

Geneva, June 24th, 1933.

LEAGUE OF NATIONS

TWENTY-SEVENTH REPORT
of the Commissioner of the League of Nations in Bulgaria.

Quarter from February 15th to May 15th, 1933.

CONTENTS.

	Page
INTRODUCTION	2
I. BUDGET:	
(a) Provisional Results of the 1932-33 Budget	2
(b) Draft Budget for 1933-34	3
(c) Treasury Situation	4
(d) Cereals Directorate	4
II. PUBLIC DEBT	5
III. CURRENCY, CREDIT, AND ECONOMIC SITUATION:	
(a) National Bank of Bulgaria	5
(b) Foreign Trade	6
(c) Private Banks	6
IV. INDUSTRY:	
(a) General	6
(b) Electrical Industry	6
(c) Legislation	7
V. CO-OPERATIVE MOVEMENT	7
VI. SETTLEMENT OF BULGARIAN REFUGEES	8
VII. 1928 7½% STABILISATION LOAN	9
APPENDICES:	
1. Budget:	
(a) Analysis of the Annual Budgetary Accounts	10
(b) Revised Monthly Estimates and Results of the Last Three Months	11
(c) Details of Situation with regard to the Recovery of Direct Taxes	11
(d) Treasury Situation	12
2. Public Debt:	
Position of the Public Debt	12

	Page
3. Currency, Credit, and Economic Situation:	
(a) Statements of the National Bank of Bulgaria	13
(b) Foreign Trade: Monthly figures	13
(c) Foreign Trade: Destination and Origin	13
(d) Foreign Trade: Principal Export Commodities	14
(e) Foreign Exchange: Purchases and Sales by the National Bank	14
(f) Foreign Trade and Movement of Foreign Exchange	15
(g) Position of Private Banks	15
(h) Analysis of the Amendment to the Law on the Protection of Savings Deposits	16
4. Industry:	
(a) Movement of Workers in Industrial Undertakings	16
(b) Transport by Rail	17
(c) Wholesale Prices	17
(d) Analysis of the Law on the Production of Attar of Roses	17
5. Co-operative Movement:	
Number, Composition, Assets, and Liabilities of Co-operative Societies operating in 1931	18
6. Settlement of Bulgarian Refugees:	
Position of the Special Account of the 1926 7% Loan	18
7. 1928 7½% Stabilisation Loan:	
Position of the Special Account	18

INTRODUCTION.

A report to the Council on Bulgaria (document C.268.M.138.1933.II.A), drawn up by the Financial Committee at the close of its forty-ninth session, contains as an annex two notes—one prepared by the League's Commissioner in Bulgaria, and the other by the Adviser to the National Bank of Bulgaria. These notes describe the situation of the budget, the Treasury, currency and credit, the economic situation of the country, and the position of the Government's industrial policy at April 15th, 1933. The present report will deal solely with events and changes that have occurred and further information that has been obtained between that date and May 15th, 1933.

1. The execution of the 1932-33 budget is being completed under the unfavourable conditions already described, and the financial year will close with a real deficit in the neighbourhood of 1,300 million leva.

2. The draft budget for 1933-34 is still under discussion, although the financial year began on April 1st last. The Government has so far maintained that it intends to include the increased revenue, economies and other legislative measures details of which were given by it to the Financial Committee at the latter's May session.

3. The Treasury is still heavily in debt, but the arrangements made between the Government and the Financial Committee are being carried out.

4. The difficulties in the way of the transfer of the foreign public debt service have not become any less acute. Moreover, in the eyes of the Government, the budgetary situation justifies the raising of the payment problem itself. The resumption of negotiations with creditors is imminent.

5. Notwithstanding a recent seasonal improvement, the foreign trade balance remains unfavourable.

6. Further instances have been brought to light of the regrettable results of Government intervention in the sphere of production and trade.

The present report has been drawn up with the help of Dr. Kœstner, Adviser to the National Bank of Bulgaria.

I. BUDGET.

(a) *Provisional Results of the 1932-33 Budget.*

Appendix 1 (a) gives particulars of these results up to April 30th, 1933, and shows a provisional deficit of 1,075 million leva at that date. As foreshadowed in the note of April 15th, 1933, the financial year ending on June 30th, 1933, seems likely to close with a real deficit in the neighbourhood of 1,300 millions.

(b) *Draft Budget for 1933-34.*

This draft had not yet been voted at the time the present report was drawn up. The budgetary estimates submitted to Parliament are given in Appendix 1 (a).

At its last session, the Financial Committee took note of a statement by the Bulgarian Government giving details of a scheme of financial restoration adopted by that Government. The progress made in carrying out this scheme should be now analysed:

The Bulgarian Government affirmed its decision:

“(1) *To obtain the vote, before June 30th, 1933, of a State budget making provision, as compared with the probable provisional results of the financial year 1932-33, on the one hand for 560 millions of new revenue or increases in existing items of revenue, and, on the other hand, for 300 millions of economies on different budgetary items other than the service of the foreign debt . . .*”

In all probability, the draft budget for 1933-34 will be voted before the date stipulated. At the present time, both revenue and expenditure amount to 5,305 million leva, of which 65 millions were hitherto included in the departmental budgets, but have now been transferred to the State budget as a result of the abolition of certain councils-general. The actual total of the State budget must therefore be reduced to 5,240 millions in order to render it comparable with previous results.

On April 30th, 1933, the revenue for the financial year 1932-33 amounted to 4,721 millions, and for the whole year will probably amount to 4,750. The increased revenue provided for in the draft budget would thus amount to 490 millions. The Finance Minister is convinced that this increase will actually amount to considerably more than 560 millions, as his estimates are intentionally low.

As regards expenditure, no precise data are yet available as to either the present or the probable final results for the financial year 1932-33. It would appear, however, that, in the credits provided in the draft budget for 1933-34, the 300 millions of economies to be effected on items other than the foreign debt have been adhered to.

As regards this latter item (see below: Public Debt), the credit has been calculated in principle at the rate of 25 per cent of the sums required for the payment of interest only on foreign loans, the balance to be paid, if necessary, from extra-budgetary sources. The drawback to this decision is that it has not yet been accepted by the creditors concerned. The Government accordingly proposes to make an amendment to the Finance Act to the effect that the credit in question is expressed by a provisional figure which will subsequently be reviewed and brought into line with the agreements concluded with the holders.

“(2) (2)

“(3) *To strengthen the control over the execution of the budget, hitherto found to be inadequate, by establishing previous control by the Finance Minister of all commitments and of all laws of a financial or economic character or relating to credit . . . the said control to apply to all services of the State, departments, communes and autonomous public bodies.*”

The Finance Minister's control over the execution of the State budget is instituted or strengthened in accordance with the foregoing principles by three articles in the present draft budget. As regards his control over the services of departments, communes and autonomous public bodies, an additional provision is in preparation, and is to be inserted as an amendment.

“(4) *To secure, before June 30th, 1933, the vote of:*

“(a) *A law establishing statutory regulations affording to officials of the financial services the requisite safeguards in connection with appointments, stability of tenure and promotion;*

“(b) *An amendment to the present law on public accountancy making it possible to treat the monthly budgets as authorisations for payments of expenses;*

“(c) *Special legal provisions to guarantee the punctual payment of salaries and pensions in the future, whether by giving such expenditure priority over other expenditure or by earmarking revenue for this purpose;*

“(d) *Legal provisions establishing a sinking fund to deal with arrears of salaries and pensions, on the lines laid down by paragraph ad 4(d) of the Financial Committee's report.*” (Document C.268.M.138.1933.II.A.)

