes . . .	56.3	26.7	42	16.2	28.4	30	25.3	35.2	30	20.6
Indirect taxes . . .	213.8	109.3	195	107.4	105.8	200	100.3	86.7	195	91.3
Customs duties . . .		81.3		77.2	93.1		79.4	65.6		59
Other duties . . .	54.7	48.1	48	41.3	49.6	45	46	38	45	36
Fines and confis- cations . . . . .	6.2	5.3	6	4.3	4.5	5	6.6	4.8	4	3.6
Railway annuity . .	10.4	102.8	10.4	—	—	10.4	125.1	—	10.4	—
Posts, Telegraphs and Telephones . .	32.6	19.6	28	21.8	19.3	25	19.9	20	25	19.4
State domains and capital . . . . .	38.7	31.5	35	63.7	10.8	40	25.2	13.5	40	8.4
Contributions of communes towards teachers' salaries .	31.7	1	28	1.6	67	35	15	22	28	10.3
Miscellaneous revenue . . . . .	39.8	96.1	40	49.7	193.8	35	79.5	64	32	17.6
Revenue from closed financial years . .	15.8	17.6	20.6	13	19	24.6	17.3	19.2	20.6	11.6
Total . . . . .	500	539.3	453	396.2	591.3	450	539.6	369	430	277.8
<i>B. Budget of Railways and Harbours . .</i>										
	116.1	117.3	120	99	89.8	130	78.3	77.8	120	57.8
Grand Monthly Total	616.1	656.6	573	495.2	681.1	580	617.9	446.8	550	335.6
<i>EXPENDITURE</i>										
<i>A. State Budget.</i>										
Head of State . . .	5.5	6.5	6.5	4.9	7.6	4.9	11.2	3.1	3	5.2
Public Debt . . . .	168.2	145.4	115	93.1	236.9	125	173.7	202.3	130	150.1
Audit Offices . . . .	1.5	1.8	1.3	1.8	1.3	1.2	1.6	1.3	—	0.5
Foreign Affairs and Public Worship . .	8.3	16.6	7.5	12.8	2.3	8	8.2	19.1	6	11.2
Bulgarian Orthodox Church . . . . .	3.7	3.3	3.7	2.7	0.9	4.5	5.3	3.8	3.5	4
Interior . . . . .	20.5	22.2	18.5	25	18.7	17	20	26.2	17	14.1
Public Health . . . .	12.5	8.2	10	10.7	7.6	8	9.9	10.6	9	5.2
Education . . . . .	74.2	101.9	72	88.6	92.3	71	77.9	70.4	65	49.4
Finance . . . . .	15.5	11.5	14	18.6	11.7	13	14.5	15.8	13	9.5
Justice . . . . .	17.5	21.9	15	16.2	16.7	19	13.1	14	16	12.5
War . . . . .	85.9	72.8	78	88.3	77.9	82	52.1	73.1	72	53.8
Commerce . . . . .	8.6	11.3	8	8.5	7	8	8.4	7.7	7	3.8
Agriculture and Domains . . . . .	24.6	15.7	17.5	20.5	24.5	20	26.5	19	18	12.5
Public Works and Compulsory Labour . . . . .	28.1	20.3	24	22.2	19.2	25	21.1	17.4	23	12.4
General Directorate of Railways and Harbours . . . . .	4.3	3.7	5	5.3	3.9	5.4	2.5	3.7	5	2.5
Posts, Telegraphs and Telephones . .	17.9	14.5	16.5	22.6	21.4	16	15.9	19.8	11	10.7
Aviation . . . . .	3	3.4	2.5	2.6	4	2	2.4	0.3	1.5	1.2
Extraordinary bud- gets for previous financial years . .	—	—	—	0.5	0.6	—	0.2	1	—	—
Supplementary war credits . . . . .	—	7.8	—	7.1	20.8	—	2.1	15.8	—	8.6
Expenditure not yet entered . . . . .	—	—	—	1.6	—	—	+14.2	—	—	5.5
Total . . . . .	499.8	488.8	415	450.4	575.3	430	480.8	524.4	400	372.7

(b) REVISED MONTHLY ESTIMATES AND RESULTS  
OF THE LAST THREE MONTHS (cont.)