As regards the preparation of the texts giving effect to these various undertakings, the Finance Minister, in agreement with the Prime Minister, has decided to avail himself of the services of the Committee set up in accordance with the recommendations in the above-mentioned report of the Financial Committee, to ask its opinion as to future normal issues of Treasury bills. This Committee consists of the Director of the Public Debt, the Governor of the National Bank, the Adviser to that Bank, and the League's Commissioner. It unanimously adopted and

submitted to the Finance Minister texts covering points (b), (c) and (d) above, which will be inserted in the budgetary law. It also studied the draft law mentioned in point (a).

“ (5)

“ (6) *To establish without delay, under the immediate authority of the Finance Minister, a supervisory organisation, consisting of a small number of officials chosen with special care, in connection with the assessment and collection of taxes, with the duty of proposing all necessary improvements in the organisation of the above services and of exercising permanent supervision over the operation of these services. . . .*”

The draft budget of the Finance Ministry includes the credit necessary for the constitution of a small supervisory organisation.

The draft autonomous budget for railways and harbours, which is separate from the State budget examined above, has been drawn up, with a present estimate of revenue of 1,381 millions and expenditure of 1,190 millions. Not even the provisional results of the financial year 1932-33 are exactly known as yet, but it seems certain that the revenue will not exceed 1,120 millions, while the expenditure will exceed that figure. There will thus be a working deficit, which will result in a still larger net deficit.

(c) *Treasury Situation.*

The Treasury situation (see Appendix I (d)), as at April 30th, 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 financial	
Treasury bills	406.9	year 1931-32	863.2
Extra-budgetary receipts for		Present deficit for 1932-33	1,074.8
1932-33	66.5	Provisional deficit for 1933-34	161.1
Extra-budgetary receipts for		Balance of the Treasury accounts	
1933-34	12.6	with the National Bank	7.7
Payment orders in suspense for			
1932-33	1,147		
Payment orders in suspense for			
1933-34	373.8		
	2,106.8		2,106.8

The net Treasury deficit, which on January 31st amounted to approximately 1,300 millions, rose to 1,430 millions by March 31st, then to 1,513 by April 30th, notwithstanding the issue, during the three months under review, of new Treasury bills for a sum of 128 millions, subscribed from the account “ Non-transferred service of the foreign debt ”. This deficit is met solely out of payment orders in suspense, which must cover three months’ arrears of salaries and wages, and pensions due for the quarter ending April 1st, in addition to goods supplied to the State. Some of these orders were issued in respect of the financial year 1933-34, but the first receipts for that year were applied to expenditure from the previous year.

In accordance with the Government’s restoration scheme, approved by the Financial Committee, 200 millions due to State suppliers and included in the above-mentioned payment orders will be consolidated by the issue of five-year Treasury bonds, for the service of which a credit has been provided in the public debt budget.

As regards arrears due to officials and pensioners, the sinking fund proposed by the Government and approved by the Financial Committee is to be established by a provision to be embodied in the Finance Act (see above: Draft Budget for 1933-34). In accordance with the draft drawn up by the special Advisory Committee, this fund will also provide for a gradual return to the punctual payment of current salaries, wages and pensions. With that object, it will be credited with: (1) the proceeds of arrears of taxation recovered; (2) 2 per cent of the State’s gross revenue, exclusive of recovered arrears; (3) a sum drawn monthly from the State revenue, equal to the amount of salaries for the month plus one-third of the current quarterly outlay for pensions; (4) the proceeds of any Treasury operations authorised by the special Committee. As soon as the net assets of the fund, less the sum required for the payment of the quarter’s pensions, amount to one month’s salaries and wages, they will be distributed among the persons entitled thereto.

As regards the payment of compensation for expropriation, which has also been considered in the Government’s scheme and the Financial Committee’s report, but has not yet been regulated, this matter has been dealt with in a Bill based on the proposals reproduced in that report.

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

This body continues to make some purchases of the 1932 crop; it is now exporting below cost the wheat purchased, the loss being offset by the proceeds of the tax on the home consumption of bread.

On May 31st, 1933, the State owed the Directorate about 100 millions for supplies delivered to it. On that date, the working fund lent to the Directorate by the Agricultural Bank amounted to 142 millions, while the volume of old tax bonds provisionally acquired by that bank amounted

to 45 millions. After several extensions, the validity of those bonds now expires on June 30th, 1933, when the 1932-33 financial year will be finally closed.

II. PUBLIC DEBT.

(a) On May 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 foreign debt service:

	Millions of leva
§ A. 1926 7% and 1928 7½% secured loans	246.2
§ B. Secured loans: 1902 5%, 1904 5%, 1907 4½%	118.5
§ C. Unsecured loans	44.9
§ D. Various loans guaranteed by the State	12.9
	422.5

(b) On the same date, the investments of these available assets in Treasury bills amounted to the figures given below:

	Millions of leva	
	Nominal value of the bills	Net debits
§ A.	237.2	235.5
§ B.	118.9	118.1
§ C.	44.3	44.0
	400.4	397.6

(c) As from February 15th, 1933, investments have been made in the form of direct subscriptions instead of by means of the repurchase of bonds from the National Bank. In every case the account has been debited with the nominal value of the bill subscribed, while the interest due, charged at the rate of 6 per cent per annum, was paid into an "interest deposit" account, pending the final settlement of the rate in agreement with the holders of loan bonds. The interest due on renewals at November 15th, 1932, and February 15th, 1933, of the whole of the bonds acquired or subscribed was deposited in the same account, out of which Treasury bills were subscribed to a nominal total of 7.6 millions and the corresponding interest credited to that account.

(d) The agreements whereby the transfers in respect of the Bulgarian foreign public debt service were reduced to 40 per cent expired on March 31st, 1933 (loans issued before 1914), and with the monthly payment of April 15th, 1933 (1926 7% and 1928 7½% loans). Provisional arrangements were made in regard to these two groups of loans, and applied to the foreign public debt service as a whole, for a period to expire on the conclusion of new agreements; these agreements are subject to the findings of a delegation of the Financial Committee, then to the findings of that Committee and of the Council. This provisional regime provides for transfers reduced to 25 per cent of the interest due. As a result of the adoption by the Council of the Financial Committee's report of May 23rd, 1933 (document C.268.M.138.1933.II.A), negotiations with a view to the conclusion of new agreements were recently instituted.

(e) In order to balance its draft budget for 1933-34, the Bulgarian Government considered it necessary to omit from its estimates of expenditure the portion of the foreign debt service which is not at present being transferred. This principle has been consistently applied since the provisional arrangements described above came into operation—that is to say that, since April 1st (pre-war loans) and May 15th, 1933 (1926 7% and 1928 7½% loans), no payment has been made into the "non-transferred service" account. The Public Debt Directorate has offered to pay into this account Treasury bills representing the sums not transferred; this offer has been communicated to the groups of holders concerned.

III. CURRENCY, CREDIT AND ECONOMIC SITUATION.

(a) National Bank of Bulgaria.