(In millions of leva.)

EXPENDITURE	1932-33 One- twelfth of the budget voted	November			December			January			
		1931-32		1932-33		1931-32		1932-33		1931-32	
		Results	Monthly budget	Results	Results	Monthly budget	Results	Results	Monthly budget	Results	
B. Budget of Railways and Harbours . . .	108.3	202.1	100	99.7	131.1	110	195.5	71.2	100	38.1	
Total expenditure paid . . . . .	608.1	690.9	515	550.1	706.4	540	676.3	595.6	500	410.8	
Expenditure in sus- pense (increase or decrease during the month) . . .	—	-198.3	—	-129.7	-158.4	—	+163	+90.7	—	+88.4	
Grand Monthly Total	608.1	492.6	515	420.4	548	540	839.3	686.3	500	499.2	

(c) DETAILED STATEMENT OF THE RECOVERY OF THE DIRECT TAXES,  
AS AT JANUARY 31ST, 1933.

TAXES	Amounts assessed (por- tion payable = 100 per cent)	Amounts recovered	Percentage of the recovery in relation to amounts payable
		(Millions of leva)	
I. Land tax . . . . .	200	16.6	8.3
II. Scholar taxes on incomes . . . . .	210	134.6	64
III. Tax on total income . . . . .	30	12.1	40
IV. Corporation tax . . . . .	40	17.8	44
V. Tax on buildings . . . . .	25	9.8	39
VI. Tax on war profits . . . . .	0.08	0.04	—
VII. Tax on sheep and goats . . . . .	60	54.5	90
VIII. Tax on exemption from personal service.	45	22.7	50
IX. Military tax . . . . .	35	15.4	44
X. Tax on successions . . . . .	30	19.1	63
Taxes at the close of the financial year . .	1,200	120	44 7

<sup>1</sup> Remains to be collected at the beginning of the financial year.

(d) TREASURY SITUATION FOR THE FINANCIAL YEAR 1932-33.

	First half-year	Third quarter	January
		(Millions of leva)	
Balance at the beginning of the half-year, quarter or month of the Treasury accounts with the National Bank . . . . .	0	15.8	99.6
<i>Receipts.</i>			
General budget . . . . .	2,366.3	1,383.6	277.8
Railways and Harbours . . . . .	598.1	314.3	57.8
Extra-budgetary receipts . . . . .	39.5	27	—
Profits on seigniorage . . . . .	100	—	—
Additional issues of Treasury Bonds . . . . .	135.6	143.3	—
Withdrawals to be regularised out of the "funds".	28.9	—	—
Total . . . . .	3,268.4	1,884	435.2

(d) TREASURY SITUATION FOR THE FINANCIAL YEAR 1932-33 (cont.).

	Third quarter	January
	(Millions of leva)	
<i>Expenditure.</i>		
Withdrawals for account of the preceding financial year . . . . .	—	
General budget . . . . .	1,372.4	372.7
Railways and Harbours . . . . .	412	38.1
Expenditure out of extra-budgetary receipts . . . . .	—	3.6
Balance at the end of the half-year, quarter or month of the Treasury accounts with the National Bank . . . . .	99.6	20.8
Total . . . . .	1,884	435.2
Balance at the end of the half-year, quarter or month of the payment orders in suspense (salaries, pay, pensions, supplies, etc.) approximately . . . . .	1,244.3	1,332.7
Approximate net deficit . . . . .	1,144.7	1,311.9

(e) SUMMARY OF THE PROFIT-AND-LOSS ACCOUNT OF THE BULGARIAN STATE RAILWAYS FOR THE FINANCIAL YEAR 1930-31. <sup>1</sup>

A. EXPENDITURE.

	Millions of leva
I. Deficit on operation . . . . .	—
II. Funded debts:	
Interest . . . . .	130.9
Amortisation (1928 7½% loan) . . . . .	1.3
	132.2
III. Non-funded debts . . . . .	—
IV. Amortisation:	
Value of material destroyed . . . . .	1.4
V. Payments into special funds:	
Renewals Fund . . . . .	166.7
Fire Insurance Fund . . . . .	2.1
	168.8
VI. Miscellaneous . . . . .	0.4
	302.8

B. RECEIPTS.

I. Surplus on operation . . . . .	214.6
II. Interest on capital sunk in constructions . . . . .	20.4
III. Withdrawals from Renewals Fund . . . . .	36.9
IV. <i>Net deficit</i> . . . . .	30.9
	302.8

<sup>1</sup> See the eighteenth report, page 17, for an explanation of the various items of the initial balance-sheet of April 1st, 1930. See also the twenty-first report, pages 14 to 18, balance-sheet and profit-and-loss account for the financial year 1929-30.

Appendix 2.

POSITION OF THE PUBLIC DEBT.

A. STATE DEBT.

	At October 31st, 1932	At January 31st, 1933
	(Millions of leva)	
<i>Funded debt:</i>		
Internal . . . . .	5,314	5,316
External . . . . .	16,080	16,144
Charges under the Peace Treaty . . . . .	4,579	4,593
<i>Floating debt:</i>		
Internal (Treasury Bonds) . . . . .	775.6	878.9
External . . . . .	—	—
Total . . . . .	26,748.6	26,931.9

B. DEBT GUARANTEED BY THE STATE.

Internal . . . . .	1,950	2,031
External . . . . .	1,320	1,168.5
Total . . . . .	3,270	3,199.5

Appendix 3.

(a) STATEMENTS OF THE NATIONAL BANK.

		End of				
		First quarter	Second quarter	Third quarter	Fourth quarter	On January 31st, 1933
		(Millions of leva)				
Notes in circulation . . . . .	1932	2,797	2,628	2,773	2,634	2,426
	1931	3,129	3,283	3,335	2,919	
Sight liabilities . . . . .	1932	1,552	1,650	1,478	1,598	1,663
	1931	1,445	1,439	1,233	1,397	
Including bank deposits . . . . .	1932	810	903	831	975	1,086
	1931	1,116	1,097	939	1,034	
Gold . . . . .	1932	1,513	1,515	1,517	1,519	1,520
	1931	1,471	1,501	1,509	1,511	
Net stock of foreign ex- change . . . . .	1932	207	223	155	123	48
	1931	598	514	286	257	
Bill holdings . . . . .	1932	281	273	255	231	205
	1931	253	277	405	342	
Advances to State (Trea- sury Bonds) . . . . .	1932	279	282	370	423	393
	1931	162	224	244	279	
Other advances . . . . .	1932	167	164	152	196	128
	1931	207	190	217	237	
Investments . . . . .	1932	309	305	304	290	288
	1931	318	324	327	317	
State debt . . . . .	1932	2,965	2,965	2,945	2,903	2,873
	1931	3,064	3,064	3,051	2,995	
Discount rate percentage . . . . .	1932	9½	8	8	8	8
	1931	9	8½	9½	9½	
Cover percentage . . . . .	1932	35.73	36.15	35.87	36.07	37.54
	1931	37.74	37.18	34.72	37.69	

(b) COMPARATIVE TABLE OF THE PROFITS AND LOSSES OF THE NATIONAL BANK OF BULGARIA DURING THE YEARS 1930, 1931 AND 1932.