During the quarter under review there was a slight seasonal increase of 24 millions in discounts and commercial advances, while there was a fall of 104 millions in bill holdings as compared with the corresponding period of 1932. Short-term advances to the State (Treasury bonds) increased by 100 millions, exceeding by 214 millions the corresponding figure for the preceding year. During that quarter, the currency circulation rose by 321 millions; this was mainly due to large withdrawals of deposits (240 millions) and to the new advances made to the Government. The withdrawals of deposits by the banks amounted to 198 millions. This figure shows that the need for liquid funds was greater than is usual at that time of year.

The total circulation (including divisional coins) increased during the quarter by 367 millions and amounted to 3,587 millions—the highest figure for this period of the year since 1929 (1932: 3,452 millions).

The foreign exchange position also improved slightly, total net reserves amounting to 41 millions on May 15th, as against 23 millions in February. The position is, however, still precarious. The monthly transactions showed a deficit for the first four months of the current year, with the exception of February (see Appendix 3 (e)). During those first four months alone, the Bank furnished 53 millions more for imports than it derived from exports, whereas during the same period of the previous year it had a surplus.

(b) *Foreign Trade.*

The first quarter of the year closed with a large deficit of 182 millions, due chiefly to the heavy fall in exports. There was some improvement in April thanks to a rather unexpected increase in exports of tobacco. The National Bank's policy of restricting imports has recently been more successful, while "compensation" permits have been accorded more liberally, a measure which seems to be stimulating exports (see also Appendix II—Economic Situation—of the Financial Committee's Report to the Council, document C.268.M.138.1933.II.A). The recent negotiations for clearing agreements with Germany, Austria and Belgium have been successful, and the agreements will probably be ratified in the near future. The main idea is to open up, as far as possible, fresh markets for Bulgarian commodities on a basis of reciprocity, while providing Bulgaria with a margin of free foreign exchange for other settlements.

The danger of these agreements, which seem to be the only means left to Bulgaria for marketing her produce, lies in the necessity in which she is often placed of receiving in return goods which she does not much need, or at least goods which are not absolutely necessary. Following upon these changes in "compensation" policy, the percentage of foreign exchange recovered as compared with the volume of exports has fallen considerably (35 per cent) (see Appendix 3 (f)).

(c) *Private Banks.*

Appendix 3 (g) shows the position of the private banks at the end of 1931 and 1932. With reference to the general remarks contained in the note of the Adviser to the National Bank, which is appended to the above-mentioned report of the Committee to the Council under the heading "Credit", attention is drawn to the dangerous situation of a large number of small provincial banks. A third of their bill holdings and investments are the subject of litigation. At the same time, these banks are the most important clients of the National Bank for purposes of rediscount. The liquidation of these investments proceeded very rapidly in 1932, the figure being 414 millions (not counting transfers to contested accounts), although the banks in question were not obliged to resort to this liquidation by corresponding withdrawals of deposits. It is disquieting to note that, especially in the provinces, the most important deflation factor is the legal insecurity of credits held by the banks.

Under a new amendment to the Law on the Protection of Savings Deposits (see our eighteenth report, page 21, and Appendix 3 (h) below), published in the *Official Journal* of May 13th, 1933, the compulsory reserve already devoted by the banks to guaranteeing savings deposits is increased by 5 per cent of the total deposits. This 5 per cent may only be devoted to the repayment of deposits. The amendment creates a new procedure known as "public liquidation", which closely resembles a moratorium. It is employed by the court on the special recommendation of the Bank Board. Apart from the usual bankruptcy procedure, banks in difficulties may now ask for a "preventive composition" or a "public liquidation".

IV. INDUSTRY.

(a) *General.*

During the last few months there has been a decline in the activities of the "Pernik" State coal-mine: February 1932, 128,000 tons; January 1933, 92,000 tons; February 1933, 78,000 tons. This decline has had an immediate effect on railway traffic (see Appendix 4 (b)).

The position of the other industries is satisfactory, particularly textiles, metals, leather, industry and luxury articles. The number of persons employed in these industries has increased by 6 per cent as compared with the corresponding month (March) of 1932.

(b) *Electrical Industry.*

The hydro-electrical power-station (10,000 hp.) at Vatcha (district of Plovdiv) is approaching completion. The construction of this station has taken over ten years and has cost much more than 200 million leva (over 7 million Swiss francs). Work is advancing at the Samakov power-station (6,000 hp.) belonging to the municipality of Sofia, and progress is also being made with the additional 8,000 hp. turbines of the Simeonovo power-station (belonging to the same municipality).

According to the most recent statistics, the total capacity of the electric-power stations in Bulgaria was 97,830 hp. in 1931; these stations number 96. There were 32,000 hp. supplied by water, 52,000 hp. by steam, and the remainder by Diesel engines. About three-fifths of this total capacity belonged to limited companies, the remainder belonging to the State, the municipalities and various types of co-operative society (including the People's Banks, which owned thirteen power-stations, or 3,000 hp.). About three-quarters (76,000 hp.) of the total capacity

were created between 1926 and 1931. The aggregate sum invested in the power-stations, cables and transformation stations is 1,450 million leva (without counting the power-stations under construction). About 1,100 millions of this amount were expended during the period 1926 to 1931.

While the power of the installations increased between 1928 and 1931 by more than 100 per cent, consumption increased by only 26 per cent. In 1931, the existing power-stations were working at only 15 per cent of their capacity. In the largest power-station in the country, at Kurilo, near Sofia, the proportion was scarcely 4.7 per cent; at Pernik (11,000 hp.) it was 8 per cent; at the "Vulcan" station (4,000 hp.) it was 2.8 per cent; at the "Granitoid" station (16,800 hp.) 3 per cent; and at the steam power-station at Vatcha (6,400 hp. at that time, though it will shortly be increased to 16,400 hp.) 18.2 per cent.

These figures show that nearly all the big power-stations in the country are working at a mere fraction of their capacity. The continual construction of new power-stations in such conditions is, to say the least, surprising, as M. Gebhard and M. Treybal, the experts sent to Bulgaria in 1930 by the Council of the League of Nations, remarked in the case of the co-operative concern at Vatcha.

The question is how to operate rationally the existing installations and those under construction. This will be a very serious and practically insoluble problem for the next decade, in view of the low capacity of consumption of the population. The procedure adopted up to the present consists of quoting exorbitant prices for the power supplied. In 1931, the average price was 4 leva per kilowatt-hour, and yet the net income covering risk, insurance, sinking fund, interest and profits was only 11 per cent. The new power-stations under construction will further reduce this rate, while the excessive price of current is hindering an increase in consumption. Furthermore, the consumers are not capable of absorbing, at any price, more than an insignificant fraction of the total power available.

It is therefore absolutely necessary to immobilise some of the existing power-stations during the next few years. This has already been done to some extent in the case of the most important stations.

The Government and the agricultural and co-operative central banks have largely financed these unremunerative undertakings; in the power-station at Vatcha alone they have invested more than 450 million leva. These mistaken investments are partly due to defective legislation, which leads to competition between three different public services for the examination, construction and supervision of the power-stations. It is therefore clear that any new investment of the kind referred to should be avoided and that every effort should be made to increase the use made of the existing installations.

Care should also be taken to avoid imprudent action of another kind. There seems to be a scheme on foot for the extensive electrification of country districts. Under present conditions in Bulgaria, any such attempt is likely to lead to a further failure.

(c) *Legislation.*

A legislative enactment of the kind described in the last report of the Financial Committee as likely "to restrict the free development of the productive forces of the country" has been passed by Parliament—"the Law amending the Law on Assistance to Producers of Attar of Roses" (May 27th, 1933).