	1930	1931	1932
	(Millions of leva)		
RECEIPTS.			
Interest, commission and miscellaneous . . . . .	197.6	151.6	140.3
Interest on assets abroad . . . . .	11.3	6.9	0.4
Profits on foreign exchange operations . . . . .	56.5	50.0	51.7
Total . . . . .	265.4	208.5	192.4
EXPENDITURE.			
Salaries of staff . . . . .	122.4	116.6	104.3
General expenditure . . . . .	42.0	33.7	30.2
Interest . . . . .	11.1	13.2	14.9
Depreciation of furniture and buildings and miscellaneous . . . . .	6.5	5.8	11.1
Net profit . . . . .	83.3	39.1	31.9
Total . . . . .	265.4	208.5	192.4

(c) PROFIT-AND-LOSS ACCOUNTS OF THE CENTRAL AGRICULTURAL BANK OF BULGARIA.

COMPARATIVE RESULTS OF 1932 AND 1931.

(In millions of leva.)

	1932	1931	Difference		1932	1931	Difference
<i>Losses.</i>				<i>Profits.</i>			
General expenditure . . . . .	108	114	— 6	Interest:			
Amortisation . . . . .	3	27	— 24	(a) Due and received	445	440	+ 5
Interest:				(b) Due and not received . . . . .	514	363	+ 151
(a) Paid or capitalised . . . . .	363	317	+ 46	Commission . . . . .	8	7	+ 1
(b) Set off against (b) on the profit side . . . . .	405	254	+ 151				
(c) Due on various loans, etc. . . . .	44	42	+ 2				
Net profits . . . . .	44	57	— 13				
	967	811	+ 156		967	811	+ 156

Appendix 4.

ECONOMIC SITUATION.

(a) LAW ON THE ENCOURAGEMENT OF RICE CULTIVATION IN BULGARIA.

The Agricultural Bank is entrusted with the purchase of the raw rice of the 1932 crop, up to 3 million kilogrammes at the rate of 5 leva per kilogramme, from farmers cultivating land not exceeding certain areas. The rice must be stored free of charge by the cleaning mills for account of the Bank; it is granted reduced rates of transport and it must be cleaned at the request of the Bank at a price fixed by the administrative authorities. Any person who has purchased



raw rice from a producer at a rate lower than 5 leva must make up the difference to him before March 1st, 1933. A charge of 0.8 lev per kilogramme is to be paid on the cleaned rice on leaving the mill in favour of the Agricultural Bank, in order to cover any losses which the Bank may incur through its action.

When this law was promulgated, the market price of raw rice was 3 to 3.5 leva per kilogramme and 8 to 9 leva after cleaning. The latter price is now 12 to 14 leva, while Italian rice is offered at 7 leva. In order to keep up internal prices, the Agricultural Bank therefore contemplates exporting its purchases at a loss. The official figures of production (average 1927-1931 = 10,300 tons, 1931 = 9,060 tons, 1932 = 8,950 tons) and of consumption (about 10,000 tons per annum) show that there is normally no surplus.

(b) FOREIGN TRADE.

(In millions of leva.)

	Imports			Exports			Balance		
	1930	1931	1932	1930	1931	1932	1930	1931	1932
January . . .	—	297	247	—	390	307	—	+ 93	+ 60
February . .	—	309	258	—	347	284	—	+ 38	+ 26
March . . . .	—	374	345	—	582	271	—	+ 208	— 74
April . . . .	—	451	337	—	684	322	—	+ 233	— 15
May . . . . .	—	507	373	—	746	292	—	+ 239	— 81
June . . . . .	—	483	274	—	359	208	—	— 124	— 66
July . . . . .	—	441	237	—	335	144	—	— 106	— 93
August . . . .	—	396	275	—	376	192	—	— 20	— 83
September . .	—	359	259	—	503	247	—	+ 144	+ 12
October . . . .	—	380	283	—	532	360	—	+ 152	+ 77
November . . .	—	352	295	—	692	336	—	+ 340	+ 41
December . . .	—	311	288	—	388	420	—	+ 77	+ 132
The entire year	4,590	4,660	3,471	6,191	5,934	3,383	+ 1,601	+ 1,274	— 88
January 1933.			232			135			— 97