This law favours co-operative distilleries unreasonably by exempting them from all fiscal charges and increasing, by means of a special tax, the price of flowers purchased by private distillers. A new fund has been created to cover any losses suffered by the Agricultural Bank, which finances the co-operative distilleries. The Treasury is to supply annual grants to that fund and make good any deficits. Moreover, private distillers are forbidden to sell this season's output before the existing large stocks have been cleared off. The private factories, which are thus in practice forced to remain idle, may be requisitioned by the co-operative associations at a rent fixed by the Agricultural Bank.

This law will in all probability destroy all private initiative in the "Valley of Roses"; at the same time it saddles the Agricultural Bank and the Treasury with fresh responsibilities and exposes them to fresh pecuniary risks; it may even deal a final blow at a branch of the Bulgarian export trade which used to be flourishing and whose decline is not due to the economic crisis alone.

V. CO-OPERATIVE MOVEMENT.

Preliminary data on the situation of the co-operative societies in 1931 have just been published. During the period December 1927 to December 1931, 1,475 new co-operative societies were registered and the number of those carrying on business increased by 739 (3,590 as against 2,851). During the same period, 489 co-operative societies were officially liquidated, while 247 closed down. To judge from these figures, the number officially wound up seems very high—*i.e.*, 4 per cent per annum. However, if we take account of the 247 which have in fact closed down, we get a much larger percentage. The average increase in the number of co-operative societies is 5.7 per cent per annum. In 1931, their members totalled 757,000, representing an increase of 5 per cent.

The balance-sheet of the co-operative societies (statistical accounts excluded) amounted, at the end of 1931, to 10.8 milliards of leva as against 9.2 in 1931, while the capital and own funds were 3.5 milliards as against 3.1 milliards. The net profits totalled 155 millions and the net losses 149 millions. These figures clearly show that the return, even theoretical, on the capital invested in the co-operative societies is practically nil, a fact which was already emphasised in 1931 by the experts, M. Gebhard and M. Treybal. It should be added that the practice of inserting doubtful assets in the balance-sheets seems to be fairly widespread in all kinds of co-operative societies.

The detailed balance-sheets given in Appendix 5 show that the 1,985 agricultural credit co-operative societies financed and controlled by the Agricultural Bank (total 1.8 milliards) may be simply regarded as the channel of credit—and especially State credit—to agriculture, as their loans and advances amount to only 930 million leva, while their debts to the credit establishments amount to 932 millions. Their own deposits (444 millions) are invested in commodities (259) and “various debtors”. The net losses of these co-operative societies (48) exceed their profits (33 millions). Apart from credit operations, they engage directly in trade and industry, which largely explains their losses.

The People’s Banks, which are attached to the Central Co-operative Bank, are in a sounder position, as they rely on deposits and not on State funds. They generally show net profits, and the individual losses seem to be trifling. However, it would be well to know how the assets are estimated in the balance-sheets, which may contain certain irregularities. The average number of members belonging to these banks is 572, as against 81 in the case of the agricultural credit co-operatives.

A characteristic feature in Bulgaria is the building of dwelling-houses on co-operative lines. At the end of 1931, there were 279 co-operative organisations for this purpose, and the number has since considerably increased.

There are a large number of small insurance co-operative societies, which also seem to be in a sound financial position.

A somewhat complex category is that of the producing co-operative societies, which cover the most varied industries, from tobacco concerns to dental establishments in the towns. Two groups should be mentioned. First, there are the tobacco co-operative societies, twenty-four of which were working with a balance-sheet of 478 millions (debts, 401 million leva; net losses, 39 millions, and a capital of 67 millions). These societies are financed by the Agricultural Bank. The second group includes the “hydraulic syndicates”, eleven of which are water-power stations actually in operation (see above, Electrical Industry). Their balance-sheet amounts to 782 millions and their debts to 471. In addition to these two groups, which comprise thirty-five co-operative societies, there are 1,489 producing co-operative societies with a total balance-sheet of 949 millions, or an average of 636,000 leva.

Apart from the agricultural credit co-operative societies, the weakest point in the whole system seems to be the various central organisations, which are more or less dominated by political considerations and have a good deal of influence on the State banks. Since the war, these organisations have been unable to cover their deficits; they lost 181 million leva between 1920 and 1931. During the last two years, their losses amounted to 55 millions. It is amazing that, in such circumstances, they should have been able to increase their capital and reserves from year to year. Their influence on their members must be so great that they have been able to absorb fresh capital derived from primary co-operative societies at a rate more rapid than that of their own losses. It should be added here that the part played by consumers’ co-operative societies, which in other countries are the centre of the co-operative movement, is insignificant in Bulgaria. For years past the number of these societies and their membership have continually fallen. In the towns, they seem to be more or less stable and to be working successfully, although they number only eighty-four; their importance is, it is true, not very great.

It is regrettable that the only result of the enquiry conducted by M. Gebhard and M. Treybal in 1931 was a meeting of the Bulgarian Central Co-operative Board, at which the recommendations of the foreign experts were buried. The position has consequently become much worse, and several of the fears expressed by the experts have been confirmed. The mentality of the members of the Bulgarian co-operative societies is clearly shown by the following statements of the Central Board in connection with the enquiry:

“The co-operative movement is impossible unless it remains independent. That does not mean, however, that the movement has no need of the assistance of the Government and of its credit establishments.”

This last principle has been carried so far that the “independent” co-operatives have simply become agents of the State credit establishments maintained by grants from special taxes imposed on their private competitors (see above, Law on Attar of Roses).

VI. SETTLEMENT OF BULGARIAN REFUGEES.

(a) *Position of the 1926 7% Loan Account.*

(See Appendix 6.)

Balance on April 30th, 1933 = 16,471,847 leva.

(b) *Yield of the Assigned Revenues.*

(In leva.)

Chapter of the budget	Receipts			One-twelfth of the budget estimates for 1932-33
	February	March	April	
15. (Excise duty on alcohol, etc.)	1,332,823	1,738,309	3,428,051	5,250,000
16. (Excise duty on salt, etc.) . .	38,542,552	27,537,001	33,138,304	29,750,000
21. (Sale of matches)	6,705,000	5,851,119	6,327,000	9,333,333
Total	46,580,375	35,126,429	42,893,355	44,333,333

The total receipts for the financial year 1932-33 amounted for these three chapters to 496 million leva, as against 532 millions estimated, and 477 millions for the previous financial year. The service of the loan—not including payments for additional amortisation—absorbed 136 million leva and was thus secured to the extent of 364 per cent.

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

(In leva.)

	February	March	April	Previous payments	Total payments up to April 30th, 1933
Interest	45,313	75,986	54,234	3,144,135	3,319,668
Amortisation and land tax	66,668	60,850	61,553	16,154,995	16,344,066
Total	111,981	136,836	115,787	19,299,130	19,663,734

These repayments (364,604 leva), although higher than those for the preceding quarter, are still much below those for previous quarters. The Public Debt Directorate has, on several occasions, informed the Trustees of the Loan that it believed it would obtain much more substantial refunds from the refugees if it were authorised, in respect of refugees who have abandoned property in Greece, to retain the 1923 6% Internal Bonds given to them as payment for that property, and to devote to the amortisation of the 1926 7% Loan the amount of these bonds as and when they are drawn. The Trustees of the Loan agreed to that request on May 3rd, 1933, subject to the two conditions that:

“ The Bulgarian Government will unconditionally undertake to pay towards the amortisation of the 1926 Loan the equivalent in sterling and dollars of any bonds surrendered by the refugees that are drawn for payment;

“ That, in accordance with the usual custom, an independent witness—such, for example, as the Commissioner of the League of Nations in Sofia—shall be present at each drawing.”

VII. 1928 7½% STABILISATION LOAN.

(a) *Position of the Loan Account.* (See Appendix 7.)

Balance on April 30th, 1933: 9,638,525 leva.

(b) *Yield of Assigned Revenue (Customs) in Leva.*

February	March	April	One-twelfth of the budget estimates for 1932-33
49,856,199	59,228,136	48,400,401	86,250,000

The total Customs receipts therefore amounted for the quarter to 157,484,736 leva, as against 215,693,929 for the preceding quarter, and 256,717,062 for the corresponding quarter of 1932.

This decrease is due to the continued fall in imports.

For the whole of 1932-33, the Customs receipts amounted to 883 million leva, as against an estimated revenue of 1,035 and an actual revenue of 959.6 in 1931-32.

During the financial year, the service of the loan absorbed 270 million leva. The yield of the assigned revenue thus amounted to 327 per cent of the sums needed for the service of the loan.

(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 April 30th, 1933	671,728,753
Amount still available	571,247
Balance to be paid on commitments	9,444,937
Outstanding expenditure	10,016,184

	Leva
Funds held by the Administration	7,409,391
Balance to be obtained from the proceeds of the loan	2,606,793
	10,016,184

2. *Roads and bridges.*

The total assigned to this heading amounted to	182,031,732
Expenditure incurred up to April 30th, 1933	176,000,000
Amount still available	6,031,732
Balance to be paid on commitments	4,733,234
Outstanding expenditure	10,764,966

	Leva
Funds held by the Administration	3,733,234
Balance to be obtained from the proceeds of the loan	7,031,732
	10,764,966

Appendix 1.

(a) ANALYSIS OF THE ANNUAL BUDGETARY ACCOUNTS.

(In millions of leva.)

	1930-31	1931-32	1932-33	1933-34	April-May (13 months)		
					1931-32		1932-33
					Results	Estimates (original and supplementary budget)	Draft budget
REVENUE.							
A. <i>State Budget.</i>							
Direct taxes	602.8	489.5	675	424	468.8	457	376.2
Indirect taxes	1,322.7	1,253.8	1,531	1,323	1,253.8	2,270	1,229.1
Customs duties	853	959.6	1,035	894	959.6		883
Other duties	656	563.2	655.6	804	563.2	552	508.8
Fines and confiscations . .	69.3	57.8	75	58	57.8	57	51.1
Railway annuity	125	103	125	118.6	103	125.3	125.1
Posts, Telegraphs and Tele- phones	283.6	293.7	391	276	293.7	329	267.1
State domains and capital Contributions of communes towards teachers' salaries	388.3	279.6	464.4	346.5	279.6	424	330.2
Miscellaneous revenue . .	435.7	340.4	380	300	340.4	367	294.9
Revenue from closed finan- cial years	477.8	654.7	478	461.3	654.7	450.6	452.4
	365.3	202.5	190	200	202.5	245	203.2
Total	5,579.5	5,197.8	6,000	5,205.4	5,177.1	5,276.9	4,721.1
B. <i>Railways and Harbours.</i>							
	1,160.3	1,238.5	1,393	1,381	1,238.5	1,275	1,120.7
Grand total	6,739.8	6,436.3	7,393	6,586.4	6,415.6	6,551.9	5,841.8
EXPENDITURE.							
A. <i>State Budget:</i>							
Head of State	84.4	64.5	81.1	63.1	64.2	63.6	75.9
Public Debt	2,366.4	2,155.9	2,180.8	1,440	2,057.7	1,368.3	1,813
Audit Office	20.7	22.6	18.3	15.6	21.5	18.2	15.9
Foreign Affairs and Public Worship	132.6	134	99.9	94.5	124.4	90	88.2
Bulgarian Orthodox Church Interior	48.2	46.3	44	43.9	44.5	42.2	38.2
Public Health	271.4	259.8	246.3	243.8	232.1	216.5	207.8
Education	119.4	114.7	150.4	166.1	99	120.8	89.1
Finance	884.3	852.1	890.7	821.6	785	858.9	738.8
Justice	174.8	177.4	191.3	174.9	159.8	161.9	145.2
War	233.3	205.4	210	189.3	188.4	187.9	158
Commerce	1,085.6	1,010.1	1,030.8	959.6	884.4	978	722.2
Agriculture and Domains .	110.8	96.6	105.5	92.8	84.8	93.6	76
Public Works and Compul- sory Labour	327.1	237.4	295.6	293.2	212.6	228.5	195.8
General Directorate of Rail- ways and Harbours . .	358.3	274.9	339	318.4	211.8	283.3	184.9
Posts, Telegraphs and Tele- phones	51	47.3	51.1	50.1	42.1	47.8	35.4
Aviation	215.8	206.7	215.1	202.7	185.6	178.3	166.7
Extraordinary budgets for previous financial years	33.4	29.9	36	35.8	25.3	32.8	22.4
Supplementary war credits	8.7	11.8	—	—	11.8	—	4.8
Expenditure not yet entered	165.4	155.4	—	—	155.4	—	90.3
	158.6	—	—	—	—	—	—
Total	6,850.2	6,102.8	6,185.9	5,205.4	5,590.4	4,970.6	4,868.6
B. <i>Railways and Harbours</i>							
	1,255.7	1,264.1	1,300	1,190	1,039.5	1,159	901.1
Total expenditure paid . .	8,105.9	7,366.9	7,485.9	6,395.4	6,629.9	6,129.6	5,769.7
Expenditure in suspense . .	—	—	—	—	504.2	—	1,146.9
Grand total	8,105.9	7,366.9	7,485.9	6,395.4	7,134.1	6,129.6	6,916.6
Budget deficit	1,366.1	930.6	—	—	718.5	—	1,074.8

Genève, le 13 septembre 1933.

SOCIETE DES NATIONS

Corrigendum
au
VINGT-SEPTIEME RAPPORT DU COMMISSAIRE DE LA SOCIETE
DES NATIONS EN BULGARIE.

Page 15, Tableau (g), Situation des Banques privées.

Les effets escomptés par les 2 grandes banques bulgares en
1932 sont 363,8 au lieu de 346,4 millions de leva;

Les effets escomptés par les 125 petites banques bulgares en
1932 sont 686,7 au lieu de 478,7 millions de leva;

Le total des effets escomptés en 1932 est 1.394,0 au lieu de
1.168,7 millions de leva.

Page 17, Tableau (b), Transports par Chemins de fer.

Le nombre de voyageurs en 1931 était 562.000 et non 816.000.

LEAGUE OF NATIONS

Corrigendum
to the
TWENTY-SEVENTH REPORT OF THE COMMISSIONER OF THE
LEAGUE OF NATIONS IN BULGARIA.

Page 15, Table (g), Position of Private Banks.

Discounted bills for 1932 for the 2 large, and 125 small
Bulgarian banks, and the total

instead of	346.4	are	363.8
" "	478.7	" "	686.7
" "	1,168.7	" "	1,394.0

Page 17, Table (b), Transport by Rail.

Passengers in 1931 were 562,000 and not 816,000.

(b) REVISED MONTHLY ESTIMATES AND RESULTS OF THE LAST THREE MONTHS.
(In millions of leva.)