*Movement of the Principal Export Commodities in 1931, 1932 and January 1933.*

	Weight (thousands of tons)		Value (millions of leva)			
	1931	1932	1931	1932	January 1932	January 1933
Wheat and flour . . . . .	263.9	194.7	700	512	51	4
Maize . . . . .	135.1	168.2	295	292	31	11
Beans . . . . .	14.9	28.9	58	76	3	3.5
Sunflower seeds . . . . .	22.6	26.8	60	81	2	—
Vetch . . . . .	21.4	14.8	78	54	5	1
Oil-seed waste . . . . .	35.1	30.5	91	56	2.6	4.8
Tobacco . . . . .	24.6	20.5	2,580	1,078	144.7	72.5
Charcoal . . . . .	17.8	10.5	33.2	16.7	0.7	—
Essence of roses (kgs.) . . . .	1,326	919	85.1	38	1.3	3.8
Cocoons . . . . .	0.4	0.1	42.4	11.6	2.7	—
Nuts . . . . .	1.1	1.1	22	12.3	0.2	0.2
Poultry (number) . . . . .	1,139,018	1,103,027	52.8	46.6	0.3	1.7
Dead poultry (weight) . . . . .	1.8	1.3	86.8	84.2	9	6.4
Cheese . . . . .	1.4	1.2	52.9	41.2	2.6	3.9
Eggs . . . . .	22.4	18.8	850	624	12.3	12.5
Raw hides and skins . . . . .	1.5	1.2	122.1	79.7	3	1.4

*Destination of Bulgarian Exports in 1930, 1931 and 1932 (Percentage).*

	1930	1931	1932
Germany . . . . .	26.2	29.5	26.0
Poland . . . . .	10.2	8.3	5.2
Italy . . . . .	8.3	5.8	12.5
Austria . . . . .	7.7	16.7	15.0
Czechoslovakia . . . . .	6.4	4.6	3.1
France . . . . .	5.2	3.9	2.7
Belgium . . . . .	4.9	8.6	8.9
Switzerland . . . . .	4.2	5.2	6.5
Netherlands . . . . .	3.3	2.9	4.2
Egypt . . . . .	2.7	2.0	2.3
United Kingdom . . . . .	2.0	1.0	2.5
Other countries . . . . .	18.9	11.5	11.1
Total . . . . .	100	100	100

(c) FOREIGN EXCHANGE: SALES AND PURCHASES BY THE NATIONAL BANK.

(In millions of leva.)

	1932					1933
	First quarter	Second quarter	Third quarter	Fourth quarter	Total	January
<i>Purchases.</i>						
(a) Exports . . . . . (including credits to clearing accounts) . . . . .	742 (73)	636 (174)	488 (149)	630 (270)	2,496 (666)	(38)
(b) Assets purchased from foreigners . . . . .	117	87	80	126	410	
(c) Purchases as a result of compulsory declarations . . . . .	49	6	15	—	70	
(d) Purchases with the option of redemption . . . . .	7	10	4	1	22	
(e) Purchases from the State . . . . .	70	4	6	18	98	
(f) Miscellaneous and revaluation of assets . . . . .	38	34	39	33	144	
Total purchases . . . . .	1,023	777	632	808	3,240	118
<i>Sales</i>						
(a) Imports . . . . . (including debits to clearing accounts) . . . . .	642 (23)	432 (128)	438 (173)	515 (285)	2,027 (609)	(75)
(b) Students and tourists . . . . .	28	31	23	45	127	
(c) Public Debt . . . . .	223	105	87	88	503	
(d) Other State requirements . . . . .	25	41	39	63	168	
(e) Interest on foreign credits and capital . . . . .	19	15	8	21	63	
(f) Withdrawals of foreign credits and capital . . . . .	26	45	11	35	117	
(g) Foreign exchange sold with the option of redemption . . . . .	50	17	39	8	114	
(h) Miscellaneous and revaluation of assets . . . . .	61	75	55	65	256	
Total sales . . . . .	1,074	761	700	840	3,375	192
Balances . . . . .	— 51	+ 16	— 68	— 32	— 135	— 74
Percentage of foreign exchange passing through clearing or blocked accounts:						
Exports . . . . .	10	27	30	43	26	
Imports . . . . .	4	30	39	55	30	

(d) FOREIGN TRADE AND MOVEMENT OF FOREIGN EXCHANGE.

(In millions of leva.)

Period	Exports according to statistics	Foreign exchange obtained from exports	Percentage	Imports according to statistics	Foreign exchange supplied for imports	Percentage
1931 . . . . .	5,934	4,190	71	4,660	3,590	77
1932:						
First quarter . . . . .	862	742	86	850	641	75
Second quarter . . . . .	822	636	77	984	432	44
Third quarter . . . . .	583	488	84	771	438	57
Fourth quarter . . . . .	1,116	630	56	866	515	59
Entire year . . . . .	3,383	2,496	74	3,471	2,026	58
January 1933 . . . . .	135	77	57	232	140	60

(e) PRODUCTION.

*Movement of Workmen in Industrial Undertakings.*

Kind of industry	Numbers employed in		
	December 1930	December 1931	December 1932
Coal mines . . . . .	8,697	9,784	10,115
Textile industry . . . . .	14,003	15,761	18,084
Wood and furniture industry . . . . .	2,435	2,116	1,903
Metal industry . . . . .	3,889	3,680	4,526
Chemical industry . . . . .	2,191	3,425	3,632
Food and beverage industry . . . . .	6,146	4,617	5,320
Cigarette factories and tobacco warehouses . . . . .	20,444	19,542	19,551
Clothing, boots and shoes, toilet articles . . . . .	840	1,080	2,254
Electrical industry . . . . .	716	1,248	1,302
Miscellaneous . . . . .	8,706	9,146	9,753
Totals . . . . .	68,067	70,399	76,440

(f) TRANSPORT BY RAIL.

Monthly averages	Passengers (thousands)	Goods (thousands of tons)	Total receipts (millions of leva)
1930 . . . . .	712	384	101
1931 . . . . .	668	366	99
First quarter 1932 . . . . .	506	438	76
Second quarter 1932 . . . . .	632	647	94
Third quarter 1932 . . . . .	815	878	110
Fourth quarter 1932 . . . . .	558	743	102
1932 . . . . .	627	676	95

(g) WHOLESALE PRICE INDEX NUMBERS (1914 = 100).

1929 . . . . .	3,205	June 1932 . . . . .	1,875
1930 . . . . .	2,585	September 1932 . . . . .	1,822
1931 . . . . .	2,042	December 1932 . . . . .	1,799
March 1932 . . . . .	1,866	1932 . . . . .	1,852
January 1933 . . . . .		January 1933 . . . . .	1,764

Appendix 5.

(a) POSITION OF THE SPECIAL ACCOUNT OF THE 7% REFUGEE SETTLEMENT LOAN OF 1926, AS AT JANUARY 31ST, 1933.

	£	\$	Leva
Nominal amount . . . . .	2,400,000	4,500,000	
Proceeds of amounts released . . . . .			1,530,444,274
Equivalent in leva of half-year's reserve . . . . .			83,851,875
			<hr/>
Of which was given to the Directorate for the Settlement of Refugees . . . . .			1,614,296,149
			<hr/>
Balance available in deposit with the National Bank . . . . .			20,471,847

(b) ANNUAL BALANCE-SHEET OF EXPENDITURE EFFECTED OUT OF THE PROCEEDS OF THE REFUGEE SETTLEMENT LOAN, AS ON DECEMBER 31ST, 1932.