	1932-33	February			March			April		
	One-twelfth of the budget voted	1931-32	1932-33		1931-32	1932-33		1932	1933	
		Results	Month-ly budget	Results	Results	Month-ly budget	Results	On 1932-33 Results	On 1932-33 Results	On 1933-34 Results
REVENUE.										
A. State Budget:										
Direct taxes	56.3	48.9	48.8	23.7	17.5	11.8	7.3	10.8		
Indirect taxes	213.8	87.9	92	104.6	85.1	98.8	—	93.1		
Customs duties		71	50	94	59.2	92	—	48.4		
Other duties	54.7	44.5	45.2	50.8	43.5	43.7	—	37.2		
Fines and confiscations	6.2	4.7	5.3	4.5	4.5	3.3	—	4.7		
Railway annuity	10.4	0.2	—	—	—	—	—	—		
Posts, Telegraphs and Telephones	32.6	24.5	16.2	22.4	18.5	50.7	—	—		
State Domains and capital	38.7	12.5	14	26.4	10.9	12	—	12.2		
Contributions of communes towards teachers' salaries	31.7	22	12	40	35.6	36	—	—		
Miscellaneous revenue	39.8	20.5	66	16.4	18.6	36.3	—	189.5		
Revenue from closed financial years	15.8	21.3	29.5	14.5	13.6	12.2	—	13.2		
Total	500	358	460	379	397.3	425	307	396.8	7.3	458
B. Budget of Railways and Harbours										
Monthly grand total	116.1	101.7	110	73.6	94.3	105	76.8	81.2	—	87.6
	616.1	459.7	570	452.6	491.6	530	383.8	478	7.3	545.6
EXPENDITURE.										
A. State Budget										
Monthly grand total	499.8	403	415	386.9	436.2	425	291.1	225.4	331.1	332.8
B. Budget of Railways and Harbours										
Monthly grand total	108.3	78	105	61.3	47	105	61.8	—	52.7	—
Total expenditure paid	608.1	481	520	448.2	483.2	530	352.9	225.4	383.8	332.8
Expenditure in suspense (increase or decrease during the month).	—	—6.8	—	+10.3	+71.4	—	+180	—	—376	+373.8
Monthly grand total	608.1	474.2	520	458.5	554.6	530	532.9	225.4	7.8	706.6

(c) DETAILED STATEMENT OF THE RECOVERY OF THE DIRECT TAXES, AS AT APRIL 30TH, 1933, ON THE FINANCIAL YEAR 1932-33.
(In millions of leva.)

TAXES	Amounts assessed (portion payable = 100 per cent)	Amounts recovered	Percentage of the recovery in relation to amounts payable
I. Land tax	200	26.6	13.3
II. Schedular taxes on incomes	210	170.9	81.3
III. Tax on total income	30	15.6	52
IV. Corporation tax	40	26.2	65.5
V. Tax on buildings	25	12.8	51.2
VI. Tax on war profits	0.08	0.04	50
VII. Tax on sheep and goats	60	54.9	91.5
VIII. Tax on exemption from personal service	45	25.9	57.5
IX. Military tax	35	19.2	54.8
X. Tax on successions	30	24.1	80.3
	675	376.2	55.7
Taxes from closed financial years	1,986 ¹	185.7	9.1

¹ Remains to be collected at the beginning of the financial year.

(d) TREASURY SITUATION.

(In millions of leva.)

	First half-year 1932-33	Second half-year 1932-33	April 1933
Balance at the beginning of the half-year or month of the Treasury accounts with the National Bank	0	15.8	91.3
<i>Receipts.</i>			
General budget	2,366.3	2,347.4	7.3 ¹ 458 ²
Railways and Harbours	598.1	522.5	87.6 ²
Extra-budgetary receipts	39.5	14.7	12.3 ¹ 12.6 ²
Profits on seigniorage	100	—	—
Additional issues of Treasury bonds	135.6	216.1 ³	55.2
Withdrawals to be regularised out of the "funds"	28.9	—	—
Total	3,268.4	3,116.5	724.3
<i>Expenditure.</i>			
Withdrawals for account of the preceding financial year	863.2	—	—
General budget	2,114.1	2,423.1	331.1 ¹ 332.8 ²
Railways and Harbours	275.3	573.2	52.7 ¹
Regularisation of the "funds"	—	28.9	—
Balance at the end of the half-year or month of the Treasury accounts with the National Bank	15.8	91.3	7.7
Total	3,268.4	3,116.6	724.3
Balance at the end of the half-year or month of payment orders in suspense (salaries, pay, pensions, supplies, etc.), approximately	1,171.4	1,523	1,521
Approximate net deficit	1,155.6	1,431.7	1,513.3

¹ 1932-33.

² 1933-34.

³ Net after deduction of certain interests.

Appendix 2.

POSITION OF THE PUBLIC DEBT.

A. STATE DEBT.

	At January 31st, 1933	At April 30th, 1933
(In millions of leva)		
<i>Funded debt:</i>		
Internal	5,316	5,330.9
External	16,144	15,942.2
Charges under the Peace Treaty	4,593	4,603.2
<i>Floating debt:</i>		
Internal (Treasury bonds)	878.8	1,000.8
External	—	—
Total	26,931.8	26,877.1

B. DEBT GUARANTEED BY THE STATE.

Internal	2,031	2,045.4
External	1,168.5	1,222
Total	3,199.5	3,267.4

Appendix 3.

CURRENCY, CREDIT AND ECONOMIC SITUATION.

(a) STATEMENTS OF THE NATIONAL BANK OF BULGARIA.

(In millions of leva.)

	May 15th, 1931	May 15th, 1932	February 15th, 1932	May 5th, 1933
<i>Assets.</i>				
Gold, coined or uncoined	1,487	1,513	1,520	1,521
Gold foreign exchange	320	145	45	59
Other foreign exchange	449	152	16	37
Divisional coins	211	517	425	379
Bill-holdings and commercial ad- vances	463	453	325	349
Treasury bonds	184	279	393	493
State Debt	3,064	2,965	2,873	2,873
<i>Liabilities.</i>				
Capital paid up and reserve	1,684	1,690	1,692	1,693
Bank-notes in circulation	3,281	2,728	2,404	2,725
Current and deposit accounts	1,400	1,566	1,681	1,442
including bank deposits	(990)	(1,119)	(1,101)	(903)
Foreign exchange commitments	88	124	38	56
Cover percentage	36.71	35.69	37.36	36.59
Discount rate percentage	8½	8	8	8

(b) FOREIGN TRADE.

(In millions of leva.)

	Imports			Exports			Balance		
	1931	1932	1933	1931	1932	1933	1931	1932	1933
January	297	247	239	390	307	135	+ 93	+ 60	— 104
February	309	258	206	347	284	192	+ 38	+ 26	— 14
March	374	345	253	582	271	189	+ 208	— 74	— 64
April	451	337	211	684	322	363	+ 233	— 15	+ 152
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	
Total for the year	4,660	3,471		5,934	3,383		+ 1,274	— 88	
January-March	1,431	1,187	909	2,003	1,184	879	+ 572	— 3	— 30

(c) FOREIGN TRADE OF BULGARIA WITH THE PRINCIPAL FOREIGN COUNTRIES DURING THE FIRST FOUR MONTHS.

(In millions of leva.)