	Expenditure	Receipts
	(In leva)	
A. Amounts placed at the disposal of the Directorate for the Settlement of Refugees . . . . .		1,610,064,310 <sup>1</sup>
B. Settlement expenditure entered on December 31st, 1932:		
I. <i>Preparation of land:</i>		
(a) Survey . . . . .	21,800,765	
(b) Tillage . . . . .	19,327,790	
(c) Clearing . . . . .	36,620,628	
	<hr/>	
		77,749,183
II. <i>Distribution of seeds:</i>		
(a) Seed . . . . .	74,891,695	
(b) Copper sulphate . . . . .	77,119	
(c) Vine plants . . . . .	198,992	
	<hr/>	
		75,167,806
III. <i>Distribution of cattle:</i>		
(a) Purchase price . . . . .	169,060,747	
(b) Insurance . . . . .	7,443,432	
	<hr/>	
		176,504,179
IV. <i>Distribution of agricultural material:</i>		
(a) Ploughs . . . . .	14,061,112	
(b) Harrows . . . . .	2,486,777	
(c) Carts . . . . .	54,973,791	
(d) Fishing articles . . . . .	6,964,472	
(e) Insurance . . . . .	67,618	
	<hr/>	
		78,553,770
V. Construction of buildings . . . . .		657,353,224
VI. <i>Draining of marshes:</i>		
(a) Ghigen dyke (Kara-boas) . . . . .	49,313,260	
(b) Messemvria pond . . . . .	19,230,866	
(c) Straldja pond . . . . .	21,196,657	
(d) Mandra pond . . . . .	21,970,163	
	<hr/>	
		111,710,946
Carried forward . . . . .	1,177,039,108	<hr/>
		1,610,064,310

<sup>1</sup> Including 16,240,008 leva, being the equivalent of £24,144 os. *id.* directly used to pay for supplies of material for the Rakowski-Mastanla Railway.

	Expenditure	Receipts
	(In leva)	
<i>Brought forward</i> . . . . .	1,177,039,108	1,610,064,310
VII. <i>Means of communications:</i>		
(a) Rakowski-Mastanla Railway . . . . .	300,000,000	
(b) Roads:		
1. Vassiliko-Bourgas . . . . .	3,959,882	
2. Elhovo-Kavakli . . . . .	1,405,213	
3. M. Tirново- Bourgas . . . . .	5,173,368	
4. Béla-Varna . . . . .	2,667,934	
5. Sinapli-Elhovo . . . . .	715,597	
	313,921,994	
VIII. <i>Health:</i>		
Anti-malaria campaign . . . . .	15,531,534	
Anti-syphilis campaign . . . . .	2,629,371	
	18,160,905	
IX. <i>Village improvements:</i>		
Water supply . . . . .	32,198,129	
C. <i>Settlement expenditure not yet entered:</i>		
(a) Seed and cattle . . . . .	8,509,054	
(b) Allocation of land . . . . .	165,675	
(c) Construction of buildings . . . . .	499,255	
(d) Legal deposits . . . . .	99,000	
(e) Draining of marshes . . . . .	6,284,839	
(f) Health . . . . .	80,000	
(g) Water supply . . . . .	3,461,183	
	19,079,006	
D. <i>General expenditure</i> . . . . .	52,694,750	
Excess of expenditure to be covered from the next amount released . . . . .		3,029,582
	1,613,093,892	1,613,093,892

**Appendix 6.**

POSITION OF THE SPECIAL ACCOUNT OF THE 7½% STABILISATION LOAN OF 1928,  
AS AT JANUARY 31ST, 1933.

Net yield of the loan . . . . .	£1,616,713 13s.	
	\$11,910,750	
	French francs 116,350,000	
		Leva
Equivalent in leva . . . . .		3,365,065,553
Interest payments . . . . .		5,000,000
		3,370,065,553
Amount utilised up to January 31st, 1933 . . . . .		3,355,427,028
Surplus available on deposit with the National Bank . . . . .		14,638,525