Countries	Imports		Exports	
	1932	1933	1932	1933
Germany	236.0	338.4	196.8	430.8
Italy	219.1	150.7	176.5	55.9
Austria	56.7	40.2	118.0	94.0
United Kingdom	167.2	68.1	34.7	14.4
France	110.5	44.0	34.1	29.9
Belgium	39.5	24.1	192.5	35.3
Switzerland	57.8	67.8	48.2	41.8
Czechoslovakia	93.4	33.2	26.5	21.9
Holland	37.2	15.4	57.0	21.2
Poland	3.7	4.2	118.4	25.8
United States of America	10.4	19.0	3.9	10.1
Egypt	5.4	2.2	33.5	25.2
Roumania	34.4	23.0	3.5	6.4
Spain	5.8	1.0	3.6	24.3
Turkey	26.4	13.7	21.4	3.0

(d) MOVEMENT OF THE PRINCIPAL EXPORT COMMODITIES DURING THE FIRST FOUR MONTHS OF 1932 AND 1933.

	Weight (thousands of tons)		Value (millions of leva)	
	1932	1933	1932	1933
Wheat and flour	111.3	6.1	297.7	13.6
Maize	69.4	29.2	125.7	46.0
Beans	7.4	4.1	22.4	9.9
Sunflower seeds	12.6	0.06	37.0	0.3
Vetch	5.3	3.8	22.1	11.0
Oil-seed waste	6.3	6.6	2.2	13.3
Tobacco	4.6	10.9	339.2	565.8
Charcoal	1.9	4.0	3.1	5.8
Attar of roses (kg.)	0.146	0.455	6.5	18.8
Cocoons	0.082	0.050	8.1	2.8
Nuts	0.015	0.025	0.6	0.7
Poultry (number)	348,221	357,349	14.5	11.2
Dead poultry	1.05	0.88	41.1	26.4
Cheese	0.13	0.34	5.4	11.2
Eggs	4.7	3.4	135.3	83.3
Raw hides and skins	0.11	0.09	9.6	8.0

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

(In millions of leva.)

	Fourth quarter 1932	First quarter 1933	Jan.	Feb.	March	April
<i>Purchases.</i>						
Exports	630	332	77	124	131	128
Services and tourists	33	31	12	10	9	10
Receipts from investments abroad	7	5	—	3	2	1/2
Other receipts from private persons	44	10	4	3	3	3
State revenue from abroad	11	—	—	—	—	—
Return to the country of capital invested on long term abroad	—	—	—	—	—	—
Imports of foreign capital for long- term investment	27	21	9	4	8	5
Short-term foreign credits	9	18	9	8	1	2
Differences resulting from the re- valuation of assets abroad	12	10	4	3	3	7
Miscellaneous	22	30	2	2	26	8
Deposits withdrawn from the Bul- garian National Bank	13	2	1	—	1	1
Total	808	459	118	157	184	164 1/2
<i>Sales.</i>						
Imports	515	384	140	103	141	129
Services and tourists	43	9	4	2	3	2
Other expenditure of private persons	28	22	6	7	9	8
Interest and other payments on foreign investments in Bulgaria	21	2	1	1	—	2
Payments by the State to foreign countries	151	82	32	22	28	26
Exports of capital	—	—	—	—	—	—
Reimbursement of short-term credits	26	1	—	—	1	1
Reimbursement of long-term credits and foreign capital	35	12	1	6	5	24
Differences resulting from the re- valuation of assets abroad	5	5	2	1	2	2
Miscellaneous	12	16	2	1	13	16
Deposits made with the Bulgarian National Bank	3	1	1	—	—	—
Total	839	537	192	143	202	210

(f) FOREIGN TRADE AND MOVEMENT OF FOREIGN EXCHANGE.

(In millions of leva.)

Period	Imports 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	3,383	2,496	74	3,471	2,026	58
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
1933:						
First quarter	516	332	64	698	384	55
April	363	128	35	211	129	61

(g) POSITION OF THE PRIVATE BANKS IN BULGARIA AS AT DECEMBER 31ST, 1931 AND 1932.

(In millions of leva.)

	4 foreign banks		2 large Bulgarian banks		125 small Bulgarian banks		Total	
	1931	1932	1931	1932	1931	1932	1931	1932
<i>Assets.</i>								
Cash and National Bank	381.7	439.6	239.7	213.1	89.4	73.2	710.9	725.8
Other banks	142.5	80.8	293.1	9.3	146.6	115.0	582.2	204.2
Discounted bills	458.1	343.5	417.9	346.4	916.3	478.7	1,792.3	1,168.7
Advances	1,405.7	1,114.1	519.9	458.1	607.5	472.1	2,533.0	2,044.3
Securities held	259.1	249.7	54.7	36.6	95.9	89.5	409.7	375.8
Investments	52.5	75.3	62.7	59.6	134.8	125.2	250.0	260.2
Premises and furniture	44.8	48.6	68.0	77.8	169.4	171.8	282.2	298.2
Contested accounts and protested bills	43.6	58.5	93.3	130.1	302.1	460.9	439.0	649.6
Miscellaneous	84.6	24.5	23.1	293.2	213.8	324.5	321.5	642.2
Balance	2,872.6	2,433.8	1,772.3	1,641.6	2,676.0	2,518.9	7,320.7	6,594.2
<i>Liabilities.</i>								
Capital	387.0	400.0	199.4	205.8	789.8	754.5	1,376.2	1,360.2
Savings deposits	669.1	566.6	610.4	521.0	608.8	499.4	1,886.3	1,587.0
Trade deposits	1,083.1	1,042.0	480.8	475.1	421.9	358.8	1,985.8	1,876.0
Other creditors	275.4	101.4	98.2	93.3	218.0	212.8	591.6	407.5
Banks	—	—	9.7	4.8	78.9	68.4	88.6	73.2
Rediscounts	64.9	—	30.0	17.5	305.9	252.8	400.8	276.4
Securities held	250.1	249.7	54.8	36.6	95.8	89.2	409.7	375.8
Branches	5	—	179.2	150.0	24.2	15.1	203.9	165.1
Miscellaneous	133.4	74.1	110.0	137.6	134.3	261.5	377.9	473.2
Balance	2,872.6	2,433.8	1,772.3	1,641.6	2,676.0	2,518.9	7,320.7	6,594.2
Percentage of reserve against deposits.	18.8	25.7	20.2	19.6	7.2	6.9	15.9	18.8

(h) ANALYSIS OF THE AMENDMENT TO THE LAW ON THE PROTECTION OF SAVINGS DEPOSITS.

(Official Journal of May 13th, 1933.)

1. Besides the guarantee equivalent to 10 per cent of the savings deposits which was previously blocked at the National Bank, a reserve of 5 per cent of the total amount of the trade deposits and savings deposits must be kept available at the National Bank of Bulgaria, and may only be withdrawn for the payment of deposits and not for new investments, the whole being under the control of the National Bank. Half of the above 10 per cent reserve may be replaced by bills discountable at the National Bank. The same applies to the new 5 per cent reserve, subject to the consent of the Bank Board.

2. The expert accountant provided for in the Law must be approved by the Bank Board.

3. The maximum personal credit accorded to a bank client may not exceed one-tenth of the capital of the Bank.

4. The most important innovation is connected with the liquidation of the banks; provision is now made for a "public liquidation" by decision of the competent court on the application of the Bank Board, such application being accompanied by a statement of the reasons on which it is based. At the same time, the Board submits a list of persons who would act as liquidators. During the public liquidation, no granting of a preferential right, pledge, mortgage, nor any declaration of bankruptcy, executive procedure (with an exception for preferential claims), nor preventive composition is allowed. The liquidators realise the assets and pay the creditors in the proportions approved by the Bank Board.

New commitments incurred by the Bank in the course of public liquidation take precedence of earlier commitments.

If, in the course of public liquidation, it is found that the creditors have been fully paid and that the Bank has sufficient funds to continue its operations, or if the shareholders have been able to procure the necessary new capital, the court may, at the request of the shareholders and after consulting the Bank Board, stop the public liquidation and reinstate the shareholders in their rights.

5. In order to supervise the operations of the banks under the system set up by the present law, and also to supervise liquidations, the Bank Board may appoint inspectors chosen from among the members of the Institute of Sworn Expert Accountants.

Appendix 4.

INDUSTRY.

(a) MOVEMENT OF WORKMEN IN INDUSTRIAL UNDERTAKINGS.

Kind of industry	March 1931	March 1932	March 1933
Coal mines	8,533	9,722	9,461
Metal mines	481	356	24
Hardstone quarries	127	6	288
Salt marshes	122	97	187
Mineral springs	—	—	17
Textile industry	14,037	17,433	18,374
Leather industry	704	827	941
Wood and furniture industry	2,084	2,022	1,764
Metal industry	3,565	3,409	4,728
Brick-making	1,661	1,135	1,084
Chemical industry	1,828	3,225	2,659
Paper industry	1,137	964	875
Food and beverages	4,332	4,180	4,164
Cigarette factories and warehouses	14,009	7,204	9,370
Clothing, boots and shoes, toilet articles	809	931	2,174
Building trade	1,329	3,273	1,557
Electrical industry	1,417	1,153	1,293
Printing	1,153	862	859
Luxury articles	50	—	413
Other undertakings	27	—	—
Total	57,405	56,799	60,232

(b) TRANSPORT BY RAIL.

Monthly averages (January—April)	Passengers (thousands)	Goods (thousands of tons)	Total receipts (millions of leva)
1931	816	279	82
1932	516	311	80
1933	484	223	71

(c) WHOLESALE PRICE INDEX NUMBERS.

(1929 = 100)

Years and months	Articles of home consumption	Articles of export	Articles of import	General index number
1930	84.01	72.83	89.43	80.66
1931	72.04	51.77	75.62	63.71
1932	65.97	45.27	72.87	57.78
April 1932	66.53	46.82	68.96	58.29
January 1933	63.16	41.65	75.37	55.04
February 1933	62.43	43.25	75.59	55.60
March 1933	63.51	40.27	76.17	54.63
April 1933	63.96	38.21	76.43	53.79

(d) ANALYSIS OF THE LAW ON THE PRODUCTION OF ATTAR OF ROSES.

(Official Journal of May 27th, 1933.)

I. *Taxation.* — Every distilling co-operative society financed by the Agricultural Bank or supplied by that Bank with a licence is exempt from payment of all internal taxation, as also of the export tax. The private undertakings pay all the taxes plus a new tax of one leva per kilogramme of flowers (or approximately 20 per cent *ad valorem* on the raw material).

II. *Purchase of Roses by Distillers.* — A compulsory minimum price is fixed by a mixed committee at the beginning of each season, and every person or private establishment intending to purchase roses must obtain a licence from the Agricultural Bank, which is granted against a bank guarantee covering the full value of the purchase. The Agricultural Bank then guarantees to the producer payment of his deliveries of flowers.

III. *Special Conditions granted to Co-operative Societies.* — These conditions do not apply to co-operative distilleries; in the case of the distilleries, the Agricultural Bank itself undertakes to pay the producers the price of the roses and to advance all sums necessary for the working of the concern. All attar of roses produced by co-operative distilleries must be handed over to the Bank, which thus recovers its advances plus any profit made on the sale.

IV. *Fund to Cover Losses.* — The tax of one leva on private distillers is paid into a fund, which also receives annual subsidies from the Treasury, the proceeds from fines imposed on persons who have purchased roses at less than the legal price, and the proceeds of the sale of adulterated and confiscated attar of roses. This fund must cover any losses suffered by the Agricultural Bank when financing the co-operative distilleries. Should the fund be inadequate, the losses of the Bank are covered by the Treasury. The law does not, however, provide that the State may participate in profits.

V. *Requisitioning of Private Distilleries.* — If the existing distilleries are not working or are working at less than 50 per cent of their capacity, they may be compulsorily leased by a co-operative society, and the rent shall be fixed by the Agricultural Bank.

VI. *Temporary Provisions.* — (1) The existing stocks of attar of roses must be registered and the new season's supply may not be sold until all the existing stocks have been disposed of.

(2) The Agricultural Bank purchases all stocks of co-operative societies at a price fixed by the Government.

Appendix 5.

NUMBER, COMPOSITION, ASSETS AND LIABILITIES OF THE CO-OPERATIVE SOCIETIES OPERATING IN 1931.

	Rural economy	People's banks	Housing	Insurance	Production and supply	Power stations	Total
Number functioning on December 31st, 1931	1,526	233	179	847	546	44	3,590
Members (thousands)	160.3	153.5	6.7	177.4	136.2	13.6	756.8
<i>Assets.</i>							
			(Millions of leva.)				
Loans and advances	929.5	1,860.9	"Under liabilities"	260.8	"Under liabilities"	312.3	3,712.5
Materials and commodities	258.4	108.1	—	—	306.0	196.0	978.2
Other debtors, including correspondents	212.6	421.9	253.0	19.8	734.5	364.3	2,148.1
Premises and furniture	204.1	141.1	745.7	77.6	884.9	69.5	1,788.7
Statistics	11.2	1,081.6	13.8	2,004.4	120.5	861.0	4,415.7
Net loss	48.3	0.5	0.7	0.4	0.4	30.9	148.7
Balance	1,875.5	4,430.1	1,019.2	2,565.3	2,199.4	2,053.4	15,246.2
<i>Liabilities.</i>							
Capital and funds	414.8	752.3	738.0	523.0	684.5	147.0	3,482.0
Deposits	447.9	2,066.0	0.3	0.4	57.4	97.6	3,015.9
Debts	932.4	453.6	265.2	18.5	1,300.5	938.4	4,099.2
Net profit	33.1	63.4	0.4	17.7	20.5	6.1	155.0

Appendix 6.

POSITION OF THE SPECIAL ACCOUNT OF THE 1926 7% REFUGEE SETTLEMENT LOAN AS AT APRIL 30TH, 1933.

	£	\$	Leva
Nominal amount	2,400,000	4,500,000	
Net proceeds of amount released			1,530,444,274
Equivalent in leva of half-year's reserve			85,851,875
			1,614,296,149
Of which was given to the Directorate for the Settlement of Refugees			1,597,824,302
Balance available on deposit with the National Bank			16,471,847

Appendix 7.

POSITION OF THE SPECIAL ACCOUNT OF THE 1928 7½% STABILISATION LOAN AS AT APRIL 30TH, 1933.

Net yield of the loan: £1,616,713 13s. od.			
\$11,910,750			
Fr. fr. 116,350,000			
Equivalent in leva			3,365,065,553
Interest payments			5,000,000
			3,370,065,553
Amount utilised up to April 30th, 1933			3,360,427,028
Surplus available on deposit with the National Bank			9,638,525

